

Amy and John made motions and seconds

**NOTICE OF ORGANIZATIONAL MEETING**

No multifamily service plan changes

NOTICE IS HEREBY GIVEN that the Boards of Directors of **Ledge Rock Center Residential Metropolitan District Nos. 1-2**, Town of Johnstown, Weld County, Colorado, will hold an organizational meeting at 9:00 a.m. or as soon thereafter as possible, on December 14, 2021 at <https://spencerfane.webex.com/spencerfane/j.php?MTID=mdae7af076df3b890631ea628f0be218b>, for the purpose of addressing those matters in the agenda set out below and conducting such other business as may properly come before the Board. The meeting is open to the public.

President - Amy

Secretary/Treasurer - John

VP/Ass Sec/Ass Treasurer - Everyone else

**BY ORDER OF THE BOARDS OF DIRECTORS:****LEDGE ROCK CENTER****RESIDENTIAL METROPOLITAN DISTRICT NOS. 1-2**

By: /s/ David S. O'Leary, General Counsel to the District

**AGENDA**

1. Call to Order
2. Attendance/Declaration of Quorum/Affidavits of Qualification/Oaths of Office and Bonds
3. Disclosure of Potential Conflicts of Interest
4. Consider Approval of Agenda
5. Discussion of Amendment to Service Plan, District Organization, District Powers, Election Results
6. Election of Officers/Duties of Board, President, Secretary, Treasurer
7. Adoption of Seal
8. Ratification of Past Actions
9. Consider Engagement of Manager, Accountant, Engineer, Attorney, and Other Consultants
10. Adopt Annual Administrative Matters Resolution:
  - a. Regular/Special Meetings
  - b. Official Designated Posting Place
  - c. Office Location and Contact Person
  - d. Meeting Location(s)
11. Meeting Location Resolution
12. Discuss Creation of District Website and Consider Approval of Resolution re: Online Notice
13. Consider Resolution Calling Regular 2022 Election
14. Consider Approval of Payment of Organizational Costs
15. Special District Map Disclosure pursuant to C.R.S. § 32-1-104.8
16. Special District Disclosure re: Common Questions
17. Workers Compensation for Board Members
18. Governmental Immunity and Indemnification Resolution
19. Adoption of Colorado Open Records Act Resolution
20. Insurance: Ratification of Public Official Position Schedule Bonds and Discuss Membership in CSD Pool
21. Membership in Special District Association
22. Selection of Bank, Designation of Official Custodian, PDPA Application
23. Federal Employer Identification Number, Sales Tax Exemption Number
24. Notification to Assessor of New District and Intent to Levy Taxes
25. Adoption of 2021 budgets (as necessary)
  - a. Discuss hearing on the proposed budgets for the fiscal year 2021
  - b. Discuss the proposed 2021 budgets and appropriation of funds
26. Adoption of 2022 budgets
  - a. Discuss hearing on the proposed budgets for the fiscal year 2022
  - b. Discuss the proposed 2022 budgets and appropriation of funds
27. Consider Approval of Consumer Data Policy Resolution
28. Consider Approval of Developer Funding and Reimbursement Agreement for Operations & Maintenance Costs
29. Consider Approval of Developer Advance and Reimbursement Agreement for Capital Costs
30. Consider Approval of Improvement Acquisition Agreement
31. Consider Approval of Reimbursement Resolution
32. Consider Approval of Intergovernmental Agreement(s): Town IGA and other Agreements
33. Consider Approval of District Bylaws
34. Other Business
  - a. Discussion of Development in the District
  - b. Consider issues and Authorizations regarding proposed bond issuance
  - c. Consider Approval and Authorizations to enter into Covenants and Agreements with Residential District Builders and Developer
35. Adjournment

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT AND  
LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NOS. 1-2  
CONCERNING ANNUAL ADMINISTRATIVE MATTERS  
2022**

WHEREAS, the Board of Directors of Ledge Rock Center Commercial Metropolitan District and Ledge Rock Center Residential Metropolitan District Nos. 1-2 (collectively, the “District”) is to perform certain tasks on a recurring basis in the operation of the District;

NOW, THEREFORE, BE IT RESOLVED by Ledge Rock Center Commercial Metropolitan District and Ledge Rock Center Residential Metropolitan District Nos. 1-2 within the Town of Johnstown, Weld County, Colorado, as follows:

1. Contact Person. The Board of Directors of the District (the “Board”) directs the District Manager and/or Legal Counsel to notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of the municipality in which the District is located, if applicable, and the Division of Local Government of the name of the Chair of the Board, the contact person located within the District, if available, telephone number, and business address of the District on or before January 15, as required by Section 32-1-104(2), C.R.S. The Board hereby names the District Manager and/or Legal Counsel as the contact person within the District. The contact person is authorized, under Section 24-10-109(3)(b), C.R.S., to accept notices of claims against the District as the District’s agent and, if any such claim is received, must promptly notify the President of the Board and the attorney for the District of such receipt.

2. Map. The Board directs the District Engineer to prepare an accurate map as specified by the Division of Local Government for filing with the Division, the County Assessor, and the County Clerk and Recorder on or before January 1, as required by Section 32-1-306, C.R.S. If there have been no changes to the boundaries of the District since the filing of an accurate map, Legal Counsel may notify the above-mentioned entities in a letter that no changes have been made to the map.

3. Budget. The Board directs the District Accountant and/or Legal Counsel to submit a proposed budget to the Board by October 15; to schedule a public hearing on the proposed budget; to prepare a final budget, budget resolution and budget message, the certification of mill levies, and any budget amendment(s) needed; to certify the mill levies on or before December 15; and to file the approved budget and amendment(s) with the proper governmental entities in accordance with the Local Government Budget Law of Colorado, Sections 29-1-101 to 29-1-115, C.R.S. If no mill levy is to be certified, such actions may be completed by December 31.

4. Intergovernmental Agreements. If the District receives a written request from the Division of Local Government, the Board directs Legal Counsel to prepare and file within

thirty days of such request, an informational listing of all contracts in effect with other political subdivisions, in compliance with Section 29-1-205, C.R.S.

5. Notice to Electors (Transparency Notice). The Board directs that no more than sixty days prior to and not later than January 15, the District Manager and/or Legal Counsel will prepare and distribute the Notice to Electors pursuant to and in a matter prescribed by Section 32-1-809, C.R.S. The Board further directs that in compliance with Section 32-1-104(2), C.R.S., the Notice will be filed with the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of the municipality in which the District is located, if applicable, and the Division of Local Government and a copy made available for public inspection at the District's business office.

6. Annual Securities Report. If required, the Board directs the District's Accountant to prepare and file the annual public securities report for nonrated public securities issued by the District (if any), with the Department of Local Affairs on or before March 1, in accordance with Sections 11-58-101 to 11-58-107, C.R.S.

7. Audit/Audit Exemption. The Board directs that an audit of the financial statements be prepared and submitted to the Board before June 30 and further directs that the Audit be filed with the State Auditor by July 31, as required by Section 29-1-606, C.R.S. In the event that the timetable will not be met, the auditor and the Accountant are directed to request extensions of time to file the audit as needed. If neither the revenues nor the expenditures for the past year exceed \$100,000, then the Board directs that a short form application for exemption from audit shall be prepared. If either revenues or expenditures are greater than \$100,000 but are less than or equal to \$750,000, then the Board directs that a long form application for exemption from audit shall be prepared. The short form or long form application shall be submitted to the Board and then filed with the State Auditor by March 31, as required by Section 29-1-604, C.R.S.

8. Unclaimed Property. The Board directs Legal Counsel to prepare the Unclaimed Property Act report and forward it to the State Treasurer by November 1 if there is District property presumed abandoned and subject to custody as unclaimed property, in accordance with Section 38-13-110, C.R.S.

9. Public Records. The Board designates the Board Secretary as the official custodian of public records as such term is used in Section 24-72-202, C.R.S., with the functions thereof hereby delegated to Legal Counsel as the custodian as defined in 24-72-202(1.1), C.R.S. The custodian is authorized to develop such procedures as may be reasonably required for the protection and retention of such records. On behalf of the District, the custodian may charge the maximum fees allowed by law for copies, research and retrieval, development of privilege log, and such other services as are authorized by law.

10. CORA Policy. Pursuant to Colorado Open Records Act, Section 24-72-205, C.R.S. ("CORA"), the Board has adopted a policy concerning research and retrieval fees for public records. The Board directs Legal Counsel to update the District's Notice to Electors (Transparency Notice) with the District's CORA policy information as required by the statute.

11. Data Privacy Policy. Pursuant to Sections 24-73-101, *et seq.*, C.R.S., the Board hereby adopts a written policy for the destruction of documents containing personal identifying information, for implementing reasonable security procedures and practices to protect personal identifying information, and for notifying Colorado residents of a security breach or possible security breach.

12. E-mail Policy. Pursuant to Section 24-72-204.5, C.R.S., the Board hereby adopts a written policy that District management may monitor electronic mail communications at any time, with or without cause, and further states that correspondence of any employee in the form of electronic mail may be a public record under the public records law and may be subject to public inspection under Section 24-72-203, C.R.S.

The Board further directs that when and if the District has employees, the following electronic mail policy will be in effect:

A. All employees of the District may have access to the District's electronic mail communications system, which access may include utilization of a District-assigned email address for use in both internal and external email communications.

B. Employees cannot expect a right of privacy in their use of the District's electronic communications system.

C. Employees understand, acknowledge and agree that all communications in the form of electronic mail may be considered a public record pursuant to CORA and may be subject to public inspection pursuant to C.R.S. Section 24-72-203 of CORA.

D. The District reserves the right to monitor an employee's electronic mail communication(s) including, but not limited to, circumstances where the District, in its sole discretion, reasonably believes that such communication(s) may be considered a public record pursuant to C.R.S. § 24-72-203 of CORA.

13. Fair Campaign Practices Act – Gifts and Honoraria. The Board is reminded that in accordance with the Fair Campaign Practices Act, each Board member is required to report to, and in a manner prescribed by, the Secretary of State certain items received in connection with their service, such report to be filed on or before January 15, April 15, July 15, and October 15 of each year, as required by Sections 1-45-109 and 24-6-203, C.R.S. No report needs to be filed unless a director receives \$53 or more in cash or loans, or real or personal property having a value of \$53 or more. Further, the Board is reminded that in accordance with Section 24-6-203, C.R.S., if a Board member receives annual compensation from the District of more than \$2,400, then the Board member is required to file a quarterly report in the prescribed manner with the Secretary of State.

14. Newspaper. The Board designates the *Loveland Reporter Herald* or *The Johnstown Breeze* as the newspaper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in the afore-named newspaper, in accordance with Section 32-1-

103(15), C.R.S. If publication in such newspaper is impossible or impracticable, then any legal newspaper published in the county may be used as an alternative.

15. Director Compensation. The Board of Directors of the District determines that each director shall not receive compensation for services as directors.

16. Director Qualification. Pursuant to Section 32-1-901, C.R.S., the District determines that each present and future member of the Board shall have in the District files, with annual confirmation thereof by the District's custodian of public records, a complete and executed Certificate of Appointment (if the director is appointed), current Oath of Office and applicable Surety Bond, and that copies of each be submitted to the Division of Local Government and the District Court as necessary and as may be requested.

17. Officers. The District has elected, in accordance with Section 32-1-902, C.R.S., the following officers for the District:

<b>Name</b>	<b>Title</b>
Michael Schlup	_____
James Shipton	_____
Amy Carroll	_____
John Schlup	_____
Lucas Schlup	_____

Unless the District acts to elect new officers, or an officer resigns his or her office, such officers shall serve indefinitely.

18. Director Indemnification. The Board of Directors of the District extends the current indemnification resolution to allow the resolution to continue in effect as written. In the event an indemnification resolution is not in effect, then the approval of this administrative matters resolution shall be deemed to authorize indemnification of the directors of the District when acting in good faith within the scope of their duties and in the best interests of the District, to the fullest extent allowed by law.

19. Designated Posting Location for the Posting of Meeting Notices. Pursuant to Sections 24-6-402(2)(c)(I) and 32-1-903, C.R.S., the Board of Directors of the District has adopted a Resolution Concerning Online Notice of Public Meetings, which authorizes the Board to post notices of its public meetings, including specific agenda information, on the following public website: \_\_\_\_\_ no less than twenty-four hours prior to the holding of the meeting. In the event the District is unable to post a notice online in exigent or emergency circumstances, such as a power outage or an interruption in internet service that prevents the public from accessing the notice online, in accordance with Section 24-6-402(2)(c)(III), C.R.S., the Board designates the following location within the District's boundaries as the official designated posting place for the posting of meeting agendas no less than twenty-four hours prior to the meeting: \_\_\_\_\_.

20. Meetings. Consistent with the provisions of Section 32-1-903, C.R.S., as amended by HB21-1278, the District may hold meetings of the Board at a physical location or by telephonic, electronic, or virtual means, or a combination of the foregoing. The meeting notice of all meetings of the Board that are held telephonically, electronically, or by other means not including physical presence shall include the method or procedure, including the conference number or link, by which members of the public can attend the meeting.

The Board has determined to not hold regular meetings at this time. Instead, the Board will call special meetings on an as needed basis for District business. Meetings may be held at a physical location, or by telephonic, electronic, or virtual means, or a combination of the foregoing, in the Board's discretion. In addition, regular and special meeting notices shall be posted as identified above in accordance with Section 24-6-402(2)(c), C.R.S. The Board directs the District Manager and/or Legal Counsel to prepare notices for posting in accordance with Section 32-1-903, C.R.S. Legal Counsel shall revise the notices when the Board intends to make a final determination to issue or refund general obligation indebtedness, to consolidate the District, to dissolve the District, to file a plan for adjustment of debt under federal bankruptcy law, or to enter into a private contract with a director, or not to make a scheduled bond payment.

21. Elections. Becky Johnson of Spencer Fane LLP is hereby appointed as the "Designated Election Official" of the Board for any elections to be held by the District unless another Designated Election Official is appointed by resolution of the Board. In accordance with Section 1-1-111(2), C.R.S., 13.5 of Title 1, C.R.S., or applicable law, the Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official and that the election shall be held and conducted in accordance with the Local Government Election Code, applicable portions of the Uniform Election Code of 1992, as amended and supplemented by Const. Colo. Art. X, Sec 20, the Current Rules and Regulations Governing Election Procedures of the Secretary of State of the State of Colorado, and Title 32, Article 1, Part 8, Colorado Revised Statutes, and other relevant Colorado and federal law. Further, the Board directs the Designated Election Official to notify the Division of Local Government of the results of any election held by the District, including business address, telephone number and the contact person; and to certify the results of any election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of a municipality, in accordance with Sections 1-11-103, 32-1-104(1), and 32-1-1101.5, C.R.S.

22. Elections; Call for Nominations. The Districts were formed on November 15, 2021. For Districts formed after January 1, 2000, the call for nominations required by Section 1-13.5-501 shall be made by:

- (1) Emailing the notice to each active registered elector of the District as specified in the registration list provided by the County Clerk and Recorder as of the date that is one hundred fifty days prior to the date of the regular election; where the active registered elector does not have an e-mail address on file for such purpose with the County Clerk and Recorder as of the date that is not later than one hundred fifty days prior to the date of the regular election, by mailing the notice, at the lowest cost option, to each address at which one or more active registered electors of the District resides as

specified in the registration list provided by the County Clerk and Recorder as of the date that is one hundred fifty days prior to the date of the regular election; and

(2) select only one of the following:

publication.

posting the information on the official website of the District.

provided the District has fewer than one thousand eligible electors and is wholly located within a county the population of which is less than thirty thousand people, posting the notice in at least three public places within the territorial boundaries of the District and, in addition, posting a notice in the office of the Clerk and Recorder of the County in which the District is located; any such notices must remain posted until the day after the call for nominations closes.

23. Independent Mail Ballot Elections. The Board deems it expedient for the convenience of the electors that all regular and special elections of the District shall be conducted as an independent mail ballot election in accordance with Section 1-13.5-1101, C.R.S., unless a polling place election is deemed necessary and expressed in a separate election resolution.

24. Notice of Indebtedness. In accordance with C.R.S. Sections 32-1-1604 and 1101.5(1), the Board directs the District Accountant to issue notice of indebtedness to the Board of County Commissioners and to record such notice with the County Clerk and Recorder within 30 days of incurring or authorizing of any indebtedness.

25. Quinquennial Findings. If requested, the Board directs Legal Counsel to prepare and file with the Board of County Commissioners the quinquennial finding of reasonable diligence, in accordance with Sections 32-1-1101.5(1.5) and (2), C.R.S.

26. Annual Report. If requested or required, the Board directs Legal Counsel to prepare and file the special district annual report, in accordance with Section 32-1-207(3)(c), C.R.S.

The District shall prepare and file (not more than once a year) an annual report for the preceding year on or before August 1 of each year (unless the requirement is waived or otherwise requested by an earlier date by the board of county commissioners or by the governing body of the municipality in which the District is wholly or partially located, commencing in 2023 for the 2022 calendar year, the annual report must be provided by October 1 of each year).

The annual report must be electronically filed with (1) the governing body that approved the District's service plan or, if the jurisdiction has changed due to annexation into a municipality, the current governing body with jurisdiction over the District, (2) the Division of Local Government, (3) the State Auditor, and (4) the County Clerk and Recorder for public inspection, and a copy of the report must be made available by the District on the District's website pursuant to section 32-1-104.5 (3), C.R.S.

The report must include, as applicable for the reporting year, but shall not be limited to:

- (A) boundary changes made;
- (B) intergovernmental agreements entered into or terminated with other governmental entities;
- (C) access information to obtain a copy of rules and regulations adopted by the Board;
- (D) a summary of litigation involving public improvements owned by the District;
- (E) the status of the construction of public improvements by the District;
- (F) a list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality;
- (G) the final assessed valuation of the special district as of December 31 of the reporting year;
- (H) a copy of the current year's budget;
- (I) a copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", Part 6 of Article 1 of Title 29, or the application for exemption from audit, as applicable;
- (J) notice of any uncured defaults existing for more than ninety days under any debt instrument of the District; and
- (K) any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.

27. Disclosure of Potential Conflict of Interest. The Board has determined that Legal Counsel may file general conflict of interest disclosure forms, if any, provided by the directors with the Secretary of State each year, which forms may be updated on an annual basis through information the directors give to Legal Counsel. If a specific conflict arises regarding a certain transaction of the Board, the director is required to notify Legal Counsel at least five days prior to the date of the meeting so that the transactional disclosure form may be filed in a timely manner, in accordance with Sections 32-1-902(3) and 18-8-308, C.R.S. Additionally, at the beginning of every term, Legal Counsel may request that each Board member submit information regarding actual or potential conflicts of interest.

28. Special District Association. If the District is currently a member of the Special District Association ("SDA"), the Board directs its District Accountant or Secretary to pay the annual SDA membership dues in a timely manner.



29. Insurance. The Board directs the District Manager or its staff to at least biannually review all insurance policies and coverage in effect to determine appropriate insurance coverage is maintained.

30. Promissory Notes. The District has no outstanding promissory note(s).

31. Outstanding General Obligation Indebtedness. The District has no outstanding general obligation bonds or multiple fiscal year financial obligations.

32. Continuing Disclosure. District Accountant shall provide continuing disclosure service if and as applicable to the bonds and other financial obligations of the District.

33. Workers' Compensation. Pursuant to Section 8-40-202(1)(a)(I)(B), C.R.S., the elected and appointed officials of the District shall not be deemed to be employees within the meaning of Section 8-40-202(1)(a), C.R.S. Such exclusion shall apply for all policy years until such time as the exclusion may be repealed by the Board of Directors of the District or unless the District Manager and/or Legal Counsel at the direction of the Board acquires coverage.

34. PDPA. Pursuant to the provisions of the Colorado Public Deposit Protection Act, Section 11-10.5-101, et seq., C.R.S., the Board appoints District Treasurer as the official custodian of public deposits.

35. Water or Sewer Rates. The Board directs that any Board action to fix or increase fees, rates, tolls, penalties or charges for domestic water or sanitary sewer service rates will be taken after consideration at a public meeting. Such public meeting will be held at least thirty days after providing notice to the customers receiving the water or sewer services from the District. Notice will be made pursuant to and in a manner prescribed by Section 32-1-1001(2)(a), C.R.S.

36. Worker Without Authorization Certification. In compliance with Section 8-17.5-101 *et seq.*, C.R.S., the Board directs that each existing and prospective service contract entered into by the District must contain specific language regarding the prohibition of the use of workers without authorization to perform work under a public contract for services.

37. Inclusions/Exclusions of Property. The Board directs Legal Counsel to handle all procedures required under the Colorado state statutes regarding the inclusion and exclusion of property into and out of the District's boundaries.

38. Public Disclosure Statement. Pursuant to Section 32-1-104.8, C.R.S., the Board directs Legal Counsel to prepare and record a special district public disclosure document, including a map showing the boundaries of the District, with the County Clerk and Recorder at the same time as any subsequent order or decree approving an inclusion of property into the District.

39. Underground and Aboveground Storage Tanks. If applicable, the Board directs Legal Counsel to register and renew annually all underground and/or aboveground storage tanks with the state inspector of oils.

40. Underground Facility Locating. If applicable, the Board directs Legal Counsel to provide accurate information regarding the boundaries of the District's service area, the type of underground facility(ies) that may be encountered within such service area, and the name, address and telephone number of a person who shall be the designated contact person for the information regarding the District's underground facilities, along with information concerning underground facilities that the District owns or operates which are not located within the designated service area to the Utility Notification Center of Colorado. The Board further authorizes the District to maintain its membership in the notification association as a "Tier 1" member, if applicable.

41. Recording of Conveyances of Real Property to the District. Pursuant to Section 38-35-109.5(2), C.R.S., Legal Counsel is designated as an appropriate official to record conveyances of real property to the District within thirty days of such conveyance.

42. Ratification of Past Actions. The Board members have reviewed the minutes of every meeting of the Board conducted in 2021, and the Board, being fully advised of the premises, hereby ratifies and affirms each and every action of the Board taken in 2021.

43. Emergency Liaison Officer. The Board designates the President of the District, in his/her capacity as elected official for the District, as the Emergency Liaison Officer responsible for facilitating the cooperation and protection of the District in the work of disaster prevention, preparedness, response, and recovery with the Colorado Office of Emergency Management and any local disaster agencies. The Emergency Liaison Officer shall have the authority to designate such agents as (s)he shall determine appropriate to perform any and all acts necessary to facilitate the responsibilities of the Emergency Liaison Officer.

44. Execution of District Documents By Electronic Methods. Where necessary, convenient and permissible by law, the Board authorizes the execution of District documents on behalf of the Board through electronic methods such as DocuSign, electronic PDF, or similar means and in multiple counterparts, all of which shall constitute single, valid documents of the Board as if signed in paper format.

45. Official District Website. If requested or required, the Board directs the District Manager and/or Legal Counsel to establish and maintain an official District website. The District's website URL is: \_\_\_\_\_

Since the District was formed after January 1, 2000, within one year of the date of the order and decree forming the District, or by January 1, 2023 (if the District was formed prior to January 1, 2022) the District shall establish, maintain, and, unless otherwise specified, annually update an official website in a form that is readily accessible to the public that contains the following information:

- (i) the names, terms, and contact information for the current directors of the Board of the District and of the manager of the District, if applicable;
- (ii) the current fiscal year budget of the District and, within thirty days of adoption by the Board of the District, any amendments to the budget;
- (iii) the prior year's audited financial statements of the District, if applicable, or an application for exemption from an audit prepared in accordance with the "Colorado Local Government Audit Law", Part 6 of Article 1 of Title 29, C.R.S., within thirty days of the filing of the application with the State Auditor;
- (iv) the annual report of the District in accordance with section 32-1-207 (3)(c), C.R.S.;
- (v) by January 30 of each year, the date, time, and location of scheduled regular meetings of the District's Board for the current fiscal year;
- (vi) if required by Section 1-13.5-501(1.5), C.R.S., by no later than seventy-five days prior to a regular election for an election at which members of a Board of Directors for the District will be considered, the call for nominations pursuant to Section 1-13.5-501(1);
- (vii) not more than thirty days after an election, certified election results for an election conducted within the current fiscal year;
- (viii) a current map depicting the boundaries of the District as of January 1 of the current fiscal year; and
- (ix) any other information deemed appropriate by the Board of Directors of the District.

46. Dates Herein. All dates set forth in this Resolution shall be in 2022 unless otherwise specified.

47. Automatic Renewal. This Resolution shall be deemed renewed each year until terminated or a new resolution is adopted.

*[Remainder of Page Intentionally Left Blank]*

Adopted and approved this 14th day of December 2021.

LEDGE ROCK CENTER COMMERCIAL  
METROPOLITAN DISTRICT

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

ATTEST:

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

LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 1

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

ATTEST:

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

LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 2

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

ATTEST:

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

**RESOLUTION OF THE BOARDS OF DIRECTORS  
OF LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT AND LEDGE  
ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NOS. 1 - 2  
CONCERNING THE LOCATION OF SPECIAL AND REGULAR MEETINGS  
OF THE BOARDS OF DIRECTORS**

WHEREAS, Ledge Rock Center Commercial Metropolitan District and Ledge Rock Center Residential Metropolitan District Nos. 1-2 (collectively, the "District") were formed pursuant to §31-25-1211 and §32-1-101 *et seq.*, C.R.S., by order of the District Court in and for Weld County, Colorado, and after approval of the Districts' eligible electors at a regular election held for that purpose on November 2, 2021; and

WHEREAS, pursuant to §32-1-903(1), C.R.S., all special and/or regular meetings of the Districts' Board of Directors must be held within the Districts' boundaries, within the boundaries of Larimer County, or in any location not farther than twenty (20) miles from the Districts' boundaries; and

WHEREAS, the above-referenced meeting location requirements may be waived and the meeting location changed pursuant to §§32-1-903(1)(a) and 32-1-903(1)(b), C.R.S.; and

WHEREAS, pursuant to §§32-1-903(1)(a) and 32-1-903(1)(b), C.R.S., the Districts' Boards of Directors desire to meet in a location that does not conform with the requirements of §32-1-903(1), C.R.S., due to the fact that there is no convenient place within the boundaries of the District; and

WHEREAS, this Resolution appears on the agenda of the Districts' meeting, a copy of which is attached hereto as Exhibit A and the contents of which are incorporated herein by reference.

NOW, THEREFORE, the Districts' Boards of Directors hereby RESOLVE as follows:

1. As of the date hereof, all regular meetings of the Districts' Boards of Directors shall be held as follows:

Regular Meetings: at dates and times to be determined.

Meeting Locations: \_\_\_\_\_

Special Meetings: as deemed necessary by the Districts' Boards of Directors, at dates and times to be determined.

Special Meeting Location: \_\_\_\_\_

2. The above dates, time and location shall be re-affirmed annually in an Annual Administrative Matters Resolution.

3. The above dates, time and location shall remain in effect until contrary action is taken by the Districts' Boards of Directors, which action must comply with §32-1-903(1), C.R.S., or §§32-1-903(1)(a) - 32-1-903(1)(b), C.R.S.

ADOPTED AND APPROVED this 14th day of December, 2021.

LEDGE ROCK CENTER COMMERCIAL  
METROPOLITAN DISTRICT

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

ATTEST:

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

LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 1

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

ATTEST:

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

LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 2

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

ATTEST:

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

## EXHIBIT A

### NOTICE OF ORGANIZATIONAL MEETING

NOTICE IS HEREBY GIVEN that the Boards of Directors of **Ledge Rock Center Commercial Metropolitan District and Ledge Rock Center Residential Metropolitan District Nos. 1-2**, Town of Johnstown, Weld County, Colorado, will hold an organizational meeting at 9:00 a.m. or as soon thereafter, on December 14, 2021 at <https://spencerfane.webex.com/spencerfane/j.php?MTID=mdae7af076df3b890631ea628f0be218b>, for the purpose of addressing those matters in the agenda set out below and conducting such other business as may properly come before the Board. The meeting is open to the public.

**BY ORDER OF THE BOARDS OF DIRECTORS:**

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT AND LEDGE ROCK CENTER RESIDENTAL METROPOLITAN DISTRICT NOS. 1-2**

By: /s/ David S. O'Leary, General Counsel to the District

### AGENDA

1. Call to Order
2. Attendance/Declaration of Quorum/Affidavits of Qualification/Oaths of Office and Bonds
3. Disclosure of Potential Conflicts of Interest
4. Consider Approval of Agenda
5. Discussion of Amendment to Service Plan, District Organization, District Powers, Election Results
6. Election of Officers/Duties of Board, President, Secretary, Treasurer
7. Adoption of Seal
8. Ratification of Past Actions
9. Consider Engagement of Manager, Accountant, Engineer, Attorney, and Other Consultants
10. Adopt Annual Administrative Matters Resolution:
  - a. Regular/Special Meetings
  - b. Official Designated Posting Place
  - c. Office Location and Contact Person
  - d. Meeting Location(s)
11. Meeting Location Resolution
12. Discuss Creation of District Website and Consider Approval of Resolution re: Online Notice
13. Consider Resolution Calling Regular 2022 Election
14. Consider Approval of Payment of Organizational Costs
15. Special District Map Disclosure pursuant to C.R.S. § 32-1-104.8
16. Special District Disclosure re: Common Questions
17. Workers Compensation for Board Members
18. Governmental Immunity and Indemnification Resolution
19. Adoption of Colorado Open Records Act Resolution
20. Insurance: Ratification of Public Official Position Schedule Bonds and Discuss Membership in CSD Pool
21. Membership in Special District Association
22. Selection of Bank, Designation of Official Custodian, PDPA Application
23. Federal Employer Identification Number, Sales Tax Exemption Number
24. Notification to Assessor of New District and Intent to Levy Taxes
25. Adoption of 2021 budget (as necessary)
  - a. Discuss hearing on the proposed budget for the fiscal year 2021
  - b. Discuss the proposed 2021 budget and appropriation of funds
26. Adoption of 2022 budget
  - a. Discuss hearing on the proposed budget for the fiscal year 2022
  - b. Discuss the proposed 2022 budget and appropriation of funds
27. Consider Approval of Consumer Data Policy Resolution
28. Consider Approval of Developer Funding and Reimbursement Agreement for Operations & Maintenance Costs
29. Consider Approval of Developer Advance and Reimbursement Agreement for Capital Costs
30. Consider Approval of Improvement Acquisition Agreement
31. Consider Approval of Reimbursement Resolution
32. Consider Approval of Intergovernmental Agreement(s): Town IGA and Master IGA
33. Consider Approval of District Bylaws
34. Other Business
  - a. Discussion of Development in the District
  - b. Consider Approval of District Service Fee Resolution for Operations/Administration Costs
35. Adjournment

**RESOLUTION OF THE BOARDS OF DIRECTORS  
OF LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1  
CONCERNING ONLINE NOTICE OF PUBLIC MEETINGS**

WHEREAS, Ledge Rock Center Residential Metropolitan District No. 1 of the Town of Johnstown, Weld County, Colorado (collectively, the “District”) each are a quasi-municipal corporation and political subdivision of the State of Colorado;

WHEREAS, pursuant to Sections 32-1-1001(1)(h-i) and 31-25-1212(1)(i), C.R.S., the Board of Directors of the District (the “Board”) is responsible for the management, control, and supervision of all business and affairs of the District;

WHEREAS, the Colorado General Assembly recently passed House Bill 19-1087, Concerning online notice of public meetings of a local governmental entity (“Act”), which allows local governmental entities in Colorado to post notices of public meetings on the local government’s website to meet the open meetings law requirement of full and timely notice pursuant to Section 24-6-402(2)(c)(I), C.R.S.;

WHEREAS, the Board desires to have the ability to transition from posting physical notices of its public meetings to posting notices on a District website effective beginning December 14, 2021.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1, OF THE TOWN OF JOHNSTOWN, WELD COUNTY, COLORADO AS FOLLOWS:

1. Pursuant to Section 32-1-903, C.R.S, notice of the time and place designated for all regular and special meetings of the Board shall be posted on the following website:

\_\_\_\_\_.

2. Notices of all regular and special meetings of the Board shall comply with the following requirements:

- a. The notice shall include specific agenda information if available.
- b. The notice shall be posted on the website no less than twenty-four hours prior to the public meeting.
- c. The notice shall be accessible at no charge to the public.
- d. If feasible, the notice shall be searchable by type of meeting, date of meeting, time of meeting, agenda contents, and any other appropriate category.

3. The Board directs that in compliance with Section 24-6-402(2)(c)(III), C.R.S., the address of the website shall be filed with the Division of Local Government office for inclusion in the inventory maintained pursuant to Section 24-32-116, C.R.S.



4. The Board designates the following location within the District's boundaries as the official designated posting place for the posting of meeting agendas no less than twenty-four hours prior to a meeting if the District is unable to post a notice online in exigent or emergency circumstances such as a power outage or an interruption in internet service that prevents the public from accessing the notice online, in accordance with Section 24-6-402(2)(c)(III), C.R.S.: \_\_\_\_\_.

Adopted and approved this 14th day of December, 2021.

LEDGE ROCK CENTER METROPOLITAN  
DISTRICT NO. 1

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

ATTEST:

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

**RESOLUTION OF THE BOARDS OF DIRECTORS  
OF LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2  
CONCERNING ONLINE NOTICE OF PUBLIC MEETINGS**

WHEREAS, Ledge Rock Center Residential Metropolitan District No. 2 of the Town of Johnstown, Weld County, Colorado (collectively, the “District”) each are a quasi-municipal corporation and political subdivision of the State of Colorado;

WHEREAS, pursuant to Sections 32-1-1001(1)(h-i) and 31-25-1212(1)(i), C.R.S., the Board of Directors of the District (the “Board”) is responsible for the management, control, and supervision of all business and affairs of the District;

WHEREAS, the Colorado General Assembly recently passed House Bill 19-1087, Concerning online notice of public meetings of a local governmental entity (“Act”), which allows local governmental entities in Colorado to post notices of public meetings on the local government’s website to meet the open meetings law requirement of full and timely notice pursuant to Section 24-6-402(2)(c)(I), C.R.S.;

WHEREAS, the Board desires to have the ability to transition from posting physical notices of its public meetings to posting notices on a District website effective beginning December 14, 2021.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2, OF THE TOWN OF JOHNSTOWN, WELD COUNTY, COLORADO AS FOLLOWS:

5. Pursuant to Section 32-1-903, C.R.S, notice of the time and place designated for all regular and special meetings of the Board shall be posted on the following website:

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6. Notices of all regular and special meetings of the Board shall comply with the following requirements:

- a. The notice shall include specific agenda information if available.
- b. The notice shall be posted on the website no less than twenty-four hours prior to the public meeting.
- c. The notice shall be accessible at no charge to the public.
- d. If feasible, the notice shall be searchable by type of meeting, date of meeting, time of meeting, agenda contents, and any other appropriate category.

7. The Board directs that in compliance with Section 24-6-402(2)(c)(III), C.R.S., the address of the website shall be filed with the Division of Local Government office for inclusion in the inventory maintained pursuant to Section 24-32-116, C.R.S.

8. The Board designates the following location within the District's boundaries as the official designated posting place for the posting of meeting agendas no less than twenty-four hours prior to a meeting if the District is unable to post a notice online in exigent or emergency circumstances such as a power outage or an interruption in internet service that prevents the public from accessing the notice online, in accordance with Section 24-6-402(2)(c)(III), C.R.S.: \_\_\_\_\_.

Adopted and approved this 14th day of December, 2021.

LEDGE ROCK CENTER METROPOLITAN  
DISTRICT NO. 2

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

ATTEST:

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

**RESOLUTION OF THE  
BOARD OF DIRECTORS OF THE  
LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT AND  
LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NOS. 1-2  
CONCERNING REGULAR ELECTION TO BE HELD MAY 3, 2022**

WHEREAS, Ledge Rock Center Commercial Metropolitan District and Ledge Rock Center Residential Metropolitan District Nos. 1-2 of the Town of Johnstown, Weld County, State of Colorado (the “District”), is a duly organized and existing quasi-municipal corporation and political subdivision of the State of Colorado, existing and operating under and by virtue of the Constitution and laws of the State of Colorado, including but not limited to Parts 1 through 16 of Article 1 of Title 32, C.R.S., as amended (the “Special District Act”); and

WHEREAS, a regular election is to be held on the Tuesday succeeding the first Monday of May in every even-numbered year, for the purpose of electing members to the Board of Directors of Ledge Rock Center Commercial Metropolitan District and Ledge Rock Center Residential Metropolitan District Nos. 1-2 (the “Board”); and

WHEREAS, two (2) three-year terms shall be open at the regular election to be held on May 3, 2022, by the District; and

WHEREAS, accordingly, the Board of Directors of the District has determined to submit to the electors of the District, at the regular biennial local district election to be held on May 3, 2022, the election of directors; and

WHEREAS, a designated election official shall be appointed by the Board of Directors to be responsible for conducting the election.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Ledge Rock Center Commercial Metropolitan District and Ledge Rock Center Residential Metropolitan District Nos. 1-2 of the Town of Johnstown, Weld County, State of Colorado:

1. That a regular election to be conducted by mail ballot be called and held within the District on Tuesday, the 3rd day of May, 2022, at which election the electors shall vote for up to two (2) Directors;

2. That the terms of office for James Shipton and Michel Schlup shall expire following the regular election to be held on the 3rd day of May, 2022, and there are no vacancies on the Board;

3. That Becky Johnson of Spencer Fane LLP is hereby appointed to serve as the Designated Election Official for the conduct of the election. The Designated Election Official is hereby granted the authority to undertake all reasonable actions that are necessary or convenient for the conduct of the election;

4. That the election shall be held and conducted in accordance with the Colorado Local Government Election Code, Article 13.5 of Title 1, C.R.S., as supplemented by Const. Colo. Art. X, Sec. 20, the Uniform Election Code of 1992 as amended, the applicable Current Rules and Regulations Governing Election Procedures of the Secretary of State of the state of Colorado, and Title 32, Article 1, Part 8, Colorado Revised Statutes, C.R.S. 32-1-305.5, and

other relevant Colorado and federal law (collectively, hereafter all such law and rules shall be referred to as the “Relevant Law”);

5. That a nomination for Director to serve for any designated vacancy shall be made by written self-nomination and acceptance form or letter and filed with the Designated Election Official not less than sixty-seven (67) days prior to the date of said election and that an affidavit of intent to be a write-in candidate for Director to serve for any designated vacancy shall be filed with the Designated Election Official not less than sixty-four (64) days prior to the date of said election;

6. That pursuant to the provisions of Section 1-13.5-513, C.R.S., as amended, if the only matter before the eligible electors is the election of persons to office and if, at the close of business on the sixty-third day before the election or any time thereafter, there are not more candidates than offices to be filled at the election, including candidates filing affidavits of intent, the Designated Election Official is authorized and instructed to cancel the election and declare the candidates elected. If the election is canceled, the Board of Directors by delegation to the Designated Election Official herein shall: (a) provide notice by publication of the cancellation of the election; (b) post a copy of the published notice at each polling location within the District, at the office of the Designated Election Official, and at the office of the clerk and recorder for each county in which the District is located; and (c) file a copy of the published notice with the Division of Local Government. The Board of Directors shall notify the candidates that the election was canceled and that they were elected by acclamation. If the election is canceled, the canvass board will not meet, and the Designated Election Official shall note the cancellation on the Certificate of Election and shall indicate which candidates were elected by acclamation;

7. That no person will receive a ballot in this election unless the person is an eligible elector of the District, as defined in Section 32-1-103(5), Colorado Revised Statutes;

8. That the Designated Election Official shall file within 30 days after the election, the results of election, including the business address, the telephone number, and the name of the contact person of the District with the Division of Local Government. (C.R.S. 1-11-103(3), 32-1-104(1))

9. That should any part or provision of this Resolution be adjudged unenforceable or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, it being the intention that the various provisions hereof are severable;

10. That all acts, orders, resolutions, or parts thereof, of the District that are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict;

11. That the provisions of this Resolution shall take effect immediately;

12. That all past actions taken by the District, its Board members individually and collectively, officers, agents, attorneys, and consultants directed toward the lawful conduct of the election were done in the best interests of the District and said actions are hereby ratified and confirmed as if originally taken with full authority.

13. That in the event of a conflict between this Resolution and Relevant Law, the Relevant Law shall control.

ADOPTED AND APPROVED this 14th day of December, 2021.

LEDGE ROCK CENTER COMMERCIAL  
METROPOLITAN DISTRICT

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

ATTEST:

\_\_\_\_\_  
Secretary

LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 1

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

ATTEST:

\_\_\_\_\_  
Secretary

LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 2

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

ATTEST:

\_\_\_\_\_  
Secretary

**SPECIAL DISTRICT PUBLIC DISCLOSURE  
AND MAP OF BOUNDARIES  
PURSUANT TO SECTION 32-1-104.8, C.R.S.**

LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT AND LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NOS. 1-2 (collectively, the “District”), Town of Johnstown, Weld County, Colorado

The Powers of the District as authorized by Section 32-1-1004, C.R.S. and the District’s Service Plan or, as appropriate, the District’s Statement of Purpose as described in Section 32-1-208, C.R.S, current as of the time of the filing:

For and on behalf of the special district, the Board of Directors is authorized certain powers under Section 32-1-1001, C.R.S. and additional powers by Section 32-1-1004, C.R.S. Subject to the limitations in the District’s Service Plan, or, as appropriate, the District’s Statement of Purpose as described in Section 32-1-208, C.R.S, the District has all powers and authorities granted to special districts under the Special District Act, and other applicable statutes, common law and the State Constitution, which may be exercised to provide for the acquisition, construction, completion, operation and maintenance of District services and improvements.

The District’s Service Plan or, as appropriate, the District’s Statement of Purpose as described in Section 32-1-208, C.R.S., can be amended from time to time and includes a description of the District’s powers and authority. A copy of the Service Plan or Statement of Purpose is available from the Division of Local Government in the State Department of Local Affairs.

The District is authorized by Title 32 of the Colorado Revised Statutes to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), Colorado Revised Statutes, which can be found at the District office, on the District’s website, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the Clerk and Recorder of each County in which the special district is located.

A map showing the District’s boundaries is attached to this Notice.

Upon recording return to:

Ledge Rock Center Residential Metropolitan District No. 1  
c/o Spencer Fane LLP  
1700 Lincoln Street, Ste. 2000  
Denver, CO 80203

**GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING  
LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1  
IN WELD COUNTY, COLORADO**

**1. What is a special district and what does it do?**

Colorado special districts are local governments just as municipalities (cities and towns) and counties are considered local governments. Often, municipalities and counties are limited by law and other factors as to the services they may provide. Therefore, special districts are formed to provide necessary public services that the municipality or county cannot otherwise provide. Ledge Rock Center Residential Metropolitan District No. 1 (the “District”) is a separate and distinct entity; the developer, builder, real estate agents, or current homeowner cannot change, make any promises, waivers or commitments to the taxes, operations and maintenance fees, or other fees, tolls or charges of the Districts when they apply, Guidelines/Covenants, for the District.

Pursuant to the provisions of the “Special District Control Act”, Part 2 of Article 1, Title 32, C.R.S., the Town Board of the Town of Johnstown approved the Service Plan for Ledge Rock Center Residential Metropolitan District No. 1 (the “Service Plan”) on September 6, 2021 by Resolution No. 2021-29 and were organized pursuant to Orders of the Weld County District Court following an election on November 2, 2021 at which time a majority of the eligible electors voted in favor of the formation of the Districts, elected members to the initial board of directors and voted in favor of certain tax and debt authorization.

The District is a quasi-municipal governmental entity with the power to impose property taxes and other fees and charges for services within its boundaries. Legal descriptions and a map of the District are attached hereto as Exhibit “A.” The District is governed by an elected board of directors made up of property owners from each district. Pursuant to the Service Plan, the District has the ability to construct and finance major public improvements as well as additional amenities, including, but not limited to park and recreation, landscaping, water, drainage, wastewater and road improvements within its boundaries. The District has authority to own, operate and maintain drainage improvements, any recreation and associated facilities, parks, tract landscaping, detention ponds and trail systems and other public facilities and infrastructure not otherwise dedicated to or accepted by the Town or other applicable public entity, upon appropriate approval of the Town. If the District operates and maintains such facilities, the expense associated with such activity may be paid from the District’s tax revenues and/or fees lawfully imposed by the District.

**2. May the Districts Impose Any Fees Upon Me as a Property Owner?**

Special Districts are governmental entities, and have the power to impose property taxes and to adopt and charge fees, rates, tolls, penalties, or charges for services including but not limited to general



administrative, operations and maintenance services. The District also has the power to adopt and charge monthly fees, rates, tolls, penalties, or charges for services including but not limited to general administrative, operations and maintenance services as authorized by the Town for all residential property within the District's boundaries. The District will consider the amount of any applicable District Service Fee at the time of budget, if necessary, based upon available revenues of the District and the operating and maintenance expenses of providing District facilities and services.

**All District fees and rates may be adopted and/or amended from time to time by the District's board of directors at their discretion, as permitted by law.**

**3. How much property tax will the Districts collect to construct improvements and pay for operations and maintenance?**

The District has the authority to impose property taxes for all of the activities identified in its Service Plan, a copy of which is on file with the Town of Johnstown, Colorado and which is available to prospective purchasers. The District may issue bonds to provide for the costs of capital improvements within its boundaries. Once the bonds are sold, they must be repaid over time with interest. The maximum repayment period for the bonds is twenty (20) years. The annual payment on the bonds is known as "debt service." In order to meet the debt service requirements for the bonds, and to pay operations and maintenance costs associated with the provision of services, the District will impose a mill levy under the Service Plan. The total combined mill levy for both debt service and operations is capped pursuant to the Service Plan at 50 mills with certain adjustments as permitted by the Service Plan; the mill levies may be adjusted upward or downward over time as permitted in the Service Plan as discussed below.

**4. Why are special districts used for financing public infrastructure?**

Many areas in Colorado utilize special districts to finance public improvements. Homeowners often are surprised to find that they have lived for years in water and sanitation districts, or other types of special districts. Since cities and counties typically do not provide for construction or installation of water and wastewater systems, roads, or recreation facilities in new communities, special districts are organized to build these facilities. Special districts and the financial powers they utilize permit early construction of recreation facilities and other amenities for the benefit of the community. Where special districts are established, the costs of public improvements within the community are generally spread over 20 to 30 years and are paid from mill levies which, under current tax laws, may result in federal income tax benefits.

**5. What limitations exist to make sure the Districts do not create unreasonably high mill levies?**

All general obligation bonds anticipated to be issued by the District will be governed by the controls adopted by the Colorado legislature and governing the process by which bonds are issued by special districts. In addition, the organization and operation of the District was overseen by the Town through its approval of the Service Plan. The Service Plan currently has limited the aggregate mill levy cap that may be assessed by the District 50 mills for residential property (as further limited in the Service Plan), subject to adjustment to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation,

or other similar matters and subject to increases as permitted by the Service Plan. The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 50 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

In addition, various voter limitations exist which affect the taxing powers of the District, including maximum annual taxing limitations and expenditure limitations. The TABOR Amendment, Article X, Section 20 of the Colorado Constitution, also provides for various legal limitations which may restrict the taxing and spending authority of the District.

The mill levies expected in the District are reasonable and comparable to other developments served by special districts that provide similar services and amenities. The debt limit and the mill levy cap will remain in place for general obligation limited tax bonds issued by the District. These limits, as well as others existing under Colorado law and various voter approvals, are believed to be adequate to control the tax levels within the District.

Market constraints on property sales by the developer also require that the mill levy within the District be comparable to mill levies in competing development areas in order to further the community as an attractive place for individuals to buy homes. Therefore, in the initial stages of the development, it is in both the District's and the project developer's best interest to maintain a mill levy in the District comparable to the total property taxes in other similar communities so that the property taxes paid for the amenities and services in the District are a good value.

**6. Who bears the risk that the community may not fully develop?**

During the early stages of development, the developer of the project will be providing necessary funding and advancing funds to the District to pay for the public infrastructure construction costs and operational needs. The developer advances will be reimbursed at the time the District is able to issue general obligation, limited tax bonds. Property taxes paid and collected within the District will help pay the costs of all bonds. Therefore, if the actual build-out that occurs is less than what is projected, the individual property owners will not experience an increase in their tax obligations to the District beyond the limits described herein. The limited mill levy will be assessed the same on each home and other taxable property in the District regardless of the number of taxable structures. This results in the risk of development being shared by bondholders and the developer. The property owners also share risk relative to the bonds, but this risk is limited as discussed above.

**7. What will the tax bill look like, and what are the various taxes used for?**

It is anticipated that the tax bill for individual properties will show mill levies for Weld County, the Town of Johnstown, school districts and various other public service providers, including the District. Colorado municipalities certify their mill levies on an annual basis, so the most accurate manner of ascertaining the specific taxing entities and current total and overlapping mill levy on any property is to directly contact the County Treasurer and Assessor. Attached hereto as Exhibit "B" is a general formula for the manner in which residential property in Colorado is assessed.

In summary, it is anticipated that the total mill levy charged to properties within the boundaries of the District will be comparable to those of surrounding, similar communities.

**8. Where can one get additional information regarding the Districts?**

This document is not intended to address all issues associated with special districts generally or with the District specifically. More information may be obtained by contacting the District's Counsel, c/o Spencer Fane LLP, 1700 Lincoln Street, Suite 2000, Denver, CO, 303-839-3800 or the Colorado Department of Local Affairs, (303) 866-2156; or by attending District meetings, which occur normally two times per year, or when posted. Meetings occur at the offices of the Developer, District Counsel, or the District Manager and will be posted and provided on meeting notices and on the District's website. The District is also required to keep minutes and other records that are open for inspection by any citizen, hold elections for the boards of directors, adopt annual budgets, and submit to financial audits.

**LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 1**

Signed: \_\_\_\_\_  
By: \_\_\_\_\_, President

I, \_\_\_\_\_, hereby acknowledge that I have received and read this GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1.

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Buyer	Lot	Address	Date
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Buyer	Lot	Address	Date
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Buyer	Lot	Address	Date
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**EXHIBIT A**

LEGAL DESCRIPTION AND MAP OF THE PROPERTY WITHIN THE  
LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1

**EXHIBIT B**  
**SPECIAL DISTRICT PUBLIC DISCLOSURE**

Pursuant to § 32-1-104.8 C.R.S.

Name of the District:	Ledge Rock Center Residential Metropolitan District No. 1 (“District”)
Contact Information for the District:	Ledge Rock Center Residential Metropolitan District No. 1 c/o Spencer Fane, LLP 1700 Lincoln Street, Suite 2000, Denver, CO 80203
Powers of the District:	<p>All powers authorized in § 32-1-1004, C.R.S., including, but not limited to, mosquito control, parks or recreational facilities or programs, traffic and safety controls, sanitation services, street improvements, and water services, subject to the limitations contained in the District’s Service Plan regarding the exercise of such powers.</p> <p>The District’s Service Plan specifically limits the District’s authority to exercise the following powers without an intergovernmental agreement with the Town of Johnstown: fire protection, ambulance and emergency services, television relay and translator facilities, telecommunication and solid waste collection, and transportation services.</p>
Service Plan:	The District’s Service Plan, which may be amended from time to time, includes a description of the District’s powers and authority. A copy of the District’s Service Plan is available from the District and from the Division of Local Government.
Financial Powers of the District:	The District is authorized by Title 32 of the Colorado Revised Statutes to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections and current taxes are provided annually in the Notice to Electors described § 32-1-809(1), C.R.S., which may be found at the District’s office, on the District’s web site, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the clerk and recorder of each county in which the special district is located.
District Boundaries:	A map of the District’s boundaries is attached hereto as <u>Exhibit A</u> . Please note that the District’s boundaries may change from time to time. Please contact the District for the latest information.

District Taxes and Fees:	<p>The District has authority to impose property taxes for the construction, operation, and maintenance of the improvements identified in the Service Plan. The District has the authority to issue debt and, in order to pay debt and for operations and maintenance costs, the District may impose a Debt Mill Levy and an Operations and Maintenance Mill Levy, and collect property taxes on properties within the District. The District may also establish a one-time Development Fee that may be imposed on a per-square foot basis for commercial property, and may impose other fees and charges. The Service Plan establishes a Maximum Debt Mill Levy, and a maximum Operations and Maintenance Mill Levy. The District has the authority to exceed these mill levy caps as provided in the Service Plan. The District's taxes are in addition to other property taxes imposed and collected by other governments such as the Town of Johnstown, Weld County, and other jurisdictions. Below are samples of potential property taxes of the District, based on assumed mill levies. Actual mill levies and property taxes in any year may be higher or lower.</p>
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**LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT  
NO. 1  
PROPERTY TAX ILLUSTRATION**

The following is a sample calculation of the property taxes that will be imposed by and paid solely to the District. This calculation does not include the property taxes that will be due and owing to other public taxing entities, such as to the Town of Johnstown, the Weld County Reorganized School District RE-5J or the Thompson School District R2-J and the Thompson Rivers Parks and Recreation District.

Sample Calculation of Property Tax for a Residential Property based on the Residential Mill Levy Cap:

**Assumptions:**

Market value of commercial property is \$400,000

Mill levy cap is 50 mills \*

**Calculation:**

$\$400,000 \times .0715 = \$28,600$  (Assessed Valuation)

$\$28,600 \times .050$  mills = **\$1,440 per year in taxes owed solely to the District**

\* Per the Service Plan, the District is entitled to adjust the mill levy cap under certain circumstances, without a corresponding increase in the amount of taxes due and owing. For example, if the assessed valuation ratio for residential property is reduced below .0715, the District is entitled to increase the mill levy to recover the same amount of taxes that would have been paid based on the assessed valuation ratio on the date of approval of the Service Plan.



Upon recording return to:

Ledge Rock Center Residential Metropolitan District No. 2  
c/o Spencer Fane LLP  
1700 Lincoln Street, Ste. 2000  
Denver, CO 80203

**GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING  
LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2  
IN WELD COUNTY, COLORADO**

**1. What is a special district and what does it do?**

Colorado special districts are local governments just as municipalities (cities and towns) and counties are considered local governments. Often, municipalities and counties are limited by law and other factors as to the services they may provide. Therefore, special districts are formed to provide necessary public services that the municipality or county cannot otherwise provide. Ledge Rock Center Residential Metropolitan District No. 2 (the “District”) is a separate and distinct entity; the developer, builder, real estate agents, or current homeowner cannot change, make any promises, waivers or commitments to the taxes, operations and maintenance fees, or other fees, tolls or charges of the Districts when they apply, Guidelines/Covenants, for the District.

Pursuant to the provisions of the “Special District Control Act”, Part 2 of Article 1, Title 32, C.R.S., the Town Board of the Town of Johnstown approved the Service Plan for Ledge Rock Center Residential Metropolitan District No. 2 (the “Service Plan”) on September 6, 2021 by Resolution No. 2021-30 and were organized pursuant to Orders of the Weld County District Court following an election on November 2, 2021 at which time a majority of the eligible electors voted in favor of the formation of the Districts, elected members to the initial board of directors and voted in favor of certain tax and debt authorization.

The District is a quasi-municipal governmental entity with the power to impose property taxes and other fees and charges for services within its boundaries. Legal descriptions and a map of the District are attached hereto as Exhibit “A.” The District is governed by an elected board of directors made up of property owners from each district. Pursuant to the Service Plan, the District has the ability to construct and finance major public improvements as well as additional amenities, including, but not limited to park and recreation, landscaping, water, drainage, wastewater and road improvements within its boundaries. The District has authority to own, operate and maintain drainage improvements, any recreation and associated facilities, parks, tract landscaping, detention ponds and trail systems and other public facilities and infrastructure not otherwise dedicated to or accepted by the Town or other applicable public entity, upon appropriate approval of the Town. If the District operates and maintains such facilities, the expense associated with such activity may be paid from the District’s tax revenues and/or fees lawfully imposed by the District.

**2. May the Districts Impose Any Fees Upon Me as a Property Owner?**

Special Districts are governmental entities, and have the power to impose property taxes and to adopt and charge fees, rates, tolls, penalties, or charges for services including but not limited to general

administrative, operations and maintenance services. The District also has the power to adopt and charge monthly fees, rates, tolls, penalties, or charges for services including but not limited to general administrative, operations and maintenance services as authorized by the Town for all residential property within the District's boundaries. The District will consider the amount of any applicable District Service Fee at the time of budget, if necessary, based upon available revenues of the District and the operating and maintenance expenses of providing District facilities and services.

**All District fees and rates may be adopted and/or amended from time to time by the District's board of directors at their discretion, as permitted by law.**

**3. How much property tax will the Districts collect to construct improvements and pay for operations and maintenance?**

The District has the authority to impose property taxes for all of the activities identified in its Service Plan, a copy of which is on file with the Town of Johnstown, Colorado and which is available to prospective purchasers. The District may issue bonds to provide for the costs of capital improvements within its boundaries. Once the bonds are sold, they must be repaid over time with interest. The maximum repayment period for the bonds is twenty (20) years. The annual payment on the bonds is known as "debt service." In order to meet the debt service requirements for the bonds, and to pay operations and maintenance costs associated with the provision of services, the District will impose a mill levy under the Service Plan. The total combined mill levy for both debt service and operations is capped pursuant to the Service Plan at 50 mills with certain adjustments as permitted by the Service Plan; the mill levies may be adjusted upward or downward over time as permitted in the Service Plan as discussed below.

**4. Why are special districts used for financing public infrastructure?**

Many areas in Colorado utilize special districts to finance public improvements. Homeowners often are surprised to find that they have lived for years in water and sanitation districts, or other types of special districts. Since cities and counties typically do not provide for construction or installation of water and wastewater systems, roads, or recreation facilities in new communities, special districts are organized to build these facilities. Special districts and the financial powers they utilize permit early construction of recreation facilities and other amenities for the benefit of the community. Where special districts are established, the costs of public improvements within the community are generally spread over 20 to 30 years and are paid from mill levies which, under current tax laws, may result in federal income tax benefits.

**5. What limitations exist to make sure the Districts do not create unreasonably high mill levies?**

All general obligation bonds anticipated to be issued by the District will be governed by the controls adopted by the Colorado legislature and governing the process by which bonds are issued by special districts. In addition, the organization and operation of the District was overseen by the Town through its approval of the Service Plan. The Service Plan currently has limited the aggregate mill levy cap that may be assessed by the District 50 mills for residential property (as further limited in the Service Plan), subject to adjustment to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation,

or other similar matters and subject to increases as permitted by the Service Plan. The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a levy of 50 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters.

In addition, various voter limitations exist which affect the taxing powers of the District, including maximum annual taxing limitations and expenditure limitations. The TABOR Amendment, Article X, Section 20 of the Colorado Constitution, also provides for various legal limitations which may restrict the taxing and spending authority of the District.

The mill levies expected in the District are reasonable and comparable to other developments served by special districts that provide similar services and amenities. The debt limit and the mill levy cap will remain in place for general obligation limited tax bonds issued by the District. These limits, as well as others existing under Colorado law and various voter approvals, are believed to be adequate to control the tax levels within the District.

Market constraints on property sales by the developer also require that the mill levy within the District be comparable to mill levies in competing development areas in order to further the community as an attractive place for individuals to buy homes. Therefore, in the initial stages of the development, it is in both the District's and the project developer's best interest to maintain a mill levy in the District comparable to the total property taxes in other similar communities so that the property taxes paid for the amenities and services in the District are a good value.

**6. Who bears the risk that the community may not fully develop?**

During the early stages of development, the developer of the project will be providing necessary funding and advancing funds to the District to pay for the public infrastructure construction costs and operational needs. The developer advances will be reimbursed at the time the District is able to issue general obligation, limited tax bonds. Property taxes paid and collected within the District will help pay the costs of all bonds. Therefore, if the actual build-out that occurs is less than what is projected, the individual property owners will not experience an increase in their tax obligations to the District beyond the limits described herein. The limited mill levy will be assessed the same on each home and other taxable property in the District regardless of the number of taxable structures. This results in the risk of development being shared by bondholders and the developer. The property owners also share risk relative to the bonds, but this risk is limited as discussed above.

**7. What will the tax bill look like, and what are the various taxes used for?**

It is anticipated that the tax bill for individual properties will show mill levies for Weld County, the Town of Johnstown, school districts and various other public service providers, including the District. Colorado municipalities certify their mill levies on an annual basis, so the most accurate manner of ascertaining the specific taxing entities and current total and overlapping mill levy on any property is to directly contact the County Treasurer and Assessor. Attached hereto as Exhibit "B" is a general formula for the manner in which residential property in Colorado is assessed.

In summary, it is anticipated that the total mill levy charged to properties within the boundaries of the District will be comparable to those of surrounding, similar communities.

**8. Where can one get additional information regarding the Districts?**

This document is not intended to address all issues associated with special districts generally or with the District specifically. More information may be obtained by contacting the District's Counsel, c/o Spencer Fane LLP, 1700 Lincoln Street, Suite 2000, Denver, CO 80203, 303-839-3800 or the Colorado Department of Local Affairs, (303) 866-2156; or by attending District meetings, which occur normally two times per year, or when posted. Meetings occur at the offices of the Developer, District Counsel, or the District Manager and will be posted and provided on meeting notices and on the District's website. The District is also required to keep minutes and other records that are open for inspection by any citizen, hold elections for the boards of directors, adopt annual budgets, and submit to financial audits.

**LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 2**

Signed: \_\_\_\_\_  
By: \_\_\_\_\_, President

I, \_\_\_\_\_, hereby acknowledge that I have received and read this GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2.

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Buyer	Lot	Address	Date
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Buyer	Lot	Address	Date
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Buyer	Lot	Address	Date
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**EXHIBIT A**

LEGAL DESCRIPTION AND MAP OF THE PROPERTY WITHIN THE  
LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2

**EXHIBIT B**  
**SPECIAL DISTRICT PUBLIC DISCLOSURE**

Pursuant to § 32-1-104.8 C.R.S.

Name of the District:	Ledge Rock Center Residential Metropolitan District No. 2 (“District”)
Contact Information for the District:	Ledge Rock Center Residential Metropolitan District No. 2 c/o Spencer Fane LLP 1700 Lincoln Street, Suite 2000, Denver, CO 80203
Powers of the District:	<p>All powers authorized in § 32-1-1004, C.R.S., including, but not limited to, mosquito control, parks or recreational facilities or programs, traffic and safety controls, sanitation services, street improvements, and water services, subject to the limitations contained in the District’s Service Plan regarding the exercise of such powers.</p> <p>The District’s Service Plan specifically limits the District’s authority to exercise the following powers without an intergovernmental agreement with the Town of Johnstown: fire protection, ambulance and emergency services, television relay and translator facilities, telecommunication and solid waste collection, and transportation services.</p>
Service Plan:	The District’s Service Plan, which may be amended from time to time, includes a description of the District’s powers and authority. A copy of the District’s Service Plan is available from the District and from the Division of Local Government.
Financial Powers of the District:	The District is authorized by Title 32 of the Colorado Revised Statutes to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections and current taxes are provided annually in the Notice to Electors described § 32-1-809(1), C.R.S., which may be found at the District’s office, on the District’s web site, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the clerk and recorder of each county in which the special district is located.
District Boundaries:	A map of the District’s boundaries is attached hereto as <u>Exhibit A</u> . Please note that the District’s boundaries may change from time to time. Please contact the District for the latest information.

District Taxes and Fees:	<p>The District has authority to impose property taxes for the construction, operation, and maintenance of the improvements identified in the Service Plan. The District has the authority to issue debt and, in order to pay debt and for operations and maintenance costs, the District may impose a Debt Mill Levy and an Operations and Maintenance Mill Levy, and collect property taxes on properties within the District. The District may also establish a one-time Development Fee that may be imposed on a per-square foot basis for commercial property, and may impose other fees and charges. The Service Plan establishes a Maximum Debt Mill Levy, and a maximum Operations and Maintenance Mill Levy. The District has the authority to exceed these mill levy caps as provided in the Service Plan. The District's taxes are in addition to other property taxes imposed and collected by other governments such as the Town of Johnstown, Weld County, and other jurisdictions. Below are samples of potential property taxes of the District, based on assumed mill levies. Actual mill levies and property taxes in any year may be higher or lower.</p>
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**LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT  
NO. 2  
PROPERTY TAX ILLUSTRATION**

The following is a sample calculation of the property taxes that will be imposed by and paid solely to the District. This calculation does not include the property taxes that will be due and owing to other public taxing entities, such as to the Town of Johnstown, the Weld County Reorganized School District RE-5J or the Thompson School District R2-J and the Thompson Rivers Parks and Recreation District.

Sample Calculation of Property Tax for a Residential Property based on the Residential Mill Levy Cap:

**Assumptions:**

Market value of commercial property is \$400,000

Mill levy cap is 50 mills \*

**Calculation:**

$\$400,000 \times .0715 = \$28,600$  (Assessed Valuation)

$\$28,600 \times .050$  mills = **\$1,440 per year in taxes owed solely to the District**

\* Per the Service Plan, the District is entitled to adjust the mill levy cap under certain circumstances, without a corresponding increase in the amount of taxes due and owing. For example, if the assessed valuation ratio for residential property is reduced below .0715, the District is entitled to increase the mill levy to recover the same amount of taxes that would have been paid based on the assessed valuation ratio on the date of approval of the Service Plan.

**RESOLUTION  
OF THE BOARD OF DIRECTORS OF  
LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1  
PROVIDING FOR DIRECTORS' EXCLUSION FROM  
WORKERS COMPENSATION COVERAGE**

WHEREAS, Ledge Rock Center Residential Metropolitan District No. 1 (collectively, the "District") is a quasi-municipal corporation and political subdivision of the state of Colorado; and

WHEREAS, pursuant to Section 8-40-202(1)(a)(I)(B), C.R.S., the District may exclude appointed officials from the definition of "employee" within the meaning of Section 8-40-202(1)(a), C.R.S.; and

WHEREAS, the District has found and does hereby find that it is in the best interests of the District to exclude appointed officials from workers compensation coverage as permitted by such statute.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Ledge Rock Center Residential Metropolitan District No. 1, Town of Johnstown, County of Weld, Colorado, that:

1. Pursuant to Section 8-40-202(1)(a)(I)(B), C.R.S., the appointed officials of Ledge Rock Center Residential Metropolitan District No. 1 shall not be deemed to be an employee within the meaning of Section 8-40-202(1)(a), C.R.S. Such exclusion shall apply for all policy years until such time as the exclusion may be repealed by the Board of Directors of the District.
2. The Secretary of the District shall provide notice to such excluded officials promptly.
3. This Resolution shall be effective immediately.

RESOLVED this 14th day of December, 2021.

LEDGE ROCK RESIDENTIAL  
METROPOLITAN DISTRICT NO. 1

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

**RESOLUTION  
OF THE BOARD OF DIRECTORS OF  
LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2  
PROVIDING FOR DIRECTORS' EXCLUSION FROM  
WORKERS COMPENSATION COVERAGE**

WHEREAS, Ledge Rock Center Residential Metropolitan District No. 2 (collectively, the "District") is a quasi-municipal corporation and political subdivision of the state of Colorado; and

WHEREAS, pursuant to Section 8-40-202(1)(a)(I)(B), C.R.S., the District may exclude appointed officials from the definition of "employee" within the meaning of Section 8-40-202(1)(a), C.R.S.; and

WHEREAS, the District has found and does hereby find that it is in the best interests of the District to exclude appointed officials from workers compensation coverage as permitted by such statute.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Ledge Rock Center Residential Metropolitan District No. 2, Town of Johnstown, County of Weld, Colorado, that:

1. Pursuant to Section 8-40-202(1)(a)(I)(B), C.R.S., the appointed officials of Ledge Rock Center Residential Metropolitan District No. 2 shall not be deemed to be an employee within the meaning of Section 8-40-202(1)(a), C.R.S. Such exclusion shall apply for all policy years until such time as the exclusion may be repealed by the Board of Directors of the District.
2. The Secretary of the District shall provide notice to such excluded officials promptly.
3. This Resolution shall be effective immediately.

RESOLVED this 14th day of December, 2021.

LEDGE ROCK RESIDENTIAL  
METROPOLITAN DISTRICT NO. 2

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

Department of Labor and Employment  
Division of Workers' Compensation  
633 17th St., Suite 400, Denver, CO 80202-3660  
Telephone: 303.318.8744 Fax: 303.318.8739

## EXCLUSION OF UNCOMPENSATED PUBLIC OFFICIALS

Name of Agency: Ledge Rock Residential Metropolitan District No. 1

Federal Employer Identification # (FEIN): \_\_\_\_\_ Business Phone #: (303) 839-3800

Mailing Address: 1700 Lincoln Street, Suite 2000, Denver, Colorado 80203

If Self-Insured Employer, enter the Permit Number: N/A

If not Self-Insured, enter the workers' compensation insurance carrier name and policy number: N/A

Upcoming Policy Period: From: Jan 1, 2021 To: Dec. 31, 2021  
Month / Year Month / Year

List the Governing Body for the Agency, Category of uncompensated officials (i.e. board, commission, etc.) or any combination of categories of such officials that you are opting to exclude from coverage for the upcoming policy year, Names of Officials and Social Security Numbers of Officials (Attach additional pages if needed):

Name of Governing Body: Board of Directors of Ledge Rock Residential Metropolitan District No. 1, Weld County, Colorado

Category	Name of Official	
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

C.R.S. section 8-40-202(1)(a)(I)(B) provides an option to exclude from workers' compensation insurance coverage uncompensated elected or appointed officials. You must promptly notify each official of your exercise of the option to exclude them. This form must be filed with the Division of Workers' Compensation not less than forty-five (45) days before the start of the policy period for which the option is to be exercised. Attach governing body's resolution.

By signing this form, you are certifying that the above-named uncompensated, elected or appointed public officials are designated to be excluded from worker's compensation coverage for the upcoming policy year, pursuant to C.R.S. section 8-40-202(1)(a)(I)(B). You are also certifying that these officials have been notified of this exclusion.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: 12/14/2021 Title: President

**Submit this form with the Governing Body's Resolution to: Division of Workers' Compensation, Coverage Enforcement Unit, 633 17th St., Suite 400, Denver, CO 80202-3660. If insured, please make a copy of this completed form and send it to your insurance carrier. If you have any questions, contact the Division of Workers' Compensation Customer Service Unit at 303.318.8700.**

C.R.S. section 10-1-128(6)(a) states: "It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies."

Department of Labor and Employment  
Division of Workers' Compensation  
633 17th St., Suite 400, Denver, CO 80202-3660  
Telephone: 303.318.8744 Fax: 303.318.8739

## EXCLUSION OF UNCOMPENSATED PUBLIC OFFICIALS

Name of Agency: Ledge Rock Residential Metropolitan District No. 2

Federal Employer Identification # (FEIN): \_\_\_\_\_ Business Phone #: (303) 839-3800

Mailing Address: 1700 Lincoln Street, Suite 2000, Denver, Colorado 80203

If Self-Insured Employer, enter the Permit Number: N/A

If not Self-Insured, enter the workers' compensation insurance carrier name and policy number: N/A

Upcoming Policy Period: From: Jan 1, 2021 To: Dec. 31, 2021  
Month / Year Month / Year

List the Governing Body for the Agency, Category of uncompensated officials (i.e. board, commission, etc.) or any combination of categories of such officials that you are opting to exclude from coverage for the upcoming policy year, Names of Officials and Social Security Numbers of Officials (Attach additional pages if needed):

Name of Governing Body: Board of Directors of Ledge Rock Residential Metropolitan District No. 2, Weld County, Colorado

Category	Name of Official	
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

C.R.S. section 8-40-202(1)(a)(I)(B) provides an option to exclude from workers' compensation insurance coverage uncompensated elected or appointed officials. You must promptly notify each official of your exercise of the option to exclude them. This form must be filed with the Division of Workers' Compensation not less than forty-five (45) days before the start of the policy period for which the option is to be exercised. Attach governing body's resolution.

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Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

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**RESOLUTION OF THE BOARD OF DIRECTORS OF  
LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1**

**PROVIDING FOR THE DEFENSE AND INDEMNIFICATION OF DISTRICT  
PERSONNEL**

WHEREAS, any present or future director, officer, employee, or manager (collectively, "Personnel") of Ledge Rock Center Residential Metropolitan District No. 1 (collectively, "the District") may be subject to legal action arising from acts, errors, or omissions in the scope of their duties and employment; and

WHEREAS, the State of Colorado, through the Governmental Immunity Act, Section 24-10-101 et seq., C.R.S., has adopted a public policy that governmental entities shall defend and indemnify their Personnel against lawsuits arising from acts, errors, or omissions arising during the performance of their duties and within the scope of their employment with the District; and

WHEREAS, past judicial interpretation of the Governmental Immunity Act resulted in immunity for government personnel that differed from the immunity enjoyed by the political subdivision that they served; and

WHEREAS, the Board of Directors of the District ("Board of Directors") wishes to further the public policy of the State of Colorado by ensuring that its Personnel are protected against certain legal actions as set forth herein; and

WHEREAS, the District desires to establish a pre-existing legal relationship and duty whereby the District shall indemnify, defend, and hold harmless its Personnel pursuant to the terms hereof; and

WHEREAS, this duty of care owed by the District to its Personnel is independent of any duty of care owed by a tortfeasor to an injured third party; and

WHEREAS, the Directors on the Board of Directors have revealed their potential conflicts of interest in this matter as required by law; and

WHEREAS, this Resolution has been considered at an open public meeting, where the Board has found and hereby finds that claims for punitive or exemplary damages or for damages for outrageous conduct are often brought against public entities and their Personnel whether such claims have merit or not and that it is in the best public interest, in order to encourage the entry and retention of quality people in the service of the District, for the District to defend, pay, or settle any punitive or exemplary damage claim against its Personnel to the extent allowed by Colorado law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1, THAT:

1. Definitions. The following definitions shall apply to this Resolution:

A. "Acted" means, (1) during the performance of a person's past, present, or future duties for the District and within the scope of their then-current employment with the District, undertaking an act, committing an error, suffering an omission, exceeding authority, or otherwise serving the District, and (2) if such person is or was a District Director or officer, such person's conduct occurred in good faith and in a manner reasonably believed by the person to be in the best interests of the District, or, if such person is or was in a capacity other than as a Director or officer, such person's conduct occurred in good faith and in a manner reasonably believed to be, at a minimum, not opposed to the best interests of the District.

B. "Civil claim," with the exception of claims brought by or in the right of the District, includes all past, present, or future non-criminal personal injury, property damage, and other claims, actions, liabilities, proceedings, administrative proceedings, amounts paid in settlement, costs of appeals, punitive or exemplary damage amounts, interest, attorneys' fees, costs, and:

(1) any civil claim which lies in tort or could lie in tort, including negligence committed by Personnel (whether by their sole or joint negligence) and (to the extent allowed by law) intentional torts committed by Personnel, and further including the defense of claims for which the District or the Personnel enjoy statutory or common law governmental immunity, including but not limited to immunity pursuant to Section 24-10-101 et seq., C.R.S.;

(2) any civil claim based on contract or quasi-contract;

(3) any civil claim based on a breach of a fiduciary duty (including but not limited to a breach of sections 24-75-601 et seq., C.R.S. or 15-1-304, C.R.S.);

(4) any civil claim based on a violation of civil rights guaranteed by the United States or Colorado Constitutions or statutes (including but not limited to 42 U.S.C. § 1983);

(5) any civil claim based on a violation of antitrust laws of the United States or Colorado statutes;

(6) any civil claim based on a violation of the tax laws of the United States or Colorado unless indemnity is precluded by such law;

(7) to the extent allowed by law, and specifically excluding claims brought under Section 16(b) of the Securities Exchange Act of 1934 (insider trading), any civil claim that may arise from federal or state securities laws;

(8) any civil claim based on a violation of Article X, Section 20 of the Constitution of the State of Colorado or statutes enacted pursuant thereto;

(9) any civil claim that may involve application of strict liability;

(10) any civil claim for libel, provided that the Board finds that the statement that forms the basis of the claim is apparently innocent and the indemnitee had no reason to believe that the statement was actually libelous at the time the statement was made;

(11) any civil claim based upon violation of any law related to the protection of the environment, including civil claims arising from the generation, storage, treatment, transport, or disposal of hazardous substances, waste, or other materials;

(12) any civil claim based on the grant or denial of a privilege, permit, license, or property right; and

(13) to the extent allowed by law, any other civil claim.

C. "Criminal Claim," with the exception of claims brought by or in the right of the District, to the extent allowed by law, includes all non-civil claims, actions, liabilities, proceedings, grand jury proceedings, administrative proceedings, amounts paid in settlement, and costs of appeals, provided the Personnel did not know and was not bound to know that the act which formed the basis for the Criminal Claim was unlawful.

D. "Claim" includes any Civil Claim and Criminal Claim.

E. "Director" includes any person currently holding or in the future holding the office of director of the District whether by valid or invalid election, appointment, or by color of office.

F. "Employee" includes any person currently employed or in the future employed by the District.

G. "Officer" includes any person recognized as such by the Board of Directors, be the person paid or not.

H. "Manager" includes any person recognized as such by the Board of Directors, be the person paid or not.

I. "Personnel" includes any present or future director, officer, employee, or manager of the District.

## 2. Right and Duty to Defend and Indemnify.

A. The District shall have the right and duty to defend and indemnify any person serving as Personnel of the District against any Claim, other than a Claim by or in the right of the District, to which such person becomes subject by reason of having Acted.

B. The District will not have the duty to defend or indemnify unless the Personnel to be defended Acted in good faith, and Acted in a manner reasonably believed to be in the best interests of the District, or in respect to conduct in a capacity other than as a Director or



officer, Acted in a manner reasonably believed to be, at a minimum, not opposed to the best interests of the District. Termination of any Claim by judgment, order, or settlement shall not of itself create a presumption that the Personnel had not Acted in good faith in a manner which was reasonably believed in, or not opposed to, the best interests of the District.

C. If a court, or independent legal counsel hired at the expense of the District, determines that conflicts of interest exist whereby it would be improper for the District to pay directly the costs of the Personnel's defense, then the Personnel shall pay his or her own defense costs, subject to possible reimbursement under the provisions of Section 4 hereof.

D. Notwithstanding any other provision of this Resolution to the contrary, indemnification shall not be made in respect to any Claim if the Personnel has been adjudged to be liable for willful and wanton misconduct in the performance of a duty owed to the District. This Section 2.D. applies only to duties owed to the District itself, and does not apply to duties owed to others.

E. Notwithstanding any other provision of this Resolution to the contrary, and subject to the standards set forth in Section 2.B. hereof, indemnification by the District for Criminal Claims shall extend only to the duty to pay the costs of defense of a Criminal Claim including grand jury proceedings. The District shall not indemnify Personnel for the consequences of a criminal act, whether they be monetary or of a personal nature.

F. Notwithstanding any other provision of this Resolution to the contrary, the duty of the District set forth herein to indemnify shall not extend to a Claim if the Personnel involved compromises or settles the Claim without the written consent of the District.

### 3. Procedures for Indemnification.

A. Indemnification shall be made by the District only after a determination by the Board of Directors that the Personnel involved has met the applicable standard of conduct set forth in Section 2.

B. Such determination shall be made by the Board of Directors by a majority vote of a quorum of the Board of Directors, provided such quorum consists solely of disinterested directors. In the event a quorum consisting solely of disinterested directors is not attainable, a majority of the disinterested directors may direct that such determination be made by either: (1) independent legal counsel in a written opinion, or (2) the disinterested directors. A director shall be deemed "disinterested" in a matter if such director has no interest therein other than as a director of the District.

C. The District hereby waives any defense against an action for indemnification based upon the acquiescence of the Personnel involved in the matter forming the basis for indemnification by the District.

4. Indemnification when the District does not Defend. If, and in the event that the District does not defend a Claim, expenses (including attorneys' fees) reasonably incurred by

Personnel in defending the Claim may be paid by the District prior to the final disposition of the Claim if authorized in the manner provided in Section 3 above and if the Personnel: (1) furnishes to the District a statement under oath of his or her good faith belief that he or she has met the standard of conduct described in Section 2 above, and (2) provides to the District a written agreement or note in a form acceptable to the District to repay such amount unless it is ultimately determined that such person is entitled to be indemnified by the District.

5. Rights Not Exclusive. The rights of indemnification provided under this Resolution shall not be deemed exclusive of any other rights or procedures to which those indemnified may be entitled under any law, bylaw, agreement, vote of directors or disinterested directors, or otherwise.

6. Successors. The provisions of this Resolution shall apply to a person who has ceased to be Personnel and shall inure to the benefit of the heirs, executors, personal representatives, and administrators of such persons.

7. Maintenance of Insurance. In the discretion of the Board of Directors, the District may purchase and maintain insurance to fulfill its obligations hereunder.

8. Severability, Intent. In the event any provision of this Resolution shall be deemed invalid because its scope exceeds that which is authorized by or available under the Governmental Immunity Act, other Colorado law, or federal law, then in said event, this Resolution shall not be construed as invalid in its entirety, but shall instead be construed as extending the scope of the indemnification to be made by the District to the greatest extent available under the Governmental Immunity Act, other Colorado law, and federal law.

9. Liberal Construction. This Resolution shall be liberally construed to effectuate its purpose to provide the broadest indemnification by the District to its Personnel as may be allowed by law.

10. Exemplary or Punitive Damages. In accordance with the authority granted to the District by Section 24-10-118(5), C.R.S., the District shall defend and indemnify its Personnel against Claims for exemplary or punitive damages or damages for outrageous conduct to the extent allowed by Colorado law and up to the limitations on judgments provided in Section 24-10-114, C.R.S.

11. No Waiver of Immunity. Nothing herein shall be deemed to waive or abrogate the sovereign immunity of the District or its Personnel as provided in the Governmental Immunity Act. Nothing herein shall be deemed to waive the dollar limitations in Section 24-10-114, C.R.S. or in any other provision of Colorado law.

12. No Waiver of Insurance Coverage. The approval and adoption of this Resolution shall not constitute a waiver by the District of insurance coverage with respect to any liability covered by this Resolution. The Resolution shall be deemed to render the District secondarily liable in the event the District's insurance policies do cover such liability and the conditions of this Resolution are met.

13. No Coverage of Certain Personnel Costs. Except as may be required by the Fair Labor Standards Act or other law, the District shall not be responsible for costs to its Personnel associated with time spent in giving depositions, testifying, or otherwise cooperating in his or her defense.

14. No Third Party Beneficiaries. There are no third party beneficiaries of this Resolution.

15. Budget and Appropriations, Fiscal Matters. The obligations of the District hereunder are subject to the requirements for an annual budget and appropriations as provided by Colorado law. Nothing contained herein shall be deemed to require budget items or appropriations for any particular purpose. This Resolution shall not be deemed or construed as creating a debt or other multiple-year financial obligation whatsoever.

16. Best Interests of the District. The Board of Directors of the District, based upon evidence presented to the Board, has found and hereby finds that this Resolution is in the best interests of the District, furthers the public purpose of encouraging Personnel to enter and provide service to the District, provides indemnification for losses and does not involve additional compensation to Personnel, and advances the management and control of the affairs of the District.

17. Headings. The headings used herein are for convenience only and in no way expand or restrict the provisions hereof.

18. Effective Date. This Resolution shall be effective as of December 14, 2021.

19. Construction. This resolution has been prepared by the District. To the extent allowed by law, ambiguities herein shall be construed against the District and in favor of the party seeking indemnity.

20. Attorneys' Fees and Costs to Enforce the Resolution. In the event that Personnel incur attorneys' fees, costs, or any other reasonable expense arising from claims or actions to enforce this resolution against the District, and such Personnel prevails in such claim or action, then the District shall, in addition to any payment made for indemnity, reimburse the Personnel for its attorneys' fees, costs or any other reasonable expense arising from such claim or action.

21. Arbitration. Any dispute regarding: (i) whether a person is deemed to be "Personnel" as defined herein; (ii) whether Personnel "Acted" as defined herein; (iii) whether a given Civil Claim or Criminal Claim or component thereof is covered under this Resolution to permit or require indemnification by the District; or (iv) any other coverage issue arising under this Resolution, shall be submitted for determination by binding grievance arbitration pursuant to the rules of the American Arbitration Association. The decision of the arbiter may be entered as a judgment in any court in the State of Colorado or elsewhere.

ADOPTED this 14th day of December, 2021.

LEDGE ROCK RESIDENTIAL  
METROPOLITAN DISTRICT NO. 1

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President

ATTEST:

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Secretary

The undersigned, as Personnel of Ledge Rock Center Residential Metropolitan District No. 1, Town of Johnstown, County of Weld, Colorado acknowledge and accept the terms of the RESOLUTION OF THE BOARD OF DIRECTORS OF LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1 (A Resolution Providing for the Defense and Indemnification of District Personnel):

Name	Signature
James Shipton	
Amy Carroll	
John Schlup	
Michel Schlup	
Lucas Schlup	

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2**

**PROVIDING FOR THE DEFENSE AND INDEMNIFICATION OF DISTRICT  
PERSONNEL**

WHEREAS, any present or future director, officer, employee, or manager (collectively, "Personnel") of Ledge Rock Center Residential Metropolitan District No. 2 (collectively, "the District") may be subject to legal action arising from acts, errors, or omissions in the scope of their duties and employment; and

WHEREAS, the State of Colorado, through the Governmental Immunity Act, Section 24-10-101 et seq., C.R.S., has adopted a public policy that governmental entities shall defend and indemnify their Personnel against lawsuits arising from acts, errors, or omissions arising during the performance of their duties and within the scope of their employment with the District; and

WHEREAS, past judicial interpretation of the Governmental Immunity Act resulted in immunity for government personnel that differed from the immunity enjoyed by the political subdivision that they served; and

WHEREAS, the Board of Directors of the District ("Board of Directors") wishes to further the public policy of the State of Colorado by ensuring that its Personnel are protected against certain legal actions as set forth herein; and

WHEREAS, the District desires to establish a pre-existing legal relationship and duty whereby the District shall indemnify, defend, and hold harmless its Personnel pursuant to the terms hereof; and

WHEREAS, this duty of care owed by the District to its Personnel is independent of any duty of care owed by a tortfeasor to an injured third party; and

WHEREAS, the Directors on the Board of Directors have revealed their potential conflicts of interest in this matter as required by law; and

WHEREAS, this Resolution has been considered at an open public meeting, where the Board has found and hereby finds that claims for punitive or exemplary damages or for damages for outrageous conduct are often brought against public entities and their Personnel whether such claims have merit or not and that it is in the best public interest, in order to encourage the entry and retention of quality people in the service of the District, for the District to defend, pay, or settle any punitive or exemplary damage claim against its Personnel to the extent allowed by Colorado law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2, THAT:

1. Definitions. The following definitions shall apply to this Resolution:

A. "Acted" means, (1) during the performance of a person's past, present, or future duties for the District and within the scope of their then-current employment with the District, undertaking an act, committing an error, suffering an omission, exceeding authority, or otherwise serving the District, and (2) if such person is or was a District Director or officer, such person's conduct occurred in good faith and in a manner reasonably believed by the person to be in the best interests of the District, or, if such person is or was in a capacity other than as a Director or officer, such person's conduct occurred in good faith and in a manner reasonably believed to be, at a minimum, not opposed to the best interests of the District.

B. "Civil claim," with the exception of claims brought by or in the right of the District, includes all past, present, or future non-criminal personal injury, property damage, and other claims, actions, liabilities, proceedings, administrative proceedings, amounts paid in settlement, costs of appeals, punitive or exemplary damage amounts, interest, attorneys' fees, costs, and:

(1) any civil claim which lies in tort or could lie in tort, including negligence committed by Personnel (whether by their sole or joint negligence) and (to the extent allowed by law) intentional torts committed by Personnel, and further including the defense of claims for which the District or the Personnel enjoy statutory or common law governmental immunity, including but not limited to immunity pursuant to Section 24-10-101 et seq., C.R.S.;

(2) any civil claim based on contract or quasi-contract;

(3) any civil claim based on a breach of a fiduciary duty (including but not limited to a breach of sections 24-75-601 et seq., C.R.S. or 15-1-304, C.R.S.);

(4) any civil claim based on a violation of civil rights guaranteed by the United States or Colorado Constitutions or statutes (including but not limited to 42 U.S.C. § 1983);

(5) any civil claim based on a violation of antitrust laws of the United States or Colorado statutes;

(6) any civil claim based on a violation of the tax laws of the United States or Colorado unless indemnity is precluded by such law;

(7) to the extent allowed by law, and specifically excluding claims brought under Section 16(b) of the Securities Exchange Act of 1934 (insider trading), any civil claim that may arise from federal or state securities laws;

(8) any civil claim based on a violation of Article X, Section 20 of the Constitution of the State of Colorado or statutes enacted pursuant thereto;

(9) any civil claim that may involve application of strict liability;

(10) any civil claim for libel, provided that the Board finds that the statement that forms the basis of the claim is apparently innocent and the indemnitee had no reason to believe that the statement was actually libelous at the time the statement was made;

(11) any civil claim based upon violation of any law related to the protection of the environment, including civil claims arising from the generation, storage, treatment, transport, or disposal of hazardous substances, waste, or other materials;

(12) any civil claim based on the grant or denial of a privilege, permit, license, or property right; and

(13) to the extent allowed by law, any other civil claim.

C. "Criminal Claim," with the exception of claims brought by or in the right of the District, to the extent allowed by law, includes all non-civil claims, actions, liabilities, proceedings, grand jury proceedings, administrative proceedings, amounts paid in settlement, and costs of appeals, provided the Personnel did not know and was not bound to know that the act which formed the basis for the Criminal Claim was unlawful.

D. "Claim" includes any Civil Claim and Criminal Claim.

E. "Director" includes any person currently holding or in the future holding the office of director of the District whether by valid or invalid election, appointment, or by color of office.

F. "Employee" includes any person currently employed or in the future employed by the District.

G. "Officer" includes any person recognized as such by the Board of Directors, be the person paid or not.

H. "Manager" includes any person recognized as such by the Board of Directors, be the person paid or not.

I. "Personnel" includes any present or future director, officer, employee, or manager of the District.

## 2. Right and Duty to Defend and Indemnify.

A. The District shall have the right and duty to defend and indemnify any person serving as Personnel of the District against any Claim, other than a Claim by or in the right of the District, to which such person becomes subject by reason of having Acted.

B. The District will not have the duty to defend or indemnify unless the Personnel to be defended Acted in good faith, and Acted in a manner reasonably believed to be in the best interests of the District, or in respect to conduct in a capacity other than as a Director or



officer, Acted in a manner reasonably believed to be, at a minimum, not opposed to the best interests of the District. Termination of any Claim by judgment, order, or settlement shall not of itself create a presumption that the Personnel had not Acted in good faith in a manner which was reasonably believed in, or not opposed to, the best interests of the District.

C. If a court, or independent legal counsel hired at the expense of the District, determines that conflicts of interest exist whereby it would be improper for the District to pay directly the costs of the Personnel's defense, then the Personnel shall pay his or her own defense costs, subject to possible reimbursement under the provisions of Section 4 hereof.

D. Notwithstanding any other provision of this Resolution to the contrary, indemnification shall not be made in respect to any Claim if the Personnel has been adjudged to be liable for willful and wanton misconduct in the performance of a duty owed to the District. This Section 2.D. applies only to duties owed to the District itself, and does not apply to duties owed to others.

E. Notwithstanding any other provision of this Resolution to the contrary, and subject to the standards set forth in Section 2.B. hereof, indemnification by the District for Criminal Claims shall extend only to the duty to pay the costs of defense of a Criminal Claim including grand jury proceedings. The District shall not indemnify Personnel for the consequences of a criminal act, whether they be monetary or of a personal nature.

F. Notwithstanding any other provision of this Resolution to the contrary, the duty of the District set forth herein to indemnify shall not extend to a Claim if the Personnel involved compromises or settles the Claim without the written consent of the District.

### 3. Procedures for Indemnification.

A. Indemnification shall be made by the District only after a determination by the Board of Directors that the Personnel involved has met the applicable standard of conduct set forth in Section 2.

B. Such determination shall be made by the Board of Directors by a majority vote of a quorum of the Board of Directors, provided such quorum consists solely of disinterested directors. In the event a quorum consisting solely of disinterested directors is not attainable, a majority of the disinterested directors may direct that such determination be made by either: (1) independent legal counsel in a written opinion, or (2) the disinterested directors. A director shall be deemed "disinterested" in a matter if such director has no interest therein other than as a director of the District.

C. The District hereby waives any defense against an action for indemnification based upon the acquiescence of the Personnel involved in the matter forming the basis for indemnification by the District.

4. Indemnification when the District does not Defend. If, and in the event that the District does not defend a Claim, expenses (including attorneys' fees) reasonably incurred by

Personnel in defending the Claim may be paid by the District prior to the final disposition of the Claim if authorized in the manner provided in Section 3 above and if the Personnel: (1) furnishes to the District a statement under oath of his or her good faith belief that he or she has met the standard of conduct described in Section 2 above, and (2) provides to the District a written agreement or note in a form acceptable to the District to repay such amount unless it is ultimately determined that such person is entitled to be indemnified by the District.

5. Rights Not Exclusive. The rights of indemnification provided under this Resolution shall not be deemed exclusive of any other rights or procedures to which those indemnified may be entitled under any law, bylaw, agreement, vote of directors or disinterested directors, or otherwise.

6. Successors. The provisions of this Resolution shall apply to a person who has ceased to be Personnel and shall inure to the benefit of the heirs, executors, personal representatives, and administrators of such persons.

7. Maintenance of Insurance. In the discretion of the Board of Directors, the District may purchase and maintain insurance to fulfill its obligations hereunder.

8. Severability, Intent. In the event any provision of this Resolution shall be deemed invalid because its scope exceeds that which is authorized by or available under the Governmental Immunity Act, other Colorado law, or federal law, then in said event, this Resolution shall not be construed as invalid in its entirety, but shall instead be construed as extending the scope of the indemnification to be made by the District to the greatest extent available under the Governmental Immunity Act, other Colorado law, and federal law.

9. Liberal Construction. This Resolution shall be liberally construed to effectuate its purpose to provide the broadest indemnification by the District to its Personnel as may be allowed by law.

10. Exemplary or Punitive Damages. In accordance with the authority granted to the District by Section 24-10-118(5), C.R.S., the District shall defend and indemnify its Personnel against Claims for exemplary or punitive damages or damages for outrageous conduct to the extent allowed by Colorado law and up to the limitations on judgments provided in Section 24-10-114, C.R.S.

11. No Waiver of Immunity. Nothing herein shall be deemed to waive or abrogate the sovereign immunity of the District or its Personnel as provided in the Governmental Immunity Act. Nothing herein shall be deemed to waive the dollar limitations in Section 24-10-114, C.R.S. or in any other provision of Colorado law.

12. No Waiver of Insurance Coverage. The approval and adoption of this Resolution shall not constitute a waiver by the District of insurance coverage with respect to any liability covered by this Resolution. The Resolution shall be deemed to render the District secondarily liable in the event the District's insurance policies do cover such liability and the conditions of this Resolution are met.

13. No Coverage of Certain Personnel Costs. Except as may be required by the Fair Labor Standards Act or other law, the District shall not be responsible for costs to its Personnel associated with time spent in giving depositions, testifying, or otherwise cooperating in his or her defense.

14. No Third Party Beneficiaries. There are no third party beneficiaries of this Resolution.

15. Budget and Appropriations, Fiscal Matters. The obligations of the District hereunder are subject to the requirements for an annual budget and appropriations as provided by Colorado law. Nothing contained herein shall be deemed to require budget items or appropriations for any particular purpose. This Resolution shall not be deemed or construed as creating a debt or other multiple-year financial obligation whatsoever.

16. Best Interests of the District. The Board of Directors of the District, based upon evidence presented to the Board, has found and hereby finds that this Resolution is in the best interests of the District, furthers the public purpose of encouraging Personnel to enter and provide service to the District, provides indemnification for losses and does not involve additional compensation to Personnel, and advances the management and control of the affairs of the District.

17. Headings. The headings used herein are for convenience only and in no way expand or restrict the provisions hereof.

18. Effective Date. This Resolution shall be effective as of December 14, 2021.

19. Construction. This resolution has been prepared by the District. To the extent allowed by law, ambiguities herein shall be construed against the District and in favor of the party seeking indemnity.

20. Attorneys' Fees and Costs to Enforce the Resolution. In the event that Personnel incur attorneys' fees, costs, or any other reasonable expense arising from claims or actions to enforce this resolution against the District, and such Personnel prevails in such claim or action, then the District shall, in addition to any payment made for indemnity, reimburse the Personnel for its attorneys' fees, costs or any other reasonable expense arising from such claim or action.

21. Arbitration. Any dispute regarding: (i) whether a person is deemed to be "Personnel" as defined herein; (ii) whether Personnel "Acted" as defined herein; (iii) whether a given Civil Claim or Criminal Claim or component thereof is covered under this Resolution to permit or require indemnification by the District; or (iv) any other coverage issue arising under this Resolution, shall be submitted for determination by binding grievance arbitration pursuant to the rules of the American Arbitration Association. The decision of the arbiter may be entered as a judgment in any court in the State of Colorado or elsewhere.

ADOPTED this 14th day of December, 2021.

LEDGE ROCK RESIDENTIAL  
METROPOLITAN DISTRICT NO. 2

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President

ATTEST:

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Secretary

The undersigned, as Personnel of Ledge Rock Center Residential Metropolitan District No. 2, Town of Johnstown, County of Weld, Colorado acknowledge and accept the terms of the RESOLUTION OF THE BOARD OF DIRECTORS OF LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2 (A Resolution Providing for the Defense and Indemnification of District Personnel):

Name	Signature
James Shipton	
Amy Carroll	
John Schlup	
Michael Schlup	
Lucas Schlup	

**RESOLUTION BY THE BOARD OF DIRECTORS  
OF LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT AND  
LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NOS. 1-2**

**RESOLUTION ADOPTING THE COLORADO SPECIAL DISTRICT RECORDS  
RETENTION SCHEDULE, APPOINTING AN OFFICIAL CUSTODIAN, AND  
ADOPTING POLICIES AND FEE SCHEDULE FOR THE HANDLING OF RECORD  
REQUESTS UNDER THE COLORADO OPEN RECORDS ACT (“CORA”)**

WHEREAS, Ledge Rock Center Commercial Metropolitan District and Ledge Rock Center Residential Metropolitan District Nos. 1-2 of the Town of Johnstown, Weld County, State of Colorado (the “District”) is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to Sections 32-1-1001(1)(h-i), C.R.S., the Board of Directors of the District (the “Board”) is responsible for the management, control and supervision of all business and affairs of the District and has the authority to appoint, hire, and retain agents; and the District is authorized pursuant to C.R.S. § 32-1-1001(1)(j)(I) to fix and from time to time to increase or decrease fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District; and

WHEREAS, the Board recognizes a need for a comprehensive records retention schedule for the District’s non-permanent records and the retention of those records that have long-term administrative, fiscal and historical value; and

WHEREAS, the Board has determined that it is appropriate to designate an official custodian of the District’s records for the purpose of storing, maintaining, and protecting such records in accordance with state statute and to permit their inspection in an orderly and timely fashion; and

WHEREAS, pursuant to C.R.S. § 24-80-101 et seq., the Colorado State Archives has developed a statewide records retention schedule in cooperation with the Special District Association, the Colorado Attorney General’s Office and the State Auditor’s Office for special districts and other governmental entities to use and follow; and

WHEREAS, the Board has determined that it is appropriate to adopt the model special district retention schedule, unless modified by Section 4 below; and

WHEREAS, C.R.S. § 24-72-200.1 et seq., (Colorado Open Records Act or CORA) requires that public documents and records be made available upon request to members of the public unless protected by an exception and allows for public entities such as special districts to charge a reasonable fee for copying such documents and for any extra work that is required to research and retrieve requested documents; and

WHEREAS, the Board has determined that it is appropriate to adopt policies regarding CORA requests for documents and a fee schedule for the copying and retrieval of such documents.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT AND LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NOS. 1-2 OF THE TOWN OF JOHNSTOWN, COUNTY OF WELD, COLORADO AS FOLLOWS:

Section 1. The Board designates the Board Secretary as the Official Custodian of public records as such term is used in C.R.S. § 24-72-202. The Official Custodian is authorized to develop such procedures as may be reasonably required for the protection of such records. On behalf of the District, the Official Custodian may charge the maximum fees allowed by law for the development of a privilege log, copies, a printout or photograph, and such other services as are authorized by law.

The Board hereby sets a charge of \$33.58 per hour for research and retrieval of documents. The first hour of time spent for research and retrieval will be without charge.

Unless otherwise determined by the Board, all such fees and charges shall be increased or decreased for changes in the maximum rates allowed by law.

Section 2. The Official Custodian shall have the authority to designate such persons and/or organizations as it shall determine appropriate to perform any and all acts necessary to the maintenance, care, and keeping of the District's records. This may include, and shall not be limited to, the temporary, off-site storage of such records.

Section 3. The Board hereby adopts the 2008 Colorado Special District Records Retention Schedule ("Schedule") and all subsequent amendment, modification, and revisions.

Section 4. Unless otherwise prescribed by Statute, all District records shall be retained in accordance with the Schedule and the Board authorizes the District Secretary or the Official Custodian to submit a request to the Colorado State Archivist to adopt the Schedule. Approval from the State Archivist is legal authority for the destruction and preservation of District records. This Schedule may be amended from time to time as required by the Official Custodian or by the State Archivist.

Section 5. All District records are public records and shall be available for public inspection, unless prohibited by the exceptions of Part 2 of Title 24, Article 72, C.R.S. Inspection shall be permitted during normal hours, Monday through Friday, except on holidays, at a time set by the official custodian.

Section 6. No person shall be permitted to inspect or copy any records of the District, if, in the opinion of the Official Custodian after consultation with the District's general counsel, such inspection or copying would be prohibited by one or more exceptions set forth in the Colorado Open Records Act.

Section 7. Unless otherwise directed by the Board, by July 1 of every five-year period after July 1, 2021, the Official Custodian shall adjust the maximum hourly fee specified in this Resolution in accordance with the percentage change over the period of the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for Denver-Aurora-Lakewood, All Items, All Urban Consumers, or its successor index as posted by the Director of Research of the Legislative Council on the website of the General Assembly.

Section 8. If any 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's intension the various provisions hereof are severable.

Section 9. All acts, orders, and resolutions or parts thereof of the District's Board which are inconsistent with or in conflict with this Resolution, are hereby repealed to the extent only of such consistency or conflict.

Section 10. The provisions of this Resolution shall take effect as of the date set forth below.

Approved and adopted this 14th day of December, 2021.

LEDGE ROCK CENTER COMMERCIAL  
METROPOLITAN DISTRICT

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

ATTEST:

\_\_\_\_\_  
Secretary

LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 1

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

ATTEST:

\_\_\_\_\_  
Secretary

LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 2

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

ATTEST:

\_\_\_\_\_  
Secretary



PUBLIC DEPOSIT PROTECTION ACT



Application by Official Custodian for Assignment of  
PDPA Number for Public Funds Deposited in Banks

Complete a separate application that identifies an "official custodian" of public funds deposited in a bank for each "public unit," as defined below, or other entity mentioned in Section 11-10.5-103(9)(b), C.R.S. Please refer to the accompanying instructions for information on completing the application. The definition of an official custodian appears in Section 11-10.5-103(9), C.R.S., a copy of which is included with the instructions. As discussed further in the instructions, failure to complete this application, or errors in the completion of this application, may result in the loss of protections otherwise applicable to public funds and/or official custodians.

Please note that this application **does not** apply to funds deposited in a savings and loan institution, credit union, or other exceptions.

After receipt and processing of the completed application, PDPA number(s) will be assigned and the official custodian will be notified of the number(s). **Please allow up to two (2) weeks to receive your number.** Official custodians must notify the banker(s) in writing of the original PDPA number(s). Return the completed application to:

Public Deposit Protection Program  
Colorado Division of Banking  
State of Colorado  
1560 Broadway, Suite 975  
Denver, CO 80202

or Fax to:  
303-894-7570

PLEASE TYPE OR PRINT ALL INFORMATION

A. 

Name of public unit or other entity:	Edge Rock Center Residential Metropolitan District No. 1
Statutory citation under which the public unit or entity was created:	Title 32, C.R.S.

- B. Identify the type of public unit or other entity named in paragraph (A).
1. Is the entity named in Paragraph (A) a public unit that, for the purposes of this application, includes only the State of Colorado, or a county, municipality, or political subdivision (defined below) thereof?

Yes	X	No	
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"The term 'political subdivision' includes drainage, irrigation, navigation, improvement, levee, sanitary, school or power districts, bridge or port authorities, and other special districts created by state statute or compacts between the states. It also includes any subdivision of . . . [the State, county or municipality] or any principal department of . . . [the State, county, or municipality]:

- (1) The creation of which subdivision or department has been expressly authorized by the law of such public unit;
- (2) To which some functions of government have been delegated by such law, and
- (3) Which is empowered to exercise exclusive control over funds for its exclusive use."

If no, move to Paragraph (B)(2).

If yes, check the one category of the following that most specifically describes the type of public unit named and then move to Paragraph (C). If one of the categories is checked below, do not check any categories of Paragraph (B)(2).

a.	State of Colorado		g.	District formed by compact between Colorado and other state(s)	
b.	County		h.	Other "political subdivision" (refer to definition above) of the State of Colorado	
c.	City or town (statutory, home rule, or territorial charter)		i.	"Political subdivision" (refer to definition above of a county)	
d.	City and county (combined)		j.	"Political subdivision" (refer to definition above) of a municipality	X
e.	School district		k.	County housing authority	
f.	Special district created by or pursuant to state statute (not including a special improvement district)		l.	Municipal housing authority	

2. If the entity named is not a public unit, is it an "entity" as described in Section 11-10.5-103(9)(b), C.R.S.? Paragraphs (B)(2)(a) through (f) below list each entity, as described in Section 11-10.5-103(9)(b), C.R.S., that is not a public unit.

Yes		No	
-----	--	----	--

If yes, check the one category below that most specifically describes the type of entity named.

a.	Institution of higher education		d.	Public entity insurance pool organized pursuant to Colorado statute	
b.	Institution, department, agency, instrumentality, or authority of any of the foregoing described in Paragraph (B)(1) or Paragraph (B)(2)(a)  Identify the statute or other legal authority under which such institution, department, agency, instrumentality or authority is organized:		e.	Public body corporate created under Colorado statute or constitution  Identify the statute or constitutional provision under which such public body corporate is organized:	
c.	Local government investment pool organized pursuant to Section 24-75-701, C.R.S., et. seq.		f.	Other entity, organization, or corporation formed by intergovernmental agreement or other contract between or among any of the foregoing described in Paragraph (B)(1) and Paragraph (B)(2)	

If Paragraph (B)(1) and Paragraph (B)(2) were answered no, the official custodian designation does not apply under the PDPA. Do not complete or return this application. If the entity named is a subordinate unit of a public unit named in Paragraph (B)(1), but is not a political subdivision as defined above, identify that public unit: \_\_\_\_\_

**(Insert Name of Public Unit).**

A separate PDPA number will not be issued. Under these circumstances, if an individual is in possession of public funds, the official custodian of the parent public unit should be contacted. The PDPA number of that "official custodian" should be used when depositing funds in a bank.

C. What public funds are in custody?

1. If a public unit was named in Paragraph (A), do you have custody of any public funds of the named public unit that by law, or under a bond indenture, are required to be set aside to discharge a debt owed to the holders of notes or bonds issued by the public unit, as provided in [Section 12 C.F.R. 330.15\(c\)](#). A link to that site is also available on the Division of Banking Web Site.

Yes		No	X	
-----	--	----	---	--

If yes, identify each such fund or bond issue by the complete name(s) or descriptive title(s):

2. If a public unit or entity was named in Paragraph (A), do you have custody of any pension funds or other employee benefit retirement plan funds of the public unit or other entity named in Paragraph (A)?

Yes		No	X	
-----	--	----	---	--

If yes, identify the name(s) or descriptive title(s) of each such separate retirement fund:

3. If a public unit or entity was named in Paragraph (A), do you have custody of any other funds of the public unit or entity named that are not described in Paragraph (C)(1) or Paragraph (C)(2), but are held in trust for others under a written trust agreement or by statute, as provided in [12 C.F.R. Section 330.11](#). A link to that site is also available on the Division of Banking Web Site.

Yes		No	X	
-----	--	----	---	--

If yes, identify the name(s) or descriptive title(s) of each such separate trust fund, and describe the persons for whom the funds are held in trust (attach supplemental sheets to identify each such fund):

4. If a public unit or entity was named in Paragraph (A), do you have custody of any funds of the public unit or entity that are commingled with the funds of any other public unit or entity, but that are not held in trust for others?

Yes		No	X	
-----	--	----	---	--

If yes, identify the name(s) or descriptive title(s) of the commingled fund(s) and name the other public unit(s) or entity(ies) whose funds are commingled with those of the public unit or entity named in Paragraph (A).

D. If a public unit was named in Paragraph (A), will funds of the named public unit be placed in a **bank time or savings deposit account** (including a NOW or Money Market account)?

Yes	X	No		
-----	---	----	--	--

E. If a public unit was named in Paragraph (A), will funds of the named public unit be placed in a bank **demand deposit account** (interest-bearing and noninterest bearing)?

Yes	X	No		
-----	---	----	--	--

F. Identify an official custodian.

1. Identify an official custodian. An official custodian may be a designated position such as "Treasurer," or the official custodian may be a named person. Reapplication will not be necessary in the future if a particular position is designated the official custodian rather than a named person.

If **POSITION(S)** constitute(s) the official custodian:

TREASURER	_____	_____
Position Title (Print)		(Optional) Other or Second Position Title (Print)

**OR** if named **PERSON(S)** constitute the official custodian:

_____	_____
Name and Title (Print)	(Optional) Other or Second Name and Title(Print)

2. Signature(s) (of each person who is making this application on behalf of a position, or each person whose position name/title was named in Paragraph (F)(1)).

_____	_____
Signature	Signature
_____	_____
Print or Type Signature	Print or Type Signature
_____	_____
Date	Date

3. Mailing address and telephone number and FAX number of public unit or other entity named in Paragraph (A).

<b>Address</b> 1700 Lincoln Street, Ste. 2000	
<b>City State, ZIP Code</b> Denver, CO 80203	
<b>Area Code/Telephone Number</b> 303-839-3800	<b>Area Code/FAX Number</b> 303-839-3838

4. Mailing address and telephone number and FAX number of official custodian(s) (to be provided only if different from those of public unit or other entity named in Paragraph (A)).

<b>Address</b> SAME AS ABOVE	
<b>City State, ZIP Code</b>	
<b>Area Code/Telephone Number</b>	<b>Area Code/FAX Number</b>

PUBLIC DEPOSIT PROTECTION ACT



Application by Official Custodian for Assignment of  
PDPA Number for Public Funds Deposited in Banks

Complete a separate application that identifies an "official custodian" of public funds deposited in a bank for each "public unit," as defined below, or other entity mentioned in Section 11-10.5-103(9)(b), C.R.S. Please refer to the accompanying instructions for information on completing the application. The definition of an official custodian appears in Section 11-10.5-103(9), C.R.S., a copy of which is included with the instructions. As discussed further in the instructions, failure to complete this application, or errors in the completion of this application, may result in the loss of protections otherwise applicable to public funds and/or official custodians.

Please note that this application **does not** apply to funds deposited in a savings and loan institution, credit union, or other exceptions.

After receipt and processing of the completed application, PDPA number(s) will be assigned and the official custodian will be notified of the number(s). **Please allow up to two (2) weeks to receive your number.** Official custodians must notify the banker(s) in writing of the original PDPA number(s). Return the completed application to:

Public Deposit Protection Program  
Colorado Division of Banking  
State of Colorado  
1560 Broadway, Suite 975  
Denver, CO 80202

or Fax to:  
303-894-7570

PLEASE TYPE OR PRINT ALL INFORMATION

A. Name of public unit or other entity: Edge Rock Center Residential Metropolitan District No. 2

Statutory citation under which the public unit or entity was created: Title 32, C.R.S.

B. Identify the type of public unit or other entity named in paragraph (A).

- Is the entity named in Paragraph (A) a public unit that, for the purposes of this application, includes only the State of Colorado, or a county, municipality, or political subdivision (defined below) thereof?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
-----	-------------------------------------	----	--------------------------

"The term 'political subdivision' includes drainage, irrigation, navigation, improvement, levee, sanitary, school or power districts, bridge or port authorities, and other special districts created by state statute or compacts between the states. It also includes any subdivision of . . . [the State, county or municipality] or any principal department of . . . [the State, county, or municipality]:

- The creation of which subdivision or department has been expressly authorized by the law of such public unit;
- To which some functions of government have been delegated by such law, and
- Which is empowered to exercise exclusive control over funds for its exclusive use."

If no, move to Paragraph (B)(2).

If yes, check the one category of the following that most specifically describes the type of public unit named and then move to Paragraph (C). If one of the categories is checked below, do not check any categories of Paragraph (B)(2).

a.	State of Colorado		g.	District formed by compact between Colorado and other state(s)	
b.	County		h.	Other "political subdivision" (refer to definition above) of the State of Colorado	
c.	City or town (statutory, home rule, or territorial charter)		i.	"Political subdivision" (refer to definition above of a county)	
d.	City and county (combined)		j.	"Political subdivision" (refer to definition above) of a municipality	X
e.	School district		k.	County housing authority	
f.	Special district created by or pursuant to state statute (not including a special improvement district)		l.	Municipal housing authority	

2. If the entity named is not a public unit, is it an "entity" as described in Section 11-10.5-103(9)(b), C.R.S.? Paragraphs (B)(2)(a) through (f) below list each entity, as described in Section 11-10.5-103(9)(b), C.R.S., that is not a public unit.

Yes		No		
-----	--	----	--	--

If yes, check the one category below that most specifically describes the type of entity named.

a.	Institution of higher education		d.	Public entity insurance pool organized pursuant to Colorado statute	
b.	Institution, department, agency, instrumentality, or authority of any of the foregoing described in Paragraph (B)(1) or Paragraph (B)(2)(a)  Identify the statute or other legal authority under which such institution, department, agency, instrumentality or authority is organized:		e.	Public body corporate created under Colorado statute or constitution  Identify the statute or constitutional provision under which such public body corporate is organized:	
c.	Local government investment pool organized pursuant to Section 24-75-701, C.R.S., et. seq.		f.	Other entity, organization, or corporation formed by intergovernmental agreement or other contract between or among any of the foregoing described in Paragraph (B)(1) and Paragraph (B)(2)	

If Paragraph (B)(1) and Paragraph (B)(2) were answered no, the official custodian designation does not apply under the PDPA. Do not complete or return this application. If the entity named is a subordinate unit of a public unit named in Paragraph (B)(1), but is not a political subdivision as defined above, identify that public unit: \_\_\_\_\_

**(Insert Name of Public Unit).**

A separate PDPA number will not be issued. Under these circumstances, if an individual is in possession of public funds, the official custodian of the parent public unit should be contacted. The PDPA number of that "official custodian" should be used when depositing funds in a bank.

C. What public funds are in custody?

1. If a public unit was named in Paragraph (A), do you have custody of any public funds of the named public unit that by law, or under a bond indenture, are required to be set aside to discharge a debt owed to the holders of notes or bonds issued by the public unit, as provided in [Section 12 C.F.R. 330.15\(c\)](#). A link to that site is also available on the Division of Banking Web Site.

Yes		No	X	
-----	--	----	---	--

If yes, identify each such fund or bond issue by the complete name(s) or descriptive title(s):

2. If a public unit or entity was named in Paragraph (A), do you have custody of any pension funds or other employee benefit retirement plan funds of the public unit or other entity named in Paragraph (A)?

Yes		No	X	
-----	--	----	---	--

If yes, identify the name(s) or descriptive title(s) of each such separate retirement fund:

3. If a public unit or entity was named in Paragraph (A), do you have custody of any other funds of the public unit or entity named that are not described in Paragraph (C)(1) or Paragraph (C)(2), but are held in trust for others under a written trust agreement or by statute, as provided in [12 C.F.R. Section 330.11](#). A link to that site is also available on the Division of Banking Web Site.

Yes		No	X	
-----	--	----	---	--

If yes, identify the name(s) or descriptive title(s) of each such separate trust fund, and describe the persons for whom the funds are held in trust (attach supplemental sheets to identify each such fund):

4. If a public unit or entity was named in Paragraph (A), do you have custody of any funds of the public unit or entity that are commingled with the funds of any other public unit or entity, but that are not held in trust for others?

Yes		No	X	
-----	--	----	---	--

If yes, identify the name(s) or descriptive title(s) of the commingled fund(s) and name the other public unit(s) or entity(ies) whose funds are commingled with those of the public unit or entity named in Paragraph (A).

D. If a public unit was named in Paragraph (A), will funds of the named public unit be placed in a **bank time or savings deposit account** (including a NOW or Money Market account)?

Yes	X	No		
-----	---	----	--	--

E. If a public unit was named in Paragraph (A), will funds of the named public unit be placed in a bank **demand deposit account** (interest-bearing and noninterest bearing)?

Yes	X	No		
-----	---	----	--	--

F. Identify an official custodian.

1. Identify an official custodian. An official custodian may be a designated position such as "Treasurer," or the official custodian may be a named person. Reapplication will not be necessary in the future if a particular position is designated the official custodian rather than a named person.

If **POSITION(S)** constitute(s) the official custodian:

TREASURER	
Position Title (Print)	(Optional) Other or Second Position Title (Print)

**OR** if named **PERSON(S)** constitute the official custodian:

Name and Title (Print)	(Optional) Other or Second Name and Title(Print)

2. Signature(s) (of each person who is making this application on behalf of a position, or each person whose position name/title was named in Paragraph (F)(1)).

Signature	Signature
Print or Type Signature	Print or Type Signature
Date	Date

3. Mailing address and telephone number and FAX number of public unit or other entity named in Paragraph (A).

Address 1700 Lincoln Street, Ste. 2000	
City State, ZIP Code Denver, CO 80203	
Area Code/Telephone Number 303-839-3800	Area Code/FAX Number 303-839-3838

4. Mailing address and telephone number and FAX number of official custodian(s) (to be provided only if different from those of public unit or other entity named in Paragraph (A)).

Address SAME AS ABOVE	
City State, ZIP Code	
Area Code/Telephone Number	Area Code/FAX Number



**Note:** Form SS-4 begins on the next page of this document.

### **Change to Domestic Employer Identification Number (EIN) Assignment by Toll-Free Phones**

Beginning January 6, 2014, the IRS will refer all domestic EIN requests received by toll-free phones to the EIN Online Assistant. You can access the Assistant by going to [www.irs.gov](http://www.irs.gov), entering "EIN" in the "Search" feature and following instructions for applying for an EIN online.

### **Attention Limit of one (1) Employer Identification Number (EIN) Issuance per Business Day**

Effective May 21, 2012, to ensure fair and equitable treatment for all taxpayers, the Internal Revenue Service (IRS) will limit Employer Identification Number (EIN) issuance to one per responsible party per day. For trusts, the limitation is applied to the grantor, owner, or trustor. For estates, the limitation is applied to the decedent (decedent estate) or the debtor (bankruptcy estate). This limitation is applicable to all requests for EINs whether online or by phone, fax or mail. We apologize for any inconvenience this may cause.

### **Change to Where to File Address and Fax-TIN Number**

There is a change to the Instructions for Form SS-4 (Rev. January 2011). On page 2, under the "Where to File or Fax" table, the address and Fax-TIN number have changed. If you are applying for an Employer Identification Number (EIN), and you have no legal residence, principal place of business, or principal office or agency in any state or the District of Columbia, file or fax your application to:

Internal Revenue Service Center  
Attn: EIN International Operation  
Cincinnati, OH 45999  
Fax-*TIN*: 859-669-5987

This change will be included in the next revision of the Instructions for Form SS-4.

# Application for Employer Identification Number

OMB No. 1545-0003

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)

EIN

▶ See separate instructions for each line. ▶ Keep a copy for your records.

Type or print clearly.	1 Legal name of entity (or individual) for whom the EIN is being requested		
	2 Trade name of business (if different from name on line 1)	3 Executor, administrator, trustee, "care of" name	
	4a Mailing address (room, apt., suite no. and street, or P.O. box)	5a Street address (if different) (Do not enter a P.O. box.)	
	4b City, state, and ZIP code (if foreign, see instructions)	5b City, state, and ZIP code (if foreign, see instructions)	
	6 County and state where principal business is located		
	7a Name of responsible party	7b SSN, ITIN, or EIN	
8a Is this application for a limited liability company (LLC) (or a foreign equivalent)? <input type="checkbox"/> Yes <input type="checkbox"/> No		8b If 8a is "Yes," enter the number of LLC members ▶	
8c If 8a is "Yes," was the LLC organized in the United States? <input type="checkbox"/> Yes <input type="checkbox"/> No			
9a <b>Type of entity</b> (check only one box). <b>Caution.</b> If 8a is "Yes," see the instructions for the correct box to check.			
<input type="checkbox"/> Sole proprietor (SSN) _____ <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation (enter form number to be filed) ▶ _____ <input type="checkbox"/> Personal service corporation <input type="checkbox"/> Church or church-controlled organization <input type="checkbox"/> Other nonprofit organization (specify) ▶ _____ <input type="checkbox"/> Other (specify) ▶ _____			
<input type="checkbox"/> Estate (SSN of decedent) _____ <input type="checkbox"/> Plan administrator (TIN) _____ <input type="checkbox"/> Trust (TIN of grantor) _____ <input type="checkbox"/> National Guard <input type="checkbox"/> State/local government <input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government/military <input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal governments/enterprises <input type="checkbox"/> Group Exemption Number (GEN) if any ▶ _____			
9b If a corporation, name the state or foreign country (if applicable) where incorporated	State	Foreign country	
10 <b>Reason for applying</b> (check only one box)			
<input type="checkbox"/> Started new business (specify type) ▶ _____ <input type="checkbox"/> Hired employees (Check the box and see line 13.) <input type="checkbox"/> Compliance with IRS withholding regulations <input type="checkbox"/> Other (specify) ▶ _____			
<input type="checkbox"/> Banking purpose (specify purpose) ▶ _____ <input type="checkbox"/> Changed type of organization (specify new type) ▶ _____ <input type="checkbox"/> Purchased going business <input type="checkbox"/> Created a trust (specify type) ▶ _____ <input type="checkbox"/> Created a pension plan (specify type) ▶ _____			
11 Date business started or acquired (month, day, year). See instructions.	12 Closing month of accounting year		
13 Highest number of employees expected in the next 12 months (enter -0- if none). If no employees expected, skip line 14.	14 If you expect your employment tax liability to be \$1,000 or less in a full calendar year <b>and</b> want to file Form 944 annually instead of Forms 941 quarterly, check here. (Your employment tax liability generally will be \$1,000 or less if you expect to pay \$4,000 or less in total wages.) If you do not check this box, you must file Form 941 for every quarter. <input type="checkbox"/>		
<table style="width:100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 33%; text-align: center;">Agricultural</td> <td style="border: 1px solid black; width: 33%; text-align: center;">Household</td> <td style="border: 1px solid black; width: 33%; text-align: center;">Other</td> </tr> </table>			Agricultural
Agricultural	Household	Other	
15 First date wages or annuities were paid (month, day, year). <b>Note.</b> If applicant is a withholding agent, enter date income will first be paid to nonresident alien (month, day, year) ▶			
16 Check <b>one</b> box that best describes the principal activity of your business.			
<input type="checkbox"/> Construction <input type="checkbox"/> Rental & leasing <input type="checkbox"/> Transportation & warehousing <input type="checkbox"/> Accommodation & food service <input type="checkbox"/> Wholesale-agent/broker <input type="checkbox"/> Real estate <input type="checkbox"/> Manufacturing <input type="checkbox"/> Finance & insurance <input type="checkbox"/> Other (specify) <input type="checkbox"/> Wholesale-other <input type="checkbox"/> Retail			
17 Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided.			
18 Has the applicant entity shown on line 1 ever applied for and received an EIN? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," write previous EIN here ▶ _____			

Third Party Designee	Complete this section <b>only</b> if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.	
	Designee's name	Designee's telephone number (include area code) ( )
	Address and ZIP code	Designee's fax number (include area code) ( )
Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.		Applicant's telephone number (include area code) ( )
Name and title (type or print clearly) ▶		Applicant's fax number (include area code) ( )
Signature ▶		Date ▶

## Do I Need an EIN?

File Form SS-4 if the applicant entity does not already have an EIN but is required to show an EIN on any return, statement, or other document.<sup>1</sup> See also the separate instructions for each line on Form SS-4.

IF the applicant...	AND...	THEN...
Started a new business	Does not currently have (nor expect to have) employees	Complete lines 1, 2, 4a–8a, 8b–c (if applicable), 9a, 9b (if applicable), and 10–14 and 16–18.
Hired (or will hire) employees, including household employees	Does not already have an EIN	Complete lines 1, 2, 4a–6, 7a–b (if applicable), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10–18.
Opened a bank account	Needs an EIN for banking purposes only	Complete lines 1–5b, 7a–b (if applicable), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10, and 18.
Changed type of organization	Either the legal character of the organization or its ownership changed (for example, you incorporate a sole proprietorship or form a partnership) <sup>2</sup>	Complete lines 1–18 (as applicable).
Purchased a going business <sup>3</sup>	Does not already have an EIN	Complete lines 1–18 (as applicable).
Created a trust	The trust is other than a grantor trust or an IRA trust <sup>4</sup>	Complete lines 1–18 (as applicable).
Created a pension plan as a plan administrator <sup>5</sup>	Needs an EIN for reporting purposes	Complete lines 1, 3, 4a–5b, 9a, 10, and 18.
Is a foreign person needing an EIN to comply with IRS withholding regulations	Needs an EIN to complete a Form W-8 (other than Form W-8ECI), avoid withholding on portfolio assets, or claim tax treaty benefits <sup>6</sup>	Complete lines 1–5b, 7a–b (SSN or ITIN optional), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is administering an estate	Needs an EIN to report estate income on Form 1041	Complete lines 1–6, 9a, 10–12, 13–17 (if applicable), and 18.
Is a withholding agent for taxes on non-wage income paid to an alien (i.e., individual, corporation, or partnership, etc.)	Is an agent, broker, fiduciary, manager, tenant, or spouse who is required to file Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	Complete lines 1, 2, 3 (if applicable), 4a–5b, 7a–b (if applicable), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is a state or local agency	Serves as a tax reporting agent for public assistance recipients under Rev. Proc. 80-4, 1980-1 C.B. 581 <sup>7</sup>	Complete lines 1, 2, 4a–5b, 9a, 10, and 18.
Is a single-member LLC	Needs an EIN to file Form 8832, Classification Election, for filing employment tax returns and excise tax returns, or for state reporting purposes <sup>8</sup>	Complete lines 1–18 (as applicable).
Is an S corporation	Needs an EIN to file Form 2553, Election by a Small Business Corporation <sup>9</sup>	Complete lines 1–18 (as applicable).

<sup>1</sup> For example, a sole proprietorship or self-employed farmer who establishes a qualified retirement plan, or is required to file excise, employment, alcohol, tobacco, or firearms returns, must have an EIN. A partnership, corporation, REMIC (real estate mortgage investment conduit), nonprofit organization (church, club, etc.), or farmers' cooperative must use an EIN for any tax-related purpose even if the entity does not have employees.

<sup>2</sup> However, do not apply for a new EIN if the existing entity only (a) changed its business name, (b) elected on Form 8832 to change the way it is taxed (or is covered by the default rules), or (c) terminated its partnership status because at least 50% of the total interests in partnership capital and profits were sold or exchanged within a 12-month period. The EIN of the terminated partnership should continue to be used. See Regulations section 301.6109-1(d)(2)(iii).

<sup>3</sup> Do not use the EIN of the prior business unless you became the "owner" of a corporation by acquiring its stock.

<sup>4</sup> However, grantor trusts that do not file using Optional Method 1 and IRA trusts that are required to file Form 990-T, Exempt Organization Business Income Tax Return, must have an EIN. For more information on grantor trusts, see the Instructions for Form 1041.

<sup>5</sup> A plan administrator is the person or group of persons specified as the administrator by the instrument under which the plan is operated.

<sup>6</sup> Entities applying to be a Qualified Intermediary (QI) need a QI-EIN even if they already have an EIN. See Rev. Proc. 2000-12.

<sup>7</sup> See also *Household employer* on page 4 of the instructions. **Note.** State or local agencies may need an EIN for other reasons, for example, hired employees.

<sup>8</sup> See *Disregarded entities* on page 4 of the instructions for details on completing Form SS-4 for an LLC.

<sup>9</sup> An existing corporation that is electing or revoking S corporation status should use its previously-assigned EIN.

**Note:** Form SS-4 begins on the next page of this document.

### **Change to Domestic Employer Identification Number (EIN) Assignment by Toll-Free Phones**

Beginning January 6, 2014, the IRS will refer all domestic EIN requests received by toll-free phones to the EIN Online Assistant. You can access the Assistant by going to [www.irs.gov](http://www.irs.gov), entering "EIN" in the "Search" feature and following instructions for applying for an EIN online.

### **Attention Limit of one (1) Employer Identification Number (EIN) Issuance per Business Day**

Effective May 21, 2012, to ensure fair and equitable treatment for all taxpayers, the Internal Revenue Service (IRS) will limit Employer Identification Number (EIN) issuance to one per responsible party per day. For trusts, the limitation is applied to the grantor, owner, or trustor. For estates, the limitation is applied to the decedent (decedent estate) or the debtor (bankruptcy estate). This limitation is applicable to all requests for EINs whether online or by phone, fax or mail. We apologize for any inconvenience this may cause.

### **Change to Where to File Address and Fax-TIN Number**

There is a change to the Instructions for Form SS-4 (Rev. January 2011). On page 2, under the "Where to File or Fax" table, the address and Fax-TIN number have changed. If you are applying for an Employer Identification Number (EIN), and you have no legal residence, principal place of business, or principal office or agency in any state or the District of Columbia, file or fax your application to:

Internal Revenue Service Center  
Attn: EIN International Operation  
Cincinnati, OH 45999  
Fax-*TIN*: 859-669-5987

This change will be included in the next revision of the Instructions for Form SS-4.

# Application for Employer Identification Number

Department of the Treasury  
Internal Revenue Service

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)

EIN

▶ See separate instructions for each line. ▶ Keep a copy for your records.

<b>Type or print clearly.</b>	<b>1</b> Legal name of entity (or individual) for whom the EIN is being requested	
	<b>2</b> Trade name of business (if different from name on line 1)	<b>3</b> Executor, administrator, trustee, "care of" name
	<b>4a</b> Mailing address (room, apt., suite no. and street, or P.O. box)	<b>5a</b> Street address (if different) (Do not enter a P.O. box.)
	<b>4b</b> City, state, and ZIP code (if foreign, see instructions)	<b>5b</b> City, state, and ZIP code (if foreign, see instructions)
	<b>6</b> County and state where principal business is located	
	<b>7a</b> Name of responsible party	<b>7b</b> SSN, ITIN, or EIN
<b>8a</b> Is this application for a limited liability company (LLC) (or a foreign equivalent)? <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>8b</b> If 8a is "Yes," enter the number of LLC members ▶
<b>8c</b> If 8a is "Yes," was the LLC organized in the United States? <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>9a Type of entity</b> (check only one box). <b>Caution.</b> If 8a is "Yes," see the instructions for the correct box to check.		
<input type="checkbox"/> Sole proprietor (SSN) _____ <input type="checkbox"/> Estate (SSN of decedent) _____ <input type="checkbox"/> Partnership <input type="checkbox"/> Plan administrator (TIN) _____ <input type="checkbox"/> Corporation (enter form number to be filed) ▶ _____ <input type="checkbox"/> Trust (TIN of grantor) _____ <input type="checkbox"/> Personal service corporation <input type="checkbox"/> National Guard <input type="checkbox"/> State/local government <input type="checkbox"/> Church or church-controlled organization <input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government/military <input type="checkbox"/> Other nonprofit organization (specify) ▶ _____ <input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal governments/enterprises <input type="checkbox"/> Other (specify) ▶ _____ <input type="checkbox"/> Group Exemption Number (GEN) if any ▶ _____		
<b>9b</b> If a corporation, name the state or foreign country (if applicable) where incorporated	State	Foreign country
<b>10 Reason for applying</b> (check only one box)		
<input type="checkbox"/> Started new business (specify type) ▶ _____ <input type="checkbox"/> Banking purpose (specify purpose) ▶ _____ <input type="checkbox"/> Hired employees (Check the box and see line 13.) <input type="checkbox"/> Changed type of organization (specify new type) ▶ _____ <input type="checkbox"/> Compliance with IRS withholding regulations <input type="checkbox"/> Purchased going business <input type="checkbox"/> Other (specify) ▶ _____ <input type="checkbox"/> Created a trust (specify type) ▶ _____ <input type="checkbox"/> Created a pension plan (specify type) ▶ _____		
<b>11</b> Date business started or acquired (month, day, year). See instructions.	<b>12</b> Closing month of accounting year	
<b>13</b> Highest number of employees expected in the next 12 months (enter -0- if none). If no employees expected, skip line 14.	<b>14</b> If you expect your employment tax liability to be \$1,000 or less in a full calendar year <b>and</b> want to file Form 944 annually instead of Forms 941 quarterly, check here. (Your employment tax liability generally will be \$1,000 or less if you expect to pay \$4,000 or less in total wages.) If you do not check this box, you must file Form 941 for every quarter. <input type="checkbox"/>	
<b>15</b> First date wages or annuities were paid (month, day, year). <b>Note.</b> If applicant is a withholding agent, enter date income will first be paid to nonresident alien (month, day, year) ▶		
<b>16</b> Check <b>one</b> box that best describes the principal activity of your business.		
<input type="checkbox"/> Construction <input type="checkbox"/> Rental & leasing <input type="checkbox"/> Transportation & warehousing <input type="checkbox"/> Health care & social assistance <input type="checkbox"/> Wholesale-agent/broker <input type="checkbox"/> Real estate <input type="checkbox"/> Manufacturing <input type="checkbox"/> Finance & insurance <input type="checkbox"/> Accommodation & food service <input type="checkbox"/> Wholesale-other <input type="checkbox"/> Retail <input type="checkbox"/> Other (specify)		
<b>17</b> Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided.		
<b>18</b> Has the applicant entity shown on line 1 ever applied for and received an EIN? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," write previous EIN here ▶ _____		

<b>Third Party Designee</b>	Complete this section <b>only</b> if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.	
	Designee's name	Designee's telephone number (include area code) ( )
	Address and ZIP code	Designee's fax number (include area code) ( )
Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.		Applicant's telephone number (include area code) ( )
Name and title (type or print clearly) ▶		Applicant's fax number (include area code) ( )
Signature ▶		Date ▶

## Do I Need an EIN?

File Form SS-4 if the applicant entity does not already have an EIN but is required to show an EIN on any return, statement, or other document.<sup>1</sup> See also the separate instructions for each line on Form SS-4.

IF the applicant...	AND...	THEN...
Started a new business	Does not currently have (nor expect to have) employees	Complete lines 1, 2, 4a–8a, 8b–c (if applicable), 9a, 9b (if applicable), and 10–14 and 16–18.
Hired (or will hire) employees, including household employees	Does not already have an EIN	Complete lines 1, 2, 4a–6, 7a–b (if applicable), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10–18.
Opened a bank account	Needs an EIN for banking purposes only	Complete lines 1–5b, 7a–b (if applicable), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10, and 18.
Changed type of organization	Either the legal character of the organization or its ownership changed (for example, you incorporate a sole proprietorship or form a partnership) <sup>2</sup>	Complete lines 1–18 (as applicable).
Purchased a going business <sup>3</sup>	Does not already have an EIN	Complete lines 1–18 (as applicable).
Created a trust	The trust is other than a grantor trust or an IRA trust <sup>4</sup>	Complete lines 1–18 (as applicable).
Created a pension plan as a plan administrator <sup>5</sup>	Needs an EIN for reporting purposes	Complete lines 1, 3, 4a–5b, 9a, 10, and 18.
Is a foreign person needing an EIN to comply with IRS withholding regulations	Needs an EIN to complete a Form W-8 (other than Form W-8ECI), avoid withholding on portfolio assets, or claim tax treaty benefits <sup>6</sup>	Complete lines 1–5b, 7a–b (SSN or ITIN optional), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is administering an estate	Needs an EIN to report estate income on Form 1041	Complete lines 1–6, 9a, 10–12, 13–17 (if applicable), and 18.
Is a withholding agent for taxes on non-wage income paid to an alien (i.e., individual, corporation, or partnership, etc.)	Is an agent, broker, fiduciary, manager, tenant, or spouse who is required to file Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	Complete lines 1, 2, 3 (if applicable), 4a–5b, 7a–b (if applicable), 8a, 8b–c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is a state or local agency	Serves as a tax reporting agent for public assistance recipients under Rev. Proc. 80-4, 1980-1 C.B. 581 <sup>7</sup>	Complete lines 1, 2, 4a–5b, 9a, 10, and 18.
Is a single-member LLC	Needs an EIN to file Form 8832, Classification Election, for filing employment tax returns and excise tax returns, or for state reporting purposes <sup>8</sup>	Complete lines 1–18 (as applicable).
Is an S corporation	Needs an EIN to file Form 2553, Election by a Small Business Corporation <sup>9</sup>	Complete lines 1–18 (as applicable).

<sup>1</sup> For example, a sole proprietorship or self-employed farmer who establishes a qualified retirement plan, or is required to file excise, employment, alcohol, tobacco, or firearms returns, must have an EIN. A partnership, corporation, REMIC (real estate mortgage investment conduit), nonprofit organization (church, club, etc.), or farmers' cooperative must use an EIN for any tax-related purpose even if the entity does not have employees.

<sup>2</sup> However, do not apply for a new EIN if the existing entity only (a) changed its business name, (b) elected on Form 8832 to change the way it is taxed (or is covered by the default rules), or (c) terminated its partnership status because at least 50% of the total interests in partnership capital and profits were sold or exchanged within a 12-month period. The EIN of the terminated partnership should continue to be used. See Regulations section 301.6109-1(d)(2)(iii).

<sup>3</sup> Do not use the EIN of the prior business unless you became the "owner" of a corporation by acquiring its stock.

<sup>4</sup> However, grantor trusts that do not file using Optional Method 1 and IRA trusts that are required to file Form 990-T, Exempt Organization Business Income Tax Return, must have an EIN. For more information on grantor trusts, see the Instructions for Form 1041.

<sup>5</sup> A plan administrator is the person or group of persons specified as the administrator by the instrument under which the plan is operated.

<sup>6</sup> Entities applying to be a Qualified Intermediary (QI) need a QI-EIN even if they already have an EIN. See Rev. Proc. 2000-12.

<sup>7</sup> See also *Household employer* on page 4 of the instructions. **Note.** State or local agencies may need an EIN for other reasons, for example, hired employees.

<sup>8</sup> See *Disregarded entities* on page 4 of the instructions for details on completing Form SS-4 for an LLC.

<sup>9</sup> An existing corporation that is electing or revoking S corporation status should use its previously-assigned EIN.



## Application for Sales Tax Exemption for Colorado Organizations

Statute 39-26-718, C.R.S., allows charitable organizations, federal and Colorado state government, and political subdivisions thereof, to purchase tax-exempt items to be used for conducting exclusively charitable or governmental functions.

**Your application for the Colorado Organization must be completed in full**

FEIN	Account Number (to be assigned)
------	---------------------------------

Name of Organization  
**Ledge Rock Center Residential Metropolitan District No. 1**

Address (Location) <b>1700 Lincoln Street, Ste. 2000</b>	City <b>Denver</b>	State <b>CO</b>	Zip <b>80203</b>
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Mailing Address (Street or PO Box) <b>1700 Lincoln Street, Ste. 2000</b>	City <b>Denver</b>	State <b>CO</b>	Zip <b>80203</b>
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**Exempt Status (All applicable documents must be submitted prior to review)**

- Charitable** (including churches)
  - Attach a copy of your Federal Determination Letter (letter from IRS showing under which classification code you are exempt. Only organizations exempt under 501(c)(3) of the Internal Revenue Code will be considered for exemption. (Churches under a national church body: include an official document from the national organization stating your group affiliation.)
  - Attach a copy of your latest financial statement to reflect sources of Colorado income and expenditures. New organizations submit a projected statement.
  - Attach a copy of Colorado Articles of Incorporation or of Organization. State a specific purpose and function.
  - Attach a copy of the most current Colorado Secretary of State Certificate known as, "Certificate of Good Standing."
  
- Political**
  - District – Attach a copy of court decree signed by establishing judge.
  - Authority/District established by Statutory Act — Attach a copy of the establishing statutory act and all jurisdictional documentation.
  
- Federal Credit Union, Land Bank, etc., located within Colorado** – Attach a copy of the federal charter.

(Government- United States, State of Colorado, Political Subdivisions- See next page.)

Attach any additional information you wish to substantiate you request for a Colorado sales/use tax exemption

Authorized Signature (Corporate Office)	Date (MM/DD/YY) ?
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Type or Print Authorized Signature	Phone Number
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Title  
**Secretary/Treasurer**

**For Department of Revenue use**

Reviewer	Date (MM/DD/YY) ?
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## Charitable

Sales tax exemption certificates are issued to Colorado located organizations which substantiate an exclusively charitable purpose and activity within Colorado.

Your organization may be non-profit for income tax purposes, but not necessarily entitled to sales tax exemption. The fact that some charity work is performed or that funds—all or in part—are given to a charitable group does not automatically qualify your organization for the Colorado sales/use tax exemption.

To be considered a charitable organization you must be organized and operated exclusively for one or more of the purposes specified in Section 39-26-102(2.5). “Charitable organization’ means any entity organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earning of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, and which does not participate in,

or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office, or any veterans’ organization registered under section 501(c)(19) of the ‘Internal Revenue Code of 1986’, as amended, for the purpose of sponsoring a special event, meeting, or other function in the state of Colorado so long as such event, meeting, or function is not part of such organization’s regular activities in the state.”

You are to clearly define your purpose and function. For instance, an organization claiming exemption for education is to give information regarding structured curriculum, scholastic requirements for teachers and students, attendance requirements, tuition charged, and regular functions within confines of education.

**Use:** Payment for items is to be made from organizational funds. Items are to be for the exclusively charitable purpose for which exemption is granted. The exemption certificate cannot be used as a retailers license to purchase tax-exempt items to be resold, nor to avoid collecting and remitting taxes on donated or crafted items sold to individuals for use or consumption.

## Political Districts and Federal Banks

Supply the information requested

Use: The government exemption is allowed under the statute regulation: Items must be used to conduct normal functions of the District or Bank.

Order for goods must be made on a prescribed form or purchase order and paid for directly to the seller by warrant or check drawn on the organizations funds.

## Government-Federal, State and Local

Though Federal, State and Local governments are automatically exempt from paying sales/use tax per 39-26-704(1), proof must be furnished to the seller in the form of an exemption number. Orders for goods must be made on a prescribed form or purchase order and paid

for directly to the seller by warrants drawn on government funds. Individual exemption certificates are not issued to each office of governmental agencies. One blanket certificate is issued to the main office of the Federal and State agency.

## Mail completed form to:

Colorado Department of Revenue  
Denver, CO 80261-0013





## Application for Sales Tax Exemption for Colorado Organizations

Statute 39-26-718, C.R.S., allows charitable organizations, federal and Colorado state government, and political subdivisions thereof, to purchase tax-exempt items to be used for conducting exclusively charitable or governmental functions.

**Your application for the Colorado Organization must be completed in full**

FEIN	Account Number (to be assigned)
------	---------------------------------

Name of Organization  
**Ledge Rock Center Residential Metropolitan District No. 2**

Address (Location) <b>1700 Lincoln Street, Ste. 2000</b>	City <b>Denver</b>	State <b>CO</b>	Zip <b>80203</b>
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Mailing Address (Street or PO Box) <b>1700 Lincoln Street, Ste. 2000</b>	City <b>Denver</b>	State <b>CO</b>	Zip <b>80203</b>
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**Exempt Status (All applicable documents must be submitted prior to review)**

- Charitable** (including churches)
  - Attach a copy of your Federal Determination Letter (letter from IRS showing under which classification code you are exempt. Only organizations exempt under 501(c)(3) of the Internal Revenue Code will be considered for exemption. (Churches under a national church body: include an official document from the national organization stating your group affiliation.)
  - Attach a copy of your latest financial statement to reflect sources of Colorado income and expenditures. New organizations submit a projected statement.
  - Attach a copy of Colorado Articles of Incorporation or of Organization. State a specific purpose and function.
  - Attach a copy of the most current Colorado Secretary of State Certificate known as, "Certificate of Good Standing."
  
- Political**
  - District – Attach a copy of court decree signed by establishing judge.
  - Authority/District established by Statutory Act — Attach a copy of the establishing statutory act and all jurisdictional documentation.
  
- Federal Credit Union, Land Bank, etc., located within Colorado** – Attach a copy of the federal charter.

(Government- United States, State of Colorado, Political Subdivisions- See next page.)

Attach any additional information you wish to substantiate you request for a Colorado sales/use tax exemption

Authorized Signature (Corporate Office)	Date (MM/DD/YY) ?
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Type or Print Authorized Signature	Phone Number
------------------------------------	--------------

Title  
**Secretary/Treasurer**

**For Department of Revenue use**

Reviewer	Date (MM/DD/YY) ?
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## Charitable

Sales tax exemption certificates are issued to Colorado located organizations which substantiate an exclusively charitable purpose and activity within Colorado.

Your organization may be non-profit for income tax purposes, but not necessarily entitled to sales tax exemption. The fact that some charity work is performed or that funds—all or in part—are given to a charitable group does not automatically qualify your organization for the Colorado sales/use tax exemption.

To be considered a charitable organization you must be organized and operated exclusively for one or more of the purposes specified in Section 39-26-102(2.5). “Charitable organization’ means any entity organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earning of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, and which does not participate in,

or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office, or any veterans’ organization registered under section 501(c)(19) of the ‘Internal Revenue Code of 1986’, as amended, for the purpose of sponsoring a special event, meeting, or other function in the state of Colorado so long as such event, meeting, or function is not part of such organization’s regular activities in the state.”

You are to clearly define your purpose and function. For instance, an organization claiming exemption for education is to give information regarding structured curriculum, scholastic requirements for teachers and students, attendance requirements, tuition charged, and regular functions within confines of education.

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Supply the information requested

Use: The government exemption is allowed under the statute regulation: Items must be used to conduct normal functions of the District or Bank.

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for directly to the seller by warrants drawn on government funds. Individual exemption certificates are not issued to each office of governmental agencies. One blanket certificate is issued to the main office of the Federal and State agency.

## Mail completed form to:

Colorado Department of Revenue  
Denver, CO 80261-0013

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LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1, TOWN OF  
JOHNSTOWN, COUNTY OF WELD, STATE OF COLORADO

---

TO: THE ASSESSOR AND THE BOARD OF COUNTY COMMISSIONERS, WELD  
COUNTY, COLORADO

NOTICE IS HEREBY GIVEN pursuant to Section 39-1-110, C.R.S. and by Order of the Boards of Directors of Ledge Rock Center Residential Metropolitan District No. 1, Town of Johnstown, County of Weld, Colorado (the “District”), that the Orders and Decrees of the District Court in and for the County of Weld and the State of Colorado, creating the District was by the District Court and recorded with the Clerk and Recorder of Weld County prior to December 15, 2021. By said Orders and Decrees, the Ledge Rock Center Residential Metropolitan District No. 2 is duly formed and organized under the laws of the State of Colorado relating thereto. The legal description and a map showing the boundaries of the District is attached hereto as Exhibit A and incorporated herein by this reference.

NOTICE is further given that said District is organized and therefore authorized to levy taxes for District purposes, have heretofore taken certain affirmative actions which will ultimately result in the levying of ad valorem taxes on all the taxable property in the Districts in the year **2021** and thereafter.

IN WITNESS WHEREOF, the proposed Board of Directors of the Ledge Rock Center Residential Metropolitan District No. 1, Town of Johnstown, Weld County, Colorado, has caused this Notice to be given effective as of the 14<sup>th</sup> day of December, 2021.

Ledge Rock Center  
Residential Metropolitan District No. 1

/s/ David S O’Leary, Esq.  
David S. O’Leary, Counsel for the proposed District

**Exhibit A**  
**Legal Description and Map**

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LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2, TOWN OF JOHNSTOWN, COUNTY OF WELD, STATE OF COLORADO

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TO: THE ASSESSOR AND THE BOARD OF COUNTY COMMISSIONERS, WELD COUNTY, COLORADO

NOTICE IS HEREBY GIVEN pursuant to Section 39-1-110, C.R.S. and by Order of the Boards of Directors of Ledge Rock Center Residential Metropolitan District No. 2, Town of Johnstown, County of Weld, Colorado (the “District”), that the Orders and Decrees of the District Court in and for the County of Weld and the State of Colorado, creating the District was by the District Court and recorded with the Clerk and Recorder of Weld County prior to December 15, 2021. By said Orders and Decrees, the Ledge Rock Center Residential Metropolitan District No. 2 is duly formed and organized under the laws of the State of Colorado relating thereto. The legal description and a map showing the boundaries of the District is attached hereto as Exhibit A and incorporated herein by this reference.

NOTICE is further given that said District is organized and therefore authorized to levy taxes for District purposes, have heretofore taken certain affirmative actions which will ultimately result in the levying of ad valorem taxes on all the taxable property in the Districts in the year **2021** and thereafter.

IN WITNESS WHEREOF, the proposed Board of Directors of the Ledge Rock Center Residential Metropolitan District No. 2, Town of Johnstown, Weld County, Colorado, has caused this Notice to be given effective as of the 14<sup>th</sup> day of December, 2021.

Ledge Rock Center  
Residential Metropolitan District No. 2

/s/ David S O’Leary, Esq.  
David S. O’Leary, Counsel for the proposed District

**Exhibit A**  
**Legal Description and Map**

**RESOLUTION**  
**TO ADOPT 2021 BUDGET, APPROPRIATE SUMS OF MONEY,**  
**AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY**  
**LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2021 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1, TOWN OF JOHNSTOWN, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2021, AND ENDING ON THE LAST DAY OF DECEMBER, 2021,

WHEREAS, the Board of Directors of the Ledge Rock Center Residential Metropolitan District No. 1 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 14, 2021 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$\_\_\_\_\_; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$\_\_\_\_\_; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$\_\_\_\_\_; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$\_\_\_\_\_; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$\_\_\_\_\_; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$\_\_\_\_\_; and

WHEREAS, the 2020 valuation for assessment for the District as certified by the County Assessor of Weld County is \$\_\_\_\_\_; and

WHEREAS, at an election held on November 2, 2021, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1 OF TOWN OF JOHNSTOWN, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Ledge Rock Center Residential Metropolitan District No. 1 for calendar year 2021.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2021 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2021 budget year, there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2020.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2020.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2021 budget



year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2020.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2021 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2020.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2021 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2020.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2020.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2021, to the Board of County Commissioners of Weld County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Weld County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2021 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 14th day of December, 2021.

LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 1

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President

ATTEST:

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Secretary

LETTER OF BUDGET TRANSMITTAL

Date: January \_\_, 2021

To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Attached are the 2021 budget and budget message for LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1 in Town of Johnstown, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 14, 2021. If there are any questions on the budget, please contact:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I, \_\_\_\_\_, as President of the Ledge Rock Center Residential Metropolitan District No. 1, hereby certify that the attached is a true and correct copy of the 2021 budget.

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

**RESOLUTION**  
**TO ADOPT 2021 BUDGET, APPROPRIATE SUMS OF MONEY,**  
**AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY**  
**LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2021 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2, TOWN OF JOHNSTOWN, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2021, AND ENDING ON THE LAST DAY OF DECEMBER, 2021,

WHEREAS, the Board of Directors of the Ledge Rock Center Residential Metropolitan District No. 2 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 14, 2021 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$\_\_\_\_\_; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$\_\_\_\_\_; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$\_\_\_\_\_; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$\_\_\_\_\_; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$\_\_\_\_\_; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$\_\_\_\_\_; and

WHEREAS, the 2020 valuation for assessment for the District as certified by the County Assessor of Weld County is \$\_\_\_\_\_; and

WHEREAS, at an election held on November 2, 2021, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2 OF TOWN OF JOHNSTOWN, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Ledge Rock Center Residential Metropolitan District No. 2 for calendar year 2021.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2021 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2021 budget year, there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2020.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2020.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2021 budget

year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2020.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2021 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of \_\_\_\_ mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2020.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2021 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of \_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2020.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2020.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2021, to the Board of County Commissioners of Weld County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Weld County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2021 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 14th day of December, 2021.

LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 2

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

LETTER OF BUDGET TRANSMITTAL

Date: January \_\_, 2021

To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Attached are the 2021 budget and budget message for LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2 in Town of Johnstown, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 14, 2021. If there are any questions on the budget, please contact:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I, \_\_\_\_\_, as President of the Ledge Rock Center Residential Metropolitan District No. 2, hereby certify that the attached is a true and correct copy of the 2021 budget.

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



**RESOLUTION**  
**TO ADOPT 2022 BUDGET, APPROPRIATE SUMS OF MONEY,**  
**AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY**  
**LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2022 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1, TOWN OF JOHNSTOWN, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2022, AND ENDING ON THE LAST DAY OF DECEMBER, 2022,

WHEREAS, the Board of Directors of the Ledge Rock Center Residential Metropolitan District No. 1 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 14, 2021 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$\_\_\_\_\_; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$\_\_\_\_\_; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$\_\_\_\_\_; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$\_\_\_\_\_; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$\_\_\_\_\_; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$\_\_\_\_\_; and

WHEREAS, the 2021 valuation for assessment for the District as certified by the County Assessor of Weld County is \$\_\_\_\_\_; and

WHEREAS, at an election held on November 2, 2021, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1 OF TOWN OF JOHNSTOWN, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Ledge Rock Center Residential Metropolitan District No. 1 for calendar year 2022.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2022 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2022 budget year, there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2021.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2021.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2022 budget

year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2022 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2022 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2021.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2021.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2021, to the Board of County Commissioners of Weld County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Weld County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2021 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 14th day of December, 2021.

LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 1

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President

ATTEST:

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Secretary

LETTER OF BUDGET TRANSMITTAL

Date: January \_\_\_, 2022

To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Attached are the 2022 budget and budget message for LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1 in Town of Johnstown, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 14, 2021. If there are any questions on the budget, please contact:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I, \_\_\_\_\_, as President of the Ledge Rock Center Residential Metropolitan District No. 1, hereby certify that the attached is a true and correct copy of the 2022 budget.

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

**RESOLUTION**  
**TO ADOPT 2022 BUDGET, APPROPRIATE SUMS OF MONEY,**  
**AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY**  
**LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2022 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2, TOWN OF JOHNSTOWN, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2022, AND ENDING ON THE LAST DAY OF DECEMBER, 2022,

WHEREAS, the Board of Directors of the Ledge Rock Center Residential Metropolitan District No. 2 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 14, 2021 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$\_\_\_\_\_; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$\_\_\_\_\_; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$\_\_\_\_\_; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$\_\_\_\_\_; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$\_\_\_\_\_; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$\_\_\_\_\_; and

WHEREAS, the 2021 valuation for assessment for the District as certified by the County Assessor of Weld County is \$\_\_\_\_\_; and

WHEREAS, at an election held on November 2, 2021, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2 OF TOWN OF JOHNSTOWN, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Ledge Rock Center Residential Metropolitan District No. 2 for calendar year 2022.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2022 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2022 budget year, there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2021.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of \_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2021.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2022 budget

year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2022 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2022 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2021.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2021.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2021, to the Board of County Commissioners of Weld County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Weld County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2021 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.



ADOPTED this 14th day of December, 2021.

LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 2

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President

ATTEST:

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Secretary

LETTER OF BUDGET TRANSMITTAL

Date: January \_\_\_, 2022

To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Attached are the 2022 budget and budget message for LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2 in Town of Johnstown, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 14, 2021. If there are any questions on the budget, please contact:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I, \_\_\_\_\_, as President of the Ledge Rock Center Residential Metropolitan District No. 2, hereby certify that the attached is a true and correct copy of the 2022 budget.

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

**RESOLUTION  
BY THE BOARDS OF DIRECTORS OF  
LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT AND  
LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NOS. 1-2**

**A RESOLUTION ADOPTING THE PROTECTIONS FOR CONSUMER DATA  
PRIVACY POLICY**

WHEREAS, Ledge Rock Center Commercial Metropolitan District and Ledge Rock Center Residential Metropolitan District Nos. 1-2 of Town of Johnstown, Weld County, Colorado (the “District”) is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to Sections 32-1-1001(1)(h-i), C.R.S., the Board of Directors of the District (the “Board”) is responsible for the management, control, and supervision of all business and affairs of the District;

WHEREAS, the Colorado Legislature recently passed the “Protections for Consumer Data Privacy” Act, H.B. 18-1128 (“Act”), which requires governmental entities in Colorado to develop a written policy for the destruction and proper disposal for paper and electronic documents that contain personal identifying information, to maintain reasonable security procedures for personal identifying information, and to notify Colorado residents following a security breach; and

WHEREAS, to comply with the Act, the Board desires to supplement its Colorado Open Records Act Policy and adopt and implement a policy for the destruction and proper disposal for paper and electronic documents that contain personal identifying information, a policy for protecting personal identifying information from security breaches, and a policy for notifying Colorado residents following a security breach.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARDS OF DIRECTORS OF LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT AND LEDGE ROCK CENTER RESIDENTIAL DISTRICT NOS. 1-2 OF TOWN OF JOHNSTOWN, WELD COUNTY, COLORADO AS FOLLOWS:

**Section 1.**     Definitions.

- (a) “Personal Identifying Information” means the following:
  - i. Social security number
  - ii. Personal identification number
  - iii. A password
  - iv. A pass code
  - v. An official state or government-issued driver’s license or identification card
  - vi. A government passport number
  - vii. Biometric data, as defined in C.R.S. § 6-1-716(1)(a)
  - viii. An employer, student, or military identification number

ix. A financial transaction device, as defined in C.R.S. § 18-5-701

- (b) “Third Party Service Provider” means an entity that has been contracted to maintain, store, or process personal information on behalf of the District.

**Section 2.** Security Measures. The District shall protect Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction by implementing and maintaining reasonable security procedures and practices. Such procedures and practices shall include but not be limited to:

- (a) limiting access to Personal Identifying Information by individuals to the minimum level of information necessary to accomplish their responsibilities by requiring password access to workstations, servers, applications, parts of applications;
- (b) modifying an individual’s access to Personal Identifying Information when the individual’s job responsibilities change, new or upgraded application software allows greater control of application access, or the individual’s association with the District has been terminated;
- (c) monitoring system logins, file access, and security incidents associated with Personal Identifying Information stored on or transmitted by the District’s computer systems, including:
  - i. Using and regularly reviewing system traces;
  - ii. Using and regularly reviewing audit functionality available through application software; and
- (d) ensuring that appropriate education and procedures are in place and enforced so that the District’s board directors, employees, volunteers, committee members, and agents are trained properly regarding privacy and confidentiality in accordance with the District’s policies and the applicable laws and regulations.

**Section 3.** Document Destruction and Disposal. The District’s board directors, employees, volunteers, committee members, and agents are required to comply with the following rules:

- (a) When paper or electronic documents contain Personal Identifying Information, and such paper or electronic documents are no longer needed, unless longer retention is required by contractual or legal requirements, the District shall destroy or arrange for the destruction of such paper or electronic documents within its custody or control by shredding, erasing, or otherwise modifying the Personal Identifying Information in the paper or electronic documents to make the Personal Identifying Information unreadable or indecipherable through any means;
- (b) All electronic documents containing Personal Identifying Information that are no longer needed and are not required by law to be retained shall be deleted from all computers, data bases, networks, and back-up storage;
- (c) No paper or electronic documents containing Personal Identifying Information will be destroyed if pertinent to any ongoing or anticipated government investigation or proceeding or litigation;

- (d) No paper or electronic documents containing Personal Identifying Information will be destroyed as required to comply with government auditing standards or the Colorado Open Records Act;
- (e) If there is any question as to whether or not a document contains Personal Identifying Information, it should be treated as if it does include Personal Identifying Information and should be destroyed.

**Section 4.** Third Party Service Providers. If the District contracts with a third party service provider to maintain, store, or process Personal Identifying Information on behalf of the District, the third party service provider will be required to implement and maintain reasonable security procedures and practices that are:

- (a) appropriate to the nature of the Personal Identifying Information that is disclosed to the third party service provider; and
- (b) reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.

**Section 5.** Discovery of Security Breach. After the District learns that a security breach may have occurred, the District will promptly conduct in good faith an investigation to determine the likelihood that personal information of Colorado residents has been or will be misused.

**Section 6.** Notice Required. The District will give notice to the affected residents within thirty (30) days of learning of the breach if the District determines that the misuse of information has occurred or is reasonably likely to occur. The District will provide notice to the affected residents by one or more of the methods listed in C.R.S. § 24-73-103(1)(f). If the District is required to give notice, the notice shall include the following:

- (a) Date, estimated date, or estimated date range of the security breach;
- (b) A description of the Personal Identifying Information that was acquired or reasonably believed to have been acquired;
- (c) Information that the individual can use to contact the District about the breach;
- (d) Toll-free numbers, addresses, and websites for consumer reporting agencies;
- (e) Toll-free number, address, and website for the federal trade commission; and
- (f) A statement that the individual can obtain information from the federal trade commission and the credit reporting agencies about fraud alerts and security freezes.

If the District is required to give notice, the District shall also direct the resident to change his/her password, security question or answer, and take any other applicable steps to protect his/her online account with the District and all other online accounts for which the resident uses the same user name, email address, password, and/or security question or answer.

The District will not charge the affected Colorado residents for complying with these notice requirements.

**Section 7.** Additional Notice Requirements.

- (a) If the District is required to notify five hundred (500) Colorado residents or more, the District will notify the Colorado Attorney General within thirty (30) days after the date of determination that a breach has occurred.
- (b) If the District is required to notify more than one thousand (1000) Colorado residents of a security breach, the District will immediately notify all consumer reporting agencies that compile and maintain files on consumers on a nationwide basis of the anticipated date of notification to the residents and the approximate number of residents to be notified.

**Section 8.** Colorado Open Records Act. The purpose of this Resolution is to supplement and not replace the District’s Colorado Open Records Act Policy and therefore this Resolution shall be read in conjunction with the requirements of the District’s Colorado Open Records Act Policy.

**Section 9.** Effective Date. The provisions of this Resolution shall take effect as of the date set forth below.

Approved and adopted this 14th day of December, 2021.

LEDGE ROCK CENTER COMMERCIAL  
METROPOLITAN DISTRICT

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

ATTEST:

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

LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 1

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

ATTEST:

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

LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 2

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

ATTEST:

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

**FUNDING AND REIMBURSEMENT AGREEMENT  
(OPERATIONS AND MAINTENANCE COSTS)**

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This **FUNDING AND REIMBURSEMENT AGREEMENT** (the “Agreement”) is made and entered into as of the 14th day of December, 2021 by and between **LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT** and **LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NOS. 1-2** (collectively, the “Districts”), quasi-municipal corporations and political subdivisions of the State of Colorado and **LEDGE ROCK CENTER, LLC**, a Kansas limited liability company, its affiliates, subsidiaries, successors and assigns) (collectively referred to herein as the “Developer”). Collectively the District and Developer are referred to herein as the “Parties.”

**RECITALS**

WHEREAS, the Districts were duly and validly created as a quasi-municipal corporation and political subdivision of the State of Colorado, by order of the District Court for Weld, County, Colorado and in accordance with the Special District Control Act, Article 1, Title 32 of the Colorado Revised Statutes (the “Act”), and after approval of the eligible electors of the Districts at a special election held on November 2, 2021, for the purpose of assisting in the financing and development of the area generally located generally located north and west of U.S. Highway 60 and Interstate 25, in the Town of Johnstown, Weld County, Colorado (the “Town); and

WHEREAS, Service Plan for the Districts (the “Service Plan”) were approved by the Town of Johnstown via Resolution No. 2021-28, Resolution No. 2021-29, and Resolution 2021-30 on September 8, 2021 for the purpose of providing certain parameters for the financing, development and administration of certain public facilities, improvements and appurtenances within the area legally permitted to be served by the Districts (the “Service Area”); and

WHEREAS, at the organizational election of the Districts held on November 2, 2021 a majority of eligible electors in the Districts approved of the formation and initial board of directors for the Districts as well as the Districts’ issuance of indebtedness and the imposition of ad valorem taxes by the Districts for the purpose of repaying such debt; and

WHEREAS, in furtherance of their Service Plan, the Districts will incur, administration, operations and maintenance costs associated with certain public facilities located within and without the Districts’ boundaries, which costs cannot be paid with proceeds of tax-exempt bonds issued by the Districts; and

WHEREAS, the Districts’ financial model, as contained in the Service Plan, currently displays a deficiency in the amount of revenues expected to be generated to pay said operations and maintenance costs, which the Districts desire to eliminate; and

WHEREAS, the Developer is willing to loan, and has loaned or advanced funds to the Districts in an amount, or in amounts, sufficient to enable the Districts to pay said administrative, operations and maintenance costs and for the initial construction, acquisition and operations of public improvements until completed and dedicated for ownership, operations and maintenance



needed by for the Service Area, provided that the Districts agree to repay such amounts in accordance with the terms hereof; and

WHEREAS, in order to further evidence the Districts' obligation to repay the loaned funds, and induce the Developer's lending of such funds, the Districts have determined that it is necessary to authorize the issuance of a promissory note (such initial note and any note subsequently issued by the Districts to refund a note in accordance with the terms hereof each a "Promissory Note") in a principal amount not to exceed Five Hundred Thousand Dollars (\$500,000); and

WHEREAS, the Districts anticipate repaying moneys advanced by the Developer hereunder, including as evidenced by any Promissory Notes, with the proceeds of ad valorem taxes or other revenues determined to be available therefore, in accordance with the terms hereof; and

WHEREAS, the Districts intend to issue, from time to time, general obligation or revenues bonds (the "Senior Bonds") for the purpose of funding the capital infrastructure; and

WHEREAS, the Districts anticipate repaying moneys advanced by the Developer hereunder with the proceeds of ad valorem taxes or other revenues determined to be available therefore, in accordance with the terms hereof; and

WHEREAS, the Districts and the Developer desire to enter into this Funding and Reimbursement Agreement for the purpose of consolidating all understandings and commitments between such parties relating to the funding and repayment of administrative, operations and maintenance costs associated with certain public facilities located within and without the boundaries of the Districts and for addressing past and future Developer advances of funds for these purposes; and

WHEREAS, the Districts' Boards of Directors have authorized their officers to execute this Agreement and to take all other actions necessary and desirable to effectuate the purposes of this Agreement; and

WHEREAS, those employees and/or affiliates of the Developer who serve on the Districts' Boards of Directors have each disclosed potential conflicts of interest in connection with this Agreement, as required by law.

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

### **COVENANTS AND AGREEMENTS**

1. Loan Amount and Term. The Developer may, pursuant to the terms of this Agreement advance to the Districts for the Districts' benefit, one or more additional sums of money, which shall not exceed the aggregate of Five Hundred Thousand Dollars (\$500,000) and shall constitute the maximum amount that may be expended, loaned, and repaid hereunder,

notwithstanding any payment or prepayment of any portion of such advanced amount pursuant to the terms hereof. Funds may be advanced to the Districts for the Districts' benefit in one or a series of installments and shall be available to the Districts benefit. The Districts have not had sufficient funds to pay the Developer for costs advanced to date. The Districts desire to reaffirm their obligations to the Developer and amend and restate this agreement for as long as it takes to reimburse the developer for operations and administrative costs advance during the Districts' formation, organization and early years of operations. This term is anticipated to be completed as development progresses and absorption within the Districts occurs. The new "Term" of this Agreement shall be annually renewable one (1) year terms, to be considered at the time of budget approval of the Districts, depending upon the financial feasibility of the Districts to fund their own operations and administration and to repay any debt service obligations and the obligations under this Agreement.

2. Use of Funds.

A. The Districts shall apply all funds that may be loaned pursuant to this Agreement solely to costs associated with the formation, administration, operations and maintenance of public facilities described and defined in the Service Plan, and for other budgeted general fund expenditures during the term of this Agreement, as budgeted and appropriated as Districts expenditures for the Term of this Agreement. Said funds may not be used for any other purpose without the prior written consent of the Developer.

B. The Districts shall prepare and adopt a budget annually for the duration of this Agreement, and/or at such other times as may be provided by law, which shall be available to the Developer, upon reasonable request.

C. The Districts will budget all or a portion of the aggregate amount which has been or may be advanced hereunder as "revenue" from year to year, thereby enabling it to appropriate sufficient funds to pay the expenses set forth in their budgets during the Term of this Agreement.

3. Manner for Making and Documenting Advances. The parties hereto agree that the funds committed by the Developer to the Districts in this Agreement shall be made available to the Districts for the purposes set forth above on condition that the following procedures are utilized by the Districts to request Loan advances from the Developer:

A. The Districts' Board of Directors shall hold public meetings, as necessary, to review and authorize the execution of contracts and the incurrence of other fees and costs, and to authorize payment therefor, consistent with the Districts' Service Plan and their budgets. In the event that the Districts' Board of Directors determines that said invoices and/or said notices are consistent with the Districts' Service Plan, the terms of this Agreement, and the applicable budget, it shall authorize payment therefor, contingent on the receipt of advanced funds from the Developer.

B. Thereafter, the Districts shall then advise the Developer in writing of the amount to be loaned to the Districts hereunder to allow the Districts to pay such invoices, and

shall certify that the funds so requested are to be used for purposes permitted under this Agreement and consistent with the Service Plan.

C. Immediately upon the loan of funds by the Developer pursuant to this Agreement, and the receipt by the Districts of notice of the same, the Districts shall maintain evidence of the amount of funds loaned to it, the date of the loan, the total amount of loan advances accumulated to date under this Agreement, and the Districts' obligations to repay such loan amounts in accordance with the terms of this Agreement. The Districts will make such evidence available to the Developer upon reasonable request and such evidence shall constitute the agreed-upon loan amounts to be repaid by the Districts in accordance with the terms of this Agreement. The Developer also agrees to promptly acknowledge, or cause the acknowledgment of, the re-payment of any amounts advanced hereunder.

4. Obligations Irrevocable. The obligations created by this Agreement are absolute, irrevocable, and unconditional, unless a contrary notation is specifically made herein, and may only be modified pursuant to Paragraph 11 herein. The Developer shall not take any action which would delay or impair the Districts' ability to receive the loan proceeds contemplated herein with sufficient time to properly pay approved invoices and/or notices of payment due.

5. Issuance of Promissory Note; Recordation of Loan Advances; Interest.

A. Upon request of the Developer, the Districts hereby agree to issue to or at the direction of the Developer one or more Promissory Notes, in the form attached hereto as Exhibit A, to evidence any repayment obligation of the Districts then existing with respect to loan advances made under this Agreement. The financial obligations of the Districts assumed hereunder shall be contractual general obligation debt as limited hereby, and subordinate to the Districts' obligation to pay bonds issued by the Districts pursuant to a Capital Pledge Agreement to be issued in connection with repayment of capital improvement reimbursements and/or bond issuance by the Districts and shall be payable from ad valorem property taxes and other revenue generated by the Districts for payment of Debt obligations of the Districts. Repayment of such Promissory Note shall be contingent upon the availability of legal revenues of the Districts. The Promissory Note shall have a maturity date of December 31 of the calendar year in which the Promissory Note is made. If the Districts lack sufficient funds to pay such Promissory Note in full on that date, the Districts hereby agree to issue a new Promissory Note to the Developer to refund the existing Promissory Note, which new Promissory Note shall be in an amount equal to the outstanding principal of the Promissory Note to be refunded and shall have a maturity date of December 31 of the next calendar year. Similarly, until such time as the Districts are able to pay in full the amount of any Promissory Note then outstanding and no further advances are to be made hereunder, the Districts shall issue a new Promissory Note to refund any existing Promissory Note which, at the date of its maturity, remains unpaid. Each new Promissory Note issued by the Districts shall reflect all outstanding principal on the Promissory Note being refunded to date.

B. The Promissory Note shall be repayable only to the extent and in the amount of loan advances made to the Districts as of the date such Promissory Note is issued, which amount shall not exceed Five Hundred Thousand Dollars (\$500,000).

C. Each loan advance made hereunder shall bear simple interest as to each loan advance made hereunder at the rate of Two Percent (2%) plus the current Federal Reserve Board Prime Rate, from the date such loan advance is made to the Districts, regardless of when such advance is noted on Schedule "A" to the earlier of the maturity date or date of redemption thereof. Said interest shall be payable upon maturity of any Promissory Note. If a Promissory Note is issued pursuant to this Paragraph 5, said interest shall be payable upon maturity of the Promissory Note. If a Promissory Note or any portion thereof is redeemed prior to its maturity date, then the interests that accrued on the principal amount so redeemed, must be paid upon redemption; for purposes of the foregoing, interest shall be deemed to have accrued up to and including the date of redemption. Following any repayment in whole or in part of a Promissory Note, loan advances shall continue to be made and noted on a Promissory Note in accordance with the provisions hereof, provided that the total of all loan advances made hereunder, regardless of whether prepaid, shall not exceed Five Hundred Thousand Dollars (\$500,000).

D. For purposes of refinancing any Promissory Note, interest due at the maturity date thereof if unpaid on such date shall be added to the principal for purposes of refinancing any note.

E. The obligation of the Districts to repay the Developer pursuant to this Agreement shall not be offered, sold or transferred to a third party, except for Developer's affiliates, wholly owned subsidiaries, heirs, successors or related parties.

F. The terms of this Agreement may be used to construe the intent of the parties in connection with issuance of any Promissory Note, and shall be read as nearly as possible to make the provision of any Promissory Note and this Agreement fully effective. Should any irreconcilable conflict arise between the terms of this Agreement and the terms of any Promissory Note, the terms of such Promissory Note shall prevail.

G. If, for any reason, a Promissory Note is determined to be invalid or unenforceable (except in the case of fraud by the Developer in connection therewith), the Districts shall issue a new Promissory Note to the Developer that is legally enforceable, subject to the provisions of this Paragraph 5.

#### 6. Terms of Repayment; Mill Levy Pledge.

A. The Districts intend to reimburse the Developer for loan advances governed by this Agreement from any legally available revenues of the Districts, including fees, rates, tolls charges and revenues resulting from the imposition of ad valorem taxes, net of any current operating and maintenance costs of the Districts. The Districts hereby agree to certify a mill levy sufficient to pay, when due, any payments due in accordance with the terms of this Agreement, subject to any restrictions provided in the Districts' Service Plan and electoral authorization; *provided, however, that any such repayment is subject to the terms and conditions of, and such repayment obligations shall be subordinate to, the issuance of any bonds, and the provisions of any bond resolution, indenture or any other document related thereto; and further provided that any mill levy certified by the Districts for the purpose of repaying advances made*

*hereunder shall not be higher than the Service Plan mill levy cap, as it now exists or may be amended from time to time.* Failure by the Districts to repay the Developer as a result of insufficient funds shall not constitute a default hereunder, nor subject the Districts to any claims and/or causes of action by the Developer, including mechanic's liens, arising out of the Districts' nonperformance of their payment obligation.

B. The provision for repayment of advances made hereunder, as set forth in Section 7(a) hereof, shall constitute a multiple fiscal year obligation under the State of Colorado Constitution, is authorized pursuant to a vote of the eligible electors of the Districts and shall not be subject to annual appropriation.

7. Termination.

A. The Developer's obligations to advance funds to the Districts in accordance with this Agreement shall terminate on December 31, 2022, except to the extent advance requests have been made to the Developer that are pending by this termination date, in which case said pending request(s) will be honored notwithstanding the passage of the termination date.

B. The Districts' obligations hereunder shall terminate at the earlier of the repayment in full of Five Hundred Thousand Dollars (\$500,000) due (or such lesser amount loaned hereunder if it is determined that no further loan advances shall be required hereunder) or forty years from the execution date hereof, provided that the Districts shall continue to be obligated to pay any amounts then owing in accordance with the terms thereof.

8. Tax Covenant. In the event the Districts is advised by nationally recognized bond counsel that payments of all or any portion of interest on any Promissory Note issued pursuant to this Agreement may be excluded from gross income of the holder thereof for federal income tax purposes upon compliance with certain procedural requirements and restrictions that are not inconsistent with the intended uses of funds contemplated herein and are not overly burdensome to the Districts, the Districts agree to take all action reasonably necessary to satisfy the applicable provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, in accordance with written instructions of nationally recognized bond counsel. The Developer acknowledges that no representations or warranties whatsoever have been made by the Districts or their Board of Directors as to the treatment for federal or state income tax purposes of any interest payable hereunder.

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

10. Notices and Place for Payments. Any notices, demands, or other communications required or permitted to be given by any provision of this Agreement shall be given in writing and either delivered personally, sent by facsimile with a hard copy sent immediately thereafter via First Class U.S. Mail, or sent via First Class U.S. Mail, postage prepaid and return receipt requested, and addressed to the parties at the information set forth below. Notice shall be

considered given when delivered personally or sent by facsimile with a hard copy sent immediately thereafter via First Class U.S. Mail, and shall be considered received on the earlier of the day on which such notice is actually received by the party to whom it is addressed, or the third day after such notice is mailed.

Notices to the District: Ledge Rock Center Metropolitan Districts  
c/o Pinnacle Consulting Group, Inc.  
550 W. Eisenhower Blvd.  
Loveland, CO 80537  
Fax: (970) 669-3612

With a copy to: Spencer Fane, LLP  
c/o David S. O'Leary, Esq.  
1700 Lincoln Street, Suite 2000  
Denver, Colorado 80203  
Fax: (303) 839-3838

To the Developer: Ledge Rock Center, LLC  
6917 W 135<sup>th</sup> Street, Suite B29  
Overland Park, KS 66223

11 Amendments. This Agreement may not be amended, modified, or changed, in whole or in part, without a written agreement executed by the Districts and the Developer.

12. Assignment. This Agreement, in whole or in part, may not be assigned without the prior, written consent of both the District and the Developer; provided, however, that the Districts' obligation to repay the Developer for funds advanced hereunder shall not be offered, sold or transferred to a third party. Any attempted assignment in violation of this paragraph shall be immediately void and of no effect.

13. Applicable Laws. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Colorado.

14 Severability. If any clause or provision of this Agreement is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such clause or provision shall not affect the validity of this Agreement as a whole, but shall be severed herefrom, leaving the remaining Agreement intact and enforceable.

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

16. Legal Existence. The Districts will maintain their legal identity and existence so long as any of the advanced amounts contemplated herein remain outstanding. The foregoing statement shall apply unless, by operation of law, another legal entity succeeds to the liabilities

and rights of the District hereunder without materially adversely affecting the Developer's privileges and rights under this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the date and year first above written.

*[Remainder of the Page Intentionally Left Blank – Signature Pages Follow]*

**LEDGE ROCK CENTER COMMERCIAL  
METROPOLITAN DISTRICT**

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

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, Secretary

STATE OF \_\_\_\_\_ )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing Agreement was acknowledged before me on this \_\_\_ day of \_\_\_\_\_, 2021 by \_\_\_\_\_ as President of Ledge Rock Center Commercial Metropolitan District.

WITNESS my hand and official seal.

My Commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing Agreement was acknowledged before me on this \_\_\_ day of \_\_\_\_\_, 2021 by \_\_\_\_\_ as Secretary of Ledge Rock Center Commercial Metropolitan District.

WITNESS my hand and official seal.

My Commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public



**LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1**

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

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, Secretary

STATE OF \_\_\_\_\_ )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing Agreement was acknowledged before me on this \_\_\_ day of \_\_\_\_\_, 2021 by \_\_\_\_\_ as President of Ledge Rock Center Residential Metropolitan District No. 1.

WITNESS my hand and official seal.

My Commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing Agreement was acknowledged before me on this \_\_\_ day of \_\_\_\_\_, 2021 by \_\_\_\_\_ as Secretary of Ledge Rock Center Residential Metropolitan District No. 1.

WITNESS my hand and official seal.

My Commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public



**LEDGE ROCK CENTER, LLC,**  
a Kansas limited liability company

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

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing Agreement was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 2021 by \_\_\_\_\_, as \_\_\_\_\_ of Ledge Rock Center, LLC, a Kansas limited liability company.

WITNESS my hand and official seal.

My Commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

EXHIBIT A  
FORM OF PROMISSORY NOTE

**THE OBLIGATION OF LEDGE ROCK CENTER \_\_\_\_\_ METROPOLITAN DISTRICT \_\_\_\_\_ TO PAY THE REGISTERED OWNER OF THIS PROMISSORY NOTE SHALL NOT BE OFFERED, SOLD, OR TRANSFERRED TO A THIRD PARTY.**

LEDGE ROCK CENTER \_\_\_\_\_ METROPOLITAN DISTRICT \_\_\_\_\_  
REVENUE AND LIMITED TAX OBLIGATION  
PROMISSORY NOTE

PRINCIPAL AMOUNT: Up To Five Hundred Thousand Dollars (\$500,000)

INTEREST RATE: Simple Interest as to each loan advance made hereunder at the rate of Two Percent (2%) plus the current Federal Reserve Board Prime Rate

DATED: As of December 14, 2021

REGISTERED OWNER: Ledge Rock Center, LLC (the "Developer")

MATURITY DATE: December 14, 2022

Ledge Rock Center \_\_\_\_\_ Metropolitan District \_\_\_\_\_ (the "District"), a body corporate, politic and a political subdivision organized under the laws of the State of Colorado, for the value received, hereby promises to pay, but solely and only from, and contingent upon receipt of, the sources hereinafter described, the principal sum stated above (or such lesser amount as may be shown as advanced hereunder as set forth in Schedule "A" attached hereto) together with interest at the rate stated above, which interest shall accrue on said principal sum from and after the date hereof to the maturity date hereof, in lawful money of the United States of America to the registered owner named above, on the maturity date stated above unless this Note shall be prepaid in full, in which case on such payment date.

In any case where the date of maturity of interest on or principal of this Note or the date fixed for prepayment hereof shall be a Saturday or Sunday, a legal holiday or a day on which banking institutions in the city of payment are authorized by law to close, then payment of interest or principal or prepayment price shall be made on the immediately following business day with the same force and effect as if made on the date of maturity or the date fixed for prepayment. Prior to the Maturity Date, and at such time as the District has available funds, this Note may be prepaid in whole without redemption premium or other penalty, but with interest accrued on the principal amount prepaid, up to and including the date of prepayment. Any and all prepayments shall first be applied to accrued, unpaid interest, then to the principal. This Note shall be paid in full from the sources hereinafter described prior to the payment of any other obligation of the District, which may have a claim on any revenues thereof that would otherwise be available for the payment of this Note, other than current operation and maintenance expenses of the Districts and current debt service on any outstanding bonds of the Districts.

This Note is executed pursuant to, and is secured by, the Funding and Reimbursement Agreement between the District and the Developer, dated December 14, 2021, the terms of which are hereby incorporated by reference, and has been executed and delivered to pay for

certain indebtedness incurred on their behalf as set forth therein. Pursuant to said Funding and Reimbursement Agreement, the District is obligated to repay both the principal amount of this Note and any and all interest accrued thereon in the manner specified therein, contingent upon receipt of funds from certain revenue sources including, but not limited to, revenues resulting from the imposition of an ad valorem tax levy not in excess of the Maximum Debt Mill Levy (as defined by the service plan for the District) and any other legally available revenues. Failure by the District to repay the Developer as a result of insufficient funds shall not constitute a default hereunder, nor subject the District to any claims and/or causes of action by the Developer, including mechanic's liens, arising out of the District's nonperformance of their payment obligation.

The obligation of the District to levy ad valorem taxes to provide for the payment of this Note is subject to restrictions provided in the District's Service Plan, electoral authority of the District, the provisions of any bond resolution, indenture or other document related to the District's issuance of bonds to fund capital improvements now or hereafter, and any applicable laws. **In no event shall a mill levy of any District in excess of the Maximum Debt Mill Levy (as defined by the service plan for the Districts) be levied for the repayment of this Note.**

The District and the Developer agree that upon each advance made pursuant to said Funding and Reimbursement Agreement, the Districts shall complete the appropriate information in Schedule "A" of this Note as contemplated therein. Any payments on the Note shall be evidenced on Schedule "B" hereto.

Neither the Board of Directors of the District, nor any person executing this Note, shall be personally liable hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Note is issued pursuant to and in full compliance with the Constitution and laws of the State of Colorado. All issues arising hereunder shall be governed by the laws of Colorado.

This Note is issued pursuant to the Supplemental Public Securities Act, Section 11-57-201, et seq, C.R.S., as amended.

**THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE DISTRICT AND SHALL BE PAYABLE SOLELY FROM CERTAIN REVENUES SPECIFIED IN THE FUNDING AND REIMBURSEMENT AGREEMENT. THIS NOTE SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE STATE OF COLORADO OR WELD COUNTY, COLORADO. THE DEVELOPER SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF COLORADO OR WELD COUNTY TO PAY THIS NOTE OR THE INTEREST THEREON, NOR TO ENFORCE PAYMENT OF THE SAME AGAINST THE PROPERTY OF THE STATE OF COLORADO OR WELD COUNTY, NOR SHALL THIS NOTE CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE STATE OF COLORADO OR WELD COUNTY.**

**BY ITS ACCEPTANCE HEREOF, THE DEVELOPER ACKNOWLEDGES THAT THE DISTRICT AND ITS OFFICERS, ATTORNEYS, EMPLOYEES OR**

**AGENTS NEITHER MAKE, NOR HAVE MADE, ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE PROPER TREATMENT FOR FEDERAL, STATE AND/OR LOCAL INCOME TAX PURPOSES OF THE INTEREST PAYABLE HEREUNDER.**

The District waives demand, presentment, and notice of dishonor and protest with respect to any payment due hereunder. No waiver of any payment or other right under this Note shall operate as a waiver of any other payment or right, including right of offset. If the Developer enforces this Note upon default, the District shall pay or reimburse the Developer for reasonable expenses incurred in the collection hereof or in the realization of any security hereof, including reasonable attorney's fees.

Notwithstanding any provision herein, or in any instrument now or hereafter securing the obligation of the District specified herein, the total liability for payments in the nature of interest shall not exceed the limit now imposed by the usury laws of the State of Colorado. By signing in the space provided below, the District hereby acknowledges and agrees that this Note shall be irrevocable for all purposes and shall be binding upon the District and their respective permitted successors. This Note may not be terminated orally, but only by payments in full or by a written discharge signed by the owner and holder of this Note.

This Note shall not be transferable, negotiable, or otherwise payable to any party other than the Developer.

It is hereby certified, recited and declared that all conditions, acts and things required to exist or occur by the Constitution or statutes of the State of Colorado, currently exist and either occurred prior to, or in connection with, the issuance of this Note.

IN WITNESS WHEREOF, the District has caused this Note to be executed in their name and on their behalf by their President, an imprint of their seal affixed hereon and by attestation via the signature of their Secretary.

**LEDGE ROCK \_\_\_\_\_**  
**METROPOLITAN DISTRICT \_\_\_\_\_**

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

ATTEST:

\_\_\_\_\_  
Secretary

SCHEDULE A

PRINCIPAL RECEIVED BY MAKER

<u>RECEIPT DATE</u>	<u>PRINCIPAL AMOUNT RECEIVED</u>	<u>BALANCE OF PRINCIPAL AMOUNT RECEIVED</u>	<u>SIGNATURE OF AUTHORIZED REPRESENTATIVE OF MAKER</u>
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SCHEDULE B

PAYMENTS BY MAKER

<u>PAYMENT DATE</u>	<u>AMOUNT PAID</u>	<u>BALANCE OF AMOUNT PAID</u>	<u>SIGNATURE OF AUTHORIZED REPRESENTATIVE PAYEE</u>
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**ADVANCE AND REIMBURSEMENT AGREEMENT  
(Capital Costs)**

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This **ADVANCE AND REIMBURSEMENT AGREEMENT** (the “Agreement”) is made and entered into to be effective as of the 14th day of December, 2021 by and between **LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT** and **LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NOS. 1-2** (collectively, the “Districts”), quasi-municipal corporations and political subdivisions of the State of Colorado and **LEDGE ROCK CENTER, LLC**, a Kansas limited liability company, its affiliates, subsidiaries, successors and assigns) (collectively referred to herein as the “Developer”). Collectively the District and Developer are referred to herein as the “Parties.”

**RECITALS**

WHEREAS, the Districts were duly and validly created as a quasi-municipal corporation and political subdivision of the State of Colorado, by order of the District Court for Weld, County, Colorado and in accordance with the Special District Control Act, Article 1, Title 32 of the Colorado Revised Statutes (the “Act”), and after approval of the eligible electors of the Districts at a special election held on November 2, 2021, for the purpose of assisting in the financing and development of the area generally located generally located north and west of U.S. Highway 60 and Interstate 25, in the Town of Johnstown, Weld County, Colorado (the “Town); and

WHEREAS, Service Plan for the Districts (the “Service Plan”) were approved by the Town of Johnstown via Resolution No. 2021-28, Resolution No. 2021-29, and Resolution 2021-30 on September 8, 2021 for the purpose of providing certain parameters for the financing, development and administration of certain public facilities, improvements and appurtenances within the area legally permitted to be served by the Districts (the “Service Area”); and

WHEREAS, pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, the District and/or the Developer on the District’s behalf has incurred and will incur costs in furtherance of the District’s permitted purposes, including but not limited to: formation and organization costs, costs related to the funding, financing, construction, installation, acquisition, ownership, operation, administration and maintenance of certain Capital Costs for improvements and services, including but not limited to street improvements, storm drainage facilities, street landscaping, signals and signage, potable and non-potable water systems, sanitary sewer collection systems, park and recreation facilities, mosquito and pest control and other infrastructure within and without the Districts’ boundaries (collectively referred to herein as “Capital Costs” or “Improvements”), as authorized or limited by the Town, the Service Plan, and as otherwise authorized under applicable law; and

WHEREAS, the District expects to finance the acquisition of the Improvements by the issuance of general obligation bonds of the District (the “Bonds”), and, if the proceeds of such Bonds are not sufficient to pay in full the public capital Improvements, the issuance to the

Developer of subordinate obligations (“Subordinate Obligations”) in the form of bonds or notes, which Bonds and Subordinate Obligations when issued may constitute a refunding of the indebtedness evidenced by this Agreement and authorized by the electors of District on November 2, 2021. The District will be responsible for producing property tax and other revenue sufficient to pay the costs of any authorized operations or administration costs as well as provide debt service expenses incurred for the Public Infrastructure, until such obligations are discharged; and

WHEREAS, at the District Election on November 2, 2021, a majority of eligible electors in the District approved the District’s issuance of indebtedness and the imposition of ad valorem taxes by the District for the purpose of repaying such debt; and

WHEREAS, the District has determined that delay in the provision or financing of certain public Improvements will impair the District's ability to meet its financial and service obligations on a timely basis; and

WHEREAS, the Developer has loaned or advanced funds to the District and paid for or financed the acquisition of improvements which benefit the District and its constituents previously, has incurred and/or will incur costs in furtherance of the District’s permitted purposes, including but not limited to costs related to the provision of public improvements in the nature of capital costs, and is willing to loan additional funds to the District, from time to time, on the condition that the District agrees to repay such loaned funds, in accordance with the terms set forth herein; and

WHEREAS, the Developer was willing to advance and is willing to continue to advance funds to the District, from time to time, in an amount sufficient to enable the District to construct certain public improvements as described in the Service Plan, provided that the District agrees to repay such advanced funds, in accordance with the terms set forth herein and out of the proceeds of tax exempt bonds issued by the District and any other revenues legally available to the District; and

WHEREAS, the District and the Developer desire to enter into this Advance and Reimbursement Agreement for the purpose of consolidating all understandings and commitments between such parties relating to the funding of costs associated with the construction of public improvements and related capital improvement and district improvement costs and expenditures; and

WHEREAS, the Board of Directors of the District has determined that the best interests of the District and its residents and property owners would be served by entering into this Agreement for the funding of costs; and

WHEREAS, in order to further evidence the District’s obligation to repay the advanced funds, and induce the Developer’s advancing of additional funds, the District has determined that it is necessary to authorize the issuance of a subordinate promissory note, in the form attached hereto as Exhibit B, (such initial note and any note subsequently issued by the District to refund a note in accordance with the terms hereof each a “Subordinate Note”) in a principal amount not

to exceed \$173,785,000 for Ledge Rock Center Commercial Metropolitan District, \$3,600,000 for Ledge Rock Center Residential Metropolitan District No. 1, \$3,900,000 for Ledge Rock Center Residential Metropolitan District No. 2 as may be limited or expanded by the Service Plan; and

WHEREAS, the District's Board of Directors has authorized its officers to execute this Agreement and to take all other actions necessary and desirable to effectuate the purposes of this Agreement;

WHEREAS, those employees and/or affiliates of the Developer who serve on the District's Board of Directors have each disclosed potential conflicts of interest in connection with this Agreement, as required by law; and

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

### **COVENANTS AND AGREEMENTS**

1. Prior Costs Incurred/Assignment of Work Product. The parties agree and acknowledge that the Developer has incurred certain Capital Costs to date on behalf or to the benefit of the District, or has loaned amounts to the District for the payment of certain Capital Costs. A summary of the Capital Costs incurred and/or amounts loaned and the dates incurred or loaned is contained on Exhibit A, attached hereto and incorporated herein by this reference. The District has reviewed invoices and/or other evidence that the items represented on Exhibit A each are properly includible as Costs and are properly categorized as Capital Costs. Following execution hereof, the Developer shall assign any and all work product or other things of value produced in connection with the incurrence of such Capital Costs to the District, and the District shall reflect the amounts indicated on Exhibit A hereto as advances hereunder on the schedules described herein.

2. Loan Amount and Term. The Developer has previously or will in the future, advance to the District or for the District's benefit, one or more sums of money, which advances will not exceed the aggregate principal amount of \$173,785,000 for Ledge Rock Center Commercial Metropolitan District, \$3,600,000 for Ledge Rock Center Residential Metropolitan District No. 1, \$3,900,000 for Ledge Rock Center Residential Metropolitan District No. 2., which constitutes the maximum amount which may be advanced and reimbursed hereunder, notwithstanding any payment or prepayment of any portion of such advanced amount pursuant to the terms hereof. These funds have been or shall be advanced to the District in one or a series of installments and shall be available to the District or for the District's benefit through December 31, 2022, which shall constitute the initial "Funding Obligation Term" of this Agreement. The Developer may agree to renew its obligations hereunder on an annual basis by providing written notice thereof to the District no later than December 15 immediately prior to the then effective Loan Obligation Termination Date, in which case the Loan Obligation Termination Date shall be amended to the date provided in such notice, which date shall not be earlier than December 31 of the succeeding year.

3. Use of Funds. The District agrees that it shall apply all funds loaned by the Developer under this Agreement solely to Capital Costs of the District as set forth from time to time in the annual adopted budget for the District. It is understood that the District has budgeted or will budget as revenue from year to year the entire aggregate amount of which may be borrowed hereunder to enable the District to appropriate revenues to pay the expenses set forth in its Budget during the Term of this Agreement. The Developer shall be entitled to a quarterly accounting of the expenditures made by the District, and otherwise may request specific information concerning such expenditures at reasonable times and upon reasonable notice to the District (reports other than quarterly may be subject to an administrative charge by the District).

4. Manner for Requesting Loan Advances.

a. The District shall from time to time determine the amount of revenue required to fund budgeted expenditures for Capital Costs by the District on a monthly basis. Such determination shall be made based upon the expenditures contained in the adopted budget for the District and upon the rate of expenditures estimated for the next succeeding month. Not less than 10 days before the beginning of each month, the District shall notify the Developer of the requested advances for the next month for Capital Costs, and the Developer shall deposit such advances on or before the first business day of that month.

b. Within three (3) days of receipt of such funds, the District shall notate the same on schedules to be maintained by the District for such purpose, showing the amount of funds received the date of receipt, and the total amount of loan advances accumulated under this Agreement, and shall execute such schedules acknowledging its receipt of such loan advance. The District shall retain such records of the date and amount of each advance made by the Developer under this Agreement, which records shall be made available to the Developer upon reasonable request and shall constitute the agreed upon loan amounts to be repaid by the District in accordance with the terms of this Agreement. The Developer agrees to promptly acknowledge, or cause the acknowledgment of, any payment of any amounts advanced hereunder on such records maintained by the District.

c. Following any repayment in whole or in part of amounts advanced under this Agreement, loan advances shall continue to be made and noted as described above in accordance with the provisions hereof, provided that the total of all loan advances made under this Agreement, regardless of whether prepaid, shall not exceed the Maximum Capital Loan Amount.

d. Upon execution of this Agreement, the District shall record on the schedule relating to advances made under this Agreement, advances for organization, formation and initial Capital Costs, representing advances made by the Developer to the District, and/or Costs incurred by the Developer on behalf of the District prior to the date of execution of this Agreement and not reflected in any other outstanding obligation of the District. The schedule shall reflect that such amounts were advanced as of the dates indicated on Exhibit A attached hereto.

5. Limited Defenses to Payments; Specific Performance. It is understood and agreed by the District and the Developer that their obligations hereunder are absolute, irrevocable, and unconditional except as specifically stated herein, and so long as a loan advance request substantially conforms to the terms and conditions hereof, the Developer agrees that it shall not take any action which would delay payment of any loan made to the District or impair the District's ability to receive additional loans hereunder in a timely manner.

6. Interest Prior to Issuance of Subordinate Notes. With respect to loan advances made under this Agreement prior to the issuance of Subordinate Notes reflecting such advance, such advances shall bear simple interest at a rate of Two Percent (2%) plus the current Federal Reserve Board Prime Rate per annum from the date any such advance is made to the earlier of the date the Subordinate Note is issued to evidence such advance, among others, or the date of repayment of such amount. Upon issuance of any such Subordinate Notes, unless otherwise consented to by the Developer, any interest then accrued on any previously advanced amounts shall be added to the amount of loan advances and reflected as principal of the Subordinate Notes, and shall thereafter accrue interest as provided in such Subordinate Notes.

7. Terms of Repayment.

a. The District intends to repay any advance made under this Agreement from the proceeds of any revenues determined by the District to be available therefore (to the extent available for such purpose), fees, rates, tolls charges and revenues resulting from ad valorem taxes imposed by or caused to be imposed by the District, net of any current operating and maintenance costs of the District and any principal and interest and other costs related to the Senior Debt; provided, however, that any such repayment is subject to the terms and conditions of, and such repayment obligations shall be subordinate to, the Senior Debt, and the provisions of any bond resolution, indenture or other document related thereto. *Any mill levy certified by the District for the purposes of repaying advances made hereunder shall not exceed 45 mills for debt and shall be further subject to any restrictions provided in the District's Service Plan, electoral authorization, the provisions of any bond resolution, indenture or other document related to the District's issuance of Senior Debt now or hereafter, or any applicable laws.*

b. The provision for repayment of advances made hereunder, as set forth in Section 7(a) hereof, shall be at all times subject to annual appropriation by the District, in its absolute discretion.

c. At such time as the District issues Subordinate Bonds to evidence an obligation to repay advances made under this Agreement, the repayment terms of such Subordinate Bonds shall control and supersede any otherwise applicable provision of this Agreement.

8. Issuance of Subordinate Bonds

a. Subject to the conditions of this Section 8 hereof, upon request of the Developer, the District hereby agrees to issue to or at the direction of the Developer one or more Subordinate Bonds to evidence any repayment obligation of the District then existing with

respect to advances made under this Agreement. Such Subordinate Bonds shall be payable from the proceeds of the first series of bonds issued by the District (to the extent available for such purpose) and the proceeds of ad valorem taxes and fees imposed or caused to be imposed by the District, and shall be secured by the District's pledge to certify a mill levy of not more than 50 mills, unless otherwise consented to by the Developer; provided however, that such pledge and the use of any such revenues shall be subordinate to the lien thereon of any Senior Debt. Such Subordinate Bonds shall mature on a date or dates, and bear interest at a market rate, to be determined at the time of issuance of such Subordinate Bonds. The District shall be permitted to prepay any Subordinate Bond, in whole or in part, at any time without redemption premium or other penalty, but with interest accrued to the date of prepayments on the principal amount prepaid. A failure to make a payment of principal or of interest on a Subordinate Bond shall not cause or permit acceleration thereof; rather, the Subordinate Bond shall continue to bear interest at the rate specified therefore, without interest on accrued, unpaid interest. The terms and conditions of any Subordinate Bond shall comply with the applicable provisions of any documents related to the Senior Debt, to the extent in effect at the time of issuance of the Subordinate Bonds. The District and the Developer shall negotiate in good faith the final terms and conditions of the Subordinate Bonds.

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

c. In connection with the issuance of any such Subordinate Bond, the District shall make such filings as it may be deemed necessary to comply with the provisions of Section 32-1-1604, C.R.S., as amended.

d. The terms of this Agreement may be used to construe the intent of the District and the Developer in connection with issuance of any Subordinate Bonds, and shall be read as nearly as possible to make the provisions of any Subordinate Bonds and this Agreement fully effective. Should any irreconcilable conflict arise between the terms of this Agreement and the terms of any Subordinate Bond, the terms of such Subordinate Bond shall prevail.

e. If, for any reason, a Subordinate Bond is determined to be invalid or unenforceable (except in the case of fraud by the Developer in connection therewith), the District shall issue a new Subordinate Bond to the Developer that is legally enforceable, subject to the provisions of this Section 8.

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

g. Similarly, until such time as the District is able to pay in full the amount of any Subordinate Note then outstanding and any interest due thereon, and no further advances are to be made hereunder, the District shall issue a new Subordinate Note to refund any existing Subordinate Note which, at the date of its maturity, remains unpaid. Any interest due and unpaid at the maturity date of any note shall be added to the principal amount outstanding of the Subordinate Note. Each new Subordinate Note issued by the District shall reflect all outstanding principal on the Subordinate Note being refunded and all unpaid accrued interest to date. **The District's agreement to issue additional Subordinate Notes to refund any Subordinate Note remaining unpaid at its maturity constitutes a multiple fiscal year obligation under the State of Colorado Constitution, is authorized pursuant to a vote of the eligible electors of the District, and shall not be subject to annual appropriation.**

h. The Developer agrees to acknowledge any payment of a Subordinate Note as provided on Schedule B to such Subordinate Note.

9. Indemnification. The Developer hereby agrees to indemnify and save harmless the District from all claims and/or causes of action, including mechanic's liens, arising out of the performance of any act or the nonperformance of any obligation with respect to the Public Infrastructure, any filings made with the Internal Revenue Service in connection with this Agreement, and any challenges made by the Internal Revenue Service to the federally tax exempt nature of interest on advances made hereunder, and in that regard agrees to pay any and all costs incurred by the District as a result thereof, including settlement amounts, judgments and reasonable attorneys' fees.

10. Termination.

a. The Developer's obligations to loan funds to the District in accordance with this Agreement shall terminate on the Funding Obligation Termination Date, except to the extent loan requests have been made to the Developer that are pending by this termination date, in which case said pending request(s) will be honored notwithstanding passage of the termination date.

b. The District's repayment obligations hereunder are subject to annual appropriation as provided in Section 7 hereof and, as a result, will terminate on December 31 of each calendar year unless the District's Board of Directors resolves to continue its obligations under this Agreement for the succeeding year (such action to be taken, if at all, in connection with the District's approval of its annual budget for the succeeding year).

11. Accredited Investor Status. Developer hereby represents and warrants to and for the benefit of the District that the Developer is an "accredited investor" as that term is defined in Sections 3(b) and 4(2) of the federal Securities Act of 1933, as amended, and regulations promulgated thereunder by the Securities and Exchange Commission. This representation and warranty is made as of the date hereof and shall be deemed continually made by the Developer to the District for the entire term of this Agreement.



12. Tax Covenant. In the event the District is advised by nationally recognized bond counsel that payments of all or any portion of interest on the Subordinate Note may be excluded from gross income of the holder thereof for federal income tax purposes upon compliance with certain procedural requirements and restrictions that are not inconsistent with the intended uses of funds contemplated herein and are not overly burdensome to the District, the District agrees to take all action reasonably necessary to satisfy the applicable provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, in accordance with written instructions of nationally recognized bond counsel. The Developer acknowledges that no representations or warranties whatsoever have been made by the District or its Board of Directors as to the treatment for federal or state income tax purposes of any interest payable hereunder.

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

14. Notices and Place for Payments. Any notices, demands, or other communications required or permitted to be given by any provision of this Agreement shall be given in writing, delivered personally, sent by facsimile with a hard copy sent immediately thereafter via First Class U.S. Mail, or sent via First Class U.S. Mail, postage prepaid and return receipt requested, and addressed to the parties at the information set forth below. Notice shall be considered given delivered personally, sent by facsimile with a hard copy sent immediately thereafter via First Class U.S. Mail, and shall be considered received on the earlier of the day on which such notice is actually received by the party to whom it is addressed, or the third day after such notice is mailed.

Notices to the District:        Ledge Rock Center Metropolitan Districts  
  c/o Pinnacle Consulting Group, Inc.  
  550 W. Eisenhower Blvd.  
  Loveland, CO 80537  
  Fax: (970) 669-3612

With a copy to:                      Spencer Fane, LLP  
  c/o David S. O’Leary, Esq.  
  1700 Lincoln Street, Suite 2000  
  Denver, Colorado 80203  
  Fax: (303) 839-3838

To the Developer:                    Ledge Rock Center, LLC  
  6917 W 135<sup>th</sup> Street, Suite B29  
  Overland Park, KS 66223

15. Amendments. This Agreement may not be amended, modified, or changed, in whole or in part, without a written agreement executed by both the District and the Developer.

16. Severability. If any clause or provision of this Agreement is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such clause or provision shall not affect the validity of this Agreement as a whole, but shall be severed herefrom, leaving the remaining Agreement intact and enforceable.

17. Applicable Laws. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Colorado.

18. Assignment. This Agreement, in whole or in part, may not be assigned without the prior, written consent of both the District and the Developer; except that this Agreement may be assigned without said written consent to a purchaser of all or a substantial portion of that property within the District owned by the Developer as of the date hereof, or to a purchaser of a majority interest in the Developer. Any attempted assignment in violation of this provision shall be immediately void and of no effect.

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

20. Effect of Prior Agreement. This Agreement, and any Subordinate Note, when issued, constitute and represent the entire, integrated agreement between the District and the Developer with respect to the matters set forth herein and hereby supersedes any and all prior negotiations, representations, agreements or arrangements of any kind with respect to those matters, whether written or oral. This Agreement shall become effective upon the date of full execution hereof.

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

IN WITNESS WHEREOF, the District and the Developer have executed this Agreement on the date and year first above written.

**DISTRICT:  
LEDGE ROCK CENTER COMMERCIAL  
METROPOLITAN DISTRICT**

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

**ATTEST:**

\_\_\_\_\_  
Secretary

**DISTRICT:**

**LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 1**

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

**ATTEST:**

\_\_\_\_\_  
Secretary

**DISTRICT:**

**LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 2**

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

**ATTEST:**

\_\_\_\_\_  
Secretary

**LEDGE ROCK CENTER, LLC**  
a Kansas limited liability company

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

**EXHIBIT A**  
**COSTS PREVIOUSLY INCURRED**

**EXHIBIT B**

**FORM OF SUBORDINATE PROMISSORY NOTE**

**THIS NOTE HAS BEEN DELIVERED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR OTHER FEDERAL OR STATE SECURITIES LAWS, IN RELIANCE ON THE AVAILABILITY OF AN APPROPRIATE EXEMPTION FROM REGISTRATION OTHERWISE REQUIRED. THIS NOTE SHALL NOT BE TRANSFERRED, WHETHER OR NOT FOR CONSIDERATION, EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY OTHER APPLICABLE FEDERAL OR STATE LAW.**

**THIS NOTE MAY BE SOLD OR TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR" AS THAT TERM IS DEFINED IN SECTIONS 3(b) AND 4(2) OF THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED, AND REGULATIONS PROMULGATED THEREUNDER BY THE SECURITIES AND EXCHANGE COMMISSION.**

LEDGE ROCK CENTER \_\_\_\_\_ METROPOLITAN DISTRICT \_\_\_\_\_  
REVENUE AND LIMITED TAX OBLIGATION  
SUBORDINATE PROMISSORY NOTE

PRINCIPAL AMOUNT: Up To \_\_\_\_\_ Million Dollars (\$\_\_\_\_,000,000)

INTEREST RATE: Simple Interest as to each loan advance made hereunder at the rate of Two Percent (2%) plus the current Federal Reserve Board Prime Rate

DATED: As of December 14, 2021

REGISTERED OWNER: Ledge Rock Center, LLC (the "Developer")

MATURITY DATE: December 14, 2022

Ledge Rock Center \_\_\_\_\_ Metropolitan District \_\_\_\_\_ (the "District"), each as a body corporate, politic and a political subdivision organized under the laws of the State of Colorado, for the value received, hereby promises to pay, but solely and only from the sources hereinafter described, the principal sum stated above (or such lesser amount as may be shown as advanced hereunder as set forth in Schedule "A" attached hereto) together with interest at the rate stated above, which interest shall accrue on said principal sum from and after the date hereof to the maturity date hereof, in lawful money of the United States of America to the registered owner named above, or registered assigns, on the maturity date stated above unless this Note shall be prepaid in full, in which case on such payment date.

In any case where the date of maturity of interest on or principal of this Note or the date fixed for prepayment hereof shall be a Saturday or Sunday, a legal holiday or a day on which banking institutions in the Town of payment are authorized by law to close, then payment of interest or principal or prepayment price shall be made on the immediately following business day with the same force and effect as if made on the date of maturity or the date fixed for prepayment. Prior to the Maturity Date, and at such time as the District has available funds, this

Note may be prepaid in whole without redemption premium or other penalty, but with interest accrued on the principal amount prepaid, up to and including the date of prepayment. Any and all prepayments shall first be applied to accrued, unpaid interest, then to the principal. This Note shall be paid in full from the sources hereinafter described prior to the payment of any other obligation of the District which may have a claim on any revenues thereof that would otherwise be available for the payment of this Note, other than current operation and maintenance expenses of the District and current debt service on any outstanding bonds of the District.

This Note is executed pursuant to, and is secured by, the Advance and Reimbursement Agreement between the District and the Developer dated December 14, 2021, the terms of which are hereby incorporated by reference, and has been executed and delivered to pay for certain indebtedness incurred on its behalf as set forth therein. Pursuant to said Advance and Reimbursement Agreement, the District is obligated to repay both the principal amount of this Note, and any and all interest accrued thereon, from the sources and in the manner specified therein, including but not limited to revenues resulting from the imposition of an ad valorem tax levy not in excess of [\_\_\_] mills, bond proceeds, and any other legally available revenues.

The obligation of each of Ledge Rock Center \_\_\_\_\_ Metropolitan District \_\_\_\_\_ to levy ad valorem taxes to provide for the payment of this Note is subject to restrictions provided in the District's Service Plan, electoral authority of the District, the provisions of any bond resolution, indenture or other document related to the District's issuance of bonds to fund capital improvements now or hereafter, and any applicable laws. **Subject to the limitations provided in the District's Service Plan, In no event shall a mill levy of any District in excess of the Maximum Debt Mill Levy (as defined by the Service Plan for the District) be levied for the repayment of this Note.**

The District and the Developer agree that upon each advance made pursuant to said Restated Advance and Reimbursement Agreement, Ledge Rock Center \_\_\_\_\_ Metropolitan District \_\_\_\_\_ shall complete the appropriate information in Schedule "A" of this Note as contemplated therein. Any payments on the Note shall be evidenced on Schedule "B" hereto.

Neither the Board of Directors of Ledge Rock Center \_\_\_\_\_ Metropolitan District \_\_\_\_\_, nor any person executing this Note, shall be personally liable hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Note is issued pursuant to and in full compliance with the Constitution and laws of the State of Colorado. All issues arising hereunder shall be governed by the laws of Colorado.

This Note is issued pursuant to the Supplemental Public Securities Act, Section 11-57-201, et seq, C.R.S., as amended.

**THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE DISTRICT AND SHALL BE PAYABLE SOLELY FROM CERTAIN REVENUES SPECIFIED IN THE ADVANCE AND REIMBURSEMENT AGREEMENT. THIS NOTE SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE STATE OF COLORADO OR**

**WELD COUNTY, COLORADO. THE DEVELOPER SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF COLORADO OR WELD COUNTY TO PAY THIS NOTE OR THE INTEREST THEREON, NOR TO ENFORCE PAYMENT OF THE SAME AGAINST THE PROPERTY OF THE STATE OF COLORADO OR WELD COUNTY, NOR SHALL THIS NOTE CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE STATE OF COLORADO OR WELD COUNTY.**

**BY ITS ACCEPTANCE HEREOF, THE DEVELOPER ACKNOWLEDGES THAT FISHER FARM METROPOLITAN DISTRICT NOS. 1-4 AND ITS OFFICERS, ATTORNEYS, EMPLOYEES OR AGENTS NEITHER MAKE, NOR HAVE MADE, ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE PROPER TREATMENT FOR FEDERAL, STATE AND/OR LOCAL INCOME TAX PURPOSES OF THE INTEREST PAYABLE HEREUNDER.**

Ledge Rock Center \_\_\_\_\_ Metropolitan District \_\_\_\_ waives demand, presentment, and notice of dishonor and protest with respect to any payment due hereunder. No waiver of any payment or other right under this Note shall operate as a waiver of any other payment or right, including right of offset. If the Developer enforces this Note upon default, Ledge Rock Center \_\_\_\_\_ Metropolitan District \_\_\_\_ shall pay, or reimburse, the Developer for reasonable expenses incurred in the collection hereof or in the realization of any security hereof, including reasonable attorney's fees.

Notwithstanding any provision herein, or in any instrument now or hereafter securing the obligation of Ledge Rock Center \_\_\_\_\_ Metropolitan District \_\_\_\_ specified herein, the total liability for payments in the nature of interest shall not exceed the limit now imposed by the usury laws of the State of Colorado. By signing in the space provided below, Ledge Rock Center \_\_\_\_\_ Metropolitan District \_\_\_\_ hereby acknowledges and agrees that this Note shall be irrevocable for all purposes and shall be binding upon Ledge Rock Center \_\_\_\_\_ Metropolitan District \_\_\_\_, its respective permitted successors and assigns. This Note may not be terminated orally, but only by payments in full or by a written discharge signed by the party who is the owner and holder of this Note at the time enforcement of any discharge is sought.

This Note shall not be transferable, negotiable, or otherwise payable to any party other than the Developer without the consent of Ledge Rock Center \_\_\_\_\_ Metropolitan District \_\_\_\_, which may be denied for any reason.

It is hereby certified, recited and declared that all conditions, acts and things required to exist or occur by the Constitution or statutes of the State of Colorado, currently exist and either occurred prior to, or in connection with, the issuance of this Note.



IN WITNESS WHEREOF, Ledge Rock Center \_\_\_\_\_ Metropolitan District  
\_\_\_\_\_ has caused this Note to be executed in its name and on its behalf by its President, an  
imprint of its seal affixed hereon and by attestation via the signature of its Secretary.

**LEDGE ROCK CENTER \_\_\_\_\_**  
**METROPOLITAN DISTRICT \_\_\_\_\_**

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

ATTEST:

\_\_\_\_\_  
Secretary

SCHEDULE A

PRINCIPAL RECEIVED BY MAKER

<u>RECEIPT DATE</u>	<u>PRINCIPAL AMOUNT RECEIVED</u>	<u>BALANCE OF PRINCIPAL AMOUNT RECEIVED</u>	<u>SIGNATURE OF AUTHORIZED REPRESENTATIVE OF MAKER</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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SCHEDULE B

PAYMENTS BY MAKER

<u>PAYMENT DATE</u>	<u>AMOUNT PAID</u>	<u>BALANCE OF AMOUNT PAID</u>	<u>SIGNATURE OF AUTHORIZED REPRESENTATIVE PAYEE</u>
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## IMPROVEMENT ACQUISITION AGREEMENT

This **IMPROVEMENT ACQUISITION AGREEMENT** (the “Agreement”) is made and entered into to be effective as of the 14th day of December, 2021 by and between **LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT** and **LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NOS. 1-2** (collectively, the “District”), quasi-municipal corporations and political subdivisions of the State of Colorado and **LEDGE ROCK CENTER, LLC**, a Kansas limited liability company, its affiliates, subsidiaries, successors and assigns) (collectively referred to herein as the “Developer”). Collectively the District and Developer are referred to herein as the “Parties.”

### RECITALS

WHEREAS, the District was duly and validly created as a quasi-municipal corporation and political subdivision of the State of Colorado, by order of the District Court for Weld, County, Colorado and in accordance with the Special District Control Act, Article 1, Title 32 of the Colorado Revised Statutes (the “Act”), and after approval of the eligible electors of the District at a special election held on November 2, 2021, for the purpose of assisting in the financing and development of the area generally located generally located north and west of U.S. Highway 60 and Interstate 25, in the Town of Johnstown, Weld County, Colorado (the “Town”); and

WHEREAS, a Service Plan for the District (the “Service Plan”) was approved by the Town of Johnstown via Resolution No. 2021-28, Resolution No. 2021-29, and Resolution 2021-30 on September 8, 2021 for the purpose of providing certain parameters for the financing, development and administration of certain public facilities, improvements and appurtenances within the area legally permitted to be served by the District (the “Service Area”); and

WHEREAS, the District was organized pursuant to the provisions of the Act to provide for the funding, financing, construction, installation, acquisition, ownership, operation, administration and maintenance of certain public facilities, improvements and services, including but not limited to, street improvements, storm drainage facilities, street landscaping, signals and signage, potable and non-potable water systems, sanitary sewer collection systems, park and recreation facilities, mosquito and pest control and other public infrastructure within and without the Districts’ boundaries (collectively, the “Public Infrastructure”), as authorized by the Town, the Service Plan, and as otherwise authorized under applicable law; and

WHEREAS, the developer of the property within the District has coordinated the financing, construction, installation, acquisition, operations and maintenance of all Public Infrastructure throughout the subdivision which currently includes all of the current commercial and residential development within the District and its development (the “Project”) at this time. The District will be permitted to provide public services and facilities throughout the District pursuant to the Service Plan as may be amended from time to time. The District will be responsible for managing the construction and operation of facilities and Public Infrastructure for the Project as well as coordinating the financing and management of the Public Infrastructure and services as approved by the Town throughout the Project. The District will be responsible

for producing property tax and other revenue sufficient to pay the costs of operations and debt service expenses incurred for the Public Infrastructure, until such obligations are discharged; and

WHEREAS, the Developer has taken or intends to undertake certain development activities with respect to property included within the boundaries of the District, which depend upon the timely delivery of the Public Infrastructure and related services by the District; and

WHEREAS, the District has authority to incur indebtedness through the issuance of notes, bonds or by the execution of contracts to obtain funds for the acquisition, construction, installation or completion of the Public Infrastructure in order to carry out the objects and purposes of the District, which indebtedness is was approved at the TABOR election of the qualified electors of the District, held on November 2, 2021, by a majority of those qualified to vote and voting at such election; and

WHEREAS, pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, the Developer will manage and coordinate the development of property within the boundaries of the District, has heretofore caused to be constructed and may in the future cause to be constructed, certain Public Infrastructure (as more specifically described on Exhibit A hereto, the “Improvements”) for the benefit of the District and the property anticipating that the District would acquire such Improvements from it; and

WHEREAS, the District is unable, without the assistance of the Developer, to obtain funds to permit the District to acquire, install, construct, finance and to provide all of the necessary Public Infrastructure in its Service Plan, including the Improvements, and has determined that delay in the provision of Improvements will impair the District's ability to meet its financial and service obligations on a timely basis; and

WHEREAS, the District desires that Improvements continue to be provided for its benefit, and the Developer is willing to provide such Improvements on the condition that the District agrees to acquire the Improvements from it and pay all reasonable costs related thereto; and

WHEREAS, the board of directors of the District has determined that the best interests of the District and its residents and property owners would be served by the District's acquisition of Improvements heretofore provided for the benefit of the District, and payment of the Purchase Price thereof (as provided herein), and the District is willing to acquire certain Improvements in the future as contemplated herein; and

WHEREAS, the District expects to finance the acquisition of the Improvements by the issuance of general obligation bonds of the District (the “Bonds”), and, if the proceeds of such Bonds are not sufficient to pay in full the Purchase Price (as defined herein) of the Improvements, the issuance to the Developer of subordinate obligations (“Subordinate Obligations”) in the form of bonds or notes, which Bonds and Subordinate Obligations when issued may constitute a refunding of the indebtedness evidenced by this Agreement and anticipated to be authorized by the electors of District on November 2, 2021; and

WHEREAS, those employees and/or affiliates of the Developer who serve on the District's Board of Directors have each disclosed potential conflicts of interest in connection with this Agreement, as required by law; and

WHEREAS, the District and the Developer desire to set forth the procedures for funding, construction and acquisition of Improvements heretofore completed, and for the payment of related costs, and the Parties desire to set forth procedures pursuant to which the District will continue to acquire Improvements in the future; and

NOW THEREFORE, in consideration of the mutual covenants and promises expressed herein, the Developer and the District hereby agree as follows:

### **COVENANTS AND AGREEMENTS**

1. Purpose of Agreement. The Parties acknowledge that the District has heretofore requested the Developer to design and construct certain Improvements on behalf of the District with the understanding that the District would acquire such Improvements from the Developer or other appropriate entities from available funds. The District desires hereby to persuade the Developer, and the Developer agrees to design and construct certain additional Improvements described in the District's Service Plan subject to the terms and conditions set forth herein.

The Parties hereto acknowledge that the District plans to issue the Bonds to permit the District to acquire Improvements heretofore completed or contracted by the Developer. The Parties further acknowledge that the District does not have sufficient funds to permit the District to construct or to acquire additional Improvements within the District as contemplated in the District's Service Plan. The District has determined that delay in construction of these Improvements would be detrimental to the District's ability to provide needed services and facilities for property owners in the District, including future residents. The District has requested the Developer to cause the Improvements to be provided, which the Developer is willing to do, on condition that the District agrees to acquire completed Improvements, or Improvements under construction, and that the District agrees to acquire Improvements constructed in the future from the Developer.

The Parties agree that this Agreement sets forth the procedures by which the District shall acquire Improvements now and in the future from the Developer or other appropriate entity, and by which the Developer or other entities will be authorized to design and construct Improvements to be acquired by the District. This Agreement also sets forth the procedures by which Improvements will be conveyed to the District, or conveyed to other entities at the direction of the District, in return for payment by the District to the Developer.

2. Acquisition of Improvements; Payment of Purchase Price.

a. The District hereby agrees to acquire the Improvements for the Purchase Price within 30 days of delivery of an Acceptance Letter in connection therewith or such later date as may be mutually agreed upon by the Parties. The Purchase Price shall be paid, in accordance with the provisions hereof, to Developer or such other persons or entities as may be designated by Developer. The Parties acknowledge that the District does not, as of the date of execution hereof, have available funds to pay for acquisition of Improvements. The District desires that funds ultimately obtained by the District from property taxes, Bond proceeds or other revenues of the District for purposes of providing Improvements described in the Service Plan shall be paid to the Developer for the costs expended by the Developer or caused to be expended by the Developer for the benefit of the District. Accordingly, the Parties agree that the Purchase Price for the Improvements to be acquired from the Developer hereunder shall be paid from one or all of the following: (i) proceeds of the Bonds, when issued; (ii) Subordinate Obligations issued to the Developer, which Subordinate Obligations shall be irrevocable obligations of the District payable at such times and in such amounts as the District, in its sole discretion, shall determine solely from funds reasonably determined to be available by the District, from net income of the District obtained through reasonable rates, tolls, charges, ad valorem taxes and bond proceeds, and shall be subject to the terms and conditions of any bond resolution, indenture or other agreement related to Bonds issued then or thereafter (the "Bond Documents"); or (iii) funds determined by the District, in its sole discretion, to be available therefore. District's obligation to make the payments under the Subordinate Obligations shall be contingent solely upon District's reasonable ability to pay and the terms and conditions of the Bond Documents, subject to the provisions of any applicable law. It is anticipated that the Purchase Price will be funded with proceeds of the Bonds and, if necessary, Subordinate Obligations to be issued concurrently with the Bonds. District's express intent is to issue the Bonds (and, if necessary to promptly pay the full Purchase Price and acquire all Improvements, Subordinate Obligations) at the earliest possible date.

- i. The issuance of any Subordinate Obligation shall be subject to the availability of an exemption from the registration requirements of Section 11-59-106, C.R.S., and shall be subject to such prior filings with the Colorado State Securities Commissioner as may be necessary to claim such exemption, in accordance with Section 11-59-110, C.R.S., and any regulations promulgated thereunder.
- ii. In connection with the issuance of any such Subordinate Obligation, the District shall make such filings as it may be deemed necessary to comply with the provisions of Section 32-1-1604, C.R.S., as amended.
- iii. In the event that the District is advised by nationally recognized bond counsel that payments of all or any portion of interest on a Subordinate Obligation may be excluded from gross income of the holder thereof for federal income tax purposes upon compliance with certain procedural requirements and restrictions that are not inconsistent with the intended uses of funds contemplated herein and are not overly burdensome to the District, the District agrees,

upon request of the Developer, to take all action reasonably necessary to satisfy the applicable provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, in accordance with written instructions of nationally recognized bond counsel.

3. Determination of Price. The “Purchase Price” for all or any portion of completed Improvements, or Improvements for which work is in process, shall be equal to the District Costs (as defined in Section 5(C)(ii) hereof) with respect to such Improvements, and shall be in accord with the District’s Service Plan and all other applicable laws. Notwithstanding the foregoing, in no event may the Purchase Price for the Improvements exceed the lesser of the amount of indebtedness for such Improvements, together with any other Improvements previously acquired by the District, funded or financed by or through the Developer, or permitted by the District’s Service Plan and authorized by a vote of the eligible electors of the District, or \$173,785,000 for Ledge Rock Center Commercial Metropolitan District, \$3,600,000 for Ledge Rock Center Residential Metropolitan District No. 1, \$3,900,000 for Ledge Rock Center Residential Metropolitan District No. 2.

4. Construction. The Developer agrees to cause the Improvements to be designed, constructed, and completed in substantial conformance with the design standards and specifications as established and in use by the District and other appropriate jurisdictions and as approved by a professional engineer licensed in the State of Colorado and designated by the board of directors to review the plans and specifications for the Improvements.

5. Improvement Acquisition Procedures. The following paragraphs set forth the procedures that shall be required for any and all acquisitions by the District pursuant to this Agreement. The District shall keep accurate records of the Purchase Application package for each acquisition of completed Improvements or any portion of Improvements in process, including the Improvement Notice, Engineer’s Certification and Bill of Sale related to each acquisition and as more particularly described below.

a. Improvement Notice. The Developer shall submit to the District an “Improvement Notice” in substantially the form attached hereto as Exhibit C setting forth a listing of the Improvements to be constructed and conveyed to the District hereunder. The Improvement Notice shall further set forth such other information applicable to the Improvements as may be required by the District. Upon receipt by the District of said Notice, the District shall determine whether such Improvements are permitted by the District’s Service Plan and whether it is appropriate that such Improvements be provided, and shall advise the Developer in writing of such determination within thirty (30) days of receipt of such Notice. The District shall not be obligated to acquire any Improvement constructed by the Developer prior to approval by the District of the Improvement Notice.

b. Application for Acquisition. Upon completion of the Improvements or upon completion of any portion of the Improvements proposed to be acquired from the Developer by the District in accordance with this Agreement, the Developer shall cause a



“Purchase Application” to be submitted to the District consisting of the following, reasonably satisfactory to the District, related to each such Improvement:

- i. A list of Improvements to be acquired and costs related thereto, which shall include design, engineering and other “soft” costs necessary for the provision of such Improvements, but excluding overhead and/or profit. The Developer shall use reasonable efforts to assure that the purchase price does not include sales and use taxes. The builders of the Improvements shall be entitled to use the District's tax identification number to obtain an exemption from sales and use taxes on materials to be conveyed to the District pursuant hereto.
  - ii. The “Improvement Notice” and approval thereof by the District.
  - iii. Verification of Costs. One of the following shall be provided:
    - (a) evidence that the Improvements have been constructed pursuant to a public bidding process and the inclusion of all bids received by the builders or Developer and all final invoices of such bidders; or
    - (b) certification obtained from a professional engineer stating that the projected costs for the design, construction and completion of the Improvements are reasonable.
  - iv. Such additional information as the District may reasonably require.
- c. Engineer Certification; District Cost.
- i. A professional engineer engaged by the District or, if consented to by the District, engaged by the Developer, shall review the costs of Improvements set forth in the Purchase Application, inspect the Improvements and certify to the District, by means of an Engineer's Certification in substantially the form attached hereto as Exhibit B that such costs are reasonable (provided that such certification shall to be required if evidence of a public bidding process as set forth above has been provided) and that the Improvements are fit for their intended purpose. The District's accountant shall review the summation of costs and concur with the calculations set forth in the Engineer's Certification.
  - ii. The “District's Costs” for such Improvements shall equal the amount so certified Engineer's Certification, and approved by the District's Board as reasonable and appropriate, but shall not exceed one hundred percent (100%) of the actual construction costs (which shall also include design engineering and other items

identified in Exhibit A, but which shall not include any interest or other compensation to Developer).

d. District Acceptance of Improvements. Upon approval by the District of the Purchase Application, the District shall deliver a letter of acceptance (“Acceptance Letter”) of the Improvements to the Developer upon the following conditions:

- i. The District has preliminarily inspected the Improvements and determined that the Improvements substantially meet applicable standards and specifications of the District as contained in the rules and regulations of the District, the Service Plan of the District, or as contained in plans which have been approved by the District's engineer, in writing.
- ii. The Developer has caused to be furnished to the District at the District's request:
  - (a) A complete set of 24" by 36" mylar reproducible "as-built" drawings of the Improvements which are certified by a professional engineer registered in the State of Colorado showing accurate size and location of all Improvements. Such drawings shall be in form and content reasonably acceptable to the District, but shall not be required until such time as the Improvements are finally accepted by the appropriate governmental entity;
  - (b) Evidence satisfactory to the District, reflecting that all Improvements and easements or other interests in property upon which the Improvements are located, are free and clear of all grants, bargains, sales, liens, taxes (except for current taxes), assessments and encumbrances of whatever kind which would impair the District's ownership of such easements or other interests in property in such a manner as would render the District unable to use or benefit from such Improvement, or which would require the District to pay any amounts to protect its interests therein;
  - (c) A statement of the value of all Improvements installed.
- iii. The Developer has executed or caused to be executed and delivered to the District any easements necessary to the Improvements, or some other good and sufficient instruments of transfer in a form acceptable to the District conveying easement interests necessary to the Improvements, or, if permitted solely in the discretion of the District, Developer has provided assurance acceptable to the District that the Developer will execute or cause to be executed such easements or other documentation.

- iv. The Developer has executed and delivered to the District a good and sufficient Bill of Sale in a form acceptable to the District listing and or describing the Improvements, a form of which is attached hereto as Exhibit A.

6. Conveyance of Improvements; Work in Process; Dedication.

a. At such time as the District has provided its Acceptance Letter and supplied the Purchase Price, as provided in Section 2 hereof, the Developer shall convey Improvements and related work to the District by means of a "Bill of Sale" in substantially the form set forth in Exhibit A, or shall convey Improvements at the request of the District to other parties for the benefit of the District, together with conveyance of the easement interests specified in Section 5(d)(iii) hereof. In the event that work in process is to be conveyed to the District, the Developer, or other appropriate entity at the direction of the Developer, shall prosecute its Improvement construction contracts to completion and shall convey the balance of the Improvements to the District as necessary to make operative the conveyed Improvements. Notwithstanding the foregoing, the District shall be under no obligation to acquire work in process.

b. If at any time during the design and/construction of the Improvements, the Developer becomes aware that it may be necessary to convey such Improvements to third parties for any reason, or if such dedication is to be caused by a pre-existing plat dedication or other similar requirements, the Developer shall advise the District in writing of such circumstances prior to the completion of construction of such Improvements. The Developer and the District shall therefore coordinate their efforts with respect to the anticipated dedication or conveyance of such Improvements so the District is a party to such conveyance or dedication in a manner reasonably satisfactory to the District. The Parties agree to cooperate and coordinate in order to effect the dedication of the Improvements to the appropriate governmental entity for operation and maintenance.

c. Developer shall assign to the District any warranties associated with the Improvements.

7. Representations. Developer hereby represents and warrants to and for the benefit of the District that:

a. It has the full power and legal authority to enter into this Agreement;

b. Neither the execution and delivery of this Agreement nor the compliance by the Developer with any of its terms, covenants or conditions is or shall become a default under any other agreement or contract to which the Developer is a party or by which the Developer is or may be bound; and

c. The Developer has taken or performed all requisite acts or actions that may be required by the organizational or operational documents to confirm its authority to execute, deliver and perform each of its obligations under this Agreement.

d. The Developer is an "accredited investor" as that term is defined in Sections 3(b) and 4(2) of the federal Securities Act of 1933, as amended, and regulations promulgated thereunder by the Securities and Exchange Commission.

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

8. Indemnification. The Developer hereby agrees to indemnify and save harmless the District from all claims and/or causes of action, including mechanic's liens, arising out of the performance of any act or the nonperformance of any obligation with respect to the Improvements, and in that regard agrees to pay any and all costs incurred by the District as a result thereof, including settlement amounts, judgments and reasonable attorneys' fees.

9. Integration. This Agreement and its Exhibits represent the entire, integrated agreement between the Parties with respect to the matters set forth herein and supersedes all negotiations, representations or agreements in respect of those matters, either written or oral.

10. Amendments. This Agreement, and each and every of its terms and conditions, may be added to or amended only by the mutual written agreement of the Parties hereto, which agreement shall be executed with the same formalities as this original Agreement. Special terms and conditions, if any, which are agreed upon by the Parties hereto at the time this Agreement is executed shall be reduced to writing in accordance with this paragraph and appended to this Agreement.

11. Notice. Any notices, demands, or other communications required or permitted to be given in writing hereunder shall be delivered personally or sent by registered mail, postage prepaid, return receipt requested, addressed to the Parties at the addresses set forth below, or at such other address as either party may hereafter or from time to time designate by written notice to the other party given in accordance herewith. Notice shall be considered given when personally delivered or mailed and shall be considered received by the party to whom it is addressed on the third day after such notice is given.

Notices to the District: Ledge Rock Center Metropolitan Districts  
c/o Pinnacle Consulting Group, Inc.  
550 W. Eisenhower Blvd.  
Loveland, CO 80537  
Fax: (970) 669-3612

With a copy to: Spencer Fane, LLP  
c/o David S. O'Leary, Esq.  
1700 Lincoln Street, Suite 2000  
Denver, Colorado 80203  
Fax: (303) 839-3838

To the Developer: Ledge Rock Center, LLC

6917 W 135<sup>th</sup> Street, Suite B29  
Overland Park, KS 66223

12. Severability. If any clauses or provisions of this Agreement shall be adjudged to be invalid and unenforceable by a court of competent jurisdiction or by operation of any law, such clauses or provisions shall not affect the validity of this Agreement as a whole, or of the remaining clauses and provisions.

13. Enforcement. This Agreement shall inure to the mutual benefit of the Parties hereto, their respective heirs, successors and permitted assigns, and shall be enforceable according to its terms and conditions under the laws of the State of Colorado. In this regard, the Parties hereto agree that this Agreement may be enforced in law or in equity, by decree of specific performance or damages, or pursuant to such other legal and/or equitable relief as may be available under the laws of the State of Colorado.

14. Counterparts. This Agreement may be executed in two counterparts and, as so executed, shall constitute one Agreement, binding on the Parties even though both of the Parties have not signed the same counterpart. Any counterpart of this Agreement that has attached to it separate signature pages, which altogether contain the signatures of all the Parties, shall be deemed a fully executed instrument for all purposes.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement to be effective as of the date first written above.

**DISTRICT:  
LEDGE ROCK CENTER COMMERCIAL  
METROPOLITAN DISTRICT**

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

**ATTEST:**

\_\_\_\_\_  
Secretary

**DISTRICT:  
LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 1**

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

**ATTEST:**

\_\_\_\_\_  
Secretary

**DISTRICT:**

**LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 2**

**ATTEST:**

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

\_\_\_\_\_  
Secretary

**LEDGE ROCK CENTER, LLC**  
a Kansas limited liability company

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

**EXHIBIT A  
BILL OF SALE**

KNOW ALL MEN BY THESE PRESENTS that Ledge Rock Center, LLC, a Kansas limited liability company, hereinafter referred to as "Grantor", for good and valuable consideration, the receipt of which is hereby acknowledged, paid by Ledge Rock Center \_\_\_\_\_ Metropolitan District \_\_\_\_\_, whose address is c/o Pinnacle Consulting Group, Inc., 550 W. Eisenhower Blvd., Loveland, CO 80537, has bargained and sold, and by these presents, does grant and convey unto the District, its successors and assigns, all of its right, title and interest in the improvements or the reimbursements therefore constructed pursuant to the listing of improvements on Schedule A, attached hereto and incorporated herein (the "Improvements") and all things of value, including all work product, both tangible and intangible, including legal, accounting, engineering, and management costs related thereto, accruing from the costs associated with the provision of the Improvements. All warranties associated with the Improvements are hereby assigned to the District or other applicable public entity which will own, operate and maintain the completed Improvements.

TO HAVE AND TO HOLD the same unto the District, its successors and assigns forever; and Grantor, its successors and assigns, shall warrant and defend the sale of said property, improvements, services and facilities made unto the District, its successors or assigns, against all and every person or persons whomsoever, and warrants that the conveyance of the property, improvement, services and facilities to the District, its successors or assigns, is made free from any claim or demand whatever.

IN WITNESS WHEREOF, Grantor, by and through its authorized representatives, hereby executes this Bill of Sale and sets its seal as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

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

STATE OF COLORADO    )  
  ) ss.  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_.

My commission expires: \_\_\_\_\_

(S E A L)

\_\_\_\_\_  
Notary Public

**SCHEDULE A**  
**To Bill of Sale**  
**IMPROVEMENTS**



**EXHIBIT B  
ENGINEER'S CERTIFICATION**

STATE OF COLORADO )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

Before me, the undersigned, personally appeared \_\_\_\_\_ who, being by me first duly sworn on oath, deposes and says:

1. That he is an engineer duly qualified to issue a professional opinion respecting the fitness and condition of the improvements and costs described in Schedule A attached hereto which have been constructed and are proposed to be conveyed to Ledge Rock Center \_\_\_\_\_ Metropolitan District \_\_\_\_ (the "District") pursuant to a certain Improvement Acquisition Agreement by and between the District and the Ledge Rock Center LLC, dated December 14, 2021 (the "Agreement").

2. That he has inspected and otherwise examined the improvements described in Schedule A attached hereto (the "Improvements"), and has reviewed the costs itemized therein.

3. That he found the Improvements to be in satisfactory form and condition and that it is his professional opinion that the Improvements are fit for the purpose intended by the Agreement.

4. That he found the costs set forth in Schedule A to be reasonable and consistent with costs of similar Improvements constructed for similar purposes.

**DISTRICT ENGINEER**

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

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

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

**SCHEDULE A**  
**to Engineer's Certification**  
**IMPROVEMENTS**

**EXHIBIT C  
IMPROVEMENT ACQUISITION NOTICE**

**TO : LEDGE ROCK CENTER \_\_\_\_\_ METROPOLITAN DISTRICT \_\_\_\_\_**

**FROM:** \_\_\_\_\_

**DATE :** \_\_\_\_\_

**RE : Improvement Acquisition Notice for** \_\_\_\_\_

---

\_\_\_\_\_, ("Builder") desires to convey certain completed Improvements or Improvements currently being constructed within Ledge Rock Center \_\_\_\_\_ Metropolitan District \_\_\_\_\_ (the "District") to the District pursuant to the terms of that certain Improvement Acquisition Agreement ("Agreement") dated effective December 14, 2021 by between the District and Ledge Rock Center, LLC (the "Developer"). The Improvements proposed for acquisition by the District are specifically listed in Schedule A, attached hereto.

The Builder represents that the Improvements proposed for acquisition specifically benefit that real property of the District, and that the Improvement have been or will be completed in accordance with all applicable local, state and national standards.

The Builder hereby requests the District to determine whether the Improvements listed on Schedule A are permitted by the District's Service Plan and whether such Improvements are appropriate for acquisition, and to advise the Builder in writing of its determination within thirty (30) days of receipt of this Notice.

**BUILDER**

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

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

**ACCEPTED:**

**FISHER FARM  
METROPOLITAN DISTRICT NOS. 1-4**

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

Its: President

**SCHEDULE A**  
**To Improvement Acquisition Notice**  
**LIST OF IMPROVEMENTS**

IMPROVEMENT ACQUISITION NOTICE

Ledge Rock Center \_\_\_\_\_ Metropolitan District \_\_\_\_  
c/o Pinnacle Consulting Group, Inc.  
550 W. Eisenhower Blvd.  
Loveland, CO 80537

To Whom It May Concern:

I am writing on behalf of \_\_\_\_\_ with respect to the improvements described on Schedule A hereto. \_\_\_\_\_ has submitted a Purchase Application for the improvements described on Schedule A, as required by the Improvement Acquisition Agreement entered into to be effective as of December 14, 2021 by the District and Ledge Rock Center, LLC. In connection with that Purchase Application, I am forwarding to you, on Schedule A, an itemized statement of the cost and expenses associated with the improvements described on Schedule A.

I hereby certify, under penalty of perjury, that the information contained in Schedule A is true, correct and accurate to the best of my knowledge, information and belief and I further certify that the itemization of costs and expenses included in Schedule A conforms with the requirements of the Improvement Acquisition Agreement.

\_\_\_\_\_

STATE OF COLORADO    )  
  ) ss.  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_, by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_.

(S E A L)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

**SCHEDULE A**  
**To Improvement Acquisition Notice**  
**LIST OF IMPROVEMENTS**

**INTERGOVERNMENTAL AGREEMENT BETWEEN**  
**THE TOWN OF JOHNSTOWN, COLORADO**  
**AND**  
**LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1**

THIS AGREEMENT is made and entered into as of this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the TOWN OF JOHNSTOWN, a home-rule municipal corporation of the State of Colorado (“Town”), and LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”). The Town and the District are collectively referred to as the “Parties.”

**RECITALS**

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District’s Service Plan approved by the Town on \_\_\_\_\_ (“Service Plan”); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the Town and the District; and

WHEREAS, the Town and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (“Agreement”).

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

**COVENANTS AND AGREEMENTS**

1. Operations and Maintenance Limitation. The purpose of the District is to provide for the planning, design, acquisition, construction, installation and financing of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The District shall only operate and maintain those Public Improvements that are not accepted for ownership, operations and maintenance by the Town or other appropriate entity in a manner consistent with Approved Development Plans and other rules and regulations of the Town and the Town Code.

2. Trails and Amenities. The District may own, operate, and maintain trails and related amenities within the District. All parks and trails shall be open to the general public, including Town residents who do not reside in the District. Any fee imposed by the District for access to recreation improvements owned by the District, other than parks and trails, shall not result in Town residents who reside outside the District paying a user fee that is greater than, or otherwise disproportionate to, amounts paid by owners or tenants of the District and shall not result in the District’s owners or tenants subsidizing the use by non-District’s residents. The District shall be entitled to impose a reasonable administrative fee to cover additional expenses associated

with use of District recreational improvements, other than parks and trails, by Town residents who do not reside in the District to ensure that such use is not subsidized by the District's owners or tenants.

3. Fire Protection, Ambulance and Emergency Services Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the Town. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision. The District shall not be authorized to provide for ambulance or emergency medical services unless the provision of such service is approved by the Town in an intergovernmental agreement.

4. Television Relay and Translation Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the Town.

5. Telecommunication Facilities. The District agrees that no telecommunication facilities owned, operated or otherwise allowed by the District shall affect the ability of the Town to expand its public safety telecommunication facilities or impair the Town's existing telecommunication facilities.

6. Construction Standards Limitation. The District shall ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of other governmental entities having proper jurisdiction. The District shall obtain the Town's approval of civil engineering plans and applicable permits for construction and installation of Public Improvements prior to performing such work.

7. Zoning and Land Use Requirements; Sales and Use Tax. The District shall be subject to all of the Town's zoning, subdivision, building code and other land use requirements. The District shall not exercise any exemption from Town sales or use tax, whether directly or indirectly.

8. Growth Limitations. The District acknowledges that the Town shall not be limited in implementing Town Council or voter approved growth limitations, even though such actions may reduce or delay development within the District and the realization of District's revenue.

9. Conveyance. The District agrees to convey to the Town, at no expense to the Town and upon written notification from the Town, any real property owned by the District that is necessary, in the Town's sole discretion, for any Town capital improvement projects for transportation, utilities, drainage, street or trails. The District shall, at no expense to the Town and upon written notification from the Town, transfer to the Town all rights-of-way, fee interests and easements owned by the District that the Town determines are necessary for access to and



operation and maintenance of the Public Improvements to be owned, operated and maintained by the Town, consistent with an Approved Development Plan.

10. Privately Placed Debt Limitation. Prior to the issuance of any Privately Placed Debt, including but not limited to any Developer Debt, the District shall obtain the certification of an External Financial Advisor approved by the Town, in the form substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's 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 District and all Districts pledging revenue to the repayment of the Debt.

The District shall submit written notice to the Town Manager of the name of the proposed External Financial Advisor prior to the engagement of the External Financial Advisor which shall either be approved or objected to by the Town within twenty (20) days of the submittal of such written notice to the Town Manager. If the Town Manager does not object to such selection within the twenty (20) day period, the Town Manager's approval shall be deemed to have been given to the District retaining the External Financial Advisor named in the written notice.

Within ten (10) days subsequent to the issuance of Privately Placed Debt, the District shall provide the Town with copies of the relevant Debt documents, the External Financial Advisor Certification and the Bond Counsel Opinion addressed to the District and the Town regarding the issuance of the Debt.

11. Inclusion Limitation. The District shall not include within its boundaries any property outside the District Boundaries without the prior written consent of the Town. The District shall only include within its boundaries property that has been annexed to the Town and no portion of any of the District shall ever consist of property not within the Town's corporate boundaries.

12. Overlap Limitation. The boundaries of the District shall not overlap with another metropolitan district without the prior written consent of the Town.

13. Debt Limitation. Until the Development and Reimbursement Agreement is approved and executed by the Town and until an Amended and Restated Service Plan is approved by Town Council, the District shall not: (a) issue any Debt; or (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds.

14. Maximum Debt Authorization. The District shall not issue Debt in excess of Three Million, Six Hundred Thousand Dollars (\$3,600,000), except that the District shall not issue any Debt absent approval of an Amended and Restated Service Plan by the Town Council. Refunded Debt, wherein the initial debt issuance counted toward the Maximum Debt Authorization shall not count against the Maximum Debt Authorization set forth herein.

15. Execution of Development and Reimbursement Agreement Among The Developer, The Town and Ledge Rock Center Commercial Metropolitan District; Dissolution Requirement. Pursuant to the Memorandum of Understanding between the Developer and the Town dated May 5, 2021, the Developer, the Town and the Ledge Rock Center Commercial Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (“Commercial District”), anticipate the negotiation and execution of a Development and Reimbursement Agreement, as that term is defined in the Service Plan for the Commercial District, providing for, among other matters, terms and conditions relating to the financing of public improvements for the Commercial District. If the Developer, the Town and the Commercial District do not execute such Development and Reimbursement Agreement by February 1, 2022, the District shall promptly file a petition in the District Court for dissolution of the District, unless such deadline is extended in writing by the Town.

16. Recurring Fee Limitation. The District may impose and collect Recurring Fees for administrative, operations and maintenance expenses and for services, programs or facilities furnished by the District. Any Recurring Fees for administrative, operations and maintenance expenses not specifically set forth in the Financial Plan, including a subsequent increase in such Recurring Fees, shall be subject to review and approval by the Town. At the discretion of the Town Manager, Town review and approval shall be provided by the Town Manager in writing or referred by the Town Manager to the Town Council. If the Town does not respond to a request for the imposition of the Recurring Fee or an increase in such Recurring Fee within forty-five (45) days of receipt of a written request from the District, the Town shall be deemed to have approved the ability of the District to impose or increase the Recurring Fee as described in the request. Any Recurring Fees imposed or increased for operation and maintenance expenses without approval as set forth herein shall constitute a material departure from the Service Plan. The revenue from a Recurring Fee shall not be used to pay for Debt.

17. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds or other funds available from or through governmental or non-profit entities for which the Town is eligible to apply, except pursuant to an intergovernmental agreement with the Town. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

18. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town.

19. Bankruptcy Limitation. It is expressly intended that all of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Limitation Term, Developer Debt Mill Levy Imposition

Term, and the Recurring Fees, that have been established under the authority of the Town to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S.:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent an amendment to the Service Plan; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

The filing of any bankruptcy petition by the District shall constitute, simultaneously with such filing, a material departure of the express terms of this Service Plan, and thus an express violation of the approval of this Service Plan.

20. Water Rights/Resources Limitation. Water to satisfy the needs of the Project shall be dedicated by the Developer to the Town. The District shall not acquire, own, manage, adjudicate or develop water rights or resources except pursuant to an intergovernmental agreement with the Town. If the District provides a non-potable irrigation system, which would be owned, operated and maintained by the District, the District would be permitted to manage the raw water for the District irrigation water system in the manner set forth in a subsequently executed intergovernmental agreement with the Town.

21. Eminent Domain Limitation. Absent the prior written approval of the Town, the District shall not exercise its statutory power of eminent domain or dominant eminent domain for the purpose of condemning property outside of the Service Area. Additional approval from the Town shall not be required prior to the District’s exercise of its statutory power of eminent domain or dominant eminent domain with respect to property within the Service Area. In no event shall the District exercise their statutory power of dominant eminent domain to condemn property owned by the Town.

22. Covenant Enforcement and Design Review Services. The District shall have the power, but not the obligation, to provide Covenant Enforcement and Design Review Services within the District in accordance with the Colorado Statutes as they are amended from time to time. The Town shall not bear any responsibility for Covenant Enforcement and Design Review Services within the boundaries of the District. The Town’s architectural control, design review and other zoning, land use, development, design and other controls are separate requirements that must be met in addition to any similar controls or services undertaken by the District.

23. Special Improvement District. The District shall not be entitled to create a special improvement district pursuant to Section 32-1-1101.7, C.R.S., unless otherwise provided pursuant to an intergovernmental agreement with the Town.

24. Reimbursement Agreement with Adjacent Landowners. If the District utilizes reimbursement agreements to obtain reimbursements from adjacent landowners for costs of improvements that benefit the third-party landowners, such agreements shall be done in

accordance with Town Code. Any and all resulting reimbursements received for such improvement shall be used to re-pay the cost of the Public Improvement that is the subject of the reimbursement agreement or shall be deposited in the District's debt service fund and used for the purpose of retiring Debt. The District shall maintain an accurate accounting of the funds received and disbursed pursuant to reimbursement agreements.

25. Land Purchase Limitation. Proceeds from the sale of Debt and other revenue of the District may be used to pay the Developer for the acquisition from the Developer of any real property, easements or other interests not required to be dedicated for public use by annexation agreements pursuant to Approved Development Plans, the Town Code or other development requirements. Examples of ineligible reimbursements include, but are not limited to: the acquisition of rights of way, easements, land for public drainage, parkland, or open space, unless separate consent is given by resolution of the Town Council. If the Developer seeks reimbursement for the items described herein from the District, prior to providing reimbursement for such amounts, the District shall receive the report of an independent engineer or accountant licensed in Colorado confirming that in such engineer's or accountant's professional opinion, the amount of the reimbursement is reasonable.

26. Reimbursement of Public Improvement Related Costs. Prior to the reimbursement to the Developer for costs incurred in the organization of the District, for funds expended on the District behalf related to the Public Improvements, for the payment by the District for an invoice related to a Public Improvement cost, or for the acquisition of any part of the Public Improvements, the District shall receive: a) the report of an engineer retained by the District, independent of the Developer and licensed in Colorado verifying that, in such engineer's professional opinion, the reimbursement for the costs of the Public Improvements that are the subject of the reimbursement or acquisition, including the construction costs and the soft costs, but excluding the accounting and legal fees, are, in such engineer's opinion, reasonable and are related to the provision of the Public Improvements or are related to the District's organization; and b) the report of an accountant retained by the District, independent of the Developer and licensed in Colorado verifying that, in such accountant's professional opinion, the reimbursement for the accounting and legal fees that are the subject of the reimbursement or acquisition, are, in such accountants opinion, reasonable and related to the Public Improvements or the District's organization. Upon request, the District shall provide the reports to the Town.

27. Developer Reimbursement of Administration, Operations and Maintenance Related Costs. Prior to the reimbursement to the Developer for costs incurred or for funds expended on behalf of the District related to the administration of the District or the operation and maintenance of the Public Improvements, the District shall receive the report of an accountant retained by the District, who is independent of the Developer and licensed in Colorado, verifying that, in such accountant's professional opinion, the reimbursement of the funds advanced for such administration, operations or maintenance costs, are, in such accountant's opinion, receivable and related to the administration, operations or maintenance of the District or the Public Improvements. Upon request, the District shall provide the report to the Town.

28. Board Meetings and Website Limitations. Once an End User owns property in the Service Area, the District's Board meeting(s) shall be conducted within the boundaries of the Town of Johnstown or conducted virtually via internet or telephone platform available for free

access by the public. The District shall establish and maintain a public website and shall include the name of the Project or a name that allows property owners and residents of the District to readily locate the District online and shall also include an updated street map for those properties within the Service Area that have constructed streets that are open for public use. In addition, the District shall timely post a copy of all of the following documents on its public website: (a) each call for nominations, required pursuant to Section 1-13.5-501, C.R.S., (b) the transparency notices provided pursuant to 32-1-809, C.R.S., (c) each recorded declaration of covenants if the District provides Covenant Enforcement and Design Review Services, (d) a copy of this Service Plan and all amendments thereto, (e) all approved budgets, audits, meeting minutes, Board orders and resolutions, (f) any Rules and Regulations adopted by the Board, and (g) all meeting agendas and meeting packets.

29. Financial Review. The Town shall be permitted to conduct periodic reviews of the financial powers of the District in the Service Plan in the manner and form provided in Section 32-1-1101.5, C.R.S. As provided in the statute, the Town may conduct the first financial review in the fifth calendar year after the calendar year in which a special district's ballot issue to incur general obligation indebtedness was approved by its electors. After such fifth calendar year and notwithstanding the provisions of the statute, the Town may conduct the financial review at any time, by providing sixty (60) days written notice to the District, except that the Town may not conduct a financial review within sixty (60) months of the completion of its most recent financial review. The Town's procedures for conducting a financial review under this Paragraph, and the remedies available to the Town as a result of such financial review, shall be identical to those provided for in Section 32-1-1101.5(2), C.R.S. The District shall be responsible for payment of the Town consultant and legal and administrative costs associated with such review, and the Town may require a deposit of the estimated costs thereof.

30. Use of Proceeds and Revenues Limitations. Proceeds from the sale of Debt instruments and other revenue of the District may be used to pay landowners within the District for any real property, easements or other interests not required to be dedicated for public use by annexation agreements or the Town's land use codes or development requirements and for the cost of any capital improvements, costs of issuance of any debt or other facilities, services and improvements authorized by the Service Plan. Additionally, if the landowner/developer constructs the public infrastructure and conveys it to the District in return for a reimbursement obligation from the District, prior to making such reimbursement for such amounts, the District must receive a Cost Verification Report.

31. Transfer Fee Limitation. The District shall not be authorized to collect or spend revenue from a transfer fee on the sale of real property within the District, except pursuant to an intergovernmental agreement with the Town.

32. Miscellaneous Powers. The District shall have the power to provide any facility, service, or program allowed by C.R.S. § 32-1-1004(1).

33. New Powers. If, after the Service Plan is approved, the Colorado General Assembly grants new or broader powers for metropolitan districts, to the extent permitted by law, any or all such powers shall be deemed to be a part hereof and available to be exercised by the District only following written approval by the Town, subject to the Town's sole discretion.

34. Service Plan Amendment Requirement. Actions of the District which violate the limitations set forth in this Service Plan shall be deemed to be material modifications to this Service Plan and the Town shall be entitled to all remedies available under State and local law to enjoin such actions of the District, including the remedy of enjoining the issuance of additional authorized but unissued debt, until such material modification is remedied.

35. Maximum Residential Debt Mill Levy. The Maximum Residential Debt Mill Levy shall be forty (40) mills subject to an Assessment Ratio Adjustment.

36. Operations and Maintenance Mill Levy. The Operations and Maintenance Mill Levy shall be a mill levy the District is permitted to impose for payment of the District's administrative, operations and maintenance costs, which shall include, but not be limited to, the funding of operating reserves and sufficient ending fund balances to assure sufficient cash flow to fund expenses as they come due. Prior to the imposition of a mill levy for payment of Debt, the District may impose a maximum Operations and Maintenance Mill Levy of fifty (50) mills. After the imposition of a mill levy for the payment of Debt, the District shall not impose an Operations and Mill Levy that exceeds ten (10) mills, subject to an Assessment Ratio Adjustment, and shall at all times not exceed the maximum mill levy necessary to pay those expenses.

37. Mill Levy Imposition Term.

(a) Developer Debt Mill Levy Imposition Term. Developer Debt shall expire and be forgiven twenty (20) years after the date of the initial imposition by the District of an ad valorem property tax to pay any Debt, unless such term is otherwise extended pursuant to an intergovernmental agreement with the Town. Refunding Bonds shall not be subject to this Developer Debt Mill Levy Imposition Term so long as such Refunding Bonds are not owned by the Developer or by a person or party related to the Developer. Developer Debt shall not have any call protection.

(a) Maximum Debt Mill Levy Imposition Term: In addition to the Developer Debt Mill Levy Imposition Term, the District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of the District imposing the mill levy are End Users residing in such District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in 11-56-101, et seq., C.R.S.

38. Debt Repayment Sources.

Debt may be repaid through gifts, grants, ad valorem taxes, and any source of payment permitted by law, this Service Plan or other agreement with the Town.

39. Dissolution. Upon a determination of the Town Council that the purposes for which the District was created have been accomplished or as set forth in Paragraph 15 above, the District shall file a petition in the District Court for dissolution, pursuant to the applicable State statutes. Except as provided in Paragraph 15 above, dissolution shall not occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial

obligations as required pursuant to State statutes. Except as otherwise required in the Intergovernmental Agreement or in the Development and Reimbursement Agreement, dissolution shall not be required if the District is responsible for ongoing operations and maintenance.

40. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via United Parcel Service or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the Town:           Attn: Town Manager  
Town of Johnstown  
450 S. Parish Avenue  
Johnstown, CO 80534  
Phone: (970) 587-4664

To the District:       Ledge Rock Center Residential Metropolitan  
District No. 1  
Attn: District Manager  
c/o Pinnacle Consulting Group, Inc.  
550 W. Eisenhower Blvd.  
Loveland, Colorado 80537  
Phone: 970-669-3611  
Fax: 970-669-3612

*With a copy to:*       Spencer Fane LLP  
Attn: David S. O’Leary, Esq.  
1700 Lincoln, Suite 2000  
Denver, CO 80203  
Phone: 303-839-3800  
Fax: 303-839-3838  
[doleary@spencerfane.com](mailto:doleary@spencerfane.com)

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address. Notice may also be provided by electronic mail on the condition that the intended recipient of the electronic mail acknowledges receipt thereof.

41. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the Parties hereto and, unless Town Council otherwise requires, without amendment to the Service Plan.

42. Assignment. Neither Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of the other Party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

43. Default/Remedies. Upon the occurrence of any event of breach or default by either Party, the non-defaulting party shall provide written notice to the other Party. The defaulting Party shall immediately proceed to cure or remedy such breach or default, and in any event, such breach or default shall be cured within fifteen (15) days after receipt of the notice. Following the cure period in the event of a breach or default of this Agreement by either Party, the non-defaulting Party shall be entitled to exercise all remedies available by law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof is brought by the Town to enforce the provisions of this Agreement, the Town, if the prevailing Party, shall be entitled to obtain, as part of its judgment or award, its reasonable attorneys' fees, to the extent permitted by law.

44. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado and venue shall be in the County in which the District is located.

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

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

47. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the Town any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the Town shall be for the sole and exclusive benefit of the District and the Town.

48. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

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

50. No Liability of Town. The Town has no obligation whatsoever to construct any improvements that the District are required to construct, or pay any debt or liability of the District, including any Bonds.



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

52. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Service Plan.

LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 1

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

Attest:

\_\_\_\_\_  
Secretary

TOWN OF JOHNSTOWN, COLORADO

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

Attest:

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

**INTERGOVERNMENTAL AGREEMENT BETWEEN  
THE TOWN OF JOHNSTOWN, COLORADO  
AND  
LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2**

THIS AGREEMENT is made and entered into as of this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the TOWN OF JOHNSTOWN, a home-rule municipal corporation of the State of Colorado (“Town”), and LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”). The Town and the District are collectively referred to as the “Parties.”

**RECITALS**

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District’s Service Plan approved by the Town on \_\_\_\_\_ (“Service Plan”); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the Town and the District; and

WHEREAS, the Town and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (“Agreement”).

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

**COVENANTS AND AGREEMENTS**

1. Operations and Maintenance Limitation. The purpose of the District is to provide for the planning, design, acquisition, construction, installation and financing of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The District shall only operate and maintain those Public Improvements that are not accepted for ownership, operations and maintenance by the Town or other appropriate entity in a manner consistent with the Approved Development Plan and other rules and regulations of the Town and the Town Code.

2. Trails and Amenities. The District may own, operate, and maintain trails and related amenities within the District. All parks and trails shall be open to the general public, including Town residents who do not reside in the District, free of charge. Any fee imposed by the District for access to recreation improvements owned by the District, other than parks and trails, shall not result in Town residents who reside outside the District paying a user fee that is greater than, or otherwise disproportionate to, amounts paid by residents of the District and shall not result in the District’s residents subsidizing the use by non-District’s residents. The District shall be entitled to impose a reasonable administrative fee to cover additional expenses associated

with use of District recreational improvements, other than parks and trails, by Town residents who do not reside in the District to ensure that such use is not subsidized by the District's residents.

3. Fire Protection, Ambulance and Emergency Services Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the Town. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision. The District shall not be authorized to provide for ambulance or emergency medical services unless the provision of such service is approved by the Town in an intergovernmental agreement.

4. Television Relay and Translation Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the Town.

5. Telecommunication Facilities. The District agrees that no telecommunication facilities owned, operated or otherwise allowed by the District shall affect the ability of the Town to expand its public safety telecommunication facilities or impair the Town's existing telecommunication facilities.

6. Construction Standards Limitation. The District shall ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of other governmental entities having proper jurisdiction. The District shall obtain the Town's approval of civil engineering plans and applicable permits for construction and installation of Public Improvements prior to performing such work.

7. Zoning and Land Use Requirements; Sales and Use Tax. The District shall be subject to all of the Town's zoning, subdivision, building code and other land use requirements. The District shall not exercise any exemption from Town sales or use tax, whether directly or indirectly.

8. Growth Limitations. The District acknowledges that the Town shall not be limited in implementing Town Council or voter approved growth limitations, even though such actions may reduce or delay development within the District and the realization of District's revenue.

9. Conveyance. The District agrees to convey to the Town, at no expense to the Town and upon written notification from the Town, any real property owned by the District that is necessary, in the Town's sole discretion, for any Town capital improvement projects for transportation, utilities, drainage, streets or trails. The District shall, at no expense to the Town and upon written notification from the Town, transfer to the Town all rights-of-way, fee interests and easements owned by the District that the Town determines are necessary for access to and operation and maintenance of the Public Improvements to be owned, operated and maintained by the Town, consistent with an Approved Development Plan.

10. Privately Placed Debt Limitation. Prior to the issuance of any Privately Placed Debt, including but not limited to any Developer Debt, the District shall obtain the certification of an External Financial Advisor approved by the Town, in the form substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's 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 District and all Districts pledging revenue to the repayment of the Debt.

The District shall submit written notice to the Town Manager of the name of the proposed External Financial Advisor prior to the engagement of the External Financial Advisor which shall either be approved or objected to by the Town within twenty (20) days of the submittal of such written notice to the Town Manager. If the Town Manager does not object to such selection within the twenty (20) day period, the Town Manager's approval shall be deemed to have been given to the District retaining the External Financial Advisor named in the written notice.

Within ten (10) days subsequent to the issuance of Privately Placed Debt, the District shall provide the Town with copies of the relevant Debt documents, the External Financial Advisor Certification and the Bond Counsel Opinion addressed to the District and the Town regarding the issuance of the Debt.

11. Inclusion Limitation. The District shall not include within its boundaries any property outside the District Boundaries without the prior written consent of the Town. The District shall only include within its boundaries property that has been annexed to the Town and no portion of any of the District shall ever consist of property not within the Town's corporate boundaries.

12. Overlap Limitation. The boundaries of the District shall not overlap with another metropolitan district without the prior written consent of the Town.

13. Debt Limitation. Until the Development and Reimbursement Agreement is approved and executed by the Town and until an Amended and Restated Service Plan is approved by Town Council, the District shall not: (a) issue any Debt; or (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds.

14. Maximum Debt Authorization. The District shall not issue Debt in excess of Three Million, Nine Hundred Thousand Dollars (\$3,900,000) except that the District shall not issue any Debt absent the approval of an Amended and Restated Service Plan by the Town Council.

Refunded Debt, wherein the initial debt issuance counted toward the Maximum Debt Authorization shall not count against the Maximum Debt Authorization set forth herein.

15. Development and Reimbursement Agreement Requirement. Pursuant to the Memorandum of Understanding between the Developer and the Town dated Town on May 5, 2021, the Developer, the applicable Ledge Rock Center Metropolitan District, and the Town anticipate the negotiation and execution of a Development and Reimbursement Agreement providing, among other matters, the financing of the Public Improvements. If the Town, and the applicable Ledge Rock Center Metropolitan District, and the Developer do not execute the Development and Reimbursement Agreement by February 1, 2022, the District shall immediately file a petition in the District Court for dissolution of the District, in writing by the Town.

16. Recurring Fee Limitation. The District may impose and collect Recurring Fees for administrative, operations and maintenance expenses and for services, programs or facilities furnished by the District. Any Recurring Fees for administrative, operations and maintenance expenses not specifically set forth in the Financial Plan, including a subsequent increase in such Recurring Fees, shall be subject to review and approval by the Town. At the discretion of the Town Manager, Town review and, if appropriate, approval shall be provided by the Town Manager in writing or referred by the Manager to the Town Council. If the Town does not respond to a request for the imposition of the Recurring Fee or an increase in such Recurring Fee within forty-five (45) days of receipt of a written request from the District, the Town shall be deemed to have approved the ability of the District to impose or increase the Recurring Fee as described in the request. Any Recurring Fees imposed or increased for operation and maintenance expenses without approval as set forth herein shall constitute a material departure from the Service Plan. The revenue from a Recurring Fee shall not be used to pay for Debt.

17. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds or other funds available from or through governmental or non-profit entities for which the Town is eligible to apply, except pursuant to an intergovernmental agreement with the Town. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

18. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town.

19. Bankruptcy Limitation. It is expressly intended that all of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Limitation Term, Developer Debt Mill Levy Imposition Term, and the Recurring Fees, that have been established under the authority of the Town to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S.:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent an amendment to the Service Plan; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code

(11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

The filing of any bankruptcy petition by the District shall constitute, simultaneously with such filing, a material departure of the express terms of this Service Plan, and thus an express violation of the approval of this Service Plan.

20. Water Rights/Resources Limitation. Water to satisfy the needs of the Project shall be dedicated by the Developer to the Town. The District shall not acquire, own, manage, adjudicate or develop water rights or resources except pursuant to an intergovernmental agreement with the Town. If the District provides a non-potable irrigation system, which would be owned, operated and maintained by the District, the District would be permitted to manage the raw water for the District irrigation water system in the manner set forth in a subsequently executed intergovernmental agreement with the Town.

21. Eminent Domain Limitation. Absent the prior written approval of the Town, the District shall not exercise its statutory power of eminent domain or dominant eminent domain for the purpose of condemning property outside of the Service Area. Additional approval from the Town shall not be required prior to the District’s exercise of its statutory power of eminent domain or dominant eminent domain with respect to property within the Service Area. In no event shall the District exercise its statutory power of dominant eminent domain to condemn property owned by the Town.

22. Covenant Enforcement and Design Review Services. The District shall have the power, but not the obligation, to provide Covenant Enforcement and Design Review Services within the District in accordance with the Colorado Statutes as they are amended from time to time. The Town shall not bear any responsibility for Covenant Enforcement and Design Review Services within the boundaries of the District. The Town’s architectural control, design review and other zoning, land use, development, design and other controls are separate requirements that must be met in addition to any similar controls or services undertaken by the District.

23. Special Improvement District. The District shall not be entitled to create a special improvement district pursuant to Section 32-1-1101.7, C.R.S., unless otherwise provided pursuant to an intergovernmental agreement with the Town.

24. Reimbursement Agreement with Adjacent Landowners. If the District utilizes reimbursement agreements to obtain reimbursements from adjacent landowners for costs of improvements that benefit the third-party landowners, such agreements shall be done in accordance with Town Code. Any and all resulting reimbursements received for such improvement shall be used to re-pay the cost of the Public Improvement that is the subject of the reimbursement agreement or shall be deposited in the District’s debt service fund and used for the purpose of retiring Debt. The District shall maintain an accurate accounting of the funds received and disbursed pursuant to reimbursement agreements.

25. Land Purchase Limitation. Proceeds from the sale of Debt and other revenue of the District may be used to pay the Developer for the acquisition from the Developer of any real property, easements or other interests not required to be dedicated for public use by annexation agreements pursuant to Approved Development Plans, the Town Code or other development requirements. Examples of ineligible reimbursements include, but are not limited to: the acquisition of rights of way, easements, land for public drainage, parkland, or open space, unless separate consent is given by resolution of the Town Council. If the Developer seeks reimbursement for the items described herein from the District, prior to providing reimbursement for such amounts, the District shall receive the report of an independent engineer or accountant licensed in Colorado confirming that in such engineer's or accountant's professional opinion, the amount of the reimbursement is reasonable.

26. Reimbursement of Public Improvement Related Costs. Prior to the reimbursement to the Developer for costs incurred in the organization of the District, for funds expended on the District behalf related to the Public Improvements, for the payment by the District for an invoice related to a Public Improvement cost, or for the acquisition of any part of the Public Improvements, the District shall receive: a) the report of an engineer retained by the District, independent of the Developer and licensed in Colorado verifying that, in such engineer's professional opinion, the reimbursement for the costs of the Public Improvements that are the subject of the reimbursement or acquisition, including the construction costs and the soft costs, but excluding the accounting and legal fees, are, in such engineer's opinion, reasonable and are related to the provision of the Public Improvements or are related to the District's organization; and b) the report of an accountant retained by the District, independent of the Developer and licensed in Colorado verifying that, in such accountant's professional opinion, the reimbursement for the accounting and legal fees that are the subject of the reimbursement or acquisition, are, in such accountants opinion, reasonable and related to the Public Improvements or the District's organization. Upon request, the District shall provide the reports to the Town.

27. Developer Reimbursement of Administration, Operations and Maintenance Related Costs. Prior to the reimbursement to the Developer for costs incurred or for funds expended on behalf of the District related to the administration of the District or the operation and maintenance of the Public Improvements, the District shall receive the report of an accountant retained by the District, who is independent of the Developer and licensed in Colorado, verifying that, in such accountant's professional opinion, the reimbursement of the funds advanced for such administration, operations or maintenance costs, are, in such accountant's opinion, receivable and related to the administration, operations or maintenance of the District or the Public Improvements. Upon request, the District shall provide the report to the Town.

28. Board Meetings and Website Limitations. Once an End User owns property in the Service Area, the District's Board meeting(s) shall be conducted within the boundaries of the Town of Johnstown or conducted virtually via internet or telephone platform available for free access by the public. The District shall establish and maintain a public website and shall include the name of the Project or a name that allows property owners and residents of the District to readily locate the District online and shall also include an updated street map for those properties within the Service Area that have constructed streets that are open for public use. In addition, the District shall timely post a copy of all of the following documents on its public website: (a) each call for nominations, required pursuant to Section 1-13.5-501, C.R.S., (b) the transparency notices

provided pursuant to 32-1-809, C.R.S, (c) each recorded declaration of covenants if the District provides Covenant Enforcement and Design Review Services, (d) a copy of this Service Plan and all amendments thereto, (e) all approved budgets, audits, meeting minutes, Board orders and resolutions, (f) any Rules and Regulations adopted by the Board, and (g) all meeting agendas and meeting packets.

29. Financial Review. The Town shall be permitted to conduct periodic reviews of the financial powers of the District in the Service Plan in the manner and form provided in Section 32-1-1101.5, C.R.S. As provided in the statute, the Town may conduct the first financial review in the fifth calendar year after the calendar year in which a special district's ballot issue to incur general obligation indebtedness was approved by its electors. After such fifth calendar year and notwithstanding the provisions of the statute, the Town may conduct the financial review at any time, by providing sixty (60) days written notice to the District, except that the Town may not conduct a financial review within sixty (60) months of the completion of its most recent financial review. The Town's procedures for conducting a financial review under this Paragraph, and the remedies available to the Town as a result of such financial review, shall be identical to those provided for in Section 32-1-1101.5(2), C.R.S. The District shall be responsible for payment of the Town consultant and legal and administrative costs associated with such review, and the Town may require a deposit of the estimated costs thereof.

30. Use of Proceeds and Revenues Limitations. Proceeds from the sale of Debt instruments and other revenue of the District may be used to pay landowners within the District for any real property, easements or other interests not required to be dedicated for public use by annexation agreements or the Town's land use codes or development requirements and for the cost of any capital improvements, costs of issuance of any debt or other facilities, services and improvements authorized by the Service Plan. Additionally, if the landowner/developer constructs the public infrastructure and conveys it to the District in return for a reimbursement obligation from the District, prior to making such reimbursement for such amounts, the District must receive a Cost Verification Report.

31. Transfer Fee Limitation. The District shall not be authorized to collect or spend revenue from a transfer fee on the sale of real property within the District, except pursuant to an intergovernmental agreement with the Town.

32. Miscellaneous Powers. The District shall have the power to provide any facility, service, or program allowed by C.R.S. § 32-1-1004(1).

33. New Powers. If, after the Service Plan is approved, the Colorado General Assembly grants new or broader powers for metropolitan districts, to the extent permitted by law, any or all such powers shall be deemed to be a part hereof and available to be exercised by the District only following written approval by the Town, subject to the Town's sole discretion.

34. Service Plan Amendment Requirement. Actions of the District which violate the limitations set forth in this Service Plan shall be deemed to be material modifications to this Service Plan and the Town shall be entitled to all remedies available under State and local law to enjoin such actions of the District, including the remedy of enjoining the issuance of additional authorized but unissued debt, until such material modification is remedied.



35. Maximum Residential Debt Mill Levy. The Maximum Residential Debt Mill Levy shall be forty (40) mills subject to an Assessment Ratio Adjustment.

36. Operations and Maintenance Mill Levy. The Operations and Maintenance Mill Levy shall be a mill levy the District is permitted to impose for payment of the District's administrative, operations and maintenance costs, which shall include, but not be limited to, the funding of operating reserves and sufficient ending fund balances to assure sufficient cash flow to fund expenses as they come due. Prior to the imposition of a mill levy for payment of Debt, the District may impose a maximum Operations and Maintenance Mill Levy of fifty (50) mills. After the imposition of a mill levy for the payment of Debt, the District shall not impose an Operations and Mill Levy that exceeds ten (10) mills, subject to an Assessment Ratio Adjustment, and shall at all times not exceed the maximum mill levy necessary to pay those expenses.

37. Mill Levy Imposition Term.

(a) Developer Debt Mill Levy Imposition Term. Developer Debt shall expire and be forgiven twenty (20) years after the date of the initial imposition by the District of an ad valorem property tax to pay any Debt, unless such term is otherwise extended pursuant to an intergovernmental agreement with the Town. Refunding Bonds shall not be subject to this Developer Debt Mill Levy Imposition Term so long as such Refunding Bonds are not owned by the Developer or by a person or party related to the Developer. Developer Debt shall not have any call protection.

(a) Maximum Debt Mill Levy Imposition Term: In addition to the Developer Debt Mill Levy Imposition Term, the District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of the District imposing the mill levy are End Users residing in such District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in 11-56-101, et seq., C.R.S.

38. Debt Repayment Sources. Debt may be repaid from gifts, grants, ad valorem taxes, and any source of payment permitted by law, this Service Plan or other agreement with the Town.

39. Dissolution. Upon a determination of the Town Council that the purposes for which the District was created have been accomplished or as set forth in Paragraph 15 above, the District shall file a petition in the District Court for dissolution, pursuant to the applicable State statutes. Except as provided in Paragraph 15 above, dissolution shall not occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes. Except as otherwise required in the Intergovernmental Agreement or in the Development and Reimbursement Agreement, dissolution shall not be required if the District is responsible for ongoing operations and maintenance.

40. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to

have been validly given or served by delivery of same in person to the address or by courier delivery, via United Parcel Service or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the Town:           Attn: Town Manager  
Town of Johnstown  
450 S. Parish Avenue  
Johnstown, CO 80534  
Phone: (970) 587-4664

To the District:       Ledge Rock Center Residential Metropolitan  
District No. 2  
Attn: District Manager  
c/o Pinnacle Consulting Group, Inc.  
550 W. Eisenhower Blvd.  
Loveland, Colorado 80537  
Phone: 970-669-3611  
Fax: 970-669-3612

*With a copy to:*       Spencer Fane LLP  
Attn: David S. O’Leary, Esq.  
1700 Lincoln, Suite 2000  
Denver, CO 80203  
Phone: 303-839-3800  
Fax: 303-839-3838  
[doleary@spencerfane.com](mailto:doleary@spencerfane.com)

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address. Notice may also be provided by electronic mail on the condition that the intended recipient of the electronic mail acknowledges receipt thereof.

41. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the Parties hereto and, unless Town Council otherwise requires, without amendment to the Service Plan.

42. Assignment. Neither Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of the other Party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

43. Default/Remedies. Upon the occurrence of any event of breach or default by either Party, the non-defaulting party shall provide written notice to the other Party. The defaulting Party shall immediately proceed to cure or remedy such breach or default, and in any event, such breach or default shall be cured within fifteen (15) days after receipt of the notice. Following the cure period in the event of a breach or default of this Agreement by either Party, the non-defaulting Party shall be entitled to exercise all remedies available by law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof is brought by the Town to enforce the provisions of this Agreement, the Town, if the prevailing Party shall be entitled to obtain as part of its judgment or award, its reasonable attorneys' fees, to the extent permitted by law.

44. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado and venue shall be in the County in which the District is located.

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

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

47. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the Town any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the Town shall be for the sole and exclusive benefit of the District and the Town.

48. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

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

50. No Liability of Town. The Town has no obligation whatsoever to construct any improvements that the District is required to construct, or pay any debt or liability of the District, including any Bonds.

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

52. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Service Plan.

LEDGE ROCK CENTER RESIDENTIAL  
METROPOLITAN DISTRICT NO. 2

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

Attest:

\_\_\_\_\_  
Secretary

TOWN OF JOHNSTOWN, COLORADO

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

Attest:

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

**LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 1**  
**BY-LAWS**

Section 1. **Authority.** Ledge Rock Center Residential Metropolitan District No. 1 (collectively, the "District") are governmental subdivisions of the State of Colorado and body corporate with those powers of a public or quasi-municipal corporation that are specifically authorized by, and in compliance with, Section 32-1-101 et seq., C.R.S.

Section 2. **Purpose.** It is hereby declared that the By-Laws hereinafter set forth will serve a public purpose.

Section 3. **Policies of the Board.** It shall be the policy of the Boards of Directors (the "Board") of the District, consistent with the availability of revenues, personnel and equipment, to use its best efforts to provide the services as authorized under the District Service Plan or by law.

Section 4. **Board of Directors.** All powers, privileges and duties vested in, or imposed upon, the District by law shall be exercised and performed by and through the Board, whether set forth specifically or impliedly in these By-Laws. The Board may delegate to officers, employees, and agents of the District any or all administrative and ministerial powers.

Without restricting the general powers conferred by these By-Laws, it is hereby expressly declared that the Board shall have the following powers and duties:

- a. To confer upon any appointed officer of the District the power to choose, remove or suspend employees or agents upon such terms and conditions as may seem fair and just and in the best interests of the District.
- b. To determine and designate, except as otherwise provided by law or these By-Laws, who shall be authorized to make purchases, negotiate leases for office space, and sign receipts, endorsements, checks, releases and other documents.
- c. To create standing or special committees and to delegate such power and authority thereto as the Board deems necessary and proper for the performance of such committee's functions and obligations.
- d. To prepare financial reports, other than the statutory audit, covering each year's fiscal activities, and such reports, if requested, shall be submitted to the Board and made available for inspection by the public.

Section 5. **Office.**

- a. **Business Office.** The principal business office of District shall be at the offices of Pinnacle Consulting Group, Inc., 550 W. Eisenhower Blvd., Loveland, Colorado 80537, until otherwise designated by the Board.

- b. **Establishing Other Offices and Relocation.** The Board, by resolution, may from time to time, designate, locate and relocate its executive and business office and such other offices as, in its judgment, are necessary to conduct the business of the District.

Section 6. **Meetings.**

- a. **Regular Meetings.** Regular meetings are not necessary at the initial stage of the District, but special meetings shall be conducted when necessary or appropriate on at least an annual basis and held at the business office, or at the office of counsel for the District unless otherwise noticed and posted.
- b. **Meeting Public.** All meetings of the Board, other than executive sessions, shall be open to the public.
- c. **Notice of Meetings.** Section 6a shall constitute formal notice of regular meetings to Board members, and no other notice shall be required to be given to the Board, other than the permanent posting. Written waivers of notice by Board members are not necessary.
- d. **Special Meetings.** Special meetings of the Board may be called upon twenty-four (24) hours written notice, which shall be posted at one location within the District or on the District's website, if a District website has been established.
- e. **No Informal Action by Directors/Executive Sessions.** All official business of the Board shall be conducted at regular or special meetings. Executive sessions may be called at regular or special meetings, and conducted according to the following guidelines:
  - (1) **Calling the Executive Session.** The topic for discussion in the executive session shall be announced in a motion, and the specific statute that authorizes the executive session shall be cited. The matter to be discussed shall be described in as much detail as possible without compromising the purpose of being in executive session. An affirmative vote of two-thirds (2/3) of the quorum present shall be required to go into executive session.
  - (2) **Conducting the Executive Session.** No adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall take place in an executive session. The discussion in executive session shall be limited to the reasons for which the executive session was called. A record of the actual contents of the discussion in the executive session, using the same manner and media as are used to record minutes of

regular sessions, shall be used. If handwritten notes of the executive session are kept, minutes of the executive session shall be created and shall contain a signed statement by the Chair that the minutes substantially reflect the substance of the discussion during the executive session. No record is necessary to be kept for any portions of the discussion which the District's attorney reasonably believes constitute attorney-client privileged communication. If minutes of the executive session are otherwise electronically recorded, the attorney shall state on the record when any portion of the executive session is not recorded as an attorney-client privileged communication. If minutes of the executive session are otherwise recorded in writing, then the attorney shall sign a statement to the same effect when any portion of the written Minutes is not recorded in writing as an attorney-client privileged communication.

- (3) **After Executive Session.** The record of any executive session shall be retained by the District for ninety days and then destroyed or erased. Minutes or recordings of the executive session shall not be released to the general public for review under any circumstances, except as required by law.

- f. **Adjournment and Continuance of Meetings.** When a regular or special meeting is for any reason continued to another time and place, notice need not be given of the continued meeting if the time and place of such meeting are announced at the meeting at which the continuance is taken, except as required by law. At the continued meeting, any business may be transacted which could have been transacted at the original meeting.
- g. **Emergency Meetings.** Notwithstanding any other provisions in this Section 6, emergency meetings may be called by the Chair or any two (2) Board members in the event of an emergency that requires the immediate action of the Board in order to protect the public health, safety and welfare of the property owners and electors of the District, without notice if notice is not practicable. If possible, notice of such emergency meeting may be given to the Board by telephone or whatever other means are reasonable to meet the circumstances of the emergency. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety and welfare may be taken; provided, however, that any action taken at an emergency meeting shall be effective only until the first to occur of (a) the next regular meeting, or (b) the next special meeting of the Board at which the emergency issue is on the public notice of the meeting. At such subsequent meeting, the Board may ratify any emergency action taken. If any emergency action taken is not ratified, then it shall be deemed rescinded as of the date of such subsequent meeting.

Section 7. **Conduct of Business.**

- a. **Quorum.** All official business of the Board shall be transacted at a regular or special meeting at which a quorum of the Directors shall be present in person or telephonically, except as provided in Section 7.b.
- b. **Vote Requirements.** Any action of the Board shall require the affirmative vote of a majority of the Directors present and voting. When special or emergency circumstances affecting the affairs of the District and the health and safety of District residents so dictate, then those Directors available at the time may undertake whatever action is considered necessary and may so instruct the District's employees, agents and contractors. Such actions shall later be ratified by the Board.
- c. **Order of Business.** The business of all regular meetings of the Board shall be transacted, as far as practicable, in the following order:
  - (1) Reading and approval, or approval as submitted, of the minutes of the previous meeting;
  - (2) Approval of bills and appropriations;
  - (3) Hearings;
  - (4) Reports of officers, committees and professional consultants;
  - (5) Unfinished business;
  - (6) New business and special orders; and
  - (7) Adjournment
- d. **Motions and Resolutions.** Each and every action of the Board necessary for the governance and management of the affairs of District, for the execution of the powers vested in District, and for carrying into effect the provisions of Article 1 of Title 32, C.R.S., shall be taken by the passage of motions or resolutions.
- e. **Minute Book.** Within a reasonable time after passage, all resolutions, motions and minutes of Board meetings shall be recorded in a book kept for that purpose and shall be attested by the Secretary. Minutes of regular sessions shall be available for public review as soon as practicable following acceptance of the minutes by adoption of a motion therefor by the Board. Minutes of executive sessions shall be kept separate from



minutes of regular sessions as described in Section 6(e) of these Bylaws and shall not be open to the public except as required by law.

Section 8. **Directors, Officers and Personnel.**

- a. **Director Qualifications and Terms.** Directors shall be electors of the District. The term of each Director shall be determined by relevant statutory provisions with elections held in even numbered years and conducted in the manner prescribed by Articles 1 through 13.5, Title 1, and Part 8, Article 1, Title 32, C.R.S. Each Director shall sign an oath of office and, at the expense of the District, furnish a faithful performance surety bond in a sum of not less than \$1,000.
  
- b. **Director's Performance of Duties.** A Director of the District shall perform all duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner which the Director reasonably believes to be in the best interests of District, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing the Director's duties, the Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in subparagraphs 1, 2 and 3 of this subsection b. The Director shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs the Director's duties shall not have any liability by reason of being or having been a Director of the District. Those programs and groups upon whose information, opinions, reports, and statements a Director is entitled to rely are:
  - (1) One or more officers or employees of the District whom the Director reasonably believes to be reliable and competent in the matters presented;
  - (2) Counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such persons' professional knowledge or expertise; and
  - (3) A committee of the Board upon which the Director does not serve, duly designated in accordance with the provisions of the By-Laws, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

- c. **Oath of Office.** Each member of the Board, before assuming the responsibilities of his office, shall take and subscribe an oath of office in the form prescribed by law.
- d. **Election of Officers.** The Board of Directors shall elect from its membership a Chair and President, Secretary, Treasurer, and Vice Presidents and Assistant Secretaries and/or Assistant Treasurers who shall be the officers of the Board of Directors and of the District. The Vice Presidents and Assistant Secretaries and/or Assistant Treasurers shall have all powers of the offices of Secretary and/or Treasurer as applicable, in the absence of such officers. The officers shall be elected by a majority of the Directors voting at such election. The Board may, from time to time, appoint an acting officer in the absence of any individual officer. The election of the officers shall be conducted biennially at the first regular meeting of the Board following the regular biennial election of the Directors held in May of even numbered years. Each officer so elected shall serve for a term of two years, which term shall expire upon the election of their successor or upon their reelection to that office.
- e. **Vacancies.** Any vacancy occurring on the Board shall be filled by an affirmative vote of a majority of the remaining Directors, as prescribed by law. The appointed individual must meet the statutorily prescribed qualifications for Directors and shall serve until the next regular election.
- f. **Resignation and Removal.** Directors may be removed from office only by recall as prescribed by statute. Any Director may resign at any time by giving written notice to the Board, and acceptance of such resignation shall not be necessary to make it effective, unless the notice so provides.
- g. **Chair and President.** The Chair shall preside at all meetings. The Chair shall also be the President of the District. The President is authorized to sign all contracts, deeds, notes, debentures, warrants and other instruments on behalf of the District.
- h. **Vice President.** In the absence of the Chair, the Vice President shall preside at all meetings. The Vice President shall have the authority to make all management or administrative decisions regarding District matters. The Vice President is also authorized to sign all contracts, deeds, notes, debentures, warrants, checks, and other instruments on behalf of the District.
- i. **Secretary.** The Secretary shall be responsible for the records of the District; may act as Secretary at meetings of the Board and record all votes; shall be responsible for composing a record of the proceedings of the Board in a minute book kept for that purpose, which shall be an official record of the Board; and shall perform all duties incident to that

office. The Secretary shall be the designated election official of the District, unless otherwise determined by the Board, and the custodian of the seal of District. The Secretary shall have the authority to affix such seal to and attest all contracts and instruments authorized to be executed by the Board.

- j. **Treasurer.** The Treasurer shall be authorized to invest all surplus funds or other available funds of the District in permitted investments authorized by law or as specified by the Board. The Treasurer shall be chairman of the Budget Committee and of the Audit Committee. The Treasurer shall keep or cause to be kept strict and accurate accounts of all money received by and disbursed for and on behalf of District in permanent records. The Treasurer shall file with the Clerk of the Court, at the expense of the District, a corporate fidelity bond in an amount determined by the Board of not less than \$5,000, conditioned on the faithful performance of the duties of the Treasurer's office.
- k. **Vice Presidents and Assistant Secretaries and/or Treasurers.** The Vice Presidents and Assistant Secretaries and/or Treasurers shall have all powers of the offices of Secretary and/or Treasurer, as applicable, in the absence of such officers. The Vice Presidents and Assistant Secretaries and/or Treasurers are also authorized to sign all contracts, deeds, notes, debentures, warrants, checks, and other instruments on behalf of the District. In the event that dual signatures of District officers are required on any instrument, then two different officers shall sign such instrument.
- l. **Recording Secretary.** The Board shall have the authority to appoint a recording secretary who need not be a member of the Board of Directors, and who will be responsible for recording all votes and composing a record of the proceedings of the Board in the minute book. The recording secretary shall not be required to take an oath of office, nor shall the recording secretary be required to post a performance bond.
- m. **Additional Duties.** The officers of the Board shall perform such other duties and functions as may from time to time be required by the Board, by the By-Laws or rules and regulations of District, by law, or by special exigencies, which shall later be ratified by the Board.
- n. **Manager or Administrator.** The Board may appoint a manager or contract with an administrator to serve for such term and upon such conditions, including compensation, as the Board may establish. Such manager or administrator shall have general supervision over the administration of the affairs, employees and business of the District and shall be charged with the hiring and discharging of employees and the management of District properties. Such manager or administrator shall have the care and custody of the general funds of the District and shall

deposit the same in the name of District in such banks or savings associations as the Board may select. Such manager or administrator will approve all vouchers, orders and checks for payment, and shall keep regular books of account of all District transactions and shall obtain, at the District's expense, such bond for the faithful performance of its duties as the Board may designate.

- o. **Personnel Selection and Tenure.** The selection of agents, employees, engineers, accountants, special consultants and attorneys of the District by the Board will be based upon the relative qualifications and capabilities of the applicants and shall not be based on political services or affiliations. Agents and employees shall hold their offices at the pleasure of the Board. Contracts for professional services of engineers, accountants, special consultants and attorneys may be entered into on such terms and conditions as may seem reasonable and proper to the Board.

Section 9. **Financial Administration.**

- a. **Fiscal Year.** The fiscal year of the District shall commence on January 1 of each year and end on December 31.
- b. **Budget Committee.** There shall be a permanent Budget Committee composed of the Treasurer, a member of the Board appointed by the President, and the administrator, which shall be responsible for preparation of the annual budget of the District and such other matters as may be assigned to it by the President or the Board.
- c. **Budget.** On or before October 15th of each year, the Budget Committee shall prepare and submit to the Board a proposed budget for the ensuing fiscal year. Such proposed budget shall be accompanied by a statement which shall describe the important features of the budget plan and by a general summary wherein shall be set forth the aggregate features of the budget in such manner as to show the balanced relations between the total proposed expenditures and the total anticipated income or other means of financing the proposed budget for the ensuing fiscal year, as contrasted with the corresponding figures for the last completed fiscal year and the current fiscal year. It shall be supported by explanatory schedules or statements classifying the expenditures contained therein by services, subjects and funds. The anticipated income of the District shall be classified according to the nature of receipts.
- d. **Notice of Budget.** Upon receipt of the proposed budget, the Board shall cause to be published a notice that the proposed budget is open for inspection by the public at the business office; that the Board will consider the adoption of the proposed budget at a public hearing on a certain date; and that any interested elector may inspect the proposed budget and file or

register any objections thereto at any time prior to its final adoption. Notice shall be posted or published in substantial compliance with law.

- e. **Adoption of Budget.** On the day set for consideration of such proposed budget, the Board shall review the proposed budget and revise, alter, increase or decrease the items as it deems necessary in view of the needs of the District and the probable income of the District. The Board shall then adopt a budget setting forth the expenditures to be made in the ensuing fiscal year. The Board shall provide for sufficient revenues to finance expenditures in the budget with special consideration given to the proposed property tax levy.
- f. **Levy and Collection of Taxes.** On or before December 15th of each year, unless an election for an increased operating tax levy is held, the Board shall certify to the Board of County Commissioners of the County in which the District was formed the mill levy established for the ensuing fiscal year, in order that, at the time and in the manner required by law for the levying of taxes, such Commissioners will levy such tax upon the assessed valuation of all taxable property within District.
- g. **Filing of Budget.** On or before January 30th of each year, the Board shall cause a certified copy of such budget to be filed with the Division of Local Government in the State Department of Local Affairs.
- h. **Appropriating Resolution.**
  - (1) At the time of adoption of the budget, the Board shall enact a resolution making appropriations for the ensuing fiscal year. The amounts appropriated thereunder shall not exceed the amounts fixed therefore in the adopted budget.
  - (2) The income of the District, as estimated in the budget and as provided for in the tax levy resolution and other revenue and borrowing resolutions, shall be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation resolution.
  - (3) The Board may make an appropriation to and for a contingent fund to be used in cases of emergency or other unforeseen contingencies.
- i. **No Contract to Exceed Appropriation.** The Board shall have no authority to enter into any contract, or otherwise bind or obligate the District to any liability for payment of money for any purposes, for which provision is not made in appropriation resolution, including any legally

authorized amendment thereto, in excess of the amounts of such appropriation for that fiscal year. Any contract, verbal or written, contrary to this Section shall be void ab initio, and no District funds shall be expended in payment of such contracts, except as follows:

j. **Contingencies.**

- (1) In cases of emergency caused by a natural disaster, public enemy, or other contingency, which could not reasonably have been foreseen at the time of the adoption of the budget, the Board may authorize the expenditure of funds in excess of the budget by resolution duly adopted by a two-thirds vote of the Board. Such resolution shall set forth in full the facts concerning the emergency and shall be included in the minutes of such meeting.
- (2) If so enacted, a copy of the resolution authorizing additional expenditures shall be filed with the Division of Local Government in the State Department of Local Affairs and shall be published in compliance with statutory requirements.

k. **Payment of Contingencies.**

- (1) If there is unexpended or uncommitted money in funds other than those to which the emergency relates, the Board shall transfer such available money to the fund from which the emergency expenditure is to be paid.
- (2) To the extent that transferable funds are insufficient to meet the emergency appropriation, the Board may borrow money through (a) the issuance of tax anticipation warrants, to the extent that the mill levy authority of the District is available as provided by law, or (b) the issuance of bond anticipation notes payable from future bond proceeds or operating revenue, or (c) any other lawful and approved method.

l. **Annual Audit.**

- (1) The Board shall cause an annual audit to be made at the end of each fiscal year of all financial affairs of the District through December 31st of such fiscal year. In all events, the audit report must be submitted to the Board within six months of the close of such fiscal year. Such audit shall be conducted in accordance with generally accepted auditing standards by a registered or certified public accountant, who has not maintained the books, records and accounts of District during

the fiscal year. The auditor shall prepare, and certify as to its accuracy, an audit report, including a financial statement and balance sheet based on such audit, an unqualified opinion or qualified opinion with explanations, and a full disclosure of any violation of State law pursuant to statutory requirements.

- (2) A copy of the audit report shall be maintained by the District as a public record for public inspection at all reasonable times.
- (3) A copy of the audit report shall be forwarded to the State Auditor or other appropriate State official pursuant to statutory requirements.

Section 10. **Corporate Seal.** The seal of the District shall be a circle containing the name of the District and shall be used on all documents and in such manner as seals generally are used by public and private corporations. The Secretary shall have custody of the seal and shall be responsible for its safekeeping and care.

Section 11. **Disclosure of Conflict of Interest.** A potential conflict of interest of any Director shall be disclosed in accordance with State law, particularly Article 18 of Title 24, C.R.S., and Sections 32-1-902(3) and 18-8-308, C.R.S.

Section 12. **Compensation.** Each Director shall receive the maximum compensation authorized by statute, unless otherwise determined by the Board. No Director shall receive compensation as an employee of the District, except as may be provided by statute.

Section 13. **Indemnification of Directors and Employees.** The District shall defend, hold harmless and indemnify any Director, officer, agent, or employee, whether elective or appointive, against any tort or liability, claim or demand, without limitation, arising out of any alleged act or omission occurring during the performance of official duty, as more fully defined by law or by an indemnification resolution. The provisions of this Section shall be supplemental and subject to and, to the extent of any inconsistency therewith, shall be modified by the provisions of the Colorado Governmental Immunity Act, 24-10-101, et seq., C.R.S.

Section 14. **Bidding and Contracting Procedures.** Except in cases in which the District will receive aid from a government agency, a notice shall be published for bids on all construction contracts for work or material, or both, involving an expense of \$60,000 or more of District funds. The Board may reject any and all bids, and if it appears that the District can perform the work or secure material for less than the lowest bid, it may proceed to do so in accordance with law. All other statutory requirements relating to performance bonds, retainage, and similar matters shall also be complied with.

Section 15. **Modification of By-Laws.** These By-Laws may be altered, amended or repealed at any regular or special meeting of the Board to become effective immediately or at a subsequent date.

**ADOPTED** this 14th day of December, 2021, by the Boards of Directors of Ledge Rock Center Residential Metropolitan District No. 1.

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Michel Schlup

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Amy Carroll

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John Schlup

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Lucas Schlup

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James Shipton



**LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2**  
**BY-LAWS**

Section 1. **Authority.** Ledge Rock Center Residential Metropolitan District No. 2 (collectively, the "District") are governmental subdivisions of the State of Colorado and body corporate with those powers of a public or quasi-municipal corporation that are specifically authorized by, and in compliance with, Section 32-1-101 et seq., C.R.S.

Section 2. **Purpose.** It is hereby declared that the By-Laws hereinafter set forth will serve a public purpose.

Section 3. **Policies of the Board.** It shall be the policy of the Boards of Directors (the "Board") of the District, consistent with the availability of revenues, personnel and equipment, to use its best efforts to provide the services as authorized under the District Service Plan or by law.

Section 4. **Board of Directors.** All powers, privileges and duties vested in, or imposed upon, the District by law shall be exercised and performed by and through the Board, whether set forth specifically or impliedly in these By-Laws. The Board may delegate to officers, employees, and agents of the District any or all administrative and ministerial powers.

Without restricting the general powers conferred by these By-Laws, it is hereby expressly declared that the Board shall have the following powers and duties:

- a. To confer upon any appointed officer of the District the power to choose, remove or suspend employees or agents upon such terms and conditions as may seem fair and just and in the best interests of the District.
- b. To determine and designate, except as otherwise provided by law or these By-Laws, who shall be authorized to make purchases, negotiate leases for office space, and sign receipts, endorsements, checks, releases and other documents.
- c. To create standing or special committees and to delegate such power and authority thereto as the Board deems necessary and proper for the performance of such committee's functions and obligations.
- d. To prepare financial reports, other than the statutory audit, covering each year's fiscal activities, and such reports, if requested, shall be submitted to the Board and made available for inspection by the public.

Section 5. **Office.**

- a. **Business Office.** The principal business office of District shall be at the offices of Pinnacle Consulting Group, Inc., 550 W. Eisenhower Blvd., Loveland, Colorado 80537, until otherwise designated by the Board.

- b. **Establishing Other Offices and Relocation.** The Board, by resolution, may from time to time, designate, locate and relocate its executive and business office and such other offices as, in its judgment, are necessary to conduct the business of the District.

Section 6. **Meetings.**

- a. **Regular Meetings.** Regular meetings are not necessary at the initial stage of the District, but special meetings shall be conducted when necessary or appropriate on at least an annual basis and held at the business office, or at the office of counsel for the District unless otherwise noticed and posted.
- b. **Meeting Public.** All meetings of the Board, other than executive sessions, shall be open to the public.
- c. **Notice of Meetings.** Section 6a shall constitute formal notice of regular meetings to Board members, and no other notice shall be required to be given to the Board, other than the permanent posting. Written waivers of notice by Board members are not necessary.
- d. **Special Meetings.** Special meetings of the Board may be called upon twenty-four (24) hours written notice, which shall be posted at one location within the District or on the District's website, if a District website has been established.
- e. **No Informal Action by Directors/Executive Sessions.** All official business of the Board shall be conducted at regular or special meetings. Executive sessions may be called at regular or special meetings, and conducted according to the following guidelines:
  - (1) **Calling the Executive Session.** The topic for discussion in the executive session shall be announced in a motion, and the specific statute that authorizes the executive session shall be cited. The matter to be discussed shall be described in as much detail as possible without compromising the purpose of being in executive session. An affirmative vote of two-thirds (2/3) of the quorum present shall be required to go into executive session.
  - (2) **Conducting the Executive Session.** No adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall take place in an executive session. The discussion in executive session shall be limited to the reasons for which the executive session was called. A record of the actual contents of the discussion in the executive session, using the same manner and media as are used to record minutes of

regular sessions, shall be used. If handwritten notes of the executive session are kept, minutes of the executive session shall be created and shall contain a signed statement by the Chair that the minutes substantially reflect the substance of the discussion during the executive session. No record is necessary to be kept for any portions of the discussion which the District's attorney reasonably believes constitute attorney-client privileged communication. If minutes of the executive session are otherwise electronically recorded, the attorney shall state on the record when any portion of the executive session is not recorded as an attorney-client privileged communication. If minutes of the executive session are otherwise recorded in writing, then the attorney shall sign a statement to the same effect when any portion of the written Minutes is not recorded in writing as an attorney-client privileged communication.

- (3) **After Executive Session.** The record of any executive session shall be retained by the District for ninety days and then destroyed or erased. Minutes or recordings of the executive session shall not be released to the general public for review under any circumstances, except as required by law.

- f. **Adjournment and Continuance of Meetings.** When a regular or special meeting is for any reason continued to another time and place, notice need not be given of the continued meeting if the time and place of such meeting are announced at the meeting at which the continuance is taken, except as required by law. At the continued meeting, any business may be transacted which could have been transacted at the original meeting.
- g. **Emergency Meetings.** Notwithstanding any other provisions in this Section 6, emergency meetings may be called by the Chair or any two (2) Board members in the event of an emergency that requires the immediate action of the Board in order to protect the public health, safety and welfare of the property owners and electors of the District, without notice if notice is not practicable. If possible, notice of such emergency meeting may be given to the Board by telephone or whatever other means are reasonable to meet the circumstances of the emergency. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety and welfare may be taken; provided, however, that any action taken at an emergency meeting shall be effective only until the first to occur of (a) the next regular meeting, or (b) the next special meeting of the Board at which the emergency issue is on the public notice of the meeting. At such subsequent meeting, the Board may ratify any emergency action taken. If any emergency action taken is not ratified, then it shall be deemed rescinded as of the date of such subsequent meeting.

Section 7. **Conduct of Business.**

- a. **Quorum.** All official business of the Board shall be transacted at a regular or special meeting at which a quorum of the Directors shall be present in person or telephonically, except as provided in Section 7.b.
- b. **Vote Requirements.** Any action of the Board shall require the affirmative vote of a majority of the Directors present and voting. When special or emergency circumstances affecting the affairs of the District and the health and safety of District residents so dictate, then those Directors available at the time may undertake whatever action is considered necessary and may so instruct the District's employees, agents and contractors. Such actions shall later be ratified by the Board.
- c. **Order of Business.** The business of all regular meetings of the Board shall be transacted, as far as practicable, in the following order:
  - (1) Reading and approval, or approval as submitted, of the minutes of the previous meeting;
  - (2) Approval of bills and appropriations;
  - (3) Hearings;
  - (4) Reports of officers, committees and professional consultants;
  - (5) Unfinished business;
  - (6) New business and special orders; and
  - (7) Adjournment
- d. **Motions and Resolutions.** Each and every action of the Board necessary for the governance and management of the affairs of District, for the execution of the powers vested in District, and for carrying into effect the provisions of Article 1 of Title 32, C.R.S., shall be taken by the passage of motions or resolutions.
- e. **Minute Book.** Within a reasonable time after passage, all resolutions, motions and minutes of Board meetings shall be recorded in a book kept for that purpose and shall be attested by the Secretary. Minutes of regular sessions shall be available for public review as soon as practicable following acceptance of the minutes by adoption of a motion therefor by the Board. Minutes of executive sessions shall be kept separate from

minutes of regular sessions as described in Section 6(e) of these Bylaws and shall not be open to the public except as required by law.

Section 8. **Directors, Officers and Personnel.**

- a. **Director Qualifications and Terms.** Directors shall be electors of the District. The term of each Director shall be determined by relevant statutory provisions with elections held in even numbered years and conducted in the manner prescribed by Articles 1 through 13.5, Title 1, and Part 8, Article 1, Title 32, C.R.S. Each Director shall sign an oath of office and, at the expense of the District, furnish a faithful performance surety bond in a sum of not less than \$1,000.
  
- b. **Director's Performance of Duties.** A Director of the District shall perform all duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner which the Director reasonably believes to be in the best interests of District, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing the Director's duties, the Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in subparagraphs 1, 2 and 3 of this subsection b. The Director shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs the Director's duties shall not have any liability by reason of being or having been a Director of the District. Those programs and groups upon whose information, opinions, reports, and statements a Director is entitled to rely are:
  - (1) One or more officers or employees of the District whom the Director reasonably believes to be reliable and competent in the matters presented;
  - (2) Counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such persons' professional knowledge or expertise; and
  - (3) A committee of the Board upon which the Director does not serve, duly designated in accordance with the provisions of the By-Laws, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

- c. **Oath of Office.** Each member of the Board, before assuming the responsibilities of his office, shall take and subscribe an oath of office in the form prescribed by law.
- d. **Election of Officers.** The Board of Directors shall elect from its membership a Chair and President, Secretary, Treasurer, and Vice Presidents and Assistant Secretaries and/or Assistant Treasurers who shall be the officers of the Board of Directors and of the District. The Vice Presidents and Assistant Secretaries and/or Assistant Treasurers shall have all powers of the offices of Secretary and/or Treasurer as applicable, in the absence of such officers. The officers shall be elected by a majority of the Directors voting at such election. The Board may, from time to time, appoint an acting officer in the absence of any individual officer. The election of the officers shall be conducted biennially at the first regular meeting of the Board following the regular biennial election of the Directors held in May of even numbered years. Each officer so elected shall serve for a term of two years, which term shall expire upon the election of their successor or upon their reelection to that office.
- e. **Vacancies.** Any vacancy occurring on the Board shall be filled by an affirmative vote of a majority of the remaining Directors, as prescribed by law. The appointed individual must meet the statutorily prescribed qualifications for Directors and shall serve until the next regular election.
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office. The Secretary shall be the designated election official of the District, unless otherwise determined by the Board, and the custodian of the seal of District. The Secretary shall have the authority to affix such seal to and attest all contracts and instruments authorized to be executed by the Board.

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deposit the same in the name of District in such banks or savings associations as the Board may select. Such manager or administrator will approve all vouchers, orders and checks for payment, and shall keep regular books of account of all District transactions and shall obtain, at the District's expense, such bond for the faithful performance of its duties as the Board may designate.

- o. **Personnel Selection and Tenure.** The selection of agents, employees, engineers, accountants, special consultants and attorneys of the District by the Board will be based upon the relative qualifications and capabilities of the applicants and shall not be based on political services or affiliations. Agents and employees shall hold their offices at the pleasure of the Board. Contracts for professional services of engineers, accountants, special consultants and attorneys may be entered into on such terms and conditions as may seem reasonable and proper to the Board.

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- c. **Budget.** On or before October 15th of each year, the Budget Committee shall prepare and submit to the Board a proposed budget for the ensuing fiscal year. Such proposed budget shall be accompanied by a statement which shall describe the important features of the budget plan and by a general summary wherein shall be set forth the aggregate features of the budget in such manner as to show the balanced relations between the total proposed expenditures and the total anticipated income or other means of financing the proposed budget for the ensuing fiscal year, as contrasted with the corresponding figures for the last completed fiscal year and the current fiscal year. It shall be supported by explanatory schedules or statements classifying the expenditures contained therein by services, subjects and funds. The anticipated income of the District shall be classified according to the nature of receipts.
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register any objections thereto at any time prior to its final adoption. Notice shall be posted or published in substantial compliance with law.

- e. **Adoption of Budget.** On the day set for consideration of such proposed budget, the Board shall review the proposed budget and revise, alter, increase or decrease the items as it deems necessary in view of the needs of the District and the probable income of the District. The Board shall then adopt a budget setting forth the expenditures to be made in the ensuing fiscal year. The Board shall provide for sufficient revenues to finance expenditures in the budget with special consideration given to the proposed property tax levy.
- f. **Levy and Collection of Taxes.** On or before December 15th of each year, unless an election for an increased operating tax levy is held, the Board shall certify to the Board of County Commissioners of the County in which the District was formed the mill levy established for the ensuing fiscal year, in order that, at the time and in the manner required by law for the levying of taxes, such Commissioners will levy such tax upon the assessed valuation of all taxable property within District.
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  - (1) At the time of adoption of the budget, the Board shall enact a resolution making appropriations for the ensuing fiscal year. The amounts appropriated thereunder shall not exceed the amounts fixed therefore in the adopted budget.
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  - (3) The Board may make an appropriation to and for a contingent fund to be used in cases of emergency or other unforeseen contingencies.
- i. **No Contract to Exceed Appropriation.** The Board shall have no authority to enter into any contract, or otherwise bind or obligate the District to any liability for payment of money for any purposes, for which provision is not made in appropriation resolution, including any legally

authorized amendment thereto, in excess of the amounts of such appropriation for that fiscal year. Any contract, verbal or written, contrary to this Section shall be void ab initio, and no District funds shall be expended in payment of such contracts, except as follows:

j. **Contingencies.**

- (1) In cases of emergency caused by a natural disaster, public enemy, or other contingency, which could not reasonably have been foreseen at the time of the adoption of the budget, the Board may authorize the expenditure of funds in excess of the budget by resolution duly adopted by a two-thirds vote of the Board. Such resolution shall set forth in full the facts concerning the emergency and shall be included in the minutes of such meeting.
- (2) If so enacted, a copy of the resolution authorizing additional expenditures shall be filed with the Division of Local Government in the State Department of Local Affairs and shall be published in compliance with statutory requirements.

k. **Payment of Contingencies.**

- (1) If there is unexpended or uncommitted money in funds other than those to which the emergency relates, the Board shall transfer such available money to the fund from which the emergency expenditure is to be paid.
- (2) To the extent that transferable funds are insufficient to meet the emergency appropriation, the Board may borrow money through (a) the issuance of tax anticipation warrants, to the extent that the mill levy authority of the District is available as provided by law, or (b) the issuance of bond anticipation notes payable from future bond proceeds or operating revenue, or (c) any other lawful and approved method.

l. **Annual Audit.**

- (1) The Board shall cause an annual audit to be made at the end of each fiscal year of all financial affairs of the District through December 31st of such fiscal year. In all events, the audit report must be submitted to the Board within six months of the close of such fiscal year. Such audit shall be conducted in accordance with generally accepted auditing standards by a registered or certified public accountant, who has not maintained the books, records and accounts of District during

the fiscal year. The auditor shall prepare, and certify as to its accuracy, an audit report, including a financial statement and balance sheet based on such audit, an unqualified opinion or qualified opinion with explanations, and a full disclosure of any violation of State law pursuant to statutory requirements.

- (2) A copy of the audit report shall be maintained by the District as a public record for public inspection at all reasonable times.
- (3) A copy of the audit report shall be forwarded to the State Auditor or other appropriate State official pursuant to statutory requirements.

Section 10. **Corporate Seal.** The seal of the District shall be a circle containing the name of the District and shall be used on all documents and in such manner as seals generally are used by public and private corporations. The Secretary shall have custody of the seal and shall be responsible for its safekeeping and care.

Section 11. **Disclosure of Conflict of Interest.** A potential conflict of interest of any Director shall be disclosed in accordance with State law, particularly Article 18 of Title 24, C.R.S., and Sections 32-1-902(3) and 18-8-308, C.R.S.

Section 12. **Compensation.** Each Director shall receive the maximum compensation authorized by statute, unless otherwise determined by the Board. No Director shall receive compensation as an employee of the District, except as may be provided by statute.

Section 13. **Indemnification of Directors and Employees.** The District shall defend, hold harmless and indemnify any Director, officer, agent, or employee, whether elective or appointive, against any tort or liability, claim or demand, without limitation, arising out of any alleged act or omission occurring during the performance of official duty, as more fully defined by law or by an indemnification resolution. The provisions of this Section shall be supplemental and subject to and, to the extent of any inconsistency therewith, shall be modified by the provisions of the Colorado Governmental Immunity Act, 24-10-101, et seq., C.R.S.

Section 14. **Bidding and Contracting Procedures.** Except in cases in which the District will receive aid from a government agency, a notice shall be published for bids on all construction contracts for work or material, or both, involving an expense of \$60,000 or more of District funds. The Board may reject any and all bids, and if it appears that the District can perform the work or secure material for less than the lowest bid, it may proceed to do so in accordance with law. All other statutory requirements relating to performance bonds, retainage, and similar matters shall also be complied with.

Section 15. **Modification of By-Laws.** These By-Laws may be altered, amended or repealed at any regular or special meeting of the Board to become effective immediately or at a subsequent date.

**ADOPTED** this 14th day of December, 2021, by the Boards of Directors of Ledge Rock Center Residential Metropolitan District No. 2.

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Michel Schlup

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Amy Carroll

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John Schlup

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Lucas Schlup

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James Shipton