1. CALL TO ORDER AND ROLL CALL
   Mayor                  Jill Grossman-Belisle
   Mayor Pro Tem         Bryan Voronin
   Councilmember         Bill Neal
   Councilmember         Aaron Pearson
   Councilmember         Paul Steinway

2. AMENDMENTS TO THE AGENDA  Note: The Council may add to this agenda, any item for discussion or action.

3. PUBLIC COMMENT: Note: It is requested that public comments be limited to three minutes. When several people wish to
   speak with the same position on a given item, they are requested to select a spokesperson to state that position.

4. CONSENT AGENDA
   a. Approval of the April 12, 2016, Town Council Meeting Minutes
   b. Approval of the Check Register
   c. RESOLUTION NO. 28, SERIES 2016, A Resolution Ratifying authorization of a $500,000 Town Contribution Toward matching funds for the TIGER Grant application

5. REPORTS
   a. Mayor and Council
   b. Staff

6. ORDER OF BUSINESS:
   a. RESOLUTION NO. 29, SERIES 2016, A Resolution Adopting The National Incident Management System (NIMS)
      Presented by April Getchius, Town Manager
   b. RESOLUTION NO. 30, SERIES 2016, A Resolution Approving the Standard Services Agreement with APEX Pavement Solutions
      Presented by Don Taranto, Contracted Town Engineer
   c. RESOLUTION NO. 31, SERIES 2016, A Resolution Approving the Agreement with Naturescapes, Inc. dba Alpine Gardens for the Town of Timnath General Landscape Improvements
      Presented by Matt Blakely, Contracted Town Planner
   d. RESOLUTION NO. 32, SERIES 2016, A Resolution Approving the Xcel Energy Agreement
      Presented by Brian Williamson, Contracted Town Planner
   e. RESOLUTION NO. 33, SERIES 2016, A Resolution Approving the Amended and Restated Service Plan For Serratoga Falls Metropolitan District Nos. 1 and 3 (the “Amended and Restated Service Plan”), and approving Intergovernmental Agreements between the Town and the Districts (the “IGA”).
      Presented by Robert Rogers, Contracted Town Attorney
f. **RESOLUTION NO. 34, SERIES 2016**, A Resolution Approving the Amended and Restated Service Plan For Serratoga Falls Metropolitan District No. 2 and (the “Amended and Restated Service Plan”), and approving Intergovernmental Agreements between the Town and the District (the “IGA”).

   Presented by Robert Rogers, Contracted Town Attorney

   g. **EXECUTIVE SESSION**: “For the purposes of discussion concerning the purchase, acquisition, lease, transfer, or sale of real, personal, or other property interests under Section §24-6-402(a), C.R.S.; discussion regarding positions relative to matters that may be subject to negotiations and development of a strategy for negotiations under §24-6-402(4)(e), C.R.S.; and conferences with the Town’s attorney for purposes of receiving legal advice on specific legal questions under §24-6-402(4)(b), C.R.S.”

   Presented by Robert Rogers, Contracted Town Attorney

7. **ADJOURNMENT**
Town of Timnath
Regular Meeting Minutes
Tuesday, April 12, 2015

IMMEDIATELY FOLLOWING THE LIQUOR BOARD MEETING AT 6:00 p.m.

Meeting was held at Timnath Administration Building,
4800 Goodman Street, Timnath, Colorado

1. CALL TO ORDER AND ROLL CALL:
Mayor Grossman-Belisle called to order the meeting of the Town Council on Tuesday, April 12, 2016, at 6:01 p.m.

Present:
  a. Mayor Jill Grossman-Belisle
  b. Mayor Pro Tem Bryan Voronin
  c. Councilmember Bill Neal
  d. Councilmember Aaron Pearson
  e. Councilmember Paul Steinway

Also Present:
  a. April Getchius, Town Manager
  b. Robert Rogers, Contracted Town Attorney
  c. Milissa Peters, Town Clerk
  d. Sherri Wagner, Police Chief
  e. Don Taranto, Contracted Town Engineer
  f. Matt Blakely, Contracted Town Planner
  g. Brian Williamson, Contracted Town Planner
  h. Kevin Koelbel, Contracted Town Planner
  i. Gerry Horak, CDOT
  j. Aaron Greco, CDOT
  k. Terri Blackmore, NFRMPO
  l. Ken Merrit, Harmony Subdivision
  m. Mark Tingey, Harmony Subdivision
  n. Byron Collins, Harmony Subdivision
  o. Mike Long, Davinci Signs
  p. John Shaw, Davinci Signs
  q. Raymond Write, Town Resident
  r. Phil Goldstein, Town Resident

2. AMENDMENTS TO THE AGENDA:
   a. NONE.
3. **PUBLIC COMMENT ON NON-AGENDA ITEMS:**
   a. Raymond Wright, Timnath Resident, asked Council about an update on the Timnath Landing Subdivision, sewer, sidewalks and gutters and Town of Severance. Ms. Getchius stated that the Timnath Landing Subdivision has a grading permit and explained the growth management area issues with the Town of Severance. Mr. Taranto stated that sewer, sidewalk and gutter work will begin after school is out.

4. **CONSENT AGENDA:**
   a. Approval of the March 22, 2016, Town Council Meeting Minutes
   b. Approval of the Check Register

   **Councilmember Pearson moved to approve** the consent agenda. **Councilmember Neal seconded the motion. The motion passed unanimously by voice vote.**

5. **REPORTS:**
   a. Mayor/Council
   i. Town Beautification Day on April 23rd.
   ii. Town of Severance Planning Commission meeting on April 13th.
   iii. Strategic planning and budget review work session on May 14th.
   iv. Address trash on County property

6. **ORDER OF BUSINESS:**
   a. **SWEAR IN MAYOR AND COUNCILMEMBERS**
   b. **APPOINT MAYOR PRO TEM**
      - Councilmember Bryan Voronin was appointed as Mayor Pro Tem
      - Councilmember Steinway was appointed the NFRMPO town representative and Councilmember Pearson was appointed the NFRMPO alternate town representative.
   c. **PRESENTATION:** CDOT Grant Opportunities for I-25 Improvements
      - Gerry Horak spoke to Council about I-25 improvement grant opportunities.
      - Mayor Grossman-Belisle asked that Council approve a commitment of funds and letter of support.

   **Councilmember Neal moved to** authorize $500,000 toward I-25 improvements and a letter of support to CDOT for I-25 grant opportunities. **Councilmember Pearson seconded the motion. The motion passed unanimously by voice vote.**

   d. **RESOLUTION NO. 21, SERIES 2016, A Resolution Approving the Harmony Subdivision Comprehensive Plan Amendment**
      **Staff Comments:**
      - Mr. Blakely spoke to Council about the proposed resolution.
      - Mr. Merrit presented to Council the proposed comprehensive plan amendment.
Councilmember Neal moved to approve RESOLUTION NO. 21, SERIES 2016, A Resolution Approving the Harmony Subdivision Comprehensive Plan Amendment. Councilmember Steinway seconded the motion. The motion passed unanimously by voice vote.

e. ORDINANCE NO. 6, SERIES 2016, SECOND READING, PUBLIC HEARING, An Ordinance Approving the Harmony Subdivision Rezoning

Staff Comments:
- Mr. Blakely spoke to Council about the proposed ordinance.
- Mr. Merrit presented to Council the proposed rezoning.

Mayor Grossman-Belisle opened the public hearing at 6:48 p.m.

Public Comments:
- NONE

Mayor Grossman-Belisle closed the public hearing at 6:48 p.m.
Councilmember Neal moved to approve ORDINANCE NO. 6, SERIES 2016, SECOND READING, PUBLIC HEARING, An Ordinance Approving the Harmony Subdivision Rezoning. Councilmember Pearson seconded the motion. The motion passed unanimously by voice vote.

f. ORDINANCE NO. 7, SERIES 2016, SECOND READING, PUBLIC HEARING, An Ordinance Approving the Harmony Subdivision Planned Development Overlay

Staff Comments:
- Mr. Blakely spoke to Council about the proposed ordinance.
- Mr. Merrit presented to Council the proposed planned development overlay.

Mayor Grossman-Belisle opened the public hearing at 6:49 p.m.

Public Comments:
- NONE

Mayor Grossman-Belisle closed the public hearing at 6:49 p.m.
Councilmember Neal moved to approve ORDINANCE NO. 7, SERIES 2016, SECOND READING, PUBLIC HEARING, An Ordinance Approving the Harmony Subdivision Planned Development Overlay. Councilmember Pearson seconded the motion. The motion passed unanimously by voice vote.

g. RESOLUTION NO. 22, SERIES 2016, A Resolution Approving the Harmony Subdivision Preliminary Plat

Staff Comments:
- Mr. Blakely spoke to Council about the proposed resolution.
Mr. Merrit presented to Council the proposed preliminary plat. Councilmember Neal moved to approve RESOLUTION NO. 22, SERIES 2016, A Resolution Approving the Harmony Subdivision Preliminary Plat. Councilmember Steinway seconded the motion. The motion passed unanimously by voice vote.

h. RESOLUTION NO. 23, SERIES 2016, A Resolution Approving the Harmony Subdivision 5th Filing Final Plat
   Staff Comments:
   • Mr. Blakely spoke to Council about the proposed resolution.
   • Mr. Merrit presented to Council the proposed final plat.
 Councilmember Neal moved to approve RESOLUTION NO. 23, SERIES 2016, A Resolution Approving the Harmony Subdivision 5th Filing Final Plat. Councilmember Steinway seconded the motion. The motion passed unanimously by voice vote.

i. RESOLUTION NO. 24, SERIES 2016, A Resolution Approving the Agreement with Lumen
   Staff Comments:
   • Chief Wagner spoke to Council about the proposed resolution.
 Councilmember Steinway moved to approve RESOLUTION NO. 24, SERIES 2016, A Resolution Approving the Agreement with Lumen. Councilmember Neal seconded the motion. The motion passed unanimously by voice vote.

j. RESOLUTION NO. 25, SERIES 2016, A Resolution Approving the Bridge Signage Contract
   Staff Comments:
   • Mr. Blakely spoke to Council about the proposed resolution.
   • Mr. Shaw further explained the sign lighting and colors.
 Councilmember Neal moved to approve RESOLUTION NO. 25, SERIES 2016, A Resolution Approving the Bridge Signage Contract. Councilmember Steinway seconded the motion. The motion passed unanimously by voice vote.

k. RESOLUTION NO. 26, SERIES 2016, A Resolution Approving Waiver of Contractual Development Fees
   Staff Comments:
   • Mr. Rogers spoke to Council about the proposed resolution.
 Councilmember Pearson moved to approve RESOLUTION NO. 26, SERIES 2016, A Resolution Approving Waiver of Contractual Development Fees. Councilmember Voronin seconded the motion. The motion passed unanimously by voice vote.

l. EXECUTIVE SESSION: “For the purposes of conferences with the Town’s attorney for purposes of receiving legal advice on specific legal questions under §24-6-402(4)(b), C.R.S.”
Councilmember Neal moved enter into EXECUTIVE SESSION: “For the purposes of conferences with the Town’s attorney for purposes of receiving legal advice on specific legal questions under §24-6-402(4)(b), C.R.S.”. Councilmember Pearson seconded the motion. The motion passed unanimously by voice vote.

Council went into executive session at 7:08 pm.
The regular meeting reconvened at 7:24 pm.

m. RESOLUTION NO. 27, SERIES 2016, A Resolution Ratifying a Request for Mediation with the Town of Severance, Colorado

Staff Comments:
- Mr. Rogers spoke to Council about the proposed resolution.

Councilmember Neal moved to approve RESOLUTION NO. 27, SERIES 2016, A Resolution Ratifying a Request for Mediation with the Town of Severance, Colorado. Councilmember Pearson seconded the motion. The motion passed unanimously by voice vote.

7. ADJOURNMENT:

Mayor Grossman-Belisle adjourned the meeting 7:25 p.m.

Town Council approved the April 12, 2016, Town Council Meeting Minutes on April 26, 2016.

TOWN OF TIMNATH

_____________________________________
Jill Grossman-Belisle, Mayor

ATTEST:

_____________________________________
Milissa Peters, CMC
Town Clerk
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**Interwest Consulting Group**

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**JOHN DEERE GOVERNMENT & NATION**

1677297

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**KINSCO**

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**LARIMER COUNTY SHERIFF'S DEPT.**

16-0405

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**LARIMER COUNTY SOLID WASTE**

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**Total LARIMER COUNTY SOLID WASTE:**

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Total Xcel Energy: 1,079.91

Grand Totals: 338,755.31

Dated: ____________________________

Mayor: ____________________________

City Council: ____________________

City Recorder: ____________________
**TIMNATH TOWN COUNCIL COMMUNICATION**

| Meeting Date: | April 26, 2016 |
| Item: | A Resolution Ratifying a $500,000 Town Contribution Toward matching funds for the $25 Million Transportation Investment Generating Economic Recovery Grant (the “TIGER Grant”). |
| Presented by: | Robert Rogers Town Attorney |

**EXECUTIVE SUMMARY:** This resolution is to ratify Council action taken on April 12, 2016, authorizing $500,000 in matching funds to facilitate a Colorado Department of Transportation (“CDOT”) federal grant application. The funds obtained from the grant will be used to improve Northern Interstate 25 (“North I-25”) from SH 14 to SH 66, to relieve congestion.

**STAFF RECOMMENDATION:** Staff recommends approval of this resolution.

**KEY POINTS/SUPPORTING INFORMATION:**
- The Town has been working with CDOT, the North Front Range Metropolitan Planning Organization, the North I-25 Coalition of Elected Officials, the Fix I-25 Business Alliance, and the North I-25 Funding Subcommittee to identify funding mechanisms to improve North I-25.
- On April 12, 2016, CDOT Staff presented a summary of the group’s proposed funding mechanism to Council, which includes $100 Million in private funding from toll revenues, $80 Million in State funds, $25 Million in pledged local and private funds, and the $25 Million TIGER Grant.
- CDOT plans to use the aggregate $230 Million to fund improvements on 14 miles of the North I-25 project, including replacement of both the Cache La Poudre River Bridge and the Union Pacific Grade Separation Bridge in addition to the widening of the Great Western Railroad Bridge and the Big Thompson Bridge to accommodate increased capacity.
- For the TIGER Grant application, CDOT is requesting local matching fund contributions from all local jurisdictions impacted by the increased capacity and resiliency created by the North I-25 project.
- On April 12, 2016 the Council authorized contributing $500,000 toward matching funds for the TIGER Grant application.
- The Town fully supports the TIGER Grant application to provide much needed congestion relief to a rapidly growing region.
- The Grant and matching funds authorization are in the best interest of the Town, its residents, and the general public.

**ADVANTAGES:** The Town will see a direct benefit from improvement to North I-25. Easing congestion on North I-25 will make for a faster and safer commute along I-25 for Town residents. Less congestion will lead to fewer people using Town roads to avoid highway traffic, reduced traffic in the Town, and reduced Town road maintenance costs.

**DISADVANTAGES:** None.

**FINANCIAL IMPACT:** Matching funds appropriation of $500,000. These funds will be appropriately budgeted.

**RECOMMENDED MOTION:** I move approval of Resolution No. 28, Series 2016 Ratifying authorization of a $500,000 Town Contribution Toward matching funds for the TIGER Grant application.

**ATTACHMENTS:**
1. Resolution
TOWN OF TIMNATH, COLORADO
RESOLUTION NO. 28, SERIES 2016

A RESOLUTION RATIFYING AUTHORIZATION OF A $500,000 TOWN CONTRIBUTION TOWARD MATCHING FUNDS FOR THE TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY GRANT APPLICATION

WHEREAS, the Town Council ("Council") of the Town of Timnath ("Town") pursuant to C.R.S. § 31-15-103, has the power to pass resolutions; and

WHEREAS, the Town has been working with the Colorado Department of Transportation ("CDOT"), the North Front Range Metropolitan Planning Organization, the North I-25 Coalition of Elected Officials, the Fix I-25 Business Alliance, and the North I-25 Funding Subcommittee to identify funding mechanisms for necessary improvements to relieve congestion on Northern Interstate 25 ("North I-25") from SH 14 to SH 66; and

WHEREAS, on April 12, 2016, CDOT Staff presented a summary of the group’s proposed funding mechanism to Council, which includes $100 Million in private funding from toll revenues, $80 Million in State funds, $25 Million in pledged local and private funds, and a $25 Million United States Department of Transportation grant, entitled the Transportation Investment Generating Economic Recovery Grant (the “TIGER Grant”); and

WHEREAS, CDOT plans to use the aggregate $230 Million to fund improvements on 14 miles of the North I-25 project, including replacement of both the Cache La Poudre River Bridge and the Union Pacific Grade Separation Bridge in addition to the widening of the Great Western Railroad Bridge and the Big Thompson Bridge to accommodate increased capacity; and

WHEREAS, for the TIGER Grant application, CDOT is requesting local matching fund contributions from all local jurisdictions impacted by the increased capacity and resiliency created by the North I-25 project; and

WHEREAS, the Town fully supports the TIGER Grant application to provide much needed congestion relief to a rapidly growing region; and

WHEREAS, on April 12, 2016 the Council authorized contributing $500,000 toward funding that would be used as matching funds for the TIGER Grant application, the Town Council is familiar with the TIGER Grant and matching funds authorization, and finds it to be in the best interest of the Town, its residents, and the general public.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, COLORADO as follows:

Section 1. Ratification

The authorizations by the Council concerning contributing funds in the amount of $500,000 toward funding to be used as matching funds for the TIGER Grant is hereby affirmed, ratified and made effective as of the date of the meetings at which said actions occurred.
INTRODUCED, MOVED, AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, ON APRIL 26, 2016.

TOWN OF TIMNATH, COLORADO

______________________________
Jill Grossman-Belisle, Mayor

ATTEST:

______________________________
Milissa Peters, CMC
Town Clerk
1. Financial statements for the two months ended February 29, 2016 are attached for Council’s review. The financial statements are marked draft as the 2015 audit has yet to be completed.

2. Sales tax revenues for the first two months of the year showed an upward trend. Compared to same months last year, sales tax revenue in January this year was approximately 8% higher and sales tax revenue in February this year was approximately 10% higher.

3. Unfavorable variances in revenues through February 29, 2016 relate to delays in the projected timing of development within the Town (i.e., Use Tax-Building Materials were $27K lower than budget, Impact Fees were $147K lower than budget, Building Permit Fees were $24K lower than budget, Annexation Fees were $40K lower than budget, etc.)

4. Expenditures through February 29, 2016 mostly showed favorable variances (i.e., amounts actually spent for two months were lower than amounts budgeted) which are assumed to be timing related.

5. Staff has begun planning for the 2017 budget year. A budget calendar will be distributed to Council at its Strategic Planning meeting tentatively scheduled to be held next month.
### TOWN OF TIMNATH
### BALANCE SHEET - GOVERNMENTAL FUNDS
### February 29, 2016

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<thead>
<tr>
<th>ASSETS</th>
<th>GENERAL FUND</th>
<th>GRANTS FUND</th>
<th>TDA</th>
<th>TOTAL GOVERNMENTAL FUNDS</th>
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<td>20,875,099</td>
<td>33,436,282</td>
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<table>
<thead>
<tr>
<th>LIABILITIES AND FUND BALANCE</th>
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THESE FINANCIAL STATEMENTS SHOULD BE READ ONLY IN CONNECTION WITH THE ACCOMPANYING ACCOUNTANT’S REPORT
TOWN OF TIMNATH  
STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET  
FOR THE 2 MONTHS ENDING FEBRUARY 29, 2016  

GENERAL FUND  

SUMMARY  

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<th>CURRENT MONTH</th>
<th>YEAR TO DATE ACTUAL</th>
<th>YEAR TO DATE BUDGET</th>
<th>YEAR TO DATE VARIANCE</th>
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<td>285,306</td>
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<td>(600,236)</td>
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<td>(6,347,836)</td>
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THESE FINANCIAL STATEMENTS SHOULD BE READ ONLY IN CONNECTION WITH THE ACCOMPANYING ACCOUNTANT’S COMPILATION REPORT
TOWN OF TIMNATH
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET
FOR THE 2 MONTHS ENDING FEBRUARY 29, 2016

GENERAL FUND

REVENUE DETAIL

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<th>TAXES</th>
<th>CURRENT MONTH</th>
<th>YEAR TO DATE ACTUAL</th>
<th>YEAR TO DATE BUDGET</th>
<th>YEAR TO DATE VARIANCE</th>
<th>ANNUAL BUDGET</th>
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<td>MOTOR VEHICLE SALES TAX</td>
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<td>70,786</td>
<td>55,131</td>
<td>15,655</td>
<td>324,300</td>
</tr>
<tr>
<td>USE TAX-BUILDING MATERIALS</td>
<td>125,940</td>
<td>171,793</td>
<td>199,184</td>
<td>-27,391</td>
<td>1,244,900</td>
</tr>
<tr>
<td>TOTAL TAXES</td>
<td>281,039</td>
<td>477,734</td>
<td>472,542</td>
<td>5,192</td>
<td>3,066,026</td>
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</table>

INTERGOVERNMENTAL REVENUE

| 1/4 CENT SALES TAX            | 8,296         | 16,213              | 14,567              | 1,646                  | 107,900       |
| HIGHWAY USERS TAX (HUTF)      | 8,339         | 16,405              | 16,750              | -345                   | 100,538       |
| CONSERVATION TRUST FUND (LOTTERY) | 0            | 0                   | 0                   | 0                      | 15,200        |
| CIGARETTE TAX                 | 1,241         | 2,341               | 1,107               | 1,234                  | 8,200         |
| SEVERANCE TAX                 | 0             | 0                   | 0                   | 0                      | 12,448        |
| COUNTY ROAD AND BRIDGE SHAREBACK | 0           | 0                   | 0                   | 0                      | 17,800        |
| MOTOR VEHICLE REGISTRATION FEES | 801          | 1,658               | 1,568               | 90                     | 11,200        |
| CAPITAL - TRANSFER FROM TDA   | 72,366        | 91,429              | 992,500             | -901,071               | 14,247,156    |
| INTERGOVERNMENTAL -TDA        | (93,274)      | 216,393             | 342,603             | -126,210               | 2,537,799     |
| TOTAL INTERGOVERNMENTAL REVENUE | (2,233)      | 344,438             | 1,369,095           | (1,024,657)            | 17,058,241    |

LICENSES, FEES AND CHARGES

| SALES TAX AND BUSINESS LICENSE FEES | 350           | 452                  | 940                 | (489)                  | 18,800        |
| LIQUOR LICENSE FEES               | 50            | 50                   | 0                   | 50                     | 225           |
| BUILDING PERMIT FEES              | 57,277        | 80,807               | 104,656             | (23,849)               | 654,100       |
| ANNEXATION FEES                  | 0             | 0                    | 40,000              | (40,000)               | 80,000        |
| COMMUNITY DEVELOPMENT FEES        | 2,350         | 2,350                | 0                   | 2,350                  | 50,000        |
| ADMINISTRATIVE FEES               | 16,426        | 28,893               | 44,982              | (16,089)               | 249,900       |
| IMPACT FEES (AND CASH IN LIEU OF LAND - SCHOOL) | 107,875 | 148,314              | 295,520             | (147,206)              | 1,847,000     |
| CONTRACT REIMBURSEMENTS           | 0             | 0                    | 0                   | 0                      | 227,671       |
| DEVELOPER CHARGE BACKS           | 0             | 23,190               | 77,180              | (53,990)               | 454,000       |
| OTHER LICENSES, FEES AND CHARGES  | 1,050         | 1,250                | 0                   | 1,250                  | 12,000        |
| TOTAL LICENSES, FEES AND CHARGES  | 185,378       | 285,306              | 563,278             | (277,972)              | 3,593,696     |
## TOWN OF TIMNATH

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET
FOR THE 2 MONTHS ENDING FEBRUARY 29, 2016

### GENERAL FUND

#### REVENUE DETAIL

<table>
<thead>
<tr>
<th></th>
<th>Current Month</th>
<th>Year to Date</th>
<th>Year to Date</th>
<th>Year to Date</th>
<th>Annual Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OTHER</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Franchise Fees</td>
<td>9,195</td>
<td>11,609</td>
<td>20,762</td>
<td>(9,153)</td>
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<td>6,484</td>
<td>1,600</td>
<td>4,884</td>
<td>10,000</td>
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<td>6,736</td>
<td>2,400</td>
<td>4,336</td>
<td>15,000</td>
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<td>Miscellaneous</td>
<td>850</td>
<td>2,075</td>
<td>8,000</td>
<td>(5,925)</td>
<td>50,000</td>
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<td><strong>TOTAL OTHER</strong></td>
<td>16,782</td>
<td>26,903</td>
<td>32,762</td>
<td>(5,859)</td>
<td>223,300</td>
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<td><strong>TOTAL REVENUE</strong></td>
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<td>1,134,381</td>
<td>2,437,677</td>
<td>(1,303,296)</td>
<td>23,941,263</td>
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**Note:** These financial statements should be read only in connection with the accompanying accountant's compilation report.
## General Fund

### Expenditure Detail

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<tr>
<th>Category</th>
<th>Current Month</th>
<th>Year to Date Actual</th>
<th>Year to Date Budget</th>
<th>Year to Date Variance</th>
<th>Annual Budget</th>
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<td></td>
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<td></td>
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<td>1,200</td>
<td>1,280</td>
<td>80</td>
<td>8,000</td>
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<td>32,359</td>
<td>67,618</td>
<td>73,466</td>
<td>5,848</td>
<td>459,166</td>
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<td>Town Clerk - Elections</td>
<td>0</td>
<td>25</td>
<td>0</td>
<td>(25)</td>
<td>5,000</td>
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<td>2,521</td>
<td>3,922</td>
<td>4,480</td>
<td>558</td>
<td>28,000</td>
</tr>
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<td>2,755</td>
<td>3,138</td>
<td>383</td>
<td>6,000</td>
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<td>Finance - Contracted</td>
<td>21,339</td>
<td>41,724</td>
<td>41,350</td>
<td>(374)</td>
<td>248,200</td>
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<td>3,451</td>
<td>7,500</td>
<td>4,050</td>
<td>30,000</td>
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<tr>
<td>Human Resources - Contracted</td>
<td>63</td>
<td>4,576</td>
<td>3,750</td>
<td>(826)</td>
<td>15,000</td>
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<tr>
<td>Information Technology - Contracted</td>
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<td>13,959</td>
<td>14,162</td>
<td>203</td>
<td>85,000</td>
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<tr>
<td>Information Technology - Hardware &amp; Software</td>
<td>2,781</td>
<td>7,314</td>
<td>8,166</td>
<td>852</td>
<td>50,000</td>
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<tr>
<td>Legal - Contracted</td>
<td>33,683</td>
<td>66,510</td>
<td>60,060</td>
<td>(6,450)</td>
<td>360,500</td>
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<td>4,105</td>
<td>15,000</td>
<td>10,895</td>
<td>60,000</td>
</tr>
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<td>Legal - Special Counsel</td>
<td>5,722</td>
<td>8,091</td>
<td>12,500</td>
<td>4,410</td>
<td>50,000</td>
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<td>0</td>
<td>0</td>
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<td>Consulting</td>
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<td>2,189</td>
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<td>7,811</td>
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<td>18,750</td>
<td>(2,864)</td>
<td>75,000</td>
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<td>22,387</td>
<td>22,250</td>
<td>(137)</td>
<td>105,000</td>
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<td>Town Events</td>
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<td>6,088</td>
<td>26,662</td>
<td>20,574</td>
<td>315,200</td>
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<td>0</td>
<td>6,250</td>
<td>6,250</td>
<td>25,000</td>
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<td>Economic Development</td>
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<td>12,632</td>
<td>39,984</td>
<td>27,352</td>
<td>240,000</td>
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<td>Other</td>
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<td>2,367</td>
<td>6,664</td>
<td>4,297</td>
<td>40,000</td>
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<td><strong>Total General Government</strong></td>
<td>130,694</td>
<td>292,526</td>
<td>375,412</td>
<td>82,886</td>
<td>2,263,566</td>
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These financial statements should be read only in connection with the accompanying accountant's compilation report.
<table>
<thead>
<tr>
<th>MUNICIPAL COURT</th>
<th>CURRENT MONTH</th>
<th>YEAR TO DATE ACTUAL</th>
<th>YEAR TO DATE BUDGET</th>
<th>YEAR TO DATE VARIANCE</th>
<th>ANNUAL BUDGET</th>
</tr>
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<tbody>
<tr>
<td>MUNICIPAL JUDGE</td>
<td>450</td>
<td>690</td>
<td>1,000</td>
<td>310</td>
<td>6,000</td>
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<td>1,100</td>
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<td>4,400</td>
<td>2,200</td>
<td>26,400</td>
</tr>
<tr>
<td>TRANSLATOR</td>
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<td>0</td>
<td>250</td>
<td>250</td>
<td>1,000</td>
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<tr>
<td><strong>TOTAL MUNICIPAL COURT</strong></td>
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<td><strong>2,890</strong></td>
<td><strong>5,650</strong></td>
<td><strong>2,760</strong></td>
<td><strong>33,400</strong></td>
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</table>

<table>
<thead>
<tr>
<th>COMMUNITY DEVELOPMENT</th>
<th>CURRENT MONTH</th>
<th>YEAR TO DATE ACTUAL</th>
<th>YEAR TO DATE BUDGET</th>
<th>YEAR TO DATE VARIANCE</th>
<th>ANNUAL BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>SALARIES AND BENEFITS</td>
<td>4,568</td>
<td>9,165</td>
<td>9,464</td>
<td>299</td>
<td>56,784</td>
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<tr>
<td>PLANNING SERVICES - CONTRACTED</td>
<td>29,502</td>
<td>52,938</td>
<td>53,376</td>
<td>438</td>
<td>320,250</td>
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<td>0</td>
<td>37,500</td>
<td>37,500</td>
<td>150,000</td>
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<td>CONSULTING SERVICES</td>
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<td>0</td>
<td>10,000</td>
<td>10,000</td>
<td>40,000</td>
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<td>BUILDING PERMITS - CONTRACTED</td>
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<td>0</td>
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<td>2,500</td>
<td>10,000</td>
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<td>CODE ENFORCEMENT - CONTRACTED</td>
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<td>1,929</td>
<td>3,334</td>
<td>1,406</td>
<td>20,000</td>
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<td>DEVELOPMENT REVIEW-ENGINEERING</td>
<td>5,797</td>
<td>14,363</td>
<td>23,634</td>
<td>9,271</td>
<td>141,800</td>
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<tr>
<td>DEVELOPMENT REVIEW-PLANNING</td>
<td>11,059</td>
<td>21,776</td>
<td>38,500</td>
<td>16,724</td>
<td>231,000</td>
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<td>DEVELOPMENT REVIEW-LEGAL</td>
<td>6,638</td>
<td>19,638</td>
<td>21,884</td>
<td>2,246</td>
<td>131,300</td>
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<tr>
<td>GENERAL OFFICE AND ADMINISTRATION</td>
<td>500</td>
<td>1,043</td>
<td>4,750</td>
<td>3,707</td>
<td>24,200</td>
</tr>
<tr>
<td>OTHER</td>
<td>3,521</td>
<td>3,844</td>
<td>2,750</td>
<td>(1,094)</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>TOTAL COMMUNITY DEVELOPMENT</strong></td>
<td><strong>62,466</strong></td>
<td><strong>124,694</strong></td>
<td><strong>207,692</strong></td>
<td><strong>82,998</strong></td>
<td><strong>1,131,334</strong></td>
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<table>
<thead>
<tr>
<th>PUBLIC SAFETY</th>
<th>CURRENT MONTH</th>
<th>YEAR TO DATE ACTUAL</th>
<th>YEAR TO DATE BUDGET</th>
<th>YEAR TO DATE VARIANCE</th>
<th>ANNUAL BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>SALARIES AND BENEFITS</td>
<td>42,065</td>
<td>83,414</td>
<td>130,700</td>
<td>47,286</td>
<td>784,202</td>
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<td>GENERAL OFFICE AND ADMINISTRATION</td>
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<td>1,629</td>
<td>2,484</td>
<td>855</td>
<td>9,244</td>
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<td>EQUIPMENT</td>
<td>0</td>
<td>66</td>
<td>21,840</td>
<td>21,774</td>
<td>40,840</td>
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<td>CONTRACTED SERVICES</td>
<td>1,648</td>
<td>1,747</td>
<td>16,208</td>
<td>14,461</td>
<td>67,215</td>
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<td>VEHICLES AND MAINTENANCE</td>
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<td>2,026</td>
<td>53,334</td>
<td>51,308</td>
<td>74,168</td>
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<td>1,113</td>
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<tr>
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<td>2,950</td>
<td>907</td>
<td>14,300</td>
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<td><strong>TOTAL PUBLIC SAFETY</strong></td>
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<td><strong>90,924</strong></td>
<td><strong>228,629</strong></td>
<td><strong>137,705</strong></td>
<td><strong>994,419</strong></td>
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</tbody>
</table>
TOWN OF TIMNATH
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET FOR THE 2 MONTHS ENDING FEBRUARY 29, 2016
GENERAL FUND
EXPENDITURE DETAIL

<table>
<thead>
<tr>
<th></th>
<th>CURRENT MONTH ACTUAL</th>
<th>YEAR TO DATE ACTUAL</th>
<th>YEAR TO DATE BUDGET</th>
<th>YEAR TO DATE VARIANCE</th>
<th>ANNUAL BUDGET</th>
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<tbody>
<tr>
<td><strong>GENERAL FUND</strong></td>
<td></td>
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<tr>
<td><strong>EXPENDITURE DETAIL</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>PUBLIC WORKS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>SALARIES AND BENEFITS</td>
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<td>34,808</td>
<td>28,334</td>
<td>(6,474)</td>
<td>170,000</td>
</tr>
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<td>250,000</td>
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<td>12,500</td>
<td>50,000</td>
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<td>0</td>
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<td>5,678</td>
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<td>5,000</td>
<td>20,000</td>
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<td>50,000</td>
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<tr>
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<td>56,048</td>
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<td>174,640</td>
<td>51,899</td>
<td>1,586,861</td>
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<tr>
<td><strong>PARKS AND RECREATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SALARIES AND BENEFITS</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15,659</td>
</tr>
<tr>
<td>PARK MAINTENANCE</td>
<td>558</td>
<td>6,756</td>
<td>7,500</td>
<td>744</td>
<td>30,000</td>
</tr>
<tr>
<td>RESERVOIR LEASE</td>
<td>9,332</td>
<td>18,534</td>
<td>18,958</td>
<td>424</td>
<td>113,748</td>
</tr>
<tr>
<td>GENERAL PARK DEVELOPMENT</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>75,000</td>
</tr>
<tr>
<td>GENERAL TRAIL IMPROVEMENTS</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>150,000</td>
</tr>
<tr>
<td>HARMONY BRIDGE SCULPTURE</td>
<td>1,150</td>
<td>1,295</td>
<td>105,000</td>
<td>103,705</td>
<td>185,000</td>
</tr>
<tr>
<td>Poudre River Trail - Regional - Corridor</td>
<td>12,159</td>
<td>12,159</td>
<td>0</td>
<td>(12,159)</td>
<td>0</td>
</tr>
<tr>
<td>Poudre River Trailhead Park</td>
<td>0</td>
<td>0</td>
<td>10,000</td>
<td>10,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Poudre River Trail - Regional - County</td>
<td>399</td>
<td>399</td>
<td>25,000</td>
<td>24,601</td>
<td>25,000</td>
</tr>
<tr>
<td>Timnath South Regional Park - Construction</td>
<td>160,379</td>
<td>317,459</td>
<td>740,000</td>
<td>422,541</td>
<td>2,600,000</td>
</tr>
<tr>
<td>Timnath Reservoir Trail and Park</td>
<td>13,360</td>
<td>15,282</td>
<td>65,000</td>
<td>49,718</td>
<td>250,000</td>
</tr>
<tr>
<td>Wildwing Park</td>
<td>36</td>
<td>36</td>
<td>25,000</td>
<td>24,964</td>
<td>125,000</td>
</tr>
<tr>
<td><strong>TOTAL PARKS AND RECREATION</strong></td>
<td>197,372</td>
<td>371,921</td>
<td>996,458</td>
<td>624,537</td>
<td>3,769,407</td>
</tr>
</tbody>
</table>

**DRAFT**

These financial statements should be read only in connection with the accompanying accountant's compilation report.
## Statement of Revenue, Expenditures and Changes in Fund Balance - Actual and Budget

For the 2 Months Ending February 29, 2016

### General Fund

#### Capital Outlay

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Current Month</th>
<th>Year To Date</th>
<th>Year To Date</th>
<th>Year To Date Variance</th>
<th>Annual Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads and Utilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bethke Warning Lights</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>36,000</td>
</tr>
<tr>
<td>Harmony Road Phase II A Landscaping</td>
<td>230</td>
<td>475</td>
<td>10,000</td>
<td>9,526</td>
<td>45,000</td>
</tr>
<tr>
<td>Harmony Road Phase III</td>
<td>26,775</td>
<td>50,134</td>
<td>160,000</td>
<td>109,866</td>
<td>6,000,000</td>
</tr>
<tr>
<td>Parkway Improvements</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Riverbend Infrastructure</td>
<td>150</td>
<td>394</td>
<td>60,000</td>
<td>59,606</td>
<td>500,000</td>
</tr>
<tr>
<td>Riverbend Fire Station Emergency Signal</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>200,000</td>
</tr>
<tr>
<td>Fewell/Riverbend Road Extension</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>95,000</td>
</tr>
<tr>
<td>Summerfield Parkway Ditch Crossing</td>
<td>14,065</td>
<td>25,455</td>
<td>430,000</td>
<td>404,545</td>
<td>900,000</td>
</tr>
<tr>
<td>Old Town Improvements - Phase II (North)</td>
<td>3,355</td>
<td>17,472</td>
<td>40,000</td>
<td>22,528</td>
<td>1,130,000</td>
</tr>
<tr>
<td>Old Town Sewer Connections and Tap Fees-Ph I</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>429,000</td>
</tr>
<tr>
<td>Buildings and Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency Preparedness</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15,000</td>
</tr>
<tr>
<td>Public Works/Town Admin Building</td>
<td>12,443</td>
<td>33,145</td>
<td>5,000</td>
<td>(28,145)</td>
<td>200,000</td>
</tr>
<tr>
<td>Speeding Sign</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15,000</td>
</tr>
<tr>
<td>Website Upgrade</td>
<td>0</td>
<td>0</td>
<td>1,250</td>
<td>1,250</td>
<td>5,000</td>
</tr>
<tr>
<td>Stormwater</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boxelder - Fort Collins IGA</td>
<td>0</td>
<td>0</td>
<td>318,182</td>
<td>318,182</td>
<td>1,750,000</td>
</tr>
<tr>
<td>Community Revitalization/Visioning Projects</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6,500,000</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Signage and Monumentation</td>
<td>36</td>
<td>36</td>
<td>25,000</td>
<td>24,964</td>
<td>120,000</td>
</tr>
<tr>
<td>DOLA Loan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DOLA Loan</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>70,112</td>
</tr>
<tr>
<td>Total Capital Outlay</td>
<td>59,055</td>
<td>127,110</td>
<td>1,049,432</td>
<td>922,322</td>
<td>20,510,112</td>
</tr>
</tbody>
</table>

### Total Capital Outlay

<table>
<thead>
<tr>
<th>Current Month</th>
<th>Year To Date</th>
<th>Year To Date</th>
<th>Year To Date Variance</th>
<th>Annual Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>59,055</td>
<td>127,110</td>
<td>1,049,432</td>
<td>922,322</td>
<td>20,510,112</td>
</tr>
</tbody>
</table>

### Total Expenditures

<table>
<thead>
<tr>
<th>Current Month</th>
<th>Year To Date</th>
<th>Year To Date</th>
<th>Year To Date Variance</th>
<th>Annual Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>554,024</td>
<td>1,132,806</td>
<td>3,037,913</td>
<td>1,905,107</td>
<td>30,289,099</td>
</tr>
</tbody>
</table>

These financial statements should be read only in connection with the accompanying accountant’s compilation report.
TOWN OF TIMNATH
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET
FOR THE 2 MONTHS ENDING FEBRUARY 29, 2016

SPECIAL REVENUE FUND - GRANTS

<table>
<thead>
<tr>
<th></th>
<th>CURRENT MONTH</th>
<th>YEAR TO DATE ACTUAL</th>
<th>YEAR TO DATE BUDGET</th>
<th>YEAR TO DATE VARIANCE</th>
<th>ANNUAL BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STATE GRANTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUE OVER</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES (USES)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING SOURCES (USES)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FUND BALANCE-BEGINNING</strong></td>
<td>0</td>
<td>1,644</td>
<td>0</td>
<td>1,644</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FUND BALANCE-ENDING</strong></td>
<td>0</td>
<td>1,644</td>
<td>0</td>
<td>1,644</td>
<td>0</td>
</tr>
</tbody>
</table>

THESE FINANCIAL STATEMENTS SHOULD BE READ ONLY IN CONNECTION WITH THE ACCOMPANYING ACCOUNTANT'S COMPILATION REPORT
## TIMNATH DEVELOPMENT AUTHORITY (TDA)
### STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
FOR THE 2 MONTHS ENDING FEBRUARY 29, 2016
### DEBT SERVICE FUND

<table>
<thead>
<tr>
<th></th>
<th>CURRENT MONTH</th>
<th>YEAR TO DATE ACTUAL</th>
<th>YEAR TO DATE BUDGET</th>
<th>YEAR TO DATE VARIANCE</th>
<th>ANNUAL BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TIF - PROPERTY TAXES</td>
<td>1,389,526</td>
<td>1,501,895</td>
<td>1,407,192</td>
<td>94,703</td>
<td>4,138,799</td>
</tr>
<tr>
<td>TIF - SALES TAXES</td>
<td>296,997</td>
<td>575,808</td>
<td>586,373</td>
<td>(10,565)</td>
<td>4,343,500</td>
</tr>
<tr>
<td>NET INVESTMENT INCOME</td>
<td>712</td>
<td>712</td>
<td>834</td>
<td>(122)</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>1,687,234</td>
<td>2,078,415</td>
<td>1,994,399</td>
<td>84,016</td>
<td>8,487,299</td>
</tr>
</tbody>
</table>

| **EXPENDITURES**     |               |                     |                     |                        |               |
| LOAN INTEREST        | 0             | 0                   | 0                   | 0                      | 2,257,000     |
| LOAN PRINCIPAL       | 0             | 0                   | 0                   | 0                      | 1,800,000     |
| MISCELLANEOUS        | 51            | 3,151               | 250                 | (2,901)                | 1,500         |
| **CAPITAL OUTLAY**   |               |                     |                     |                        |               |
| ROAD, UTILITIES, OTHER (TRANSFER TO TOWN) | 72,366 | 91,429 | 992,500 | 901,071 | 14,247,156 |
| BOXELDER - BBRSA IGA | 0             | 0                   | 500,000             | 500,000                | 500,000       |
| DEVELOPER SHAREBACK INCENTIVE | 0 | 0 | 0 | 0 | 1,391,000 |
| TRANSFER TO TOWN - GENERAL | (93,274) | 216,393 | 342,603 | 126,210 | 2,537,799 |
| **TOTAL EXPENDITURES** | (20,858) | 310,973 | 1,835,353 | 1,524,380 | 22,734,455 |

**EXCESS OF REVENUE OVER (UNDER) EXPENDITURES**

|                      |               |                     |                     |                        |               |
|                      | 1,708,092     | 1,767,442           | 159,046             | 1,608,396              | (14,247,156)  |

**OTHER FINANCING SOURCES (USES)**

|                      |               |                     |                     |                        |               |
|                      |               |                     |                     |                        |               |
| **TOTAL OTHER FINANCING SOURCES (USES)** | 0 | 0 | 0 | 0 | 0 |

**EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES**

|                      |               |                     |                     |                        |               |
|                      | 1,708,092     | 1,767,442           | 159,046             | 1,608,396              | (14,247,156)  |

**FUND BALANCE-BEGINNING**

|                      |               |                     |                     |                        |               |
|                      | 0             | 0                   | 0                   | 0                      | 0             |
| **FUND BALANCE-ENDING** | 1,708,092 | 18,722,493           | 16,406,202          | 2,316,291              | 2,000,000     |


---

These financial statements should be read only in connection with the accompanying accountant's compilation report.
SUPPLEMENTARY INFORMATION
## TOWN OF TIMNATH
**Schedule of Cash Position**
**March 31, 2016**
**Updated as of April 15, 2016**

<table>
<thead>
<tr>
<th>Account</th>
<th>Balance as of 3/31/2016</th>
<th>Anticipated cash available as of 4/15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BBVA Compass - Checking</strong></td>
<td>$ 2,856,937.88</td>
<td><strong>3,207,640.61</strong></td>
</tr>
<tr>
<td>Balance as of 3/31/2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April electronic payments</td>
<td>(17,513.96)</td>
<td>Includes PERA contribution, tractor lease payment, etc.</td>
</tr>
<tr>
<td>Deposits through 4/15/16</td>
<td>784,445.66</td>
<td></td>
</tr>
<tr>
<td>Checks through 4/15/16</td>
<td>(391,409.22)</td>
<td></td>
</tr>
<tr>
<td><em>Anticipated Payroll 4/16/16</em></td>
<td>(24,819.75)</td>
<td></td>
</tr>
<tr>
<td><strong>ColoTrust Plus</strong></td>
<td></td>
<td><strong>10,921,661.33</strong></td>
</tr>
<tr>
<td>Balance as of 3/31/2016 0.52%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anticipated cash available as of 4/15/16</td>
<td>10,921,661.33</td>
<td></td>
</tr>
<tr>
<td><strong>Compass Bank - Revenue Account</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of 3/31/2016</td>
<td>1,498,759.27</td>
<td></td>
</tr>
<tr>
<td>Anticipated cash available as of 4/15/16</td>
<td>1,498,759.27</td>
<td></td>
</tr>
<tr>
<td><strong>Compass Bank - Reserve Account</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of 3/31/2016</td>
<td>2,000,198.82</td>
<td></td>
</tr>
<tr>
<td>Anticipated cash available as of 4/15/16</td>
<td>2,000,198.82</td>
<td></td>
</tr>
<tr>
<td><strong>Compass Bank - 2015 Project Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of 3/31/2016</td>
<td>14,529,293.83</td>
<td></td>
</tr>
<tr>
<td>Anticipated cash available as of 4/15/16</td>
<td>14,529,293.83</td>
<td></td>
</tr>
<tr>
<td><strong>Total cash and investments as of April 15, 2016</strong></td>
<td><strong>$ 32,157,553.86</strong></td>
<td></td>
</tr>
</tbody>
</table>

This financial information should be read only in connection with the accompanying accountant’s compilation report.
Cash and investments restricted and designated for:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/4 cent sales tax</td>
<td>$194,710.96</td>
<td>Funds can be used for open space acquisition &amp; preservation of public open space</td>
</tr>
<tr>
<td>Conservation trust fund</td>
<td>$53,355.59</td>
<td>Funds can be used for acquisition, development &amp; maintenance for parks and recreation</td>
</tr>
<tr>
<td>Impact Fee - Police</td>
<td>$108,770.46</td>
<td>Capital only related to Public Safety</td>
</tr>
<tr>
<td>Impact Fee - Parks</td>
<td>$1,819,858.00</td>
<td>Capital only related to Parks</td>
</tr>
<tr>
<td>Cash in Lieu of Land - Schools</td>
<td>$1,271,114.31</td>
<td>Capital only related to Schools</td>
</tr>
<tr>
<td>TDA - Capital Project Fund</td>
<td>$14,462,607.97</td>
<td>Available to draw from Compass Bank for TDA's Capital Projects</td>
</tr>
<tr>
<td>TDA - Poudre Valley Fire</td>
<td>$1,665,052.37</td>
<td>Pass through of property taxes for Fire District</td>
</tr>
<tr>
<td>TDA - Debt Service</td>
<td>$3,498,958.09</td>
<td>Restricted revenues pledged to debt and reserve account</td>
</tr>
</tbody>
</table>

Total restricted and designated cash and investments as of April 15, 2016: $23,074,427.75

Unrestricted Fund Balance as of April 15, 2016: $9,083,126.11
<table>
<thead>
<tr>
<th>YTD Actual</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>$477,734</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>344,438</td>
</tr>
<tr>
<td>Licenses, fees and charges</td>
<td>285,306</td>
</tr>
<tr>
<td>Franchise fees</td>
<td>11,609</td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
<td>6,484</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>6,736</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,075</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,134,381</strong></td>
</tr>
</tbody>
</table>
This financial information should be read only in connection with the accompanying accountant's compilation report.
This financial information should be read only in connection with the accompanying accountant’s compilation report.
## Single Family Residential Building Permits

**February 29, 2016**

<table>
<thead>
<tr>
<th></th>
<th>YTD Actual</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>February</td>
<td>16</td>
<td>9</td>
</tr>
<tr>
<td>March</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>185</strong></td>
<td><strong>25</strong></td>
</tr>
</tbody>
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This financial information should be read only in connection with the accompanying accountant’s compilation report.
General Fund - Revenue and Expenditures - Actual to Budget Comparison
February 29, 2016

Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>YTD Actual</th>
<th>YTD Budget</th>
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<tbody>
<tr>
<td>Taxes</td>
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<td>Intergovernmental</td>
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<td>Licenses, Fees and Charges</td>
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<td>563,278</td>
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<td>Franchise Fees</td>
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<tr>
<td>Fines and Forfeitures</td>
<td>6,484</td>
<td>1,600</td>
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<tr>
<td>Interest Income</td>
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<td>Other Income</td>
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Expenditures

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<tr>
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<tbody>
<tr>
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<tr>
<td>Total</td>
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This financial information should be read only in connection with the accompanying accountant’s compilation report.
TOWN TOWN COUNCIL COUNCIL COMMUNICATION

<table>
<thead>
<tr>
<th>Meeting Date:</th>
<th>Item: Community Development Report</th>
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<tbody>
<tr>
<td>April 26, 2016</td>
<td>Ordinance Resolution Discussion</td>
</tr>
<tr>
<td>Presented by: Matt Blakely</td>
<td>For Information</td>
</tr>
</tbody>
</table>

**KEY POINTS/SUPPORTING INFORMATION:**

1. **Issued Building Permits:**
   - 2012 Single-Family Residential Total = 141
   - 2013 Single-Family Residential Total = 166
   - 2014 Single-Family Residential Total = 167
   - 2015 Single-Family Residential Total = 185
   - 2016 Single-Family Residential April = 5
   - 2016 Single-Family Residential YTD (1/1/16 to 4/20/16) = 42 (Budget = 72)

2. **Current Development Actions:**
   a. **Fisher Annexation and Sketch Plan:** This is an annexation application for a 236 acre parcel located west of CR 5 and north of CR 40. Applicant has submitted an application and is out for Town and referral agency review.
   b. **Timnath Commercial Center Annexation:** This is an annexation application for a 115 acre parcel located north of Kechter Road and east of I-25. Staff is waiting on a resubmittal.
   c. **Timnath Landing 1st Filing Final Plat:** This is a Final Plat proposal for approximately 214 single family detached lots that range in size from 4,275 square feet to 7,700 square feet on approximately 82 acres. The property has multiple zoning districts to accommodate the desired lot sizes. The Town Staff is waiting on a resubmittal.
   d. **Timnath Landing 2nd Filing Final Plat:** This is a Final Plat proposal for approximately 60 single family detached lots that range in size from 4,400 square feet to 7,600 square feet on approximately 13 acres. The Town Staff is waiting on a resubmittal.
   e. **Timnath Landing 3rd Filing Final Plat:** This is a Final Plat proposal for approximately 58 single family detached lots that range in size from 4,275 square feet to 7,800 square feet on approximately 10 acres. The Town Staff is waiting on a resubmittal.
   f. **Timnath Landing PD Overlay:** This is a PD Overlay application for the entire subdivision. The underlying zone district requirements will apply with the exception of modifications to several street standards criteria, density and dimensional standards, and Town Council Sketch Plan conditions. A Planning Commission Public Hearing was held on 10/6/2015 and the Preliminary Planned Development Overlay was recommended for approval to Town Council unanimously by a 3-0 vote. On 10/13/2015 the Town Council held a Public Hearing and the Preliminary PD Overlay was approved unanimously by 5-0 vote. The Town Staff is waiting on a resubmittal.
   g. **Harmony Subdivision Comprehensive Plan Amendment:** This is a Comp Plan Amendment application to change a portion of the Harmony Subdivision from MU (Mixed Use) to MDR (Medium Density Residential). A Planning Commission Public Hearing was held on 3/15/2016 and the Harmony Subdivision Comprehensive Plan Amendment was recommended for approval to Town Council unanimously by 5-0 vote. A Town Council Public Hearing was held on 4/12/2016 and the Harmony Subdivision 5th Filing was approved unanimously by 5-0 vote.
h. **Harmony Subdivision Rezoning:** This is a rezoning application to change a portion of the Harmony Subdivision from R-E (Estate Residential) to R-3 (Two Family & Multi-Family Residential). A Planning Commission Public Hearing was held on 3/15/2016 and the Harmony Subdivision Rezoning was recommended for approval to Town Council unanimously by 5-0 vote. A Town Council Public Hearing was held on 4/12/2016 and the Harmony Subdivision Rezoning was approved unanimously by 5-0 vote.

i. **Harmony Subdivision PD Overlay:** This is a PD Overlay application for the entire Harmony subdivision except the 1st, 2nd, 4th, and future filing lots. The PD Overlay is to change the dimensional standards for a section of the 3rd filing which is currently under a rezoning application from R-E to R-3. A Planning Commission Public Hearing was held on 3/15/2016 and the Harmony Subdivision Rezoning was recommended for approval to Town Council unanimously by 5-0 vote. A Town Council Public Hearing was held on 4/12/2016 and the Harmony Subdivision PD Overlay was approved unanimously by 5-0 vote.

j. **Harmony Subdivision Amended Preliminary Plat:** This is a Preliminary Plat application for the 3rd Filing of the Harmony Subdivision. There are approximately 24 single-family estate lots along with 12 paired lots for a total of 48 homes. Lots will range in size from 14,500 square feet to 20,200 square feet for the paired lots, and 19,000 square feet to 25,000 square feet for the estate lots. A Town Council Public Hearing was held on 4/12/2016 and the Harmony Subdivision Amended Plat was approved unanimously by 5-0 vote.

k. **Harmony Subdivision 5th Filing Final Plat:** This is a Final Plat application for 31 single-family lots in the 5th Filing of the Harmony Subdivision which is just south of the existing 4th Filing. Lots range in size from 9,600 square feet to 16,000 square feet. A Town Council Public Hearing was held on 4/12/2016 and the Harmony Subdivision 5th Filing was approved unanimously by 5-0 vote.

l. **Chick-Fil-A Site Plan:** This is a site plan application proposal for a 4,434 square foot Chick-Fil-A drive thru located at 4531 Weitzel St (just west of the approved Starbucks). The applicant has made a submittal and is currently under review by Town Staff.

m. **Riverbend Sales Office Site Plan:** This is a site plan application proposal for a 1,480 square foot office building located at 4605 S. County Road 3F. The applicant has made a submittal and is currently under review by Town Staff.

n. **West Village Pool Site Plan:** This is an amended site plan application proposal for a 9,082 square foot pool and bath house located in the West Village Neighborhood. The applicant has made a submittal and is currently under review by Town Staff.

o. **Harmony Subdivision 3rd Filing Final Plat:** This is a Final Plat application for the 3rd Filing of the Harmony Subdivision. There are approximately 24 single-family estate lots along with 12 paired lots for a total of 48 homes. Lots will range in size from 14,500 square feet to 20,200 square feet for the paired lots, and 19,000 square feet to 25,000 square feet for the estate lots. The applicant has made a submittal and is currently under review by Town Staff.

p. **Timnath Ranch 7th Filing Preliminary Plat:** This is a Preliminary Plat Application for the 7th Filing of the Timnath Ranch Subdivision located north of Wheatfield Drive and east of School House Drive. There are approximately 78 attached lots that will range from 1,800 square feet to 3,100 square feet. The applicant has made a submittal and is currently under review by Town Staff.

3. **Projects:**

a. **Timnath Reservoir:** On 4/11/2016 Timnath Reservoir was stocked with 1.2 million walleye fry compliments of the Colorado Parks and Wildlife.

b. **Timnath Community Park:** Construction began in early November with a anticipated completion date in July of 2016.

c. **Wildwing Park:** Landscape improvements will commence in May of 2016 and will be
completed by the end of June.

d. **Gateway Park:** Landscape and irrigation improvements will commence in May of 2016 and be completed by the end of June.

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<tbody>
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<td>RECOMMENDATIONS:</td>
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| ATTACHMENTS: | 1. Building Department Stats  
2. Code Enforcement Reports |
MEMORANDUM

TO: Timnath Town Council

FROM: Matt Blakely, Town Planner
       Alisa Davidson, Building Permit Technician

RE: Timnath Single-Family Building Permits - YTD 4/20/16

DATE: April 26, 2016

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<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th># Permits Issued in 2014 for Single Family Homes</th>
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<tbody>
<tr>
<td>2014</td>
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<td>17</td>
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Foundation Only Permit - 1

Commercial-8

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<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th># Permits Issued in 2015 for Single Family Homes</th>
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<td>2015</td>
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<td>15</td>
<td>18</td>
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Commercial-13

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<th>April</th>
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<th>July</th>
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<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th># Permits issued in 2016 for Single Family Homes</th>
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<td>2016</td>
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<td>12</td>
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Commercial-4

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<tbody>
<tr>
<td>Brunner Fram</td>
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<td>167</td>
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Foundation Only Permit - 3 1 1

Modular Home

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<tr>
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<tr>
<td>Foundation Only Permit</td>
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<tr>
<td>Modular Home</td>
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<td>Normal</td>
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Total: 6 Violations
TOWN COUNCIL COMMUNICATION

Meeting Date: April 26, 2016
Presented by: Don Taranto

Item: Engineering & Public Works Report

Ordinance ☐
Resolution ☐
For Information X

KEY POINTS/SUPPORTING INFORMATION:

1. **Harmony Road Phase 3**
   a. Project is out to bid. Bid opening is scheduled for 4/28/16. Construction start dependent on finalization of property acquisition and TROC.
   b. Still waiting for revised crossing application from the railroad.
   c. **Project has been submitted to PUC for review and approval.**
      i. PUC is acceptable to the widening project. Application to the PUC & approval is required before an agreement with Omnitrax can be signed or work on crossing started. Best case for approval is ~60 days from time the application is accepted. Due to performance from the railroad, the Town is now taking on the responsibility of the application.

2. **Summerfield Parkway RR Crossing**
   a. Comments on crossing agreement returned to Omnitrax. Waiting for their review and comment.
   b. Delaying bid advertisement to the first part of May in order to line up with the Boxelder completion schedule & removal of plates on I-25. Substantial completion on Boxelder is tentatively scheduled for 5/24/16. Plate removal would then occur in early June.

3. **Old Town Phase 2-North**
   a. All inclusions received from residents and submitted to the District.
   b. Project out to bid. Bid opening scheduled for 5/10/16. Targeting an early June start, after school is out for the summer.

4. **2016 Road Maintenance Program**
   a. Striping needs for the coming year are being analyzed so RFP’s can be issued.
   b. **The 2016 Roadway Repair (patching) Agreement with APEX Pavement solutions is presented for approval at this meeting.**
   c. **The 2016 Roadway Overlay bid Recommendation for Award and Agreement will be presented at the May 10th meeting.**

5. **Development Construction Activities**
   a. Brunner Farm – Phase 1 has been Initially Accepted. Acceptance of the remaining phases is pending.
   b. Wild Wing Filing 2 – **Utility installation underway.**
   c. Timnath South 1st Filing, 3rd Amended - **Utility installation complete with roadway construction underway.**
   d. Timnath Ranch 3rd Filing, phases 4-6 – Utility installation continues on phase 4.
   e. **Timnath Landings – Early Grading Permit pending Pre-Con mtg (4-20-16)**
6. Commercial Construction Activities  
a. Poudre Fire Station #8 – **Construction underway**

7. Town Storage Building  
a. Construction is complete. **Final Payment pending approval at May 10th meeting.**
<table>
<thead>
<tr>
<th>Meeting Date:</th>
<th>Item: March 2016 Law Enforcement Update</th>
<th>For Information</th>
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<tbody>
<tr>
<td>April 26, 2016</td>
<td></td>
<td></td>
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<tr>
<td>Presented by:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sherri Wagner</td>
<td></td>
<td></td>
</tr>
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</table>

1. Meetings  
   a. Safe Kids Board Meeting  
   b. Larimer County traffic safety meeting  
   c. Chief’s Meeting  
   d. Santa Cops  
   e. Meeting with LCSO Records

2. Forrest handled a fatal accident. The accident occurred at Latham and Harmony. Sherri assisted with the accident and Colorado State Patrol assigned their crash unit to provide measurements, vehicle inspections to include commercial vehicle compliance, diagram and assistance in filing the additional paperwork with the state.

3. Robert has continued to work on the training manual for our new officer. Officer Tope will be starting the training process with us on May 2. Robert returned to full duty and we were happy to have him back working calls.

4. Officers attended 4 hours of firearms training and completed all required CIRSA training. Officers are currently working on additional training as required by state law.

5. Forrest continued to process and document evidence related to the theft occurring at Risk Removal. He will be taking electronic evidence to the FBI for assistance in gathering the information for court from the computer and phone.

6. Timnath Walmart is testing a new process to be used with first time offenders. If the amount of the theft is below $100 and the subject is cooperative then they will be given a chance to participate in an anti-theft program. The subject must accept responsibility for the theft, agree to pay a proposed Walmart fine, and watch an anti-theft DVD. Walmart’s loss prevention staff will be trained on how to process the subject and present the program. We will be given more information on the program as they implement the process.

7. Officers are continuing their extra patrols in the neighborhoods, increasing their traffic contacts and walking through the schools.
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<th>Call Type</th>
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<th>Feb-16</th>
<th>Mar-16</th>
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</tr>
<tr>
<td>Animal</td>
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<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Assist Other</td>
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<td>5</td>
<td>12</td>
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<tr>
<td>Criminal Mischief</td>
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<td>Burglary- cold</td>
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<tr>
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<tr>
<td>Family Problem</td>
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<td>Follow-up</td>
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<tr>
<td>Hang up- 911</td>
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<tr>
<td>Noise</td>
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<tr>
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<td><strong>159</strong></td>
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<tr>
<td><strong>Total cases</strong></td>
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### TPD MISCELLANEOUS

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<tbody>
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<td>CCIC/NCIC Quality Control</td>
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<td>DA/Chief's Meeting/judges</td>
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<td>Daily Training Bulletin Review</td>
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<td>Evidence Room/Supplies</td>
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<td>Motor Vehicle Accident Reports (each 2 hours)</td>
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<tr>
<td>Municipal Court</td>
<td>3</td>
<td>3</td>
<td>3</td>
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<tr>
<td>NIBRS/Numbers to CBI/FBI</td>
<td>6</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Report Writing (Approx 2 hrs per case)</td>
<td>64</td>
<td>49</td>
<td>34</td>
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<tr>
<td>Filing case with DA/2 hours</td>
<td></td>
<td></td>
<td>4</td>
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<tr>
<td>Training per officer</td>
<td>4</td>
<td>2</td>
<td>5.5</td>
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### LCSO Response & Call Type

<table>
<thead>
<tr>
<th>Call Type</th>
<th>Jan-16</th>
<th>Feb-16</th>
<th>Mar-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alarm</td>
<td>1</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Assist Other</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Criminal Mischief</td>
<td></td>
<td>2</td>
<td>2</td>
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<tr>
<td>Directed, Extra Patrol/School</td>
<td>10</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Fire assist</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Follow up</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Harassment</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Motor Vehicle Accident</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Suspicious Circumstance</td>
<td>2</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Traffic</td>
<td>5</td>
<td>9</td>
<td>17</td>
</tr>
<tr>
<td>Warrant</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Welfare check</td>
<td>1</td>
<td>1</td>
<td></td>
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<tr>
<td><strong>Total Incidents</strong></td>
<td><strong>27</strong></td>
<td><strong>35</strong></td>
<td><strong>44</strong></td>
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<tr>
<td><strong>Total Cases</strong></td>
<td><strong>1</strong></td>
<td><strong>2</strong></td>
<td><strong>5</strong></td>
</tr>
</tbody>
</table>
To: Town Council and Community

From: April D. Getchius, AICP
      Town Manager

Date: April 22, 2016

Subject: Town Manager’s Report

Severance Annexation of Buffalo Creek

The Mayor, Council Members, Planning Commission Members and Town Staff continue to work on the issue of the Buffalo Creek annexation where Severance is annexing into Timnath’s long standing GMA. At their April 18, 2016 meeting, the Severance Town Council voted to accept an annexation petition from the developer, Drapac, and start the process over. The process is starting over primarily because Severance did not notice the original action correctly. The developer spoke at the meeting and did not represent the Timnath conversations accurately. In addition, the Mayor of Severance made his disdain for Timnath clear. We are requesting mediation once again. The Buffalo Creek annexation schedule includes a planning commission hearing on Wednesday, May 18 at 6 pm. The annexation is then expected to be forwarded to the June 6, 2016 Severance Board meeting. We continue to encourage individuals to speak at these meetings regarding their concerns and the inappropriateness of this property’s annexation into Severance.

New Town Administration Building and Police Services Building

I have contracted with Thorp and Associates out of Estes Park for the first steps in new building design. They will develop programming needs for the building including space needs, the ability to expand the buildings in the future, timing of each building, and distinct space needs (i.e. Town Council chambers, police’s unique needs, etc.). After interviews with staff, Mr. Thorp will present his findings to the Town Council at the May 10 Town Council meeting. With additional input from Council, a final space/programming needs report will be prepared that will allow us to issue a request for qualifications for an architectural firm to move to design. There will be significant staff and Council input at that point and ultimately public comment. In addition, staff is pursuing whether the State’s Department of Local Affairs may have grant monies available to offset the cost of design or construction of one or both of these buildings.
Project Updates

Attached is the project summary that indicates the status of various projects.

Avery Substation Update

As Council recalls, Xcel Energy was proposing a substation on what is now referred to as the Buffalo Creek property. The Town Council approved a resolution stating Timnath’s preference for routing of the transmission lines. The substation location is no longer available and Xcel Energy is back to square one. They will be doing new siting studies but did say they are looking to locate in Larimer County instead of Weld County. There are no specifics on what that location means at this time.
<table>
<thead>
<tr>
<th>Project / Responsible Party</th>
<th>Original Schedule</th>
<th>Revised Schedule</th>
<th>Date Modified</th>
<th>Complete</th>
<th>Action</th>
<th>On Schedule?</th>
<th>Explanation/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tree/Sight Issue</td>
<td>Matt</td>
<td>12/2/2015</td>
<td>4/10/2016</td>
<td>X</td>
<td>Notify Impacted Property Owners</td>
<td>No</td>
<td>Sight issues with Blocked Stop Signs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5/15/2016</td>
<td></td>
<td></td>
<td>PW to remove or Trim Trees</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5/15/2016</td>
<td></td>
<td></td>
<td>GC to Harmony gardens fro Removed tree to Impacted Resident</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Reservoir Lease</td>
<td>April</td>
<td>9/3/2015</td>
<td></td>
<td></td>
<td>Check internal team comments</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>9/3/2015</td>
<td></td>
<td></td>
<td>April attending Board mtg</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>9/22/2015</td>
<td>10/13/2015</td>
<td></td>
<td>Council approval</td>
<td>No</td>
<td>Waiting for liability insurance information from Reservoir Company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1/10/2015</td>
<td></td>
<td></td>
<td>Council approval</td>
<td>No</td>
<td>Still waiting on insurance info, latest draft of lease has some new terms which staff is discussing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1/12/2016</td>
<td></td>
<td></td>
<td>Council approval</td>
<td>No</td>
<td>Waiting on final language from Reservoir Co.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3/8/2016</td>
<td></td>
<td></td>
<td>Council approval</td>
<td>No</td>
<td>Waiting on final language from Reservoir Co.</td>
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<tr>
<td></td>
<td></td>
<td>4/20/2016</td>
<td></td>
<td></td>
<td>April met with Reservoir Company regarding lease</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Purchase of Thornton Property</td>
<td>April</td>
<td>TBD</td>
<td></td>
<td></td>
<td>April reached out to Jack on 9/11/15</td>
<td>Yes</td>
<td>Jack Ethredge, Thornton’s City Manager, 303-538-7642.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4/20/2016</td>
<td></td>
<td></td>
<td>Staff met with Thornton and should have update 4/22</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Fort Collins IGA Implementation</td>
<td>April</td>
<td>9/11/2015</td>
<td>ongoing</td>
<td></td>
<td>Meeting with Fort Collins to discuss public meetings with area residents</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>10/19/2015</td>
<td></td>
<td></td>
<td>April drafting letter to area residents for meeting regarding GMA changes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>12/17/2015</td>
<td></td>
<td></td>
<td>Letter drafted, meeting with FC to discuss procedure for public meetings</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2/22/2016</td>
<td></td>
<td></td>
<td>Public meeting set for residents in GMA</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2/17/2016</td>
<td></td>
<td></td>
<td>Fort Collins needs to proceed with amending GMA with Larimer County</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4/20/2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Explore Windsor IGA</td>
<td>April</td>
<td>9/2/2015</td>
<td></td>
<td></td>
<td>Met initially with Windsor</td>
<td>Yes</td>
<td>Will be following up by 9/15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1/20/2016</td>
<td></td>
<td></td>
<td>No further action</td>
<td>Yes</td>
<td>Contacted Windsor on 9/15 - waiting for reply</td>
</tr>
<tr>
<td>Explore Severance IGA</td>
<td>April</td>
<td>12/30/2015</td>
<td></td>
<td></td>
<td>Meeting with Severance Administration</td>
<td>Yes</td>
<td>Severance is still pursuing Buffalo Creek Annexation - mediation is apparent next step</td>
</tr>
<tr>
<td>Complete Emergency Management Plan</td>
<td>April/Team</td>
<td>3/4/2015</td>
<td>4/20/2016</td>
<td></td>
<td></td>
<td>Yes</td>
<td>Waiting on new approach from Larimer County</td>
</tr>
<tr>
<td>Economic Development Plan</td>
<td>April</td>
<td>9/4/2015</td>
<td>1/1/1900</td>
<td></td>
<td>Begin Drafting</td>
<td>Yes</td>
<td>Internal meeting set for 10/26 with mayor and staff to discuss</td>
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<tr>
<td></td>
<td></td>
<td>11/30/2015</td>
<td></td>
<td></td>
<td>Council adoption</td>
<td>Yes</td>
<td>Developing internally for council consideration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3/22/2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil and Gas Ordinance</td>
<td>Robert/Matt A</td>
<td>12/8/2015</td>
<td>TBD</td>
<td></td>
<td>Council approval</td>
<td>Yes</td>
<td>Working with consulting attorney to finalize draft</td>
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<tr>
<td></td>
<td></td>
<td>12/1/2015</td>
<td>TBD</td>
<td></td>
<td>Planning Commission Approval</td>
<td>Yes</td>
<td>Placed on hold pending court review of existing cases that could affect our draft</td>
</tr>
<tr>
<td>Harmony Road Corridor Plan</td>
<td>Matt</td>
<td>TBD</td>
<td>2/17/2016</td>
<td></td>
<td>Windsor would like to partner on this, we’ll continue conversation with them.</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

Note: does not include ongoing items like SIA’s, plats and budgeting.

Don
Matt
Dezire
Robert
April
Sherri
Christine
Milissa
<table>
<thead>
<tr>
<th>Project / Responsible Party</th>
<th>Original Schedule</th>
<th>Revised Schedule</th>
<th>Complete Date modified</th>
<th>Complete Date</th>
<th>Complete Action</th>
<th>On Schedule?</th>
<th>Explanation/Comments</th>
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</thead>
<tbody>
<tr>
<td>South Timnath Park</td>
<td>9/8/2015</td>
<td>9/8/2015</td>
<td>X out to bid</td>
<td>9/8/2015</td>
<td>Yes</td>
<td></td>
<td></td>
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<tr>
<td>Matt</td>
<td>10/7/2015</td>
<td>10/7/2015</td>
<td>X bid opening</td>
<td>10/7/2015</td>
<td>Yes</td>
<td></td>
<td></td>
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<tr>
<td>10/13/2015</td>
<td>10/13/2015</td>
<td>X Council approval</td>
<td>10/13/2015</td>
<td></td>
<td>Yes</td>
<td></td>
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<tr>
<td>11/2/2015</td>
<td>11/16/2015</td>
<td>X Construction starts</td>
<td>11/2/2015</td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
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<tr>
<td>5/10/2016</td>
<td>7/15/2016</td>
<td>X construction complete</td>
<td>7/15/2016</td>
<td></td>
<td>No</td>
<td></td>
<td>41 Documented Weather days - Approx 33 days behind Schedule</td>
</tr>
<tr>
<td>Riverbend</td>
<td>9/7/2015</td>
<td>4/15/2016</td>
<td>X Dry Utilities Install</td>
<td>4/15/2016</td>
<td>Complete</td>
<td>Weather Delays</td>
<td></td>
</tr>
<tr>
<td>Don</td>
<td>5/1/2015</td>
<td>4/19/2016</td>
<td>Street Light Install</td>
<td>4/19/2016</td>
<td>No</td>
<td></td>
<td>Supply issues with Light Pole bases</td>
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<tr>
<td>Matt</td>
<td>6/17/2016</td>
<td>4/19/2016</td>
<td>Landscape Bid Opening</td>
<td>4/19/2016</td>
<td>Yes</td>
<td></td>
<td>Pending Council Approval of License Agreement</td>
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<td>7/22/2016</td>
<td>4/19/2016</td>
<td>Landscape Complete</td>
<td>4/19/2016</td>
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<td>Yes</td>
<td></td>
<td>Pending Bid Opening</td>
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<tr>
<td>Reservoir</td>
<td>11/1/2015</td>
<td>2/17/2016</td>
<td>X Beach Cleanup</td>
<td>2/17/2016</td>
<td>No</td>
<td>Weather delays</td>
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<tr>
<td>Matt</td>
<td>2/26/2016</td>
<td>X Remove Embankment</td>
<td>2/26/2016</td>
<td></td>
<td>Yes</td>
<td></td>
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<tr>
<td>5/1/2016</td>
<td>5/30/2016</td>
<td>X Install Dock</td>
<td>5/30/2016</td>
<td></td>
<td>No</td>
<td>Delay in Shop Drawings and Approvals</td>
<td></td>
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<tr>
<td>Bridge Sculpture</td>
<td>9/8/2015</td>
<td>4/19/2016</td>
<td>X Council approval</td>
<td>4/19/2016</td>
<td>Yes</td>
<td></td>
<td>Shop drawings and final cost estimates are being prepared by Davinci Signs</td>
</tr>
<tr>
<td>Matt</td>
<td>12/1/2015</td>
<td>4/19/2016</td>
<td>X Commence construction/fabrication</td>
<td>4/19/2016</td>
<td>Yes</td>
<td></td>
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<tr>
<td>Harmony Road Phase III</td>
<td>2/17/2016</td>
<td>X In design</td>
<td>2/17/2016</td>
<td></td>
<td>Yes</td>
<td>On schedule</td>
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<tr>
<td>Don</td>
<td>4/28/2016</td>
<td>4/19/2016</td>
<td>Bidding Opening</td>
<td>4/19/2016</td>
<td>No</td>
<td>Ditch Coordination and Property Acquisition</td>
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</tr>
<tr>
<td>Matt</td>
<td>4/19/2016</td>
<td>Constr Start</td>
<td>4/19/2016</td>
<td></td>
<td>No</td>
<td>Delay in bidding</td>
<td></td>
</tr>
<tr>
<td>10/31/2016</td>
<td>4/19/2016</td>
<td>Constr Complete</td>
<td>4/19/2016</td>
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<td>Yes</td>
<td></td>
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<tr>
<td>Parkway</td>
<td>Team TBD</td>
<td>X In negotiations</td>
<td>2/17/2016</td>
<td></td>
<td>Yes</td>
<td></td>
<td>Will be part of Landings SIA</td>
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<tr>
<td>Harmony Road Phase IV</td>
<td>2/17/2016</td>
<td>X 80% Design</td>
<td>2/17/2016</td>
<td></td>
<td>Yes</td>
<td></td>
<td>Final design in 2018</td>
</tr>
<tr>
<td>Summerfield Construction/Ditch Crossing</td>
<td>9/4/2015</td>
<td>4/19/2016</td>
<td>X In design</td>
<td>4/19/2016</td>
<td>Yes</td>
<td>Contact with Omnitrax - waiting for their approval</td>
<td></td>
</tr>
<tr>
<td>Don</td>
<td>6/1/2016</td>
<td>4/19/2016</td>
<td>Bid Opening</td>
<td>4/19/2016</td>
<td>No</td>
<td>Ditch Coordination, Railroad and Boislider</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>6/15/2016</td>
<td>4/19/2016</td>
<td>Construction Start</td>
<td>4/19/2016</td>
<td>No</td>
<td>Pending RR and Boislder</td>
<td></td>
</tr>
<tr>
<td>8/15/2016</td>
<td>4/19/2016</td>
<td>Construction Complete</td>
<td>4/19/2016</td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
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<tr>
<td>Old Town Improvements Phase II</td>
<td>9/4/2015</td>
<td>2/17/2016</td>
<td>X Under design</td>
<td>2/17/2016</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don</td>
<td>5/10/2016</td>
<td>4/19/206</td>
<td>Bid Opening</td>
<td>4/19/206</td>
<td>Yes</td>
<td>Delayed to start construction after school year</td>
<td></td>
</tr>
<tr>
<td>May / June</td>
<td>6/6/2016</td>
<td>4/19/2016</td>
<td>Construction Start</td>
<td>4/19/2016</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don/Matt</td>
<td>3/17/2016</td>
<td>4/19/2016</td>
<td>Site Work Complete</td>
<td>4/19/2016</td>
<td>No</td>
<td>Building Complete - Site concrete waiting on weather</td>
<td></td>
</tr>
<tr>
<td>Town Administration Bldg. Landscaping</td>
<td>4/1/2016</td>
<td>4/19/2016</td>
<td>X Design</td>
<td>4/19/2016</td>
<td>Yes</td>
<td>Waiting on Bid numbers to finalize Design</td>
<td></td>
</tr>
<tr>
<td>Matt</td>
<td>6/1/2016</td>
<td>4/19/2016</td>
<td>Construction</td>
<td>4/19/2016</td>
<td>Yes</td>
<td>CO into Bid for General Landscape Requirements</td>
<td></td>
</tr>
<tr>
<td>Poudre Trailhead / Gateway Park</td>
<td>3/1/2016</td>
<td>4/19/2016</td>
<td>X Complete Design</td>
<td>4/19/2016</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matt</td>
<td>4/19/2016</td>
<td>4/19/2016</td>
<td>X Bid Opening</td>
<td>4/19/2016</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5/25/2016</td>
<td>4/19/2016</td>
<td>X Complete Improvements</td>
<td>4/19/2016</td>
<td></td>
<td>Yes</td>
<td></td>
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</tbody>
</table>
**EXECUTIVE SUMMARY:** The State of Colorado requires that for any community to be eligible for federal or state grants, they must adopt the National Incident Management System (NIMS) approach to emergency management. Staff is completing an emergency management plan that will, although relying heavily on Larimer County’s expertise and resources, employ NIMS. As we move forward to adopt that plan, the federal and state governments require that a “NIMS resolution” be adopted.

**STAFF RECOMMENDATION:** Staff recommends approval of the attached resolution.

**KEY POINTS/SUPPORTING INFORMATION:**
- NIMS establishes a single, comprehensive and common approach to incident management across all level of governments.
- Beginning October 1, 2004, all federal government agencies adopted NIMS as a requirement for providing grant monies.
- Adopting this resolution will make us eligible for federal and state grant monies related to disasters.

**ADVANTAGES:** Provides the Town of Timnath with expertise and assistance on disaster management and mitigation.

**DISADVANTAGES:** None.

**FINANCIAL IMPACT:** None.

**RECOMMENDED MOTION:** I recommend approval of Resolution No. 29, Series 2016 entitled “A Resolution Adopting The National Incident Management System (NIMS).”

**ATTACHMENTS:** 1. Resolution
TOWN OF TIMNATH, COLORADO
RESOLUTION NO. 29, SERIES 2016

A RESOLUTION ADOPTING THE NATIONAL INCIDENT MANAGEMENT SYSTEM (NIMS)

WHEREAS, the Town Council of the Town of Timnath ("Town") pursuant to C.R.S. § 31-15-103, has the power to pass resolutions; and

WHEREAS, the Town of Timnath desires to provide the most effective response possible to any emergencies which may occur locally and recognizes that an effective emergency management system is necessary and desirable; and

WHEREAS, Homeland Security Presidential Directive 5 (HSPD-5), 28 Feb 2003, established the National Incident Management System (NIMS); and

WHEREAS, the NIMS establishes a single, comprehensive approach to incident management to ensure that all levels of government across the Nation have the capability to work efficiently and effectively together using a national approach to domestic incident management and to prepare for and respond to, and recover from domestic incidents regardless of the cause, size or complexity; and

WHEREAS, the NIMS provides for interoperability and compatibility among Federal, State and local capabilities and includes a core set of concepts, principles, terminology and technologies covering the incident command system, unified command, training, management of resources and reporting; and

WHEREAS, the Incident Command System components of NIMS are already an integral part of various incident management activities throughout Larimer County and surrounding areas, including current emergency management training programs.

WHEREAS, beginning October 1, 2004 all Federal departments and agencies adopted the NIMS as a requirement, to the extent provided by law, for providing Federal preparedness assistance through grants, contracts or other activities to local governments;

WHEREAS, beginning December 6, 2004 the Governor for the State of Colorado issued Executive Order D 011 04 concerning the designation of the National Incident Management System as the basis for all incident management in the State of Colorado and required the adoption of NIMS for communities to be eligible for state and federal funding; and

WHEREAS, the Town Manager has developed of listing of individuals and positions that must be trained in NIMS and included said requirement on relevant employees’ annual evaluation forms as a goal to complete; and

WHEREAS, a specific individual needs to be designated as the Local Point of Contact to coordinate NIMS activities and ensure compliance.
THEREFORE BE IT RESOLVED, that in order to facilitate the most efficient and effective incident management, the Town of Timnath hereby adopts the National Incident Management System (NIMS) as its system of preparing for and responding to disaster emergencies and disasters and all Town departments are directed to utilize NIMS for the management of emergency situations.

BE IT FURTHER RESOLVED that the Town Manager Management for the Town of Timnath is hereby designated as the Local Point of Contact to coordinate NIMS activities and ensure compliance.

INTRODUCED, MOVED, AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH ON APRIL 26, 2016.

TOWN OF TIMNATH, COLORADO

____________________________
Jill Grossman-Belisle, Mayor

ATTEST:

____________________________
Milissa Peters, CMC
Town Clerk
**EXECUTIVE SUMMARY:** Provide construction services to patch, or otherwise repair town maintained roadways. An RFP was sent out to contractors in 2015 and APEX Pavement Solutions, being the lowest qualified respondent is recommended for award of the project again in 2016.

**STAFF RECOMMENDATION:** Approval

**KEY POINTS/SUPPORTING INFORMATION:**
- Asphalt patch potholes and otherwise repair roads as requested in specific locations around town

**ADVANTAGES:** Annual maintenance will keep the roadways in town from premature degradation as well as in a safe travel condition. Expedited award to APEX will allow pothole patching to begin almost immediately

**DISADVANTAGES:** None

**FINANCIAL IMPACT:** Expense is a budgeted item.

**RECOMMENDED MOTION:** I move to approve Resolution No. 30, Series 2016 approving the Standard Services Agreement with APEX Pavement Solutions for the Road Repair Portion of the 2016 Road Maintenance Program

**ATTACHMENTS:**
1. Town Council Purchase Authorization
2. Resolution
3. Agreement
# Town Council Purchase Authorization

**Date:** April 12, 2016  
**Vendor:** APEX Pavement Solutions  
**Department:** Public Works  
**Project:** Road Repair Portion of the 2016 Road Maintenance Program  

**Description:** Asphalt patching of potholes and other potential roadway repairs

<table>
<thead>
<tr>
<th>Is this purchase more than $25,000</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is this the purchase of Real Estate or Land</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Is this the purchase of Public Art</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Is this a budget request for a purchase that will exceed the approved budget</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

**Advantages:** Provision of annual roadway maintenance and repair within the approved Public Works budget

**Disadvantages:** None

<table>
<thead>
<tr>
<th>Description</th>
<th>Approved Budget</th>
<th>Current Balance</th>
<th>Additional Budget Requested</th>
<th>Requested</th>
<th>Budget Remaining</th>
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<tbody>
<tr>
<td>Road Maintenance</td>
<td>$350,000.00</td>
<td>$350,000.00</td>
<td>$0</td>
<td>$93,652.50</td>
<td>$256,347.50</td>
</tr>
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</table>

**Financial Impact:** Expenditure is within the annual budget for Road Maintenance

**Recommendation/Justification:** Recommend approval

---

**Requesting Department Signature:** [Signature]  
**Date:** 3/29/16

**Town Manager Signature:** [Signature]  
**Date:** 4/20/16
TOWN OF TIMNATH, COLORADO  
RESOLUTION NO. 30, SERIES 2016

A RESOLUTION APPROVING STANDARD SERVICES AGREEMENT WITH APEX PAVEMENT SOLUTIONS

WHEREAS, the Town Council of the Town of Timnath (“Town”) pursuant to C.R.S. § 31-15-103, has the power to pass resolutions; and

WHEREAS, attached hereto as Exhibit A is the Professional Services Agreement between the Town of Timnath and APEX Pavement Solutions (the “Agreement”); and

WHEREAS, the Town Council is familiar with the Agreement and finds it to be in the best interest of the Town, its residents, and the general public.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, COLORADO as follows:

Section 1. Approval
The Agreement is hereby approved in substantially the form as attached hereto, subject to technical or otherwise non-substantive modifications, as deemed necessary by the Town Manager in consultation with the Town Planner, Engineer, Legal Counsel, and other applicable staff or consultants.

INTRODUCED, MOVED, AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, ON APRIL 26, 2016.

TOWN OF TIMNATH, COLORADO

______________________________
Jill Grossman-Belisle, Mayor

ATTEST:

______________________________
Milissa Peters, CMC
Town Clerk
STANDARD SERVICES AGREEMENT  
BETWEEN  
THE TOWN OF TIMNATH  
AND APEX PAVEMENT SOLUTIONS  

For the Towns Road Repair Portion of the 2016 Road Maintenance Program  

This Standard Services Agreement, hereinafter "Agreement", is made by and between the Town of Timnath, hereinafter the "Town", and the undersigned contractor, hereinafter the "Contractor", and both collectively referred to from time to time herein as the "Parties".  

WHEREAS, the Town desires to retain Contractor for the services as described herein; and  

WHEREAS, the Contractor desires to be retained by the Town for the services as described herein.  

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

1. BASIC TERMS:  

A. Name, Address, and Phone Number of the Parties.  

a. Town: Town of Timnath  
4800 Goodman Street  
Timnath, Colorado 80547  
Phone: 970-224-3211  

b. Contractor: APEX Pavement Solutions  
607 10th Street, Suite 207  
Golden, CO 80401  
Phone: 303-273-1417  

B. Scope of Services. The scope of services shall be: Asphalt patching of potholes as is further detailed in ATTACHMENT A to this Agreement.  

C. Compensation. The services set forth in this Agreement shall be completed for an amount not to exceed $93,652.00. Not later than the tenth (10th) of each month, Contractor shall submit an invoice to the Town for the prior month's services.  

D. Term. The term commences on the Commencement Date and terminates on the Termination Date as hereinafter defined.  

E. Commencement Date. The "Commencement Date" is Spring of 2016 and is when the services described in this Agreement are to commence.  

F. Termination Date. The "Termination Date" of this Agreement is December 31, 2016. Contractor intends to provide these services for the Town in conjunction with similar services provided to the City of Fort Collins and will schedule the work accordingly. This allowed for lower unit prices for
the services.

G. Approval by the Town Council. This Agreement __X__ is ____ is not (check one) contingent upon and subject to approval by the Town Council. If this Agreement is contingent upon and is subject to approval by the Town Council and such approval is granted after the Commencement Date, the Commencement Date shall be extended until such approval is received and the Termination Date shall be extended to reflect the Term of this Agreement.

H. Termination. Either Party may terminate this Agreement upon thirty (30) days written notice to the other.

I. Warrantee. Contractor shall warrant all material and workmanship to be free from defect for a period of one (1) full year from the date of Final Payment.

2. CONTRACTOR NOT EMPLOYEE. Contractor is an independent contractor and not an employee, partner or agent of the Town.

As an Independent Contractor you are not entitled to workers' compensation benefits and that as an Independent Contractor you are obligated to pay federal and state income tax on any moneys earned pursuant to our contract relationship.

The Contractor shall, at all times, be an independent contractor. The Contractor shall have exclusive domain and control over the activities of its employees, if any, and under no circumstances shall Independent Contractor or Independent Contractor's employees be considered employees or agents of the Town.

3. INDEMNIFICATION. Contractor shall defend, release, indemnify and save and hold harmless the Town, its officers, agents and employees from and against: (1) any and all damages, including but not limited to, loss of use of property or injuries to or death of any person or persons (including but not limited to property and officers, agents and employees of the Town) and (2) any and all claims, demands, suits, actions, liabilities, costs, expenses (including but not limited to reasonable attorney fees, expert witness fees and all associated defense fees), causes of action, or other legal, equitable or administrative proceedings of any kind or nature whatsoever, of or by anyone whomsoever, regardless of the legal theory(ies) upon which premised, including but not limited to contract, tort, express and/or implied warranty, strict liability, and workers' compensation, in any way resulting from, connected with, or arising out of, directly or indirectly, the tortious or negligent actions or omissions of Contractor in connection with Contractor's operations or performance herewith or Contractor's use or occupancy of real or personal property hereunder, including tortious or negligent acts or omissions of employees, agents, or representatives of Contractor; provided however, that Contractor need not indemnify the Town or its officers, agents and employees from damages proximately caused by and apportioned to the negligence of the Town's officers, agents and employees.

This indemnity shall also extend to the Town's defense costs, in the event that the Town, in its sole discretion elects to provide its own defense. The Town retains the right to disapprove counsel, if any, selected by Contractor to fulfill the foregoing defense indemnity obligation, which right of disapproval shall not be unreasonably exercised.

Insurance coverage requirements specified herein shall in no way lessen or limit the liability of Contractor under the terms of this indemnification obligation. Contractor shall obtain, at its own
expense, any additional insurance that Contractor deems necessary for the Town's protection in the performance of this Agreement.

This defense and indemnification obligation shall survive the expiration or termination of this Agreement. The Parties acknowledge that provisions of this Section are not intended to waive any of the rights and defenses afforded the Town under the Colorado Governmental Immunity Act (C.R.S. § 24-10-101, et. seq.).

4. CONTRACTOR LICENSE, EXPERTISE AND INSURANCE. Town has selected Contractor because of Contractor's special training, education and expertise to provide the services identified herein. Contractor shall maintain general liability insurance, at its expense, in an amount of at least $1,000,000.00 and insurance for protection from claims under workers’ compensation acts, claims for damages because of bodily injury including personal injury, sickness or disease or death of any and all employees or of any person other than such employees, and from claims or damages because of injury to or destruction of property including loss of use resulting therefrom.

Any such insurance shall name the Town of Timnath as an additional insured. The Contractor shall deliver to the Town at the time of entering into this contract copies of policies of liability insurance required herein or certificates evidencing the existence and amounts of such insurance with loss payable clauses satisfactory to the Town. No policy shall be cancelable or subject to reduction of coverage except after twenty (20) days prior written notice to the Town. All such policies shall be written as primary policies not contributing with and not in excess of coverage which the Town may carry.

The work performed by Contractor under this Agreement shall be consistent with the highest professional standards of the Denver Metropolitan and Colorado Front Range areas. Contractor shall maintain such licenses as may be necessary to provide the services set forth in this Agreement.

5. DOCUMENTS. All documents prepared or furnished by Contractor (and independent professional associates and sub-contractors’) pursuant to this Agreement shall be the property of the Town. In addition, the Town shall have access to Contractor's financial records for the purposes of audit. Such records shall be complete and available for audit for ninety (90) days after final payment under this Agreement and shall be retained and available for audit purposes for at least five (5) years after final payment hereunder.

6. TABOR. Colorado Constitution, Article X, Section 20. Notwithstanding other provisions in this Agreement to the contrary, the Parties understand and acknowledge that the Town is subject to Article X, § 20 of the Colorado Constitution (“TABOR”).

a. The Parties do not intend to violate the terms and requirements of TABOR by the execution of this Agreement.

b. It is understood and agreed that this Agreement does not create a multi-fiscal year direct or indirect debt or obligation within the meaning of TABOR and, therefore, notwithstanding anything in this Agreement to the contrary, all payment obligations of the Town are expressly dependent and conditioned upon the continuing availability of funds beyond the term of the Town's current fiscal period ending upon the next succeeding December 31.

c. Financial obligations of the Town payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available in
accordance with ordinances and resolutions of the Town and other applicable law.

d. Notwithstanding any other provision of this Agreement concerning termination, upon the Town’s failure to appropriate such funds, the Agreement shall automatically terminate.

7. CONFIDENTIALITY. The Parties agree that Contractor will, in the course of its duties hereunder, receive information concerning the Town, its employees, elected and appointed officials, property, equipment and functions. Contractor agrees to hold all such information confidential and to not disclose the same other than to the extent required to perform its duties, or upon a proper request from an authorized Town official, or pursuant to a proper request under the Colorado Open Records Act, C. R. S. § 24-72-101, et. seq., to which the authorized Town official has confirmed it is appropriate for Contractor to respond or pursuant to a lawful court order. The requirements of this Section shall survive the termination of this Agreement.

8. ILLEGAL ALIENS - PUBLIC CONTRACTS FOR SERVICES. “E-verify program” as used herein means the electronic employment verification program created in Public Law 104-208, as amended, and expanded in Public Law 108-156, as amended, and jointly administered by the United States Department of Homeland Security and the Social Security Administration, or its successor program. “Department” as used herein means the department of labor and employment. “Department program” as used herein means the employment verification program established pursuant to C.R.S. § 8-17.5-102(5)(c).

(1) The undersigned on behalf of the Contractor certifies that, at the time of this certification and the execution of this Agreement, the Contractor does not knowingly employ or contract with an illegal alien who will perform work under this Agreement and that the Contractor will participate in the e-verify program, pursuant C.R.S. § 8-17.5.101 or department program in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement.

(2)(a) The Contractor shall not:

(I) Knowingly employ or contract with an illegal alien to perform work under this Agreement for services; or

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

(b) In addition:

(I) The Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services through participation in either the e-verify program or the department program;

(II) The Contractor is prohibited from using either the e-verify program or the department program procedures to undertake pre-employment screening of job applicants while this Agreement is being performed;
(III) If the Contractor obtains actual knowledge that a subcontractor performing work under this Agreement for services knowingly employs or contracts with an illegal alien, the Contractor shall be required to:

(A) Notify the subcontractor and the Town within three (3) days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(B) Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that the contractor shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien;

(IV) The Contractor shall comply with any reasonable request by the Department of Labor and Employment (Department) made in the course of an investigation that the Department is undertaking pursuant to the authority established in C.R.S. § 8-17.5.102(5).

(3) If the Contractor breaches this Section 8, the Town may terminate this Agreement for breach of the Agreement. If the Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the Town.

(4) The Contractor shall, within twenty (20) days after hiring an employee who is newly hired for employment to perform work under this Agreement, affirm that the Contractor has examined the legal work status of such employee, retained file copies of the documents required by 8 U.S.C. sec. 1324a, and not altered or falsified the identification documents for such employees. The Contractor shall provide a written, notarized copy of the affirmation to the Town.

(5) If the Contractor has not accepted into the department program prior to entering into this Agreement, the Contractor shall apply to participate in the Program every three (3) months until the Contractor is accepted or the contract has been completed, whichever is earlier. This provision shall not be required or effective if the department program is discontinued.

9. MISCELLANEOUS.

A. Severability/Governing Law. This Agreement is to be governed and construed according to the laws of the State of Colorado with venue of any litigation to be in Larimer County. If any provisions of this Agreement shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement, and all such other provisions shall remain in full force and effect. It is the intention of the Parties hereto that if any provision of this Agreement is capable of two constructions, one of which would render the provision valid, then the provision shall have the meaning which renders it valid.

B. Entire Agreement. It is understood that there are no oral agreements between the Parties hereto affecting this Agreement, and this Agreement supersedes and cancels any and all previous
negotiations, arrangements, brochures, agreements and understandings, if any, between the Parties hereto or displayed by Town to Contractor with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Agreement. This Agreement is and shall be considered to be the only agreement between the Parties hereto and their representatives and agents. All negotiations and oral agreements acceptable to both Parties have been merged into and are included herein. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the Parties hereto or their respective successors in interest.

C. Waiver and Modification. The waiver by Town of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of services hereunder by Town shall not be deemed to be a waiver of any preceding breach by Contractor of any term, covenant or condition of this Agreement. No modification of the terms of this Agreement shall be valid unless in writing and executed with the same formality as this Agreement, and no waiver of the breach of any provision of this Agreement shall be construed as a waiver of any subsequent breach of the same or any other provision hereof. If this Agreement is contingent upon approval by the Town Council, it is expressly agreed that, except as may otherwise be provided by applicable statute or ordinance, no official of the Town has the authority to waive or modify any provision of this Agreement without formal approval of the Town Council.

D. Headings. The headings and titles in this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part hereof.

E. Time. Time is of the essence of this Agreement and each and all of its provisions in which performance is a factor.

F. Corporate Authority. If Contractor is a corporation, an LLC, an LLP, a limited partnership, a general partnership, an LLLP, or other non-natural entity, each individual executing this Agreement on behalf of said entity represents and warrants that they are duly authorized to execute and deliver this Agreement on behalf of said entity, in accordance with a duly adopted resolution of the board of directors, partners, or members of said entity or in accordance with the governing documents of said entity, and that this Agreement is binding upon said entity in accordance with its terms.

G. Notices. Any notice or other communication given by any of the Parties hereto to another relating to this Agreement shall be in writing and shall be deemed to have been duly given:

   a. On the date and at the time of delivery if delivered personally to the party to whom notice is given at the address specified in Section 1, above;

   b. On the date of delivery or attempted delivery shown on the return receipt if mailed to the party to whom notice is to be given by first class mail, sent by registered or certified mail, return receipt requested, postage prepaid and properly addressed as specified in Section 1, above; or

   c. Within twenty-four (24) hours after deposit with a nationally recognized overnight courier or messenger service, properly addressed as specified in Section 1, above.

Either party may change such address by fifteen (15) days written notice to the other provided, however, the Parties may not designate more than one place and address to receive notices as provided
in this Agreement.

H. NON-ASSIGNMENT. This Agreement is an agreement for services by which Contractor was selected for Contractor's special expertise. This Agreement may not be assigned by either Party.

I. LAWFUL PRESENCE AFFIDAVIT. If a natural person, the undersigned shall complete the attached Lawful Presence Affidavit, ATTACHMENT B.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Agreement as of the ________ day of ___________________, 2016.

TOWN OF TIMNATH

By: ____________________________
    Jill Grossman-Belisle
Title: Town Mayor

CONTRACTOR:

APEX Pavement Solutions

By: ____________________________

Title: ____________________________

ATTEST:

______________________________
Milissa Peters, Town Clerk
STATE OF COLORADO   )
                        ) ss.
COUNTY OF __________) 

The foregoing **Standard Services Agreement** was acknowledged before me this ____ day of 
_________________, 2016 by __________________________ as the 
________________________________ of Contractor.

Witness my hand and official seal.

My commission expires: __________________

___________________________
Notary Public

___________________________

___________________________
Address
ATTACHMENT A
(Scope of Services)
ATTACHMENT B

LAWFUL PRESENCE AFFIDAVIT

If you are the sole proprietor (not Inc. or LLC) of your business, you must now comply with the requirements of House Bill 06S-1023. If you have not done so in a previous year, you must:

Complete the Lawful Presence Affidavit below.
Sign the Affidavit before a Notary Public (A notary is available at Town Hall)
Return the Affidavit with your signed contract, application or renewal.
Enclose a copy of the identification presented to the Notary (e.g. driver’s license)

(This form should only be filled out by applicants who are applying as a sole proprietor)
I, swear or affirm under penalty of perjury under the laws of the State of Colorado that (check one):

____ I am a United States citizen; or
____ I am a legal Permanent Resident of the United States; or
____ I am otherwise lawfully present in the United States pursuant to Federal law.

I understand that this sworn statement is required by law because I have applied for a license or permit or am contracting with the Town, which falls under the definition of a public benefit. I understand that state law requires me to provide proof that I am lawfully present in the United States prior to receipt of this public benefit. I further acknowledge that making a false, fictitious, or fraudulent statement or representation in this sworn affidavit is punishable under the criminal laws of Colorado as perjury in the second degree under Colorado Revised Statute 18-8503 and it shall constitute a separate criminal offense each time a public benefit is fraudulently received.

__________________________    ______________________
Signature        Date

STATE OF COLORADO )
 )ss
COUNTY OF __________)

SUBSCRIBED and sworn to before me, the undersigned Notary Public, this ____ day of ______________, 20____, by ________________________________, who presented ________________________________ as identification.

(Document Provided and Document Number)

My Commission Expires:___________________

Notary Public

Per HB 06S-1023, you must provide a copy of one of the following IDs with this Affidavit.

- Colorado Driver’s License
- Colorado ID card
- Military IDs
- Coast Guard mariner document
- Native American tribal document
## Asphalt & Concrete Installation, Repair and Maintenance

**CONTRACT**

Proposal submitted to:  
Name: TST, Inc. Consulting Engineers  
Address: 760 Whalers Way, Bldg. C, Suite 200, Fort Collins CO 80525

Contact: Steve Humann  
Phone: (970) 226-0557

Email: shumann@tstinc.com  
Cell # (970) 218-9067

APEX PAVEMENT SOLUTIONS agrees to furnish all materials for the work specified below on premises located:

Job Name and Address: Town of Timnath 2015 Road Maintenance Program  
Timnath

We hereby submit specifications and estimates for:  
Proposal # 15-0262

<table>
<thead>
<tr>
<th>ITEM #</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Price</th>
<th>Total</th>
</tr>
</thead>
</table>
|        | Asphalt Repair with traffic control  
Excavate to a depth of 5" in failed areas, apply tack coat  
and replace with 5" of Compacted (Grade S) (N75) (PG 64-22) Full Depth Asphalt. | | | | |
| CR 40 (Main St to Latham Pkwy (CR 1) approximately 2 miles | 212 Ton | $310.00 | $66,360.00 |
| CR 44 at corner of Deadman Lake | 13 Ton | $310.00 | $4,030.00 |
| CR 3P at bike crossing | 11 Ton | $310.00 | $3,410.00 |
| CR 1 North of Harmony | 71 Ton | $310.00 | $22,070.00 |
| CR 1 South of Harmony | 248 Ton | $310.00 | $76,240.00 |
| **Total pricing includes traffic control, bonding and Mobilization** | | | | $87,412.50 |

**INFRARED PATCHING on Harmony, CR 5 and CR 40 under traffic control**

Repair potholes and damaged asphalt using the infrared method of asphalt pavement patching.  
These areas are will be marked with fluorescent marking paint. (Each patch repairs approx. 5' x 7')  
The infrared process includes: Clean the areas of all dirt and debris.  
Heat the asphalt to a working temperature of 300°F.  
Rake heated area to a depth of 3" and remove any deteriorated asphalt.  
Add new asphalt and compact with a vibratory roller. Clean up all job related debris.  
**INFRARED PATCHING on Harmony, CR 5 and CR 40 under traffic control**  
**INFRARED PATCHING on Harmony, CR 5 and CR 40 under traffic control**

<table>
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<th>Unit</th>
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**Chipseal CR 1 South (E, Harmony Road to Twin Bridge Dr.) after patching**

**STRIPING double yellow and white shoulders**

**Mobilization, traffic control, bonding and Mobilization**

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<tr>
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<th>Quantity</th>
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**2" Overlay CR 1 South (E, Harmony Road to Twin Bridge Dr.) after patching**

Clean the existing surface, apply tack coat, and overlay with an average of 2" Compacted (Grade S) (N75) Full Depth Asphalt.  
**STRIPING double yellow and white shoulders**

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
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<td><strong>Total Overlay</strong></td>
<td></td>
<td></td>
<td></td>
<td>$154,796.75</td>
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Please contact estimator if other pricing of option(s) is/are needed  
or if a discrepancy is seen in quote with quantities or work to be provided.

Thank you for the opportunity to offer you this quote.

Note:  
1) Additional work can be done at your request, at an additional charge, while the crew is on site if time and materials are available.  
2) One year warranty on workmanship and materials. Warranty shall not apply to cracks, drainage with less than 2% slope or oil spots.  
3) Traffic control on city streets not included unless specifically called out on this contract.  
4) All proposals subject to approval of management.  
5) Prices in this proposal are good for 30 days from date shown above.

Submitted by:  
**Gil Ulrich**  
APEX PAVEMENT SOLUTIONS  
E-mail: guhrich@apexpvmt.com

---

**Total (Labor and Materials)**  
**Payment is due upon completion of work.**  
**TBD**

---

*The signer serves as authorized agent for owner and binds owner to the written contract.*  
Purchaser agrees to terms and conditions on page 2 of this document.
TOWN COUNCIL COMMUNICATION

Meeting Date:
April 26th, 2016

Item: Resolution No. 31, Series 2016, A Resolution Approving the Agreement with Naturescapes, Inc. dba Alpine Gardens for the Town of Timnath General Landscape Improvements

Presented by:
Brian Williamson
Town Planner

Ordinance □
Resolution √
Discussion □
For Information □

EXECUTIVE SUMMARY:

• Agreement between the Town and Naturescapes, Inc. dba Alpine Gardens to complete the Town of Timnath General Landscape Improvements.
• Base Bid in the amount of $117,941.00.
• This project consists of landscape and irrigation improvements to two of the Town’s Parks, Gateway Park and Wild Wing Park.
• The combined approved budget for 2016 is $350,000.00.
• Budget numbers also include design, bidding and construction administration time, and other improvements to the Parks such as bike racks, picnic tables, trash receptacles, play equipment and shade structures.
• There are a few other similar landscape projects for the Town that may be change ordered into this contract in the future.

The Town of Timnath is prepared to make improvements to the Gateway and Wildwing Parks. These improvements include the installation of landscaping and irrigation as per the contract documents. Other improvements are planned for these parks including site furnishings and possibly a shade structure at Wild Wing Park.

STAFF RECOMMENDATION: Staff recommends that Council award the contract with Naturescapes, Inc. dba Alpine Gardens to complete the General Landscape Improvements for these parks.

KEY POINTS/SUPPORTING INFORMATION:

The Town published the bid for the project utilizing the Rocky Mountain E-purchasing system on April 4th, 2016. Bids were received, opened, and read aloud by the Town on April 20th, 2016 at 4pm. The Town received 3 bids for the project. The following is a breakdown of the base bid results from lowest to highest of the bids received:

1. Naturescapes, Inc. dba Alpine Gardens - $117,941.00
2. Korby Landscape - $119,850.76
3. Energes Services LLC - $66,472.54 (Invalid Bid)

The low bid was submitted by Naturescapes, Inc. dba Alpine Gardens. Their bid met all the necessary requirements as stipulated in the contract documents.
**ADVANTAGES:**
- Awarding this contract will commence the construction of the above mentioned park improvements.
- Provide much needed park amenities to the citizens of Timnath.

**DISADVANTAGES:**
- Additional maintenance

**FINANCIAL IMPACT:**
- This is a budgeted item. 2016 budget amount is $200,000.00 for Gateway Park, and $125,000.00 for Wildwing Park.
- The bid amount is $117,941.00
- The budget amount also includes design, construction administration, and other improvements.
- TST’s budget for planning, design, bidding and construction administration for these projects are $20,000 for Gateway Park and $25,000 for Wildwing Park.

**RECOMMENDED MOTION:**
- I move to approve Resolution No. 31, Series 2016 approving the Agreement with Naturescapes, Inc. dba Alpine Gardens for the Town of Timnath General Landscape Improvements.

**ATTACHMENTS:**
1. Town Council Purchase Authorization
2. Resolution
3. Agreement
Town Council Purchase Authorization

Date: April 26, 2016
Vendor: Naturescapes Inc. dba Alpine Gardens
Department: Community Development
Project: Town of Timnath General Landscape Improvements (Wildwing Park and Gateway Park)

Description: The Town of Timnath is prepared to make improvements to the Gateway and Wildwing Parks. These improvements include the installation of landscaping and irrigation as per the contract documents. Other improvements are planned for these parks including site furnishings and possibly a shade structure at Wild Wing Park.

<table>
<thead>
<tr>
<th>Is this purchase more than $25,000</th>
<th><em>X</em> Yes</th>
<th>____ No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is this the purchase of Real Estate or Land</td>
<td>____ Yes</td>
<td><em>X</em> No</td>
</tr>
<tr>
<td>Is this the purchase of Public Art</td>
<td>____ Yes</td>
<td><em>X</em> No</td>
</tr>
<tr>
<td>Is this a budget request for a purchase that will exceed the approved budget</td>
<td>____ Yes</td>
<td><em>X</em> No</td>
</tr>
</tbody>
</table>

Advantages:
- Awarding this contract will commence the construction of the park improvements.
- Provide much needed park amenities to the citizens of Timnath.

Disadvantages:
- Additional maintenance

<table>
<thead>
<tr>
<th>Description</th>
<th>Approved Budget</th>
<th>Current Balance</th>
<th>Additional Budget Requested</th>
<th>Requested</th>
<th>Budget Remaining</th>
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<td>$122,822.25</td>
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<td>$31,950.67</td>
<td>$90,871.58</td>
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<td>$0</td>
<td>$85,990.15</td>
<td>$109,389.03</td>
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</tbody>
</table>

Financial Impact:
- This is a budgeted item.
- The bid amount is $117,941.00
- The budget amount includes design, construction administration, and other improvements.

Recommendation/Justification:
Recommend approval to complete the Timnath Community Park.

[Signature]
Requesting Department Signature

[Signature]
Town Manager Signature

Date: April 26, 2016
TOWN OF TIMNATH, COLORADO
RESOLUTION NO. 31, SERIES 2016

A RESOLUTION APPROVING THE AGREEMENT WITH NATURESCAPE INC. DBA ALPINE GARDENS FOR THE TOWN OF TIMNATH GENERAL LANDSCAPE IMPROVEMENTS

WHEREAS, the Town Council of the Town of Timnath ("Town") pursuant to C.R.S. § 31-15-103, has the power to pass resolutions; and

WHEREAS, attached hereto as Exhibit A is the Agreement between the Town of Timnath and Naturesacpe Inc. dba Alpine Gardens (the “Agreement”); and

WHEREAS, the Town Council is familiar with the Agreement and finds it to be in the best interest of the Town, its residents, and the general public.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, COLORADO as follows:

Section 1. Approval
The Agreement is hereby approved in substantially the form as attached hereto, subject to technical or otherwise non-substantive modifications, as deemed necessary by the Town Manager in consultation with the Town Planner, Engineer, Legal Counsel, and other applicable staff or consultants.


TOWN OF TIMNATH, COLORADO

______________________________
Jill Grossman-Belisle, Mayor

ATTEST:

______________________________
Milissa Peters, CMC
Town Clerk
EXHIBIT A

AGREEMENT
AGREEMENT

This agreement is dated as of the 24th day of April, 2016 by and between:

Town of Timnath (hereinafter called Owner) and

Naturescape, Inc. dba Alpine Gardens hereinafter called Contractor).

Owner and Contractor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1. WORK

Contractor shall complete all work as specified or indicated in the Contract Documents. The work is generally described as follows: The reconstruction of Harmony Road from the railroad tracks (end of current section of reconstruction) approximately ½ mile to the east to and thru the Three Bell Parkway intersection as a 4 lane arterial road with landscaped median, box culverts, headwalls, and related grading.

ARTICLE 2. ENGINEER

The project has been designed by TST, Inc. Consulting Engineers who is hereinafter called Engineer and who will assume all duties and responsibilities and will have the rights and authority assigned to Engineer in the Contract Documents in connection with completion of the work in accordance with the Contract Documents.

ARTICLE 3. CONTRACT TIME

3.1 The work on Gateway Park will be substantially completed by May 25 and completed and ready for final payment in accordance with paragraph 14.07 of the General Conditions by June 15. The work on Wildwing Park will be substantially completed by June 15 and completed and ready for final payment in accordance with paragraph 14.07 of the General Conditions by June 30.

3.2 Liquidated Damages: Owner and Contractor recognize that time is of the essence of this Agreement and that Owner will suffer financial loss if the work is not substantially complete within the time specified in paragraph 3.1 above, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. They also recognize the delays, expense and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the work is not substantially complete on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty) Contractor shall pay Owner five hundred dollars ($500.00) for each calendar day that expires after the time specified in paragraph 3.1 for substantial completion until the work is substantially complete.

3.3 After Substantial Completion if Contractor shall neglect, refuse or fail to complete the remaining work within the Contract Time or any proper extension thereof granted by Owner, Contractor shall pay Owner five hundred dollars ($500.00) for each calendar day that expires after the time specified in paragraph 3.1 for completion and readiness for final payment.
ARTICLE 4.  CONTRACT PRICE

4.1 Owner shall pay Contractor for performance of the work in accordance with the Contract Documents in current funds as follows: $117,941.00
   One hundred and seventeen thousand, nine hundred and forty one dollars and no cents.

ARTICLE 5.  PAYMENT PROCEDURES

Contractor shall submit Applications for Payment in accordance with Article 14 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.

5.1 Progress Payments. Owner shall make progress payments on account of the Contract Price on the basis of Contractor’s Applications for Payment as recommended by Engineer, on or about the 10th day of each month following the month that the Engineer received and processed the application during construction as provided below. All progress payments will be on the basis of the progress of the work measured by the schedule of values established in paragraph 2.07 of the General Conditions (and in the case of Unit Price work based on the number of units completed) or, in the event there is no schedule of values, as provided in the General Requirements.

5.1.1 Prior to Substantial Completion progress payments will be in the amount equal to the percentage indicated below, but, in each case, less the aggregate of payments previously made and less such amounts as Engineer shall determine, or Owner may withhold, in accordance with paragraph 14.02 of the General Conditions.
   Ninety percent (95%) of work completed.
   Ninety percent (95%) of materials and equipment not incorporated in the work (but delivered, suitably stored and accompanied by documentation satisfactory to Owner as provided in paragraph 14.02 of the General Conditions).

5.1.2 Upon Substantial Completion in an amount sufficient to increase total payments to Contractor to ninety-five percent (95%) of the Contract Price, less such amounts as Engineer shall determine or Owner may withhold in accordance with paragraph 14.02 of the General Conditions.

5.2 Final Payment. Upon final completion and acceptance of the work in accordance with paragraph 14.07 of the General Conditions, Owner shall pay the remainder of the Contract Price as recommended by Engineer as provided in said paragraph 14.07.

ARTICLE 6.  INTEREST

All moneys not paid when due hereunder as provided in Article 14 of the General Conditions shall bear interest at a rate not exceeding 12.0 percent per annum.

ARTICLE 7.  CONTRACTOR’S REPRESENTATIONS

In order to induce Owner to enter into this Agreement Contractor makes the following representations:
7.1 Contractor has familiarized himself with the nature and extent of the Contract Documents, work, site, locality, and with all local conditions and Laws and Regulations that in any manner may affect cost, progress, performance, or furnishing of the work.

7.2 Contractor has studied carefully all reports of explorations and tests of subsurface conditions and drawings of physical conditions which are identified in the Supplementary Conditions as provided in paragraph 4.02 of the General Conditions, and accepts the determination set forth in paragraph SC-4.02 of the Supplementary Conditions of the extent of the technical data contained in such reports and drawings upon which Contractor is entitled to reply.

7.3 Contractor has obtained and carefully studied (or assumes responsibility for obtaining and carefully studying) all such examinations, investigations, explorations, tests, reports, and studies (in addition to or to supplement those referred to in paragraph 7.2 above) which pertain to the subsurface or physical conditions at or contiguous to the site or otherwise may affect the cost, progress, performance or furnishing of the work as Contractor considers necessary for the performance or furnishing of the work at the Contract Price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents, including specifically the provisions of paragraph 4.02 of the General Conditions; and no additional examinations, investigations, explorations, tests, reports, studies or similar information or data are or will be required by Contractor for such purposes.

7.4 Contractor has reviewed and checked all information and data shown or indicated on the Contract Documents with respect to existing Underground Facilities at or contiguous to the site and assumes responsibility for the accurate location of said Underground Facilities. No additional examinations, investigations, explorations, tests, reports, studies or similar information or data in respect of said Underground Facilities are or will be required by Contractor in order to perform and furnish the work at the Contract Price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents, including specifically the provisions of paragraph 4.04 of the General Conditions.

7.5 Contractor has correlated the results of all such observations, examinations, investigations, tests, reports and data with the terms and conditions of the Contract Documents.

7.6 Contractor has given Engineer written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution thereof by Engineer is acceptable to Contractor.

ARTICLE 8. CONTRACT DOCUMENTS

The Contract Documents which comprise the entire agreement between Owner and Contractor concerning the work consist of the following:

8.1 This Agreement (pages 1 to 7, inclusive).
8.2 Performance and Labor and Material Payment Bond.
8.3 Notice of Award.
8.4 Notice to Proceed
8.5 Certificate of Insurance
8.6 General Conditions (pages 1 to 62, inclusive).
8.7 Supplementary Conditions (pages 1 to 9, inclusive).
8.8 Change Order Form
8.9 Application for Payment
8.9 Specifications as listed in Table of Contents
8.10 Drawings, consisting of a cover sheet and sheets bearing the following general title:
Gateway Park and Wildwing Community Park
8.12 Addenda number 1 to 1, inclusive
8.13 Contractor's Bid.
8.14 The following which may be delivered or issued after the Effective the date of the Agreement
and are attached hereto: All Written Amendments and other documents amending,
modifying, or supplementing the Contract Documents pursuant to paragraph 3.04 of the
General Conditions.

There are no Contract Documents other than those listed above in this Article 8. The Contract
Documents may only be amended, modified or supplemented as provided in paragraph 3.04 of
the General Conditions.

ARTICLE 9. MISCELLANEOUS

9.1 Terms used in this Agreement which are defined in Article 1 of the General Conditions shall
have the meanings indicated in the General Conditions.

9.2 No assignment by a party hereto of any rights under or interests in the Contract Documents
will be binding on another party hereto without the written consent of the party sought to be
bound; and specifically but without limitation, moneys that may become due and moneys
that are due may not be assigned without such consent (except to the extent that the effect
of this restriction may be limited by law), and unless specifically stated to the contrary in any
written consent to an assignment no assignment will release or discharge that assignor from
any duty or responsibility under the Contract Documents.

9.3 Owner and Contractor each binds itself, its partners, successors, assigns and legal
representatives to the other party hereto, its partners, successors, assigns and legal
representatives in respect to all covenants, agreements and obligations contained in the
Contract Documents.

9.4 Contractor agrees to warrant all work for a period of two (2) years after final completion and
final acceptance of the work, unless longer warranty periods are required by the Local
Entities.

9.5 This Agreements is subject to the provisions of Section 24-91-103.6, C.R.S. as amended.
Owner has appropriated money equal to or in excess of the Agreement Price. This
Agreement is subject to annual appropriation by Owner.

ARTICLE 10. PROHIBITION AGAINST EMPLOYMENT OF ILLEGAL ALIENS

1. The Contractor shall not:

   (A) Knowingly employ or contract with an illegal alien who will perform work under
       the public contract for services; or

   (B) Enter into a contract with a Subcontractor that fails to certify to the Contactor that
       the Subcontractor shall not knowingly employ or contract with an illegal alien who
       is newly hired to perform work under the public contract for services.

2. The Contractor has confirmed the employment eligibility of all employees who are newly
   hired for employment to perform work under the public contract for services through
   participation in either the employment verification program established pursuant to
C.R.S. 8-17.5-102(5) (“the Department Program”) or the electronic employment verification program created in Public Law 104-208, as amended, and expanded in Public Law 108-156, as amended and jointly administered by the United States Department of Homeland Security and the Social Security Administration, or its successor program (“the E-verify Program”)

3. The Contractor shall not use either the E-verify Program or Department Program procedures to undertake pre-employment screening of job applicants while this public contract for services is being performed.

4. The Contractor shall, within twenty days after hiring an employee who is newly hired for employment to perform work under the public contract, affirm that the contractor has examined the legal work status of such employee, retained file copies of the documents required by 8 U.S.C. 1324a, and not altered or falsified the identification documents for such employees. The contractor shall provide a written, notarized copy of the affirmation to the Owner.

5. If the Contractor obtains actual knowledge that a Subcontractor performing work under the public contract for services knowingly employs or contracts with an illegal alien, the Contractor shall:
   
   (A) Notify the Subcontractor and the Owner within three days that the Contractor has actual knowledge that the Subcontractor is employing or contracting with an illegal alien; and
   
   (B) Terminate the subcontract with the Subcontractor if within three days of receiving the notice required pursuant to paragraph 4(A) the Subcontractor does not stop employing or contracting with the illegal alien; except that the Contractor shall not terminate the contract with the Subcontractor if during such three days the Subcontractor provides information to establish that the Subcontractor has not knowingly employed or contracted with an illegal alien.

6. The Contract shall comply with any reasonable request by the Colorado Department of Labor and Employment (“the Department”) made in the course of an investigation that the Department is undertaking pursuant to C.R.S. 8-17.5-102(5)(a).

7. If a Contractor violates a provision of the public contract for services required pursuant to paragraphs 1-5, the Owner may terminate the contract for breach of the contract. If the contract is so terminated, the Contractor shall be liable for actual and consequential damages to the Owner.

ARTICLE 11. OTHER PROVISIONS

11.1 If any term, section or other provision of the Contract Documents shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such term, section or other provision shall not affect any of the remaining provisions of the Contract Documents, and to this end, each term, section and provision of the Contract Documents shall be severable.

11.2 No waiver by either party of any right, term or condition of the Contract Documents shall be deemed or construed as a waiver of any other right, term or condition, nor shall a waiver of any breach hereof be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different provision of the Contract Documents.
11.3 None of the remedies provided to either party under the Contract Documents shall be required to be exhausted or exercised as a prerequisite to resort to any further relief to which such party may then be entitled. Every obligation assumed by, or imposed upon, either party hereto shall be enforceable in accordance with Part 16 of the General Conditions. The Contract Documents shall be construed in accordance with the laws of the State of Colorado, and particularly those relating to governmental contracts.

11.4 This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which shall constitute one and the same document.

11.5 This Agreement, together with the other Contract Documents, constitutes the entire agreement between the parties concerning the subject matter herein, and all prior negotiations, representations, contracts, understandings or agreements pertaining to such matters are merged into, and superseded by, the Contract Documents.

11.6 In the event any provision of this Agreement conflicts with any provision of any other Contract Document, then the provisions of this Agreement shall govern and control such conflicting provisions.

11.7 Unless otherwise expressly provided, any reference herein to “days” shall mean calendar days. All times stated in the Contract Documents are of the essence.

11.8 Contractor authorizes the Owner to provide to any person any pertinent information, personal or otherwise, regarding the Contractor’s performance with respect to the Contract Documents and releases all parties from liability for any damage that may result from the Owner’s furnishing such information to others.

In witness whereof, the parties hereto have signed this Agreement in triplicate. One counter part each has been delivered to Owner, Contractor and Engineer. All portions of the Contract Documents have been signed or identified by Owner and Contractor or by Engineer on their behalf.

This Agreement will be effective on __________________________, 2016.

Owner: Town of Timnath  
By: __________________________

Contractor: __________________________
By: __________________________

(CORPORATE SEAL)  
(CORPORATE SEAL)

Attest: __________________________
Attest: __________________________

Address for giving notices
Town of Timnath
4800 Goodman St.
Timnath, CO  80547
License No. __________________________
**EXECUTIVE SUMMARY:**

This is a budgeted item as a part of the Town of Timnath Community Park Project. The Town is contracting with Excel Energy to install primary power service and a transformer to connect the Park building and street lights to power service. The cost of the contract is estimated to be $43,000.00. We have been working with Xcel for 4 months to get these plans designed and approved, and now time is of the essence as we are starting to impact the overall schedule to the park. We will hopefully have the contract executed by Xcel in front of the Council on Tuesday night, but if we do not, staff would ask that the Council would authorize the Town Manager to execute the contract on behalf of the Mayor as long as it does not exceed $46,000.00. We will have a draft of the agreement available prior to the meeting for review by the council.

**ADVANTAGES:**
Provides power to the community park.

**DISADVANTAGES:**
N/A

**FINANCIAL IMPACT:**
This is a budgeted item and was an anticipated cost. The estimated cost is $43,000.00.

**RECOMMENDATIONS:**
Staff recommends approval of this resolution.

**RECOMMENDED MOTION:**
I move to approve Resolution 32 Series 2016 approving the contract with Excel Energy for the Timnath Community Park or Authorizing the Town Manager to execute the agreement.

**ATTACHMENTS:**
1. Town Council Purchase Authorization
2. Resolution
3. Excel Contract
Town Council Purchase Authorization

Date: April 26th, 2016
Vendor: Excel Energy
Department: Community Development
Project: Timnath Community Park

Description: Contract with Excel Energy to Provide power to the Town of Timnath Community Park

<table>
<thead>
<tr>
<th>Is this purchase more than $25,000</th>
<th>Yes</th>
<th>No</th>
</tr>
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<tbody>
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</tr>
<tr>
<td>Is this the purchase of Public Art</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Is this a budget request for a purchase that will exceed the approved budget</td>
<td>Yes</td>
<td>No</td>
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Advantages:
- Provides power at the park.

Disadvantages:
- None

<table>
<thead>
<tr>
<th>Description</th>
<th>Approved Budget</th>
<th>Current Balance</th>
<th>Additional Budget Requested</th>
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<td>$46,000</td>
<td>$2,216,833</td>
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Financial Impact:
- This is a budgeted item.

Recommendation/Justification:
- Recommend entering into contract with Excel Energy for the electrical service to the Park.

Requesting Department Signature: ____________________________ Date: 4/22/16

Town Manager Signature: ____________________________ Date: 4/22/16
TOWN OF TIMNATH, COLORADO
RESOLUTION NO. 32, SERIES 2016

A RESOLUTION APPROVING A CONTRACT WITH XCEL ENERGY FOR THE TOWN OF TIMNATH COMMUNITY PARK

WHEREAS, the Town Council of the Town of Timnath (“Town”) pursuant to C.R.S. § 31-15-103, has the power to pass resolutions; and

WHEREAS, attached hereto as Exhibit A is the Contact with XCEL Energy to provide electrical service to the Town of Timnath Community Park; and

WHEREAS, the purchase of said power connection is an approved, budgeted and anticipated expense by the Town to provide power to the Town of Timnath Community Park; and

WHEREAS, the Town Council is familiar with the attached Contract and finds it to be in the best interest of the Town, its residents, and the general public.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, COLORADO as follows:

Section 1. Approval
The Contract with XCEL Energy is hereby approved in substantially the form as attached hereto, subject to technical or otherwise non-substantive modifications, as deemed necessary by the Town Manager in consultation with the Town Planner, Engineer, Legal Counsel, and other applicable staff or consultants. The Council further authorizes, ratifies, and approves all incidental actions taken on the Town's behalf to date and in the future in connection with the above-referenced Contract.

If the above mentioned contract has not been executed by Xcel Energy prior to the Town Council meeting on April 26th, 2016, the Town Manager is authorized on behalf of the Mayor to execute said contract.

TOWN OF TIMNATH, COLORADO

______________________________
Jill Grossman-Belisle, Mayor

ATTEST:

______________________________
Milissa Peters, CMC
Town Clerk
EXHIBIT A

Contract with XCEL Energy to Provide Power to the Town of Timnath Community Park
TIMNATH COUNCIL COMMUNICATION

Meeting Date:
April 26, 2016

Presented by:
Town Attorney

Item: Resolutions Approving Amended and Restated Service Plans For Serratoga Falls Metropolitan District No. 2 and Serratoga Falls Metropolitan District Nos. 1 and 3 (the “Amended and Restated Service Plans”), and approving Intergovernmental Agreements between the Town and each of the Districts (the “IGAs”).

EXECUTIVE SUMMARY: The Amended and Restated Service Plans are amendments to a previously approved Consolidated Service Plan (the “Original Service Plan”) for Serratoga Falls Metropolitan District Nos. 1, 2, and 3 (the, “Districts”), which was approved on March 29, 2006. After the platting of eighty-three (83) lots in the first phase of development in the Districts, the sale of a small portion of these lots within Filing 1 of the project, and the issuance of $7,800,000 in debt by District No. 2 to finance improvements to benefit the project, the developer that initiated the formation of the Districts fell into financial distress, and the remaining property owned by the original developer in the Districts was foreclosed upon and eventually sold to Serratoga Falls, LLC. As council is aware, a lengthy negotiation of District No. 2’s outstanding debt obligations, the boundaries of the three Districts, and the authorized powers of these Districts has occurred over the last several years, and these negotiations have involved NBH Bank, which holds the Districts’ debt, the residents in Filing 1, and Serratoga Falls, LLC. These negotiations have resulted in a proposed agreement to:

(1) Restructure the Districts’ Consolidated Service plan and split it into two service plans, one governing District No. 2, and the other governing District Nos. 1 & 3;
(2) Redraw the boundaries of the Districts to coincide with the boundaries between Filing 1 and Future Filings; and
(3) Facilitate the reduction and restructuring of the debt currently held by District No. 1.

In order to allow this agreement to move forward, the involved parties are seeking approval from the Town of the Amended and Restated Service Plans and the approval of Intergovernmental Agreements between the Town and each of the Districts. A more detailed presentation regarding the proposed amendments is included in the meeting packet.

STAFF RECOMMENDATION: Staff recommends approval of these resolutions.
KEY POINTS/SUPPORTING INFORMATION:
- On March 29, 2006, the Town Council approved the Original Service Plan.
- Almost all of the public improvements to serve the proposed service area of District No. 2 have been completed, and District No. 2 would be authorized to issue up to $2,000,000 to complete the construction, financing, and refurbishing or repair of these improvements.
- Additional public improvements to serve the proposed service area for District Nos. 1 & 3 will be constructed and financed as development moves forward; and District Nos. 1 & 3 would be authorized to issue up to $16,000,000 to complete the construction, financing, and refurbishing or repair of these improvements.
- The Districts intend to issue debt to pay for public improvements, as a result, there is a continued need for the Districts to exist to fund the payment of their debt and to provide operations and maintenance of the public improvements.
- The proposed maximum interest rate on any Debt shall not exceed eighteen percent (18%).
- The Maximum Debt Mill Levy shall be fifty (50) mills.
- The Maximum Operations and Maintenance Mill Levy shall be fifty (50) mills.
- The Maximum Aggregate Mill Levy (Debt and O&M Mill Levies combined) would be fifty (50) mills, with the Town’s standard roll-off provision assuming assessed valuation targets are achieved over time.
- The IGA between the Town and District Nos. 1 & 3 would authorize limited eminent domain powers in the context of the Keifer/Glover Ditch, East Ditch Easement Acquisition, and Cache La Poudre ROW. This authorization more narrow than the authorization granted when the Original Service Plan was approved in 2006. A memo outlining these requests is attached as part of the meeting packet.

ADVANTAGES: Provide for the financing, operation and maintenance of the Public Improvements associated with development and regional needs.

DISADVANTAGES: Development will require increased municipal services.

FINANCIAL IMPACT: The financial impact of the project is anticipated to be positive, as the development of the project is anticipated to generate additional property tax base, and the public improvements to be financed by the Developer/Districts are intended to offset the increase in municipal services costs associated with the project.

RECOMMENDED MOTION: I move approval of Resolution No. __, Series 2016, and Resolution No. __, Series 2016, approving Amended and Restated Service Plans For Serratoga Falls Metropolitan District No. 2 and Serratoga Falls Metropolitan District Nos. 1 and 3.

ATTACHMENTS: 1. Applicant Presentations and Memo
2. Approval Resolutions
Serratoga Falls Metro Districts 1 & 3
Amended and Restated Service Plan
New District Boundaries
TABLE OF CONTENTS

I. History
II. Current District Boundary Map
III. Proposed District Boundary Map
IV. Amended and Restated Service Plan
V. Intergovernmental Agreements
   I. Between Districts 1 & 3 and the Town of Timnath
   II. Between Districts 1 & 3 and District 2
   III. Between District 2 and the Town of Timnath
I. HISTORY

- Serratoga Metropolitan District #1 (the control district), Serratoga Metropolitan District #2 (the residential district) and Serratoga Metropolitan District #3 (the commercial district) (collectively, the “Districts”) were formed by the original Serratoga Falls developer in 2006 to provide financing, construction, and operation of the infrastructure serving the property.
- Each District is governed by five member boards of directors (the “Boards”).
- The Districts have no employees and all operations and administrative functions are contracted.
- The developer funded the construction of the development’s improvements and then transferred the assets to the Districts in exchange for a note from the Districts. As of 12/31/10, the Districts reported $7.8 million in debt due to the prior owner. The majority of improvements are within District 2.
- As the result of the recession of 2007/2008, the Serratoga Falls project began experiencing financial difficulties and was ultimately foreclosed upon.
The foreclosing lender, Bank of Choice, was itself experiencing financial difficulties and was shut down and sold by the FDIC.

The assets of Bank of Choice, including Serratoga Falls were acquired by National Bank Holding Corporation (NBH Bank).

In December 2012, Serratoga Falls, LLC (RLH is the majority owner of SF, LLF) acquired the Serratoga Falls project comprised of 54 finished lots, approximately 330 undeveloped acres and associated water/mineral rights.

At the time of acquisition, NBH was suing the Districts and former developer to collect the $7.8 million in outstanding notes – the ownership of which were also in dispute.

Representatives of the former developer and their family members were on the boards of each District, controlling the management of the sub-division.

Complicating matters, NBH was not paying Operation & Maintenance (O&M Fees) assessments causing some of the infrastructure to fall into disrepair.
HISTORY – New Ownership

- The lawsuits, developer control of the Districts, and public awareness of the troubled subdivision led to a stigmatized project and legal cloud on title making selling lots very difficult.

- After acquisition, new ownership began a systematic reorganization and clean up of the sub-division in order to restart lot sales and begin the process of entitling the remaining property for development.
  - In exchange for releasing its claims on the infrastructure notes, the former developer walked away from the project and the bank dropped their lawsuits against the Districts and developer.
  - The developer resigned their District board positions and new boards were elected. Homeowners were elected to the District #2 board and representatives of ownership were elected to Districts #1 & #3 boards.
  - County liens for unpaid assessments were discharged after payment was made from the acquisition proceeds.
  - Significant money was invested to repair the irrigation infrastructure, landscaping, and restart the maintenance routine of common areas and the undeveloped lots.
  - To date, Serratoga Falls, LLC has loaned $88,000 to the Districts to complete this work.
Since acquiring the property, Serratoga Falls, LLC has sold finished 19 lots and completed the Sketch Plan and Preliminary Plat for an additional filing. Final plat has been approved and ownership is working to secure the necessary signatures for recording.

Critical to continuing sales in Filing 1 and development of Filing 2 lots is the resolution of the outstanding notes for infrastructure installed with Filing 1.

As part of the resolution of the debt, Districts 1 & 3 and District 2 agreed that re-districting was mutually beneficial to allow the homeowner controlled district to have full responsibility for Filing #1 and provide Districts 1 & 3 the responsibility for future filings.

Serratoga Falls worked closely with Districts 1 & 3 and District 2 to allocate the portions of debt based on the benefits each District received.

In April 2015 the Districts agreed to the following debt allocation – 37% D1/63% D2.
Serratoga Falls worked closely with NBH bank over nine months beginning in the Fall of 2014 to negotiate a reduced debt, benefiting all Districts proportionally, which would be paid through two separate notes, one each with Districts 1 & 3 and District 2.

In June 2015 the Districts and NBH signed a term sheet for the new loan facilities. Bond Documents have been drafted and the closing should will after the approval of the Amended and Restated Service Plans and new boundary votes by each District.

Since last Summer, the Districts have been working to finalize an inter-district IGA and supporting agreements stipulating how the Districts will operate independently but with coordinated efforts as it relates to shared facilities.

All parties have reached resolution which is what brings us to this point.
II. DISTRICT BOUNDARY MAP - CURRENT
III. DISTRICT BOUNDARY MAP - PROPOSED
IV. AMENDED AND RESTATED SERVICE PLAN

- New service plan uses the Town’s updated Model Service Plan
- Provides for re-districting into the new boundaries previously described.
- Divides fiscal responsibility between District 2 for Filing 1 and Districts 1 & 3 for Filing 2 and future filings.
V. INTERGOVERNMENTAL AGREEMENTS

- IGA Between Districts 1 & 3 and Town of Timnath
  - IGA revisions & updates
    - Non-Potable Water System to serve the irrigation needs of current & future residents
    - District’s use of eminent domain
      - Keifer/Glover Ditch Easement Acquisition
      - East Ditch Easement Acquisition
      - Cache La Poudre Right-of-Way Trade & Storm Water Agreement

- IGA Between Districts 1 & 3 and District 2.
  - Transfer of Filing 1 open space and park equipment to District 2
  - Transfer non-potable water system within Filing 1 area to District 2
  - Granting of easements for the operations and maintenance of landscape and irrigation improvements
  - Agreement for sharing of the expenses of operations and maintenance of the Non-potable Irrigation pump house.
  - Agreement for recreational use of Kitchell Reservoir
  - Additional Consideration – including legal fees, water lease and partial Declarant rights

- IGA Between District 2 and Town of Timnath
  - To be presented by District 2 representatives
Memorandum

TO: Town of Timnath Town Council and Staff
C/o Robert Rogers, White Bear Ankele Tanaka & Waldron
on behalf of Town of Timnath

FROM: Jesse McDowell, Resource Land Holdings, LLC
on behalf of Serratoga Falls Metropolitan Districts 1 & 3

DATE: April 20, 2016

RE: Summary of Serratoga Falls’ Unsuccessful Efforts to Acquire Necessary Easements and Rights of Way

Pursuant to your request, the following is a short explanation for each of the three scenarios which Serratoga Falls Metropolitan District #1 may need its eminent domain authority to complete the Serratoga project. In each case, significant efforts have been expended to acquire the necessary easements and/or rights of way directly, but due to obstinate parties who, though not being damaged by the proposed easements, currently refuse to cooperate. While the reasons differ, the result is the unnecessary continued delay of a project which was approved by the Town of Timnath many months ago. Serratoga Falls continues to work towards amicable resolution in each case. However, due to the protracted process thus far, and District 1 & 3 are hereby requesting the Town of Timnath approve its use of eminent domain, if necessary, in the following three cases.

1. **Keifer/Glover Ditch** – Mr. Kiefer and Mr. Glover own an irrigation ditch which crosses the Serratoga Falls property. There is currently a prescriptive easement for their rights to the delivery of water and access for the maintenance of the ditch. Beginning in September 2014, we began working with the ditch owners on a specific easement which would allow them to continue to receive all water and have access rights for maintenance. In addition, we requested permission to place the water conveyance in an underground pipe which would mutually benefit the parties for many reasons including reduced cost of maintenance, reduced water loss, and increased safety. However, to date, the ditch owners have been uncooperative in reaching a solution. A more detailed timeline and the correspondence between the parties through Spring 2016 is attached. Since then, we have continued to try to reach a resolution with the ditch owners but they have refused to meet with us or discuss a resolution. Attached are the last two letters we received from their attorney in December.

2. **East Ditch** – There exists a second irrigation ditch which crosses Serratoga Falls on the east side of the property. It too is under a prescriptive easement and, in order to clarify the rights of both parties, and to remove questions regarding the future development of Serratoga Falls we have sought a specific easement and relocation rights from the East Ditch owners. We began the process in Summer 2015 and nearly ten months later we have approval from all of the members of the ditch association except one. Eight of the nine members agree the proposed resolution is in the best interest of the ditch owners because it defines their rights and allows responsible
development to happen while protecting their right to receive uninterrupted water deliveries. There is one member who refuses to sign the easement (her husband is also a member and has signed the easement) who does not like the attorney who represents the ditch association (not our attorney but her own attorney) and out of personal spite refuses to sign. Her objection is completely unrelated to the easement or the parties to the agreement. It is specifically these types of situations that eminent domain is meant to solve. Attached are copies of the easement signed by the other eight members of the association and ditch.

3. **Cache La Poudre** – The Cache La Poudre (“CLP”) Irrigation Canal adjoins the Serratoga Falls property to the South. Due to the widening of Prospect Rd. required by increased background traffic, trips generated by the SF development and County and Town standards, the CLP canal must be realigned to the north. We had tacit agreements to grant CLP an easement, pay for the realignment of the canal including significant upgrades (which CLP required SF to pay for in order for them to agree to sign the plat), and CLP would dedicate their current property to the Town of Timnath as right-of-way for the widened Prospect Rd. As we prepared to finalize and sign the agreements, CLP introduced a new and onerous Storm Water Agreement which would have prohibited SF from constructing the storm water drainage improvements as required by the Town of Timnath and State Law. The downstream property owner (in this case CLP) is required to receive historic flows. As a result of the proposed storm water agreement, the Town of Timnath got involved to resolve some of the issues. However, six months later, neither the Town nor Serratoga Falls has reached an agreement with CLP. As a result, the Serratoga project is languishing with no mechanism to move forward. Traditionally, if the property owner subject to a public works project was unwilling to grant or sell their property, the municipality would initiate the process to acquire the property (and pay for it) through eminent domain. However, because the Property is within the boundaries of the metro district, the district can (and should) perform the same tasks to acquire the right of way and complete the public work.
The following is a timeline of the meetings and letters exchanged between Serratoga Falls and the ditch owners. In addition to those outlined below, there have been numerous phone calls and emails from Serratoga Falls to Mr. Sommermeyer in an attempt to elicit a response and resolve the easement.

**September 16, 2014** – Mark Goldstein of Serratoga Falls emailed Mr. Sommermeyer requesting a meeting to discuss the proposed project, the ditch, and an easement. Despite attempts to meet sooner, the soonest Mr. Kiefer and Mr. Glover were available to meet was December 12.

**December 12, 2014** – Mark Goldstein, Butch Sommermeyer, Gerry Kiefer, Kent Glover, Andy Reese and I met on site to walk the ditch, discuss the project and propose an easement section. At this meeting, we also proposed the concept of a pipeline in lieu of a ditch. Mr. Kiefer and Mr. Glover initially indicated they were opposed to a pipe, but by the end of the meeting agreed they would consider it. Attached is the Easement section we discussed at this meeting.

**January 14, 2015** – As a follow up to the December 12 meeting, Serratoga generated and sent preliminary design, hydraulic calculations, and cost estimates for two pipeline design options. The pipe option is what Serratoga proposed and the box culvert option is what Kiefer/Glover requested. It was important to show the cost difference because the box culvert is not necessary from a water capacity and is cost prohibitive. The proposed piping of the ditch would have a capacity exceeding their water right to allow additional flow in times of free river, would be designed to minimize maintenance, and would be 100% at Serratoga’s expense.

**January 27, 2015** – Serratoga received a letter from Mr. Sommermeyer indicating the Kiefer/Glover must remain in its current condition. Because of the safety and liability issues associated with an open ditch, Serratoga continued to seek an audience with the Ditch owners to discuss alternatives.

**February 11, 2015** – Updated pipeline design, hydraulic calculations and cost estimates were sent to Mr. Sommermeyer including a 4’x4’ box culvert at the request of Kiefer/Glover. The cost delta for this comparison was even more dramatic and the large box culvert is unnecessary.

**February 24, 2015** – Serratoga received a letter from Mr. Sommermeyer indicating his clients were working on an acceptable solution to Serratoga’s proposal for piping the Kiefer/Glover Ditch.

**March 11, 2015** – Serratoga received a letter from Mr. Sommermeyer indicating his clients would be available for an in person meeting in April but that he would try to bring some resolution to the issues prior to that if possible.

**April 1, 2015** – Mark Goldstein talked with Mr. Sommermeyer who indicated Mr. Kiefer had concerns about silt build up in the Pipe. To address these concerns, Serratoga’s engineer prepared a design of the inlet box with a sediment catch basin.

**April 8, 2015** – Serratoga sent a sediment basin structure design to Mr. Sommermeyer.

**April 10, 2015** – Sommermeyer, Kiefer, Glover, Goldstein and myself met on site to discuss the ditch, proposed pipeline, and easement. We presented the sediment catch basin design and pictures of several other similar structures on irrigation ditches in N. Colorado. The discussion about the pipeline
was brief and they did not make a decision. Instead, we spent the majority of the time talking about the former developers, whether they were still involved in the project, and the off-site improvements. They requested the off-site improvement plans and said they would get back to us regarding the pipe and easement.

April 13, 2015 – Serratoga received a letter from Mr. Sommermeyer indicating he and his clients were working on a resolution that would enhance the project. He again requested the off-site development plans.

April 19, 2015 – Preliminary on-site and off-site phasing plans were sent to Mr. Sommermyer.

April 27, 2015 and May 6, 2015 - Off-site development plans were sent to Mr. Sommermeyer.

June 11, 2015 – Mark Goldstein had a phone conversation with Mr. Sommermeyer who indicated he had not been able to get a response from his clients and was now skeptical they would ever make a decision.

June 22, 2015 – despite multiple calls, emails, and in person discussions with Mr. Sommermeyer, Serratoga had received no further communication from Mr. Kiefer or Mr. Glover regarding the resolution they referenced in the April 13, letter. In hopes of reopening the dialogue, Serratoga Falls sent a letter to Messrs. Kiefer, Glover, and Sommermeyer.

July 15, 2015 – After Mr. Sommermeyer sent his letter to the Town of Timnath with copy to Serratoga Falls again requesting an easement for the Ditch, he sent a letter to Serratoga Falls which has a decidedly different tone from his previous letters which indicated his clients were open to working on a resolution.

December 15, 2015 – Letter from Mr. Sommermeyer acknowledging our request for a meeting and indication that he is waiting for permission from his client.

December 16, 2015 – Letter from Mr. Sommermeyer indicating that any further requests or communications must be submitted in writing in triplicate with indication that his clients will respond as they determine.
TOWN OF TIMNATH
RESOLUTION NO. 33, SERIES 2016

A RESOLUTION APPROVING THE AMENDED AND RESTATED SERVICE PLAN
FOR SERRATOGA FALLS METROPOLITAN DISTRICT NOS. 1 & 3

WHEREAS, the Town Council of the Town of Timnath (the “Town”), pursuant to the
provisions of its Charter and the Colorado Revised Statutes, has the power to adopt resolutions
and policies; and

WHEREAS, the Town Council desires to approve the Amended and Restated Service Plan for
Serratoga Falls Metropolitan District Nos. 1 & 3 (the “Service Plan”) attached hereto as Exhibit
A; and

WHEREAS, the Town Council is familiar with the Service Plan and finds its terms to be in the
best interest of the Town, the residents within its boundaries, and the general public; and

WHEREAS, the boundaries of the Serratoga Falls Metropolitan District Nos. 1 & 3 (“Districts")
are wholly within the corporate limits of the Town; and

WHEREAS, the Town Council has conducted a public hearing on April 26, 2016, regarding the
Service Plan; and

WHEREAS, the Special District Act requires that any service plan submitted to the District
Court for the creation of a special district must first be approved by resolution of the governing
body of the municipality within which the Districts lie; and

WHEREAS, an Intergovernmental Agreement between the Town and the Districts has been
prepared in accordance with the terms, provisions, and limitations contained in the Service
Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN
OF TIMNATH, COLORADO as follows:

1. The Town Council determines that the Service Plan satisfies the requirements
   of §§ 32-1-201, 32-1-202(2), 32-1-203(2) and 32-1-204.5, C.R.S., as amended, relating to the
   filing of the Service Plan and that the notice of the hearing was given in the time and manner
   required by law.

2. The Town Council determines that the Town's notification requirements have
   been complied with regarding the public hearing on the Service Plan.

3. The Town Council determines that, based on representations by and on behalf of
   the Developer and the Districts, the Town Council has jurisdiction over the subject matter of the
   Service Plan pursuant to §§32-1-201, et seq., C.R.S., as amended.
4. In accordance with the requirements of §§ 32-1-202(2), 32-1-203(2) and 32-1-204.5, C.R.S., the Town Council hereby finds that:

a. There is sufficient existing and projected need for organized service in the area to be served by the Districts.

b. The existing service in the area to be serviced by the Districts is inadequate for present and projected needs.

c. The Districts are capable of providing economical and sufficient service to the area within their proposed boundaries.

d. The area included within the Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

4. The Town Council's findings are based solely upon the Service Plan and evidence presented at the public hearing and the Town has not conducted any independent investigation of the evidence. The Town makes no guarantee as to the financial viability of the Districts’ financial plan or the achievability of the results.

5. The Town of Timnath hereby conditionally approves the Service Plan subject to the condition that the Developer, Serratoga Falls, LLC, agrees that, within fifteen (15) days following presentment by the Town of an invoice, all fees and expenses that have been submitted to the Developer for payment by or on behalf of the Town or its attorneys or financial or other advisors shall be paid in full, and the Developer shall also promptly pay all such fees and expenses submitted thereafter.

6. The terms, provisions, and limitations of the Service Plan have been incorporated in the Intergovernmental Agreement attached to the Service Plan. The Intergovernmental Agreement is incorporated herein by this reference and is hereby approved, but shall not be effective until executed by the Town and the Districts. The Districts are not authorized to issue any debt, impose mill levies or fees until the time that the Intergovernmental Agreement is executed. The Town Mayor, or Town Manager in the alternative, is authorized to sign, and the Town Clerk to attest, the attached Intergovernmental Agreement once it has been executed by the Districts.

7. The Town Council's approval of the Service Plan and the Intergovernmental Agreement is not a waiver or a limitation upon any power, which the Town Council is legally permitted to exercise with respect to the property within the Districts. The Amended and Restated Service Plan is hereby approved in substantially the form as attached hereto, subject to technical or otherwise non-substantive modifications, as deemed necessary by the Town Manager in consultation with the Town Planner, Engineer, Legal Counsel, and other applicable staff or consultants.
INTRODUCED, MOVED, AND ADOPTED ON APRIL 26, 2016.

TOWN OF TIMNATH

______________________________
Jill Grossman-Belisle, Mayor

ATTEST:

______________________________
Milissa Peters, CMC
Town Clerk
AMENDED AND RESTATED MODEL SERVICE PLAN
FOR
SERRATOGA FALLS METROPOLITAN DISTRICT NOS. 1 AND 3
TOWN OF TIMNATH, COLORADO

Prepared

by

SPENCER FANE LLP
1700 LINCOLN STREET, SUITE 2000
DENVER, COLORADO, 80203

April 1, 2016
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I. INTRODUCTION

A. Purpose and Intent.

(i) Enabling Authority. It is the intention of the Town that this Service Plan grants authority to the Districts to construct some or all of the Public Improvements authorized herein. If the Districts elect not to provide certain of the Public Improvements, which may be provided in accordance with an Approved Development Plan or other agreement with the Town, the Districts shall notify the Town in writing of such election whereupon the Town shall have 30 days to provide a letter to the Districts advising the Districts of the obligation to seek a formal amendment to this Service Plan, or, in the alternative, advising that such election does not constitute a material modification hereof. If the Town determines that such election does not constitute a material modification hereof, the Districts shall submit a written modification of this Service Plan to the Town for administrative approval as a non—material modification whereupon the authority of the Districts to provide such Public Improvements shall be deemed stricken from this Service Plan. In all events, the Town and the Districts acknowledge that the Districts are independent units of local government, separate and distinct from the Town, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the Town only insofar as they may deviate in a material manner from the requirements of the Service Plan.

(ii) General Purpose. It is intended that the Districts will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements and not to provide long term operations and maintenance of Public Improvements except as specifically authorized herein or in an intergovernmental agreement with the Town.

(iii) Amendment. It is intended that this Service Plan amend and restate, in part, the original Service Plan for Serratoga Falls Metropolitan District Nos. 1, 2 and 3. A separate amendment and restatement for District No. 2 is being presented on behalf of that District by others.

B. Background

Serratoga Falls Metropolitan District Nos. 1, 2 and 3 were organized by Order of the District Court in and for Larimer County after approval of a Service Plan by the Timnath Town Council on March 9, 2006. Almost immediately the developer that proposed the formation of the Districts fell into financial distress, and the property within the Districts was foreclosed upon and ultimately sold to Serratoga Falls LLC. As part of the foreclosure certain notes that had been issued to the prior developer, evidencing an obligation to reimburse that developer for in excess of $8 million spent on public infrastructure, came into the hands of NBH Capital Finance. Negotiations ensued with NBH, the final result being that District No. 3 has agreed to issue a new obligation to NBH in the total sum of $462,500. The prior notes will be voided.

Correspondence and a Term Sheet detailing the terms of the NBH financing are attached to this Service Plan as Exhibit F.
C. **Objective of the Town Regarding Districts’ Service Plan.**

The Town’s objective in approving the Service Plan for the Districts is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the Districts. All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties, and at a maximum mill levy no higher than the Maximum Aggregate Mill Levy for commercial and residential properties, and/or repaid by Fees, as long as such Fees are not imposed upon or collected from Taxable Property owned or occupied by an End User for the purpose of creating a capital cost payment obligation as further described in Section V.A. 11. Debt which is issued within these parameters and, as further described in the Financial Plan, will insulate property owners from excessive tax and Fee burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of said Debt.

This Service Plan is intended to establish a limited purpose for the Districts and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development and regional needs. Operational activities in connection with any trails and related amenities, or other Public Improvements not dedicated to another entity will be allowed subject to entering into an intergovernmental agreement with the Town.

It is the intent of the Districts to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt and for continuation of any operations approved in an intergovernmental agreement. The Districts may be allowed to continue certain limited operations and to retain those powers necessary to impose and collect taxes or fees to pay for costs and functions if permitted by intergovernmental agreement with the Town.

The Districts shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from Fees or from tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy and which shall not exceed the Maximum Debt Mill Levy Imposition Term. It is the intent of this Service Plan to assure to the extent possible that no property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy in amount and that no property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the Districts.

II. **DEFINITIONS**

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

**Approved Development Plan:** means a Subdivision Improvement Agreement or other process established by the Town for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service
Area as approved by the Town pursuant to the Town Code and as amended pursuant to the Town Code from time to time.

Board: means the board of directors of each District.

Bond, Bonds or Debt: means bonds or other obligations for the payment of which a District has promised to impose an *ad valorem* property tax mill levy, and/or collect Fee revenue.

Covenant Enforcement and Design Review Services: means those services authorized under Section 32-1-1004(8), C.R.S.

District: means any one of the Districts.

Districts: means Serratoga Falls Metropolitan District No. 1 or District No. 1 and Serratoga Falls Metropolitan District No. 3 or District No. 3, collectively.

End User: means any owner, or tenant of any owner, of any taxable improvement within the Districts who is intended to become burdened by the imposition of *ad valorem* property taxes subject to the Maximum Mill Levy. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an End User. The business entity that constructs homes or commercial structures is not an End User.

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

Fee(s): means any fee imposed by the Districts for services, programs or facilities provided by the Districts, as described in Section V.A.11. below.

Financial Plan: means the Financial Plan described in Section VI, which describes (i) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes. In addition to the information in Section VI the Town may require additional financial forecasts and feasibility reports to support the Financial Plan.

Gallagher Adjustment: means, if, on or after January 1, 2014, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the Maximum Aggregate Mill Levy may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted for changes occurring after January 1, 2014, are neither diminished nor enhanced as a result of such changes.
For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

**Inclusion Area Boundaries:** means the boundaries of the area described in the Inclusion Area Boundary Map which depicts only property contained within the Project as outlined in the Approved Development Plan.

**Maximum Aggregate Mill Levy:** means the maximum mill levy the Districts are permitted to impose for payment of Debt, capital improvements administration, operations, and maintenance expenses as set forth in Section VI.C. below.

**Maximum Debt Mill Levy:** means the maximum mill levy the Districts are permitted to impose for payment of Debt as set forth in Section VI.C below.

**Maximum Debt Mill Levy Imposition Term:** means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section VI.D below.

**Maximum Operations and Maintenance Mill Levy:** means the maximum mill levy the Districts are permitted to impose for payment of operations as set forth in Section VI.C. below.

**New District Inclusion Area Boundary Map:** means the map attached hereto as Exhibit C, describing the property proposed for inclusion within one, but not any more than one, of the boundaries of the Districts.

**Project:** means the development or property commonly referred to as Serratoga Falls.

**Public Improvements:** means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act and listed on Exhibit E, except as specifically limited in Section V below, to serve the future taxpayers and inhabitants of the Service Area as determined by the Boards of the Districts.

**Service Area:** means the property within the New District and Inclusion Area Boundary Map.

**Service Plan:** means this service plan for the Districts approved by Town Council.

**Service Plan Amendment:** means an amendment to the Service Plan approved by Town Council in accordance with the Town’s ordinance and the applicable state law.

**Special District Act:** means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

**State:** means the State of Colorado.
Taxable Property: means real or personal property within the Service Area subject to ad
valorem taxes imposed by the Districts.

Town: means the Town of Timnath, Colorado.

Town Code: means the Town Code of the Town of Timnath, Colorado.

Town Council: means the Town Council of the Town of Timnath, Colorado.

III. BOUNDARIES

The area of the District 3 boundaries includes approximately three (3) acres and the total
area proposed to be included in the New District Inclusion Area Boundaries is approximately
three hundred and thirty one (331) acres. A legal description of the Initial District Boundaries
and the Inclusion Area Boundaries is attached hereto as Exhibit A. A vicinity map is attached
hereto as Exhibit B. A map of the New District and Inclusion Area Boundaries is attached
hereto as Exhibit C. It is anticipated that the Districts’ boundaries may change from time to
time as they undergo inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S.,
and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Section V below.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED
VALUATION

The Service Area consists of approximately three hundred and thirty four (334) acres of
residential and commercial land. The current assessed valuation of the Service Area is $0.00 for
purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably
discharge the Debt under the Financial Plan. The population of the Districts at build-out is
estimated to be approximately one thousand five hundred (1500) people based on the proposed
number of units in the Districts and 3 persons per unit.

Approval of this Service Plan by the Town does not imply approval of the development
of a specific area within the Districts, nor does it imply approval of the number of residential
units or the total site/floor area of commercial or industrial buildings identified in this Service
Plan or any of the exhibits attached thereto, unless the same is contained within an Approved
Development Plan.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the Districts and Service Plan Amendment

The Districts shall have the power and authority to provide the Public
Improvements and limited operation and maintenance services within and, if pursuant to an
Approved Development Plan, without the boundaries of the Districts as such power and authority
is described in the Special District Act, and other applicable statutes, common law and the
Constitution, subject to the limitations set forth herein.

1. Operations and Maintenance Limitation. The purpose of the Districts is to
plan for, design, acquire, construct, install, relocate, redevelop and finance the Public
Improvements. The Districts shall dedicate the Public Improvements to the Town or other appropriate jurisdiction in a manner consistent with the Approved Development Plan and other rules and regulations of the Town and applicable provisions of the Town Code. The Districts shall operate and maintain all trails and related amenities within the Districts and the Inclusion Area Boundary pursuant to an intergovernmental agreement with the Town, which shall be executed at the first meeting of the Districts after approval of this Service Plan. Operational activities for other Public Improvements not dedicated to another entity are allowed subject to entering into an intergovernmental agreement with the Town allowing the Town to set minimum standards for maintenance. All parks and trails shall be open to the general public, including Town residents who do not reside in the Districts, free of charge. Any Fee imposed by the Districts for access to recreation improvements owned by the Districts, other than parks and trails, shall not result in Town residents who reside outside the Districts paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by residents of the Districts. However, the Districts shall be entitled to impose an administrative Fee as necessary 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 Districts to ensure that such costs are not the responsibility of District residents. All such Fees shall be based upon the Districts’ determination that such Fees do not exceed a reasonable annual market Fee for users of such facilities. All operations and maintenance Fees and Fee increases shall be subject to review and approval by the Town.

2. **Fire Protection Limitation.** The Districts 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.

3. **Television Relay and Translation Limitation.** The Districts 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.

4. **Construction Standards Limitation.** The Districts will 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 Districts will obtain the Town’s approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

5. **Financial Advisor Certification.** Prior to the issuance of any privately placed Debt, the Districts shall obtain the certification of an External Financial Advisor approved by the Town, in form substantially as follows:

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

The Districts' shall submit notice to the Town Manager of the proposed External Financial Advisor which shall either be approved or objected to within ten (10) days of the selection of an External Financial Advisor. If the Town Manager does not object to such selection within the ten (10) day period, the Town Manager's approval shall be deemed to have been given.

6. **Inclusion Limitation.** The Districts shall not include within their boundaries any property outside the Inclusion Area Boundaries. The Districts shall not include within any of their boundaries any property inside the Inclusion Area Boundaries without advance notice to the Town. No property will be included within any district at any time unless such property has been annexed into the Town's corporate limits.

7. **Exclusion Limitation.** The Districts shall include all property with the Inclusion Area by September 1, 2015 and shall not exclude from their boundaries thereafter any property within the Inclusion Area Boundaries which would result in the property not being within the boundaries of one of the Districts without the prior written consent of the Town. Unless consented to by the Town, The Districts shall follow the procedure for exclusion of property as provided in Section 32-1-502, C.R.S.

8. **Overlap Limitation.** The boundaries of the Districts shall not overlap unless the aggregate mill levies within the overlapping Districts will not at any time exceed the Maximum Debt Mill Levy, the Maximum Operations and Maintenance Mill Levy, and the Maximum Aggregate Mill Levy, respectively. Additionally, the Districts shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the Districts unless the aggregate mill levy for the districts will not at any time exceed the Maximum Debt Mill Levy, Maximum Operations and Maintenance Mill Levy, and the Maximum Aggregate Mill Levy, respectively.

9. **Initial Debt Limitation.** On or before the effective date of approval by the Town of an Approved Development Plan, the Districts shall not: (a) issue any Debt; nor (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; nor (c) impose and collect any Fees used for the purpose of repayment of Debt. This requirement may be waived by administrative action of the Town.

10. **Total Debt Issuance Limitation.** The Districts shall not issue Debt in excess of Sixteen Million Dollars ($16,000,000).

11. **Fee Limitation.** The Districts may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance. Any
operations and maintenance Fees and Fee Increases not specifically listed herein shall be subject to review and written approval by the Town, either administratively or by formal action of Town Council, at the discretion of the Town Manager. If the Town does not respond to a request for the imposition of an operations and maintenance Fee or Fee Increase within thirty (30) days of receipt of a written request, the Town shall be deemed to have waived its approval authority with respect to the requested operations and maintenance Fee or Fee Increase. Any operation and maintenance Fee imposed without approval as set forth herein shall constitute a material departure from the Service Plan. No Fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from owners of Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a direct capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this section related to capital fees charged to End Users shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the Districts.

12. **Monies from Other Governmental Sources.** The Districts 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 that the Town is eligible to apply for, 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 Districts without any limitation.

13. **Consolidation Limitation.** The Districts shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town, unless such consolidation is with themselves and/or District No. 2.

14. **Bankruptcy Limitation.** All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Operations Mill Levy, Maximum Aggregate Mill Levy, Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term, and the Fees 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. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; 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 Districts shall constitute, simultaneously with such filing, a material departure of the express terms of this Service Plan, and thus an express violation of the conditional approval of this Service Plan.
15. **Water Rights/Resources Limitation.** The Districts shall not acquire, own, manage, adjudicate or develop water rights or resources except as otherwise provided pursuant to an intergovernmental agreement with the Town. [add to IGA if applicable]

16. **Extraterritorial Service/Improvements Limitation.** The Districts shall not provide any extraterritorial service or public improvements without Town consent, which may be obtained administratively, in writing, from the Town Manager. [add to IGA if applicable]

17. **Eminent Domain Limitation.** The Districts shall be authorized to utilize the power of eminent domain after entering into a written agreement with the Town.

18. **Covenant Enforcement/Design Review.** The Districts shall provide all community functions authorized by covenants, conditions and restrictions including the Covenant Enforcement and Design Review Services for the Project, unless otherwise provided pursuant to an intergovernmental agreement with the Town. The Districts shall not impose assessments to fund Covenant Enforcement and Design Review Services, but the Districts shall be authorized to impose Fees to defray the costs of such Services. The Districts shall be authorized to contract among themselves to assign responsibility for Covenant Enforcement and Design Review Services.

19. **Financial Review.** The Town shall be permitted to conduct periodic reviews of the financial powers of the Districts in the service plan at its discretion, including more frequently than the so-called "quinquennial" review contemplated by CRS Section 32-1-1101.5. Within sixty days of receipt of notice of the Town’s intent to conduct such a financial review, the Districts shall submit to the Town an application for a finding of reasonable due diligence setting forth the amount of the Districts’ authorized but unissued general obligation debt, any current or anticipated plan to issue such debt, a copy of each District’s last audit or audit exemption, and any other information required by the Town relevant to making its determination of due diligence as provided below. The Town’s procedures for conducting a financial review under this Paragraph 19, and the remedies available to the Town as a result of such financial review shall be identical to those provided for in CRS Section 32-1-1101.5(2).

**B. Service Plan Amendment Requirement.**

This Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the Districts which violate the limitations set forth in V.A above or in VI.A-I. 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 Districts, including the remedy of enjoining the issuance of additional authorized but unissued debt, until such material modification is remedied.

**C. Preliminary Engineering Survey.**

The Districts shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the Public Improvements within and without the boundaries of the Districts as set forth on Exhibit E, to be more specifically defined in an Approved Development Plan. An estimate of the costs of the Public
Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately Thirteen Million Dollars ($13,000,000).

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the Town, or any other appropriate entity providing a service the Town does not provide, and shall be in accordance with the requirements of the Approved Development Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

D. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the improvements contemplated herein. Specifically, the Districts shall enter into an intergovernmental agreement which shall govern the relationships between and among the Districts with respect to the financing, construction and operation of the improvements contemplated herein. The Districts will establish a mechanism whereby any one or more of the Districts may separately or cooperatively fund, construct, install and operate the improvements.

VI. FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the Districts. The Financial Plan for the Districts shall be to issue such Debt as the Districts can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy and other legally available revenues. The total Debt that the Districts shall be permitted to issue shall not exceed Sixteen Million Dollars ($16,000,000) and shall be permitted to be issued on a schedule and in such year or years as the Districts determines shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All Bonds and other Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general ad valorem taxes and Fees to be imposed upon all Taxable Property within the Districts. The Districts will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time, subject to the limits in this Service Plan. In addition to the information in this Section VI, the Town may require additional financial forecasts and feasibility reports.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. All debt-related election ballot questions shall provide that in the event of a default, the proposed maximum interest rate on any Debt shall not exceed eighteen percent (18%).
debtor-related election ballot questions shall provide that the proposed maximum underwriting discount for Debt will be five percent (5%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities. All debt-related election ballot questions shall be drafted so as to limit each District’s debt service mill levy to the Maximum Debt Mill Levy. Prior to any election to authorize the issuance of debt, each district shall cause a letter prepared by an attorney licensed in the State of Colorado to be provided to the Town opining that the requirements of this paragraph have been satisfied. Failure to observe the requirements established in this paragraph shall constitute a material modification under the Service Plan and shall entitle the Town to all remedies available at law and in equity, including the remedies provided for in Section V(19), herein.

C. **Maximum Mill Levies.**

1. The Maximum Debt Mill Levy shall be the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of Debt, and shall be fifty (50) mills. If there are changes in the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement, the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2014, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

2. The Maximum Operations and Maintenance Mill Levy shall be the maximum mill levy the Districts are permitted to impose upon the taxable property within the Districts for payment of administration, operations, maintenance, and capital costs, and shall be fifty (50) mills. If there are changes in the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2014, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

3. The Maximum Aggregate Mill Levy shall be the maximum combined mill levy a District is permitted to impose upon the taxable property within the District for payment of all expense categories, including but not limited to: Debt, capital costs, and administration, operations, and maintenance costs, and shall be fifty (50) mills. However, if, on or after January 1, 2014, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the preceding mill levy limitations may be increased or decreased to reflect such changes, with such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the
actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2014, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation. Except as provided in this paragraph, the provisions below, or pursuant to separate intergovernmental agreement entered into with the Town under extraordinary circumstances, the Maximum Aggregate Mill Levy shall not be exceeded under any circumstances. Imposition by a District of a mill levy in excess of this limitation shall constitute a material departure from this Service Plan.

4. If the total amount of aggregate Debt of a District exceeds fifty percent (50%) of that District’s assessed valuation, the Maximum Debt Mill Levy shall be fifty (50) mills; provided that if the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement is changed by law; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2014, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation. If the total amount of aggregate Debt of a District is equal to or less than fifty percent (50%) of that District’s assessed valuation, either on the date of issuance or at any time thereafter, the Maximum Debt Mill Levy, the Maximum Operations and Maintenance Mill Levy, and the Maximum Aggregate Mill Levy will each be increased to sixty (60) mills.

5. For purposes of the foregoing, once Debt has been determined to be within Section VI.C.4. above, so that the Districts are entitled to pledge to their debt service payments the increased Maximum Debt Mill Levy as described above, the Districts may provide that such Debt shall remain secured by the increased Maximum Debt Mill Levy as described above, notwithstanding any subsequent change in the Districts’ Debt to assessed ratio. All Debt issued by the Districts must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

6. To the extent that a District is composed of one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term “District” as used herein shall be deemed to refer to each District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

7. Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the Town as part of a Service Plan Amendment.
D. Maximum Debt Mill Levy Imposition Term.

No District shall have any authority to impose or collect any mill levy, fee, charge, rate, toll or any other financial burden on property or persons for repayment of any and all Debt (or use the proceeds hereof 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 a debt service mill levy by the District in which such property is located, unless a majority of the Board are residents of the District and the Board shall have voted in favor of a refunding of a part or all of the Debt. At the end of the forty (40) year term any and all debt that has not been paid shall be forgiven. [may form multiple financing districts to address phasing issues].

E. Debt Repayment Sources.

The Districts may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The Districts may also rely upon various other revenue sources authorized by law. At the Districts' discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(I), C.R.S., as amended from time to time. In no event shall the debt service mill levy in the Districts exceed the Maximum Debt Mill Levy or, the Maximum Debt Mill Levy Imposition Term.

F. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the Districts shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District.

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the Districts.

G. Security for Debt.

The Districts shall not pledge any revenue or property of the Town as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the Town of payment of any of the Districts' obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the Town in the event of default by the Districts in the payment of any such obligation.
H. **TABOR Compliance.**

The Districts will comply with the provisions of TABOR. In the discretion of the Board, of any one or all of the Districts may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the Districts will remain under the control of the Districts’ Boards.

I. **District Operating Costs.**

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the Districts' organization and initial operations, are anticipated to be Two Million Five Hundred Thousand Dollars ($2,500,000), which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year’s operating budget is estimated to be One Hundred Fifty Thousand Dollars ($150,000) which is anticipated to be derived from property taxes and other revenues.

VII. **ANNUAL REPORT**

A. **General.**

The Districts shall be responsible for submitting an annual report to the Town Manager’s Office no later than August 1st of each year following the year in which the Order and Decree creating the Districts has been issued.

B. **Reporting of Significant Events.**

The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the Districts’ boundary as of December 31 of the prior year.

2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.

3. Copies of the Districts’ rules and regulations, if any as of December 31 of the prior year.

4. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.

5. Status of the Districts’ construction of the Public Improvements as of December 31 of the prior year.
6. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the Town as of December 31 of the prior year.

7. The assessed valuation of the Districts for the current year.

8. Current year budget including a description of the Public Improvements to be constructed in such year.

9. Audit of the Districts' and any entity formed by one or more of the Districts, financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

10. Notice of any uncured events of default by any of the Districts, which continue beyond a ninety (90) day period, under any Debt instrument.

11. Any inability of a District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

In addition to the annual report, the Districts will be required to submit to a periodic review, unlimited in scope, as provided for in Section V(19) herein.

VIII. DISSOLUTION

Upon an independent determination by the Town Council that the purposes for which a District was created have been accomplished, all powers contained in the service plan will be suspended except as necessary to develop and propose a plan for dissolution and to conduct all proceedings required for the dissolution, including an election, if necessary. The Districts agree to file petitions and a plan for dissolution with the Town for review and approval before filing said documents in the appropriate district court in accordance with §32-1-701 et seq. C.R.S.

IX. DISCLOSURE TO PURCHASERS

The Districts will use reasonable efforts to assure that all developers of the property located within the Districts provide written notice to all purchasers of property in the Districts regarding the Maximum Aggregate Mill Levy, as well as a general description of the Districts' authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be filed with the Town prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Aggregate Mill Levy.

X. INTERGOVERNMENTAL AGREEMENTS

The form of the intergovernmental agreement, relating to the limitations imposed on the Districts' activities, is attached hereto as Exhibit D. The Districts shall approve the intergovernmental agreement in the attached form at its first Board meeting after its organizational election. Failure of the Districts to execute the intergovernmental agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The Town Council shall approve the intergovernmental agreement in the attached form at the public hearing approving the Service Plan. Any determination by a court of
competent jurisdiction that such intergovernmental agreement is invalid, nonbinding, or
unenforceable in any material degree shall be deemed a material departure from the express
terms of this Service Plan.

A form of intergovernmental agreement between the Districts and Serratoga Falls
Metropolitan District No. 2 relating to the sharing of costs and coordination of services is
attached hereto as Exhibit G

A form of intergovernmental agreement between the District No. 1 and District No. 3
relating to the sharing of costs and coordination of services is attached hereto as Exhibit H

All intergovernmental agreements must be submitted to the Town for review and
approval by the Town before execution by the Districts.

XI. CONCLUSION

It is submitted that this Service Plan for the Districts, as required by Section 32-1-203(2),
C.R.S., establishes that:

1. There is sufficient existing and projected need for organized service in the
area to be serviced by the Districts;

2. The existing service in the area to be served by the Districts is inadequate
for present and projected needs;

3. The Districts is capable of providing economical and sufficient service to
the area within its proposed boundaries; and

4. The area to be included in the Districts does have, and will have, the
financial ability to discharge the proposed indebtedness on a reasonable basis.

5. Adequate service is not, and will not be, available to the area through the
Town or county or other existing municipal or quasi-municipal corporations, including existing
special districts, within a reasonable time and on a comparable basis.

6. The facility and service standards of the Districts are compatible with the
facility and service standards of the Town within which the special district is to be located and
each municipality which is an interested party under Section 32-1-204(1), C.R.S.

7. The proposal is in substantial compliance with a comprehensive plan
adopted pursuant to the Town Code.

8. The proposal is in compliance with any duly adopted Town, regional or
state long-range water quality management plan for the area.

9. The creation of the Districts is in the best interests of the area proposed to
be served.
EXHIBIT A

Legal Descriptions
LEGAL DESCRIPTION-SERRATOGA METRO DISTRICT 1

A PARCEL OF LAND LOCATED IN SECTION 14, TOWNSHIP 7 NORTH, RANGE 86 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF TIMNATH, COUNTY OF LARIMER, STATE OF COLORADO; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST CORNER OF SAID SECTION 14 AND CONSIDERING THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 14 TO HAVE A Bearing OF N89°42'31"W, SAID Bearing BEING A GRID Bearing OF THE COLORADO STATE PLANE COORDINATE SYSTEM, NORTH ZONE, NORTH AMERICAN DATUM 1983, WITH ALL OTHER Bearings CONTAINED HEREBIN RELATIVE THERETO.

THENCE ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER, N89°42'31"W 1,984.49 FEET TO THE TRUE POINT OF BEGINNING.
THENCE N89°08'05"W, 224.17 FEET; THENCE N31°28'02"E, 160.00 FEET; THENCE N89°48'52"W, 125.00 FEET; THENCE S77°29'05"E, 133.00 FEET; THENCE S30°38'15"W, 365.27 FEET TO THE POINT OF BEGINNING.

SAID TRACT CONTAINS 1.88 ACRES (82,899 SQUARE FEET) MORE OR LESS AND IS SUBJECT TO ALL RIGHTS-OF-WAY, EASEMENTS, AND RESTRICTIONS OF RECORD, OR THAT NOW EXIST ON THE GROUND.
LEGAL DESCRIPTION-SERRATOGA METRO DISTRICT 9

A PARCEL OF LAND LOCATED IN SECTION 14, TOWNSHIP 7 NORTH, RANGE 88 WEST OF THE 8TH PRINCIPAL MERIDIAN; TOWN OF TIMNATH, COUNTY OF LAKE, STATE OF COLORADO; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 14 AND CONSIDERING THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 14 TO HAVE A BEARING OF N63°49'34"W, SAID BEARING BEING A GRID BEARING OF THE COLORADO STATE PLANE COORDINATE SYSTEM, NORTH ZONE, NORTH AMERICAN DATUM 198388, WITH ALL OTHER BEARINGS CONTAINED HEREIN RELATIVE THERETO, SAID POINT BEING THE TRUE POINT OF BEGINNING.

THENCE ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER, N00°00'15"W 22.11 FEET TO A POINT ON THAT PARCEL OF LAND AS DESCRIBED WITHIN THAT WARRANTY DEED AS RECORDED OCTOBER 25, 1982 IN BOOK 25 ON PAGE 594 OF THE RECORDS OF THE LAKE COUNTY CLERK AND RECORDER;

THENCE N63°49'17"E, 638.65 FEET; THENCE N63°11'36"E, 64.00 FEET; THENCE 63°49'17"E, 127.15 FEET; THENCE N00°07'15"W, 696.76 FEET; THENCE N63°12'49"E, 308.74 FEET; THENCE S48°38'38"E, 645.52 FEET; THENCE S69°49'24"E, 466.59 FEET; S90°11'37"W, 401.57 FEET; N89°49'24"W, 1,299.88 FEET TO THE POINT OF BEGINNING.

SAID TRACT CONTAINS 15.45 ACRES (672,087 SQUARE FEET) MORE OR LESS AND IS SUBJECT TO ALL RIGHTS-OF-WAY, EASEMENTS, AND RESTRICTIONS OF RECORD, OR THAT NOW EXIST ON THE GROUND.
DISTRICT NO. 3
(INCLUSION AREA)
TRACTS B, D, E, AND F
SERRATOGA FALLS FILING NO. 1
SECTION 14, TOWNSHIP 7 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL
MERIDIAN, TOWN OF TIMNATH, COLORADO
EXHIBIT B

Timnath Vicinity Map
EXHIBIT B

Tinmath Vicinity Map
EXHIBIT C

New District and Inclusion Area Boundary Map
EXHIBIT C
New District and Inclusion Area Boundary Map
EXHIBIT D

Intergovernmental Agreement between the Districts and Timnath
[MULTIPLE DISTRICT SERVICE PLAN]

INTERGOVERNMENTAL AGREEMENT BETWEEN

THE TOWN OF TIMNATH, COLORADO
AND
SERRATOGA FALLS METROPOLITAN DISTRICT NOS. 1 AND 3

THIS AGREEMENT is made and entered into as of this ___ day of __________, 2016, by and between the TOWN OF TIMNATH, a home-rule municipal corporation of the State of Colorado ("Town"), and SERRATOGA FALLS METROPOLITAN DISTRICT NOS. 1 AND 3, quasi-municipal corporations and political subdivisions of the State of Colorado (the "Districts"). The Town and the Districts are collectively referred to as the Parties.

RECsITALS

WHEREAS, the Districts were organized to provide those services and to exercise powers as are more specifically set forth in the Districts’ 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 Districts, as required by the Timnath Town Code; and

WHEREAS, the Town and the Districts 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. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the Town or other appropriate jurisdiction in a manner consistent with the Approved Development Plan and other rules and regulations of the Town and applicable provisions of the Town Code. The Districts shall operate and maintain all trails and related amenities pursuant to an intergovernmental agreement with the Town, which shall be executed at the first meeting of the Districts after approval of this service plan. Operational activities for other Public Improvements not dedicated to another entity are allowed subject to entering into an intergovernmental agreement with the Town allowing the Town to set minimum standards for maintenance. Any Fee imposed by the Districts for access to recreation improvements owned by the Districts shall not result in Town residents who reside outside the Districts paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by residents of the Districts. However, the Districts shall be entitled to impose an
administrative Fee as necessary to cover additional expenses associated with use of District park and recreational improvements by Town residents who do not reside in the Districts to ensure that such costs are not the responsibility of a District’s residents, provided that such administrative Fee shall not result in Town residents who reside outside the Districts paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by residents of the Districts. All such Fees shall be based upon the District’s determination that such Fees do not exceed a reasonable annual market fee for users of such facilities. All operations and maintenance Fees and Fee increases shall be subject to review and approval by the Town. Notwithstanding the foregoing, all parks and trails shall be open to the general public, including Town residents who do not reside in the Districts, free of charge.

2. **Service Plan.** The Districts shall not take any action, including without limitation the issuance of any obligations or the imposition of any tax or fee, which would constitute material modification of the Service Plan as set forth in Section 32-1-207(2), C.R.S. Actions of the Districts which violate any restriction set forth in the Service Plan constitute a material modification of the Service Plan that shall be a default under this Agreement, and shall entitle the Town to protect and enforce its rights under this Agreement by such suit, action, or special proceedings as the Town deems appropriate. It is intended that the contractual remedies herein shall be in addition to any remedies the Town may have or actions the Town may bring under Section 32-1-207, C.R.S., or any other applicable statute. The Town may impose any sanctions allowed by the Timnath Municipal Code or statute. Nothing herein is intended to modify or prevent the use of the provisions of Section 32-1-207(3)(b), C.R.S, however, the time limits of Section 32-1-207(3)(b), C.R.S., are expressly waived by the Districts.

The Service Plan grants authority to the Districts to construct some or all of the Public Improvements identified herein. If the Districts elect not to provide certain of the Public Improvements that are part of an Approved Development Plan, the Districts shall notify the Town in writing of such election whereupon the Town shall have 30 days to provide a letter to the Districts that such election does not constitute a material modification hereof or to otherwise advise the Districts of the obligation to seek a formal amendment to this Service Plan. If the Town determines that such election does not constitute a material modification hereof, the Districts shall submit a written modification of this Service Plan to the Town for administrative approval as a non—material modification whereupon the authority of the Districts to provide such Public Improvements shall be deemed stricken from the Service Plan.

3. **Water Rights.** District No. 1 will own and control raw water rights and will manage the non-potable water system which will provide irrigation water to the common areas of the community and to individual lot owners for the irrigation of their lawns and on-site landscaping.

4. **Intergovernmental and Interagency Agreements.**

a. **Cache La Poudre Ditch Company.** The Districts, or either of them are permitted without further oversight by the Town to enter into an agreement with the Cache La Poudre Irrigating Company for mitigation of operations and maintenance costs potentially resulting from the Districts’ relocation of the Cache La Poudre ditch to accommodate street construction.
b. Magellan Gas Line. The Districts, or either of them are permitted without further oversight by the Town to enter into an agreement with Magellan Midstream Partners for mitigation of operations and maintenance costs potentially resulting from the Districts’ burying a gas pipeline deeper than Magellan’s specified maximum cover to accommodate street and utility line construction.

5. Condemnation. In order to better serve the Serratoga Falls community, District No. 1 shall have the limited authority, after the necessary good faith negotiations as required by Colorado law:

a. to condemn portions of the current Kiefer/Glover Ditch, East Ditch Lateral, Cache La Poudre Ditch and property located immediately adjacent to them, either in fee simple or easement, so long as such condemnation preserves the ditch owners’ rights to receive their pro rata portion of their decreed water rights that have been historically diverted through the lateral.

b. for actions not described in 5.a., above, to exercise the District’s statutory powers of condemnation only after presentation to the Town Council of a request to do so which the Town Council may grant or deny in the exercise of its sole discretion.

6. HOA Duties. District No. 1 is charged in the applicable covenant, conditions and restrictions with the right and responsibility to act as the declarant’s representative in the matter of enforcing the same and administering design review services to the extent that the declarant does not and after the declarant’s departure.

7. 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 Districts: Serratoga Falls Metropolitan District Nos. 1 and 3
c/o Community Resource Services of Colorado, LLC
7995 E. Prentice Avenue, Suite 103 E
Greenwood Village, CO 80111
Attn: Kurt Schlegel
Phone: (303) 381-4968

To the Town: Attn: Town Manager
Town of Timnath
4800 Goodman Street
Timnath, CO 80547
Phone: (970) 224-3211
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.

8. **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 without amendment to the Service Plan.

9. **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.

10. **Default/Remedies.** In the event of a breach or default of this Agreement by any Party, the non-defaulting Party shall be entitled to exercise all remedies available at 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, the prevailing Party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

11. **Governing Law and Venue.** This Agreement shall be governed and construed under the laws of the State of Colorado.

12. **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.

13. **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.

14. **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 Districts 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 Districts and the Town shall be for the sole and exclusive benefit of the Districts and the Town.

15. **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.
16. **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.

17. **Paragraph Headings.** Paragraph headings are inserted for convenience of reference only.

18. **Defined Terms.** Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Service Plan.

SERRATOGA FALLS METROPOLITAN
DISTRICT NOS. 1 AND 3

By: ______________________________
President

Attest: ______________________________

Secretary

TOWN OF TIMNATH, COLORADO

By: ______________________________
Mayor

Attest: ______________________________

By: ______________________________
Its: ______________________________

APPROVED AS TO FORM: ______________________________
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<tr>
<th>On-Site Utilities</th>
<th>Unit</th>
<th>Unit Cost</th>
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<td>Water</td>
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<td>EA</td>
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<td>Asphalt (Collector)</td>
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## Serratoga Falls - Filing 2

Subdivision Improvement Agreement Exhibit C

Off-Site Improvements Schedule of Values

Based on Civil Design plans prepared by Northern Engineering dated March 15, 2016

### Off-Site Utilities

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<tr>
<th>Utility</th>
<th>Unit</th>
<th>Unit Cost</th>
<th>Quantity Phase 1</th>
<th>Quantity Phase 2</th>
<th>Quantity Phase 3</th>
<th>Quantity Phase 4</th>
<th>Quantity Phase 5</th>
<th>Phase 1 Total</th>
<th>Phase 2 Total</th>
<th>Phase 3 Total</th>
<th>Phase 4 Total</th>
<th>Phase 5 Total</th>
<th>Project Total</th>
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<td>Fire Hydrants</td>
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<td>Waterline Lowerings</td>
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<td>18&quot; RCP</td>
<td>LF $ 63.20</td>
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<td>LF $ 58.66</td>
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<td><strong>Total Off-Site Improvements</strong></td>
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**R:\Properties\Resource Land Fund & M:\Bul Colorado Water I, LLC\Serratoga Falls, LLC\Metro District\Agreements and Organization\Service Plan\New Service Plan 2015\Exhibit\Engineering Schedule of Values - 3.16.16**
**Serrata Falls - Filing 2**  
**Subdivision Improvement Agreement Exhibit D**  
**Landscape Schedule of Values**  
*Based on Landscape plans prepared by TB Group dated April 3, 2015*

<table>
<thead>
<tr>
<th>Landscaping</th>
<th>Unit</th>
<th>Quantity</th>
<th>PHASE 1 TOTAL COST</th>
<th>Quantity</th>
<th>PHASE 2 TOTAL COST</th>
<th>Quantity</th>
<th>PHASE 3 TOTAL COST</th>
<th>Quantity</th>
<th>PHASE 4 TOTAL COST</th>
<th>Quantity</th>
<th>PHASE 5 TOTAL COST</th>
<th>Quantity</th>
<th>Unit Cost</th>
<th>Project Total</th>
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<td>11,535.72</td>
<td>318,262</td>
<td>133,670.04</td>
<td>42,525</td>
<td>17,860.50</td>
<td>193,013</td>
<td>81,065.46</td>
<td>892,389</td>
<td>42,578.36</td>
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<tr>
<td>Irrigation System - Shrub Beds</td>
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<td>39,836</td>
<td>16,731.12</td>
<td>2,078</td>
<td>672.76</td>
<td>5,486</td>
<td>2,304.12</td>
<td>2,490</td>
<td>1,911.78</td>
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<td>353.26</td>
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**Total Landscaping**

$ \text{856,918.09} $  
$ \text{228,596.56} $  
$ \text{357,361.34} $  
$ \text{61,424.76} $  
$ \text{469,975.19} $  
$ \text{1,974,275.94} $
EXHIBIT F

NBH Term Sheet
June 3, 2016

Saratoga Falls Metropolitan Districts No. 1 and 3
 c/o David Greher
 Cottone Cockrell & Cole
 390 Union Boulevard, Suite 400
 Denver, Colorado 80228

Saratoga Falls Metropolitan District No. 2
 c/o Deborah Early
 Ickenogle Seaver Pogue
 4725 South Monaco Street, Suite 225
 Denver, Colorado 80237

Dear Mr. Greher and Ms. Early,

On behalf of NBH Capital Finance ("NBHCF"), I am pleased to present you with the following Summary of Indicative Terms and Conditions. This Summary has been provided for the sole use of the Districts and District's paid advisors. The information contained in this document is confidential and proprietary to NBH N.A. and its affiliates, and cannot be disclosed to any third party without prior written consent of the Bank.

The terms and general conditions of the proposed facility are detailed below. Please note that this proposal is for discussion purposes and has not been formally approved and is intended to imply that a formal commitment will be approved. We look forward to discussing this proposal after you have had adequate time to review.

Please do not hesitate to contact us with any questions or comments about our proposal. We look forward to speaking with you soon.

Sincerely,

Jason Legg
(720) 529-3308
jlegg@nbhbank.com
Borrower: Serrataoga Falls Metropolitan District Nos. 2 and 3 (Individually, District No. 2 and District No. 3, and collectively, the "Borrowers").

Other: Serrataoga Falls Metropolitan District No. 1 ("District No. 1," and together with District Nos. 2 and 3, the "Districts").

Lender: National Bank Holdings, N.A. (the "Bank" or "NBH").

Credit Facility: Series 2015A and Series 2015B tax-exempt, bank-qualified, limited tax general obligation bonds (the "Bonds").

Facility Amount: In the amount of $1,257,875, consisting of two bonds, in the approximate amounts of:

2. Series 2015B: $462,500 in limited tax general obligation bonds issued by District No. 3.

Purpose: The prior promissory notes (the "Notes") issued by the Districts and held by the Bank will be voided ab initio upon the issuance of the Bonds.

Security: Senior pledge of revenues from the Borrowers' dedicated debt service mill levy of 25 mills (the "Debt Service Mill Levy"), which is senior to any other debt pledge of the Borrowers.

Maturity: 25 years from closing.

Amortization: Principal payments during the term of the Bonds will be paid annually on each December 1, subject to the Cash Flow Obligation described below, beginning on December 1, 2016. Any available revenues received under the Debt Service Mill Levy will be paid to the Bank on December 1 annually, and such revenues will be applied first to interest and then to principal.

Interest Rate: 4.5%

Interest shall be computed on the basis of a 360-day year and actual days elapsed. Interest shall be payable semi-annually in arrears on the first day of each June and December, beginning on June 1, 2016.

Cash Flow Obligation: The Borrowers will convey to the Bank all revenues received under the Debt Service Mill Levy, regardless of whether such revenues are greater than, less than, or equal to the debt service requirements.

Assignment: The Bonds will be freely assignable by the Bank without prior approval from the Borrowers.

Prepayment Option: Prepayable at any time without penalty at the option of the Borrowers.
Closing Fee: None.

Covenants:
1. The Borrowers shall impose the Debt Service Mill Levy to be used solely for the payment of the Bonds.
2. Revenues from the Debt Service Mill Levy may not be used to pay for operations and maintenance costs of the Districts, and any mill levy levied for payment of such costs must be separate from the Debt Service Mill Levy.

Additional debt: No additional debt secured by pledged revenue without Bank consent.

Reporting:
1. The Bank may, in its discretion, request audited financials for the Districts within the earlier of two weeks following completion or 210 days after fiscal year-end, where the costs associated with such audits will be payable from the Debt Service Mill Levy.
2. Annual budget financials for the Districts within 30 days of prior fiscal year-end.
3. Annual certification of assessed value and mill levies within 30 days of calendar year end.
4. Other financial information upon request.

Subject To:
2. Approval by the Town of Tinmath of an Amended and Restated Consolidated Service Plan for the Districts.

Fees, Expenses, & Indemnification: Bond counsel fees shall be split equally between the Bank and the Districts, provided that District No. 2 will capitalize its share of the bond counsel fees (approximately $7,875) into its Series 2015A Bond and District Nos. 1 and 3 will contribute approximately $4,625 in district funds towards its share of bond counsel fees at closing.
Exhibit G

Intergovernmental Agreement Between Serratoga Falls Metropolitan District No. 1, No. 3 and Serratoga Falls Metropolitan District No. 2
INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT (the “IGA”) is made and entered into this __ day of __________, 2016, by and between SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1 (“District 1”) and SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2 (“District 2”), quasi-municipal corporations of the State of Colorado (District 1 and District 2 collectively referred to herein as the “Districts”).

RECITALS

A. WHEREAS, the Districts were organized to provide public services and improvements pursuant to the Consolidated Service Plan of the Serratoga Falls Metropolitan District Nos. 1 - 3 dated March 9, 2006 (“Service Plan”); and

B. WHEREAS, the Districts and Serratoga Falls Metropolitan District No. 3 (“District 3”) are parties to an “Inter-District Intergovernmental Agreement” dated July 31, 2006 (the “Prior IGA”); and

C. WHEREAS, the development plans for property within District 2 and District 3 have changed and, with Town of Timnath approval, District 1 and District 3 have amended and restated, in part, the Service Plan, and, by separate document, District 2 has amended and restated in part the Service Plan (each amended Service Plan, the “Amended Service Plan”); and

D. WHEREAS, the terms of the Districts’ Amended Service Plans have made the Prior IGA obsolete as between District 1 and 2; and

E. WHEREAS, as between District 1 and District 2, the Districts wish to terminate the Prior IGA; and

F. WHEREAS, the Districts desire to set forth herein the terms and conditions upon which certain public improvements will be financed, funded, constructed, owned, operated and maintained; and

NOW, THEREFORE, in consideration of the foregoing recitals, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Districts agree as follows:

TERMS AND CONDITIONS

1. Prior IGA Terminated. As related to District 2, the Prior IGA is terminated effective immediately (“Termination Date”). By limited joinder to this IGA, District 3 consents to the termination of the Prior IGA.

2. Transfer of Ownership of Improvements: On or before the execution of this IGA District 1 will:
a. Transfer to District 2 the ownership of Tracts A and C, Serratoga Falls First Filing, together with any associated personal property located thereon including without limitation shelters, playground equipment and landscaping improvements. The property shall be conveyed by a Bargain and Sale deed and Bill of Sale free and clear of all encumbrances. (Deed attached as Exhibit A-1; Bill of Sale attached as Exhibit A-2).

i. Following the transfer of Tract A, District 2 shall grant District 1 a perpetual access easement for the purpose of maintaining the “Entry Feature” as defined below. (Easement attached as Exhibit A-3).

b. Transfer to District 2 the entire non-potable irrigation system used to service Serratoga Falls First Filing except for those portions located upstream of the tee that diverts water to Filing 1 (“District 2 System”) (District 2 System to be included in the Bill of Sale at Exhibit A-2).

c. District 1 will grant District 2 a perpetual easements for the operation and maintenance of the District 2 System, the Sidewalk and Open Space, perimeter split rail fence, and as otherwise needed (form of easement attached as Exhibit A-4).

d. Transfer to District 2 the ownership of the perimeter split rail fence adjacent to Serratoga Falls First Filing (split rail fence to be included in the Bill of Sale at Exhibit A-2).

3. Operation and Maintenance of Improvements. Except as provided herein, each District will operate and maintain all improvements owned by the District.

a. Entry Feature.

i. District 1 will operate and maintain the landscape improvements, medians, fountain and non-potable irrigation system located near the intersection of County Road 5 and Serratoga Falls Parkway (the “Entry Feature”) as shown on the attached Exhibit B.

ii. District 2 will provide the water for the Entry Feature as part of its annual water use allocation.

b. Sidewalks and Open Space. District 2 will operate and maintain (including the irrigation of) the sidewalk, landscape and fencing (the “Sidewalks and Open Space”) as shown on the attached Exhibit B.

4. Shared Costs

a. Pump House. District 2 shall pay a percentage of the Pump House Costs as follows:

1) “Pump House Costs” are the costs of the operation and maintenance, repair and replacement of the Pump House that provides non-potable water to the property within the Serratoga Falls Subdivision (Serratoga Falls Subdivision shown on the attached Exhibit C). Pump House Costs include the operation and maintenance costs of all
pumps in the Pump House and the Kitchell Reservoir agricultural pump and pipeline except for the initial costs related to the purchase and installation of a THIRD non-potable water pump expected to be installed in the future.

2) Calculation and Payment of Pump House Costs
   
a) During any calendar year District 1 shall be responsible for advancing the Pump House Costs.
   
b) Calculation of Percentage of Pump House Costs. The percentage of the Pump House Costs paid by District 2 shall be determined as follows: the volume of non-potable water used by the District 2 System divided by the total amount of non-potable water used by the Serratoga Falls Subdivision for a period beginning on January 1 and ending on December 31 of the same calendar year ("Allocation Percentage"). The Allocation Percentage shall be used to allocate the Pump House Costs for the following calendar year. All non-potable water use must be metered. District 1 shall track and record all water use.

3) Payment. District 1 shall invoice District 2 for the Pump House Costs advanced and paid by District 1 based on the applicable Allocation Percentage on March 31, June 30, September 30, and December 31, with payment due no later than 60 days from the date of the invoice.

4) The Pump House Costs is a calculation of a share of costs only, and shall not be construed or interpreted as a setting of water use rates by District 1. The calculation of Pump House Costs is solely a matter of contract and not an exercise by either Party of their legislative powers.
   
b. Audit of Pump House Costs
   
i. Either district may request an audit of the costs related to the Pump House Costs within 30 days of the date of the invoice for payment.

5. Additional Consideration. As additional consideration for this IGA, District 2 requires:
   
a. Execution and recordation of the Transfer of Declarant Rights attached as Exhibit E.
   
b. Execution and recordation of the Lease of Water Rights attached as Exhibit F.
   
c. Payment to $15,000 to District 2 by Serratoga Falls, LLC no later than 30 days following the approval of the Districts’ amended service plans by the Town of Timnath.

6. Kitchell Recreation Agreement
   
a. District 1 has entered into a Recreational Lease Agreement ("RLA") with Kitchell Reservoir Company ("Kitchell") pursuant to which District 1 is permitted to construct
and maintain certain recreational amenities at the Kitchell Reservoir for the benefit of the homeowners in the Serratoga Falls development. (RLA attached as Exhibit G).

b. District 2 may access the Kitchell Reservoir pursuant to the terms of the RLA upon payment to District 1 of 14.44% of the annual lease price. District 2 shall exercise its right to obtain access by providing notice to District 1 no later than November 15 for access the following calendar year (the "Access Year"). By exercising its right, District 2 also agrees that during the Access Year, it will:

i. maintain at its expense general liability insurance in an amount of at least One Million Dollars ($1,000,000.00) of coverage naming Kitchell as an additional member in the District 2's liability insurance pool.

c. Use of Kitchell Reservoir is subject to the Rules and Regulations on the use of Kitchell Reservoir and associated recreational facilities and subject to the terms of the RLA.

7. **Annual Appropriation.** District 1 and 2's obligations for payments under the IGA are subject to annual appropriation of funds and do not create a multi-fiscal year obligation.

8. **Assignment.** This IGA may not be assigned without the prior written consent of the parties.

9. **Termination.** This Agreement may be terminated at any time by mutual consent.

10. **Notices.** Any notices, demands, or other communications required or permitted to be given in writing hereunder shall be hand delivered, sent by facsimile, e-mail, or sent by First Class Mail, addressed to the Parties at the addresses set forth below, or at such other address as either party may hereafter designate by written notice to the other party given in accordance herewith.

To the District 2:

Serratoga Falls Metropolitan District No. 2  
c/o Seter & Vander Wall, P.C.  
7400 East Orchard Road, Suite 3300  
Greenwood Village, CO 80111  
Attn: Jeffrey E. Erb, Esq.  
T: (303) 770-2700  
F: (303) 770-2701  
e-mail: jerb@svwpc.com

To District 1:

c/o Spencer Fane LLP.  
1700 Lincoln Street, Suite 2000  
Denver, CO 80203  
Attn: Matt Dalton, Esq.
11. **Entire Agreement.** This IGA, including all Exhibits, constitutes the entire agreement between the Parties relating to the rights, duties, and obligations of each to the other as of the effective date of this IGA. Any prior agreements, promises, negotiations, or representations not expressly set forth in this IGA are of no force and effect. This IGA may not be modified except by a writing executed by both parties.

12. **Binding Agreement.** This Agreement shall inure to and be binding on the successors, and assigns of the Parties hereto.

13. **No Waiver.** No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any of the other provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed a waiver of any subsequent default hereunder.

14. **Countertparts and Facsimile Signatures.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

15. **Controlling Law and Venue.** This Agreement shall be governed by and construed in accordance with the law of the State of Colorado and any dispute shall be heard in the District Court for Larimer County, Colorado.

IN WITNESS WHEREOF, the Parties have executed this IGA effective the date first above written. By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.
SERRATOGA FALLS METROPOLITAN
DISTRICT NO. 1

Name: 
Title: 

Attest:
Secretary/Assistant Secretary

SERRATOGA FALLS METROPOLITAN
DISTRICT NO. 2

Name: 
Title: 

Attest:
Secretary/Assistant Secretary

SERRATOGA FALLS METROPOLITAN
DISTRICT NO. 3

Name: 
Title: 

Attest:
Secretary/Assistant Secretary
EXHIBIT A-1

Bargain and Sale Deed for Transfer of Tracts A and C
QUIT CLAIM DEED

This DEED ("Deed") evidences a conveyance by ____________________________, having an address of ________________________________ ("Grantor"), to Serratoga Falls Metropolitan District No. 2, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is c/o Seter & Vander Wall, P.C., 7400 East Orchard Road, Suite 3300 Greenwood Village, CO 80111 ("Grantee").

Grantor, for a valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has remised, released, sold and QUITCLAIMED, and by these presents does remise, release, sell and QUITCLAIM unto Grantee, its successors and assigns forever, all the right, title, interest, claim and demand which Grantor has, if any, in and to the real property, together with improvements thereof, located in Douglas County, Colorado which is described as follows (the "Property");

Tracts A and C, Serratoga Fall First Filing, Town of Timnath, Colorado

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances and privileges thereunto belonging, or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of Grantor, either in law or equity, to the only proper use, benefit and behoof of Grantee, its successors and assigns forever.

____________________________________

By: ________________________________

Title: ________________________________

STATE OF COLORADO

) ss.

COUNTY OF ________________________

) ss.

The foregoing instrument was acknowledged before me this ___ day of ______, 20__, by ____________________________, as __________________________ of, __________________________ and Grantor.

Witness my hand and official seal.

My commission expires: ________________________________

____________________________________

(SEAL) Notary Public
ACKNOWLEDGMENT

Serratoga Falls Metropolitan District No. 2, a quasi-municipal corporation and political subdivision of the State of Colorado, hereby acknowledges the receipt of this QUIT CLAIM DEED, and the terms and conditions pursuant to which it has been delivered.

Serratoga Falls Metropolitan District No. 2
a quasi-municipal corporation and
political subdivision of the State of Colorado

By: ________________________________
Name: ________________________________
Title: ________________________________

STATE OF COLORADO)                 )
COUNTY OF ______________________) ss.

The foregoing instrument was acknowledged before me this ___ day of _____, 20__, by __________________, known to me to be the duly authorized __________________ of the Serratoga Falls Metropolitan District No. 2, a quasi-municipal corporation and political subdivision of the State of Colorado, and Grantee.

Witness my hand and official seal.

My commission expires: ________________________________

(SEAL)                        Notary Public
EXHIBIT A-2

Bill of Sale for Personal Property on Tracts A and C, District 2 System, and Perimeter Split-Rail Fence
BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS that SERRATOGA FALLS, LLC, a Colorado limited liability company whose address is 1530 16th Street, Suite 300, Denver, CO 80202, for good and valuable consideration paid at or before the delivery of these presents by the SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation of the State of Colorado whose address is c/o Seter & Vander Wall, P.C., 7400 E. Orchard Rd., Suite 3300, Greenwood Village, CO 80111 (the “Grantee”), the receipt and sufficiency of which is hereby acknowledged, has quitclaimed, and by these presents does grant and convey unto the Grantee, its successors and assigns, without warranty or representation, the public improvements (“Public Improvements”) installed by Serratoga Fall, LLC as follows:

1. Entire non-potable irrigation system downstream of the “Tee” identified in Exhibit A;

2. All other public improvements on Tract A and C of Serratoga Falls First Filing, including any playground equipment; and

3. The split-rail fence immediately adjacent to the east boundary of Serratoga Falls First Filing.

Such conveyance of Public Improvements does not include any private improvements, including, without limitation, any lots and the homes now or hereafter constructed thereon.

TO HAVE AND TO HOLD the same unto the Grantee, and the Grantee’s successors and assigns, forever.

IN WITNESS WHEREOF, the Grantor has executed this Bill of Sale this ___ day of ____________, 2016.

[Signature Page to Follow]
SERRATOGA FALLS, LLC

By: ________________________________
   Name: ______________________________
   Title: ______________________________

STATE OF COLORADO )
  ) ss.
COUNTY OF ________________ )

The foregoing instrument was acknowledged before me this _____ day of
_______, 20____ by __________________, as ______________ of
Serratoga Falls, LLC.

WITNESS my hand and official seal.

My commission expires: __________________________

__________________________
Notary Public

Accepted this ____ day of ____________________, 2016.

SERRATOGA FALLS METROPOLITAN
DISTRICT NO. 2

__________________________
President

Attest:

__________________________

{00217338} Page 2 of 3
Bill of Sale b/w Serratoga Falls, LLC and Serratoga Falls Metropolitan District No. 2
EXHIBIT A

The “Tee”
EXHIBIT A-3

Tract A Easement for District 1 Maintenance of Entry Feature
This Easement Deed ("Easement Deed") is made and entered into this _____ day of __________, 2016, by and between SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2 ("Grantor"), a quasi-municipal corporation and political subdivision of the State of Colorado, who address is c/o Seter & Vander Wall, P.C., 7400 East Orchard Road, Suite 3300, Greenwood Village, CO 80111 and SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1 ("Grantee"), a quasi-municipal corporation and political subdivision of the State of Colorado, who address is c/o Spencer Fane, LLP, 1700 Lincoln Street, Suite 2000, Denver, CO 80203.

Grantor, for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby grants and conveys to Grantee and its successors and assigns, subject to the terms and conditions provided herein, a perpetual and non-exclusive easement in gross ("Easement") in, over, and under the real property located within Larimer County, Colorado and more particularly described below:

See Exhibit A attached hereto and incorporated herein by this reference.

As further consideration for the grant of this Easement, Grantee, by acceptance of this Easement Deed, agrees, for itself and its successors and assigns, as follows:

1. Non-Exclusive Rights. The Easement shall be for the non-exclusive use and benefit of Grantee and its successors and assigns. Grantor reserves the right to use the Easement for any lawful purpose and to grant to others the right to use the Easement, so long as such uses are not inconsistent with, and do not unreasonably interfere with, the use of the Easement by Grantee for the purposes set forth herein.

2. Limitations on Use. Grantee’s use of the Easement shall be and hereby is limited to the following uses: maintenance, repair and replacement of ground, surface and underground landscaping improvements, retaining walls, water features, non-potable irrigation system and appurtenances thereto.

3. Subjacent and Lateral Support. The Grantee shall have and exercise the right of subjacent and lateral support as necessary for the operation and maintenance of the Improvements. Grantor shall not take any action which would impair the lateral or subjacent support for the Improvements.

4. Maintenance of Easement. The landscaping improvements, sidewalks, non-potable irrigation system and appurtenances thereto located in the Easement will be operated, repaired, replaced and maintained by or at the direction of Grantee, at Grantee’s sole cost and expense.

5. Exercise of Rights. Grantee and all others permitted to use the Easement hereunder shall
exercise the rights granted by this Easement Deed in a safe and orderly manner and in compliance
with all applicable laws, ordinances, governmental regulations, covenants, conditions, and
restrictions, and without unreasonably interfering with Grantor’s use of the Property.

6. **Attorneys’ Fees.** In the event that legal action is instituted to enforce any of the provisions
of this Easement Deed, the prevailing party shall recover from the losing party its reasonable
attorneys’ fees and court costs.

7. **Notices.** All notices, demands, or other communications required or permitted to be given
by any provision of this Easement Deed shall be given in writing, delivered personally or sent by
certified or registered mail, postage prepaid and return receipt requested, to the address set forth
above, or at such other address as either party hereto 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 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 given.

8. **Binding Nature.** The easements, covenants, conditions and agreements contained in this
Easement Deed shall run with the Property and the Easement and be binding upon and inure to the
benefit of all parties having any right, title, or interest in the Property or any portion thereof, their
heirs, successors and assigns, forever.

9. **Severability.** If any clause, provision, subparagraph, or paragraph set forth in this
Easement Deed is illegal, invalid, or unenforceable under present or future applicable laws, then and
in that event it is the intention of Grantor and Grantee hereto that the remainder of this Easement
Deed shall not be affected thereby.

10. **Applicable Law.** The terms and provisions contained in this Easement Deed shall be
governed and construed in accordance with the laws of the State of Colorado.

11. **Enforcement.** In addition to other rights and remedies afforded Grantor and Grantee
herein, violation or breach of any covenant or agreement herein contained, or of the terms of any
easement herein granted, by Grantor or Grantee, shall give to the nonbreaching Grantor or Grantee
the right to enjoin or compel the cessation of such violation or breach, and to seek damages therefor.
In addition, the violation of any covenant or agreement herein contained, or of the terms of any
easement herein granted, is hereby acknowledged to constitute a nuisance, and every remedy allowed
by law or equity shall be applicable against every such violation. All remedies provided herein at
law and in equity shall be cumulative and nonexclusive.
12. **Modification and Termination.** Except as otherwise provided herein, this Easement Deed may be modified, altered, amended or terminated only by written agreement of all of the then owners of the Property and this Easement Deed.

13. **Merger.** This Easement Agreement constitutes the whole agreement between the parties and no additional or different oral representation, promise or agreement shall be binding on any of the parties hereto with respect to the subject matter of this Agreement.

14. **Authority.** The Grantor warrants that it has full right and lawful authority to make the grant herein above contained, and further agrees that Grantor shall and will WARRANT AND FOREVER DEFEND the Easement in the quiet and peaceable possession of Grantee, its successors and assigns, against all and every person lawfully claiming the whole or any part thereof.

15. **No Waiver of Governmental Immunity.** Nothing herein shall be deemed or construed to waive or otherwise impair any provision of the Colorado Governmental Immunity Act as applied to the District and its personnel.

GRANTOR: SERRATOGA FALLS
METROPOLITAN DISTRICT NO. 2

__________________________
William Grush, President, Serratoga Falls Metropolitan District No. 2

ATTEST

__________________________
Secretary/Assistant Secretary, Serratoga Falls Metropolitan District No. 2

STATE OF COLORADO )
) ss.
COUNTY OF _______ )

The foregoing instrument was acknowledged before me this _____ day of ______________________, 2016, by __________________ and __________________ as __________________ and __________________________ of Serratoga Falls Metropolitan District No. 2.

Witness my hand and official seal.
My commission expires: __________________

____________________________
Notary Public

-Page 3 of 5-
Accepted this ____ day of ___________________, 2016.

SERRATOGA FALLS METROPOLITAN
DISTRICT NO. 1.

________________________________________
Name: __________________________________
President, Serratoga Falls Metropolitan District
No. 1 Board of Directors

Attest:

Name: _____________________________
Secretary/Assistant Secretary
EXHIBIT A
LEGAL DESCRIPTION OF EASEMENT

A portion of Tract C, Serratoga Falls First Filing, Town of Timnath, County of Larimer, State of Colorado, depicted as follows:
EXHIBIT A-4

Easement for District 2 Operation and Maintenance of District 2 System
EASEMENT DEED

This Easement Deed (“Easement Deed”) is made and entered into this _____ day of ______________, 2016, by and between SERRATOGA FALLS, LLC (“Grantor”), a Colorado limited liability company, whose address is 1530 16th Street, Suite 300, Denver, CO 80202 and SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2 (“Grantee”), a quasi-municipal corporation and political subdivision of the State of Colorado, who address is c/o Seter & Vander Wall, P.C., 7400 East Orchard Road, Suite 3300, Greenwood Village, CO 80111.

Grantor, for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby grants and conveys to Grantee and its successors and assigns, subject to the terms and conditions provided herein, a perpetual and non-exclusive easement in gross (“Easement”) in, over, and under the real property located within Larimer County, Colorado and more particularly described below:

See Exhibit A attached hereto and incorporated herein by this reference.

As further consideration for the grant of this Easement, Grantee, by acceptance of this Easement Deed, agrees, for itself and its successors and assigns, as follows:

1. Non-Exclusive Rights. The Easement shall be for the non-exclusive use and benefit of Grantee and its successors and assigns. Grantor reserves the right to use the Easement for any lawful purpose and to grant to others the rights to use the Easement, so long as such uses are not inconsistent with, and do not unreasonably interfere with, the use of the Easement by Grantee for the purposes set forth herein.

2. Limitations on Use. Grantee’s use of the Easement shall be and hereby is limited to the following uses: maintenance, repair and replacement of ground, surface and underground landscaping improvements, sidewalks, fence, non-potable irrigation system and appurtenances thereto.

3. Subjacent and Lateral Support. The Grantee shall have and exercise the right of subjacent and lateral support as necessary for the operation and maintenance of the Improvements. Grantor shall not take any action which would impair the lateral or subjacent support for the Improvements.

4. Maintenance of Easement. The landscaping improvements, sidewalks, non-potable irrigation system and appurtenances thereto located in the Easement will be operated, repaired, replaced and maintained by or at the direction of Grantee, at Grantee’s sole cost and expense.

5. Exercise of Rights. Grantee and all others permitted to use the Easement hereunder shall exercise the rights granted by this Easement Deed in a safe and orderly manner and in compliance
with all applicable laws, ordinances, governmental regulations, covenants, conditions, and restrictions, and without unreasonably interfering with Grantor’s use of the Property.

6. **Attorneys’ Fees.** In the event that legal action is instituted to enforce any of the provisions of this Easement Deed, the prevailing party shall recover from the losing party its reasonable attorneys’ fees and court costs.

7. **Notices.** All notices, demands, or other communications required or permitted to be given by any provision of this Easement Deed shall be given in writing, delivered personally or sent by certified or registered mail, postage prepaid and return receipt requested, to the address set forth above, or at such other address as either party hereto 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 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 given.

8. **Binding Nature.** The easements, covenants, conditions and agreements contained in this Easement Deed shall run with the Property and the Easement and be binding upon and inure to the benefit of all parties having any right, title, or interest in the Property or any portion thereof, their heirs, successors and assigns, forever.

9. **Severability.** If any clause, provision, subparagraph, or paragraph set forth in this Easement Deed is illegal, invalid, or unenforceable under present or future applicable laws, then and in that event it is the intention of Grantor and Grantee hereto that the remainder of this Easement Deed shall not be affected thereby.

10. **Applicable Law.** The terms and provisions contained in this Easement Deed shall be governed and construed in accordance with the laws of the State of Colorado.

11. **Enforcement.** In addition to other rights and remedies afforded Grantor and Grantee herein, violation or breach of any covenant or agreement herein contained, or of the terms of any easement herein granted, by Grantor or Grantee, shall give to the nonbreaching Grantor or Grantee the right to enjoin or compel the cessation of such violation or breach, and to seek damages therefor. In addition, the violation of any covenant or agreement herein contained, or of the terms of any easement herein granted, is hereby acknowledged to constitute a nuisance, and every remedy allowed by law or equity shall be applicable against every such violation. All remedies provided herein at law and in equity shall be cumulative and nonexclusive.

12. **Modification and Termination.** Except as otherwise provided herein, this Easement Deed may be modified, altered, amended or terminated only by written agreement of all of the then owners of the Property and this Easement Deed.
13. **Merger.** This Easement Agreement constitutes the whole agreement between the parties and no additional or different oral representation, promise or agreement shall be binding on any of the parties hereto with respect to the subject matter of this Agreement.

14. **Authority.** The Grantor warrants that it has full right and lawful authority to make the grant herein above contained, and further agrees that Grantor shall and will WARRANT AND FOREVER DEFEND the Easement in the quiet and peaceable possession of Grantee, its successors and assigns, against all and every person lawfully claiming the whole or any part thereof.

15. **No Waiver of Governmental Immunity.** Nothing herein shall be deemed or construed to waive or otherwise impair any provision of the Colorado Governmental Immunity Act as applied to the District and its personnel.

GRANTOR:

________________________________________

By: ________________________________

Title: ________________________________

STATE OF COLORADO )

) ss.

COUNTY OF _______ )

The foregoing instrument was acknowledged before me this ___ day of ____________________, 2016, by ______________ as ______________ of Serratoga Falls, LLC.

Witness my hand and official seal.

My commission expires: __________________

________________________________________

Notary Public
Accepted this ____ day of ___________________, 2016.

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2.

________________________________________
Name: __________________________________
President, Serratoga Falls Metropolitan District No. 2 Board of Directors

Attest:

Name: _________________________
Secretary/Assistant Secretary
EXHIBIT A
LEGAL DESCRIPTION OF EASEMENT

A portion of Tract B, Serratoga Falls First Filing, Town of Timnath, County of Larimer, State of Colorado, depicted as follows:
EXHIBIT C
Map of Serratoga Falls Subdivision

[Insert Map]
EXHIBIT C

Irrigation (Non-Potable) Water Supply Service Area
EXHIBIT D

Transfer of Declarant Rights

[Insert Transfer of Declarant Rights]
PARTIAL ASSIGNMENT OF DECLARANT RIGHTS

THIS PARTIAL ASSIGNMENT OF DECLARANT RIGHTS (this “Assignment”), dated on the ______ day of _______________, 2016, is made by SERRATOGA FALLS, LLC, a Colorado limited liability company (“Successor Declarant”) whose address is 1530 16th Street, Suite 300, Denver, CO 80202 and SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation of the State of Colorado (“District 2”), whose address is c/o Seter & Vander Wall, P.C., 7400 E. Orchard Rd., Suite 3300, Greenwood Village, CO 80111.

RECITALS

This Assignment is made with reference to the following facts:

A. The planned community known as Serratoga Falls (“Community”) was created on March 7, 2007 by the recording of that certain Declaration of Covenants, Conditions and Restriction for Serratoga Falls at Reception Number 20070017170 in the records of the Clerk and Recorder for Larimer County, Colorado, as amended by the Affidavit of Correction recorded November 30, 2007 at Reception No. 20070089531 (“Declaration”). The real property that has been submitted to the Declaration and made part of the Community is more particularly described on “Exhibit A,” attached hereto and incorporated herein (the “Real Estate”).

B. The Declaration reserved certain development rights, special declarant rights, benefits, privileges, exemptions and reservations for the benefit of the initial Declarant to develop the Community and the Real Estate during the Declarant Control Period (the “Declarant Rights”).

D. Successor Declarant succeeded to all of the initial Declarant’s Declarant Rights pursuant to that certain Notice of Succession to Declarant Rights, recorded July 2, 2012 at Reception No. 20120043262, and that certain Assignment of Agreements, recorded on January 9, 2013 at Reception No. 20130002516 in the records of the Clerk and Recorder for Larimer County, Colorado.

E. Successor Declarant now desires to assign a portion of its Declarant Rights to District 2, as those Declarant Rights are specifically described below, and District 2 agrees to accept the assignment of those specified Declarant Rights.
F. In accordance with Article VIII, Section 5 of the Declaration, Successor Declarant is authorized and empowered to assign all or any portion of its Declarant Rights to District 2.

AGREEMENT

NOW, THEREFORE, for Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Capitalized Terms.** All capitalized terms used but not defined in this Assignment have the meaning ascribed to such terms in the Declaration.

2. **Assignment of Declarant Rights.** Successor Declarant does hereby convey, assign, transfer and set over unto District 2, and District 2 does hereby accept, the following Declarant Rights, which may be exercised by District 2 until the expiration of the Declarant Control Period, subject to the additional terms and conditions set forth herein:

   a. **Architectural Control Rights**

      1). Pursuant to Article VIII, Section 1(a) concerning membership of the Design Review Committee (“DRC”), Successor Declarant assigns to District 2 its right to appoint and remove two members of the DRC for the duration of the Declarant Control Period. Successor Declarant shall retain the right to appoint and remove the remaining three members of the DRC, and the parties agree that for the duration of the Declarant Control Period, the DRC Committee shall be comprised of no more than five total members.

      2). Pursuant to Article VIII, Section 7, Successor Declarant assigns to District 2 its right to determine appeals by the Applicant of the decisions of the DRC, and District 2’s decision shall be final. Successor Declarant reserves its right to determine appeals by any other Owner (appellant) or third party of the decisions of the DRC, and Successor Declarant’s decision shall be final. Any appeals shall be by the procedure set forth in Article VIII, Section 7. After the Declarant Control Period, the right to hear and determine appeals shall be vested in the Association Board. For avoidance of doubt, the term “Applicant” or “applicant” means the Owner who submitted the plans and specifications for approval for such Owner’s Lot.

      3). Successor Declarant assigns to the two members of the DRC appointed by District 2 the sole right to grant waivers to the Architectural Guidelines, which waivers the two members of the DRC appointed by District 2 may grant or deny in their sole discretion by unanimous decision.

      4). The parties further agree that the Architectural Guidelines in effect at the time of the execution of this Assignment may not be amended or modified during the Declarant Control Period without the prior written consent of Successor Declarant and District 2.
b. Other District Rights and Responsibilities. Successor Declarant hereby revokes any and all authority granted to the Serratoga Falls Metropolitan District No. 1 under the Declaration, pursuant to its rights reserved in Article XIV, Section 3 of the Declaration.

In accordance with its rights under Article XIV, Section 3 of the Declaration, Successor Declarant hereby modifies Article XIV, Sections 1 and 2 of the Declaration as follows:

(a) Successor Declarant hereby revokes Article XIV, Sections 1 and 2 of the Declaration for all real property other than the Real Estate set forth on Exhibit A to the Declaration;

(b) Successor Declarant hereby revokes Article XIV, Sections 1 and 2 of the Declaration for the power to adopt, amend and enforce rules and regulations applicable within the Serratoga Falls Metropolitan District No. 1 and the Serratoga Falls Metropolitan District No. 3;

(c) with respect to the Real Estate, during the Period of Declarant Control, Successor Declarant grants the following rights under Article XIV, Sections 1 and 2 of the Declaration to District 2 all with Successor Declarant’s reasonable prior approval: (1) for Improvements commenced or constructed after the date of this Assignment only, District 2 may adopt one or more policies pursuant to Article VIII of the Declaration for notices of violations, hearing procedures, and the schedule of fines, to either (A) enforce compliance with the plans and specifications approved by the DRC; or (B) in the absence of prior approval of plans and specifications by the DRC, to enforce compliance with the Architectural Guidelines and the provisions of Article VIII of the Declaration, provided that the initial procedure in the absence of prior approval of plans and specifications shall be to allow the Owner to submit as-built plans to the DRC for review and approval; and (2) District 2 may adopt one or more policies for notices of violations, hearing procedures, and the schedule of fines to enforce the covenants, conditions, restrictions and easements set forth in Articles IX, X, and XV of the Declaration.

Except as set forth herein, (d) with respect to the Real Estate, after the Period of Declarant Control, Successor Declarant hereby assigns all of the District duties and responsibilities set forth in Article XIV, Sections 1 and 2 of the Declaration to District 2; and (e) Successor Declarant irrevocably relinquishes its right reserved in Article XIV, Section 3 to revoke any and all authority granted or assigned to District 2.

c. All of the foregoing rights assigned in this Paragraph 2 shall hereinafter be referred to collectively as the “Assigned Rights.”

3. Covenants, Representations, and Warranties; Savings Clause. Successor Declarant hereby covenants, represents, and warrants to District 2, its successors and assigns, as of the date hereof, it is authorized and empowered to take the actions under this Assignment and to assign the Assigned Rights described herein and that none of the Assigned Rights being assigned under this Assignment have been otherwise assigned, conveyed, or encumbered by Successor Declarant.
4. **Compliance with Declaration and the Act.** District 2 warrants and agrees that in exercising its Assigned Rights, it will fully comply with and exercise such rights in accordance with the terms of this Assignment, the Declaration and the Act, as applicable.

5. **Successor Declarant and District 2 Liability.** Successor Declarant shall have no liability for any act or omission or any breach of a contractual or warranty obligation by District 2 in connection with the exercise by District 2 of the Assigned Rights assigned hereunder, and District 2 shall have no liability for any act or omission or any breach of a contractual or warranty obligation by Successor Declarant in connection with the exercise by Successor Declarant of the Assigned Rights prior to the effective date of this Assignment.

6. **Construction with Declaration.** Except as specifically set forth herein, the Assigned Rights shall not be limited, modified, or amended, by either Successor Declarant or District 2, it being the intent of the parties that such rights be irrevocably transferred and assigned to District 2. Successor Declarant retains all other development rights, special declarant rights, benefits, privileges, reservations and exemptions of the “Declarant” under the Declaration with regard to the Community and the Real Estate, except for the Assigned Rights described herein.

7. **Successors and Assigns.** The terms and provisions of this Assignment shall be binding upon and inure to the benefit of Successor Declarant, its successor and assigns, and shall be binding upon and inure to the benefit of the District 2.

8. **Rights Not Transferable.** District 2 shall not have the right to transfer all or any portion of the Assigned Rights described hereunder.

9. **Further Assurances.** From time to time following the date of this Assignment, Successor Declarant or District 2 respectively shall perform such other acts and shall execute, deliver and furnish such other instruments, documents, materials and information as District 2 or Successor Declarant may reasonably request of the other party in order to effectuate the transactions provided for in this Assignment.

10. **Not to be Construed Against Drafter.** This Assignment shall not be construed more strictly against one party than the other merely by virtue of the fact that it may have been initially drafted by one of the parties or its counsel, since both parties have contributed substantially and materially to the preparation hereof.

11. **Savings and Invalidity.** If any party disputes Successor Declarant’s rights to take the actions under this Assignment and to assign the Assigned Rights, and if any provision of this Assignment or any portion thereof shall be found by a court of competent jurisdiction to be void, illegal or unenforceable, then such court shall enforce such provision and the other terms of this Assignment to the fullest extent permitted by applicable law; and Successor Declarant and District 2 shall enter into a separate enforceable document to provide for the same substantive provisions of this Assignment to remain in effect.

12. **Attorney’s Fees.** Should any action be brought in connection with this
Assignment, including, without limitation, actions based on contract, tort or statute, the prevailing party in such action shall be awarded all costs and expenses incurred in connection with such action, including reasonable attorneys’ fees.

13. **Recitals.** The foregoing Recitals are incorporated into and made a part of this Assignment.

14. **Counterparts.** This Assignment may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute the same document.

[Signature Pages Follow]
IN WITNESS WHEREOF Successor Declarant has caused this Assignment to be duly executed and effective as of the date first above written.

SUCCESSOR DECLARANT:

SERRATOGA FALLS, LLC,
a Colorado limited liability company

By: ______________________________

Name: ______________________________

Its: ______________________________

STATE OF COLORADO )
)ss.
COUNTY OF ___________ )

The foregoing instrument was acknowledged before me this ___ day of ______________, 2016, by ____________________, as ____________________________ of SERRATOGA FALLS, LLC, a Colorado limited liability company

Witness my hand and official seal.

My Commission expires_______________

______________________________
Notary Public
ACCEPTED BY DISTRICT 2:

SERRATOGA FALLS METROPOLITAN DISTRICT NO.2, a quasi-municipal corporation of the State of Colorado

By: __________________________
Name: __________________________
Title: __________________________

STATE OF COLORADO )
)ss.
COUNTY OF ___________ )

The foregoing instrument was acknowledged before me this ___ day of _____________, 2016, by _________________________, as _________________ of SERRATOGA FALLS METROPOLITAN DISTRICT NO.2, a quasi-municipal corporation of the State of Colorado  Witness my hand and official seal.

My Commission expires______________

__________________________________
Notary Public
EXHIBIT A

to the Partial Assignment of Declarant Rights

Legal Description of the Real Estate

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 of BLOCK 1, SERRATOGA FALLS, FIRST FILING;

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 of BLOCK 2, SERRATOGA FALLS, FIRST FILING;

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 of BLOCK 3, SERRATOGA FALLS, FIRST FILING;

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9 of BLOCK 4, SERRATOGA FALLS, FIRST FILING;

LOTS 1, 2 of BLOCK 5, SERRATOGA FALLS, FIRST FILING;

LOTS 1, 2, 3, 4, 5, 6, 7, 8 of BLOCK 6, SERRATOGA FALLS, FIRST FILING;

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9 of BLOCK 7, SERRATOGA FALLS, FIRST FILING; AND

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 of BLOCK 8, SERRATOGA FALLS, FIRST FILING;

COUNTY OF LARIMER,

STATE OF COLORADO.
EXHIBIT E

Water Lease

[Insert Water Lease]
WATER LEASE AGREEMENT

This Water Lease Agreement (“Water Lease”) is entered into this ___ day of ______, 2016 by and between SERRATOGA FALLS, LLC, a Colorado limited liability company (“Lessor” or “SF LLC”) and SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado (“Lessee” or “District No. 2”) (collectively the “Parties”).

RECITALS

WHEREAS, District No. 2 was organized to provide public services and improvements to the Serratoga Falls Project, which includes the Serratoga Falls First Filing; and

WHEREAS, SF LLC owns certain water rights decreed for irrigation and non-potable use for the Serratoga Falls Project; and

WHEREAS, the Serratoga Falls Project currently receives non-potable water through an existing non-potable water delivery and irrigation system; and

WHEREAS, SF LLC, District No. 2, and Serratoga Falls Metropolitan District No. 1 have engaged in negotiations related to the resolution of disagreements related to the ownership and maintenance of public improvements, district boundaries and control, water use, and covenant control; among others; and

WHEREAS, as a condition of resolving these disagreements, SF LLC has agreed to lease to District No. 2 a certain amount of irrigation and non-potable water from its Non-Potable Water Rights portfolio; and

WHEREAS, SF LLC and District No. 2 desire to enter into this Water Lease Agreement to allow District No. 2 to provide a non-potable and irrigation water supply to the Serratoga Falls Project and Serratoga Falls First Filing; and

WHEREAS, upon execution of this Water Lease Agreement, SF LLC shall provide District No. 2 with fifty (50) acre-feet of water per year for use as a non-potable and irrigation water supply in the existing irrigation system; and

WHEREAS, the Parties desire to set forth herein the terms and conditions upon which SF LLC will lease a non-potable water supply to District No. 2; and

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:
TERMS AND CONDITIONS

1. **Water Lease.** SF LLC hereby leases to District No. 2 fifty (50) acre-feet of water per year from its Non-Potable Water Rights portfolio, which is described in paragraph 2 below. SF LLC agrees to lease fifty (50) acre-feet of water per year to District No. 2 for no charge during the term of this Water Lease. District No. 2 shall only use the leased water for non-potable and irrigation purposes in the Serratoga Falls Project, which includes Serratoga Falls First Filing, subject to the terms and conditions described in this Lease.

2. **Non-Potable Water Rights.** SF LLC owns the following water rights that are legally and physically available for use as an irrigation and non-potable water supply for the Serratoga Falls Project (“Non-Potable Water Rights”):
   
   a. Eight (8) shares of capital stock in The Larimer & Weld Irrigation Company represented by Stock Certificate No. 6149;
   
   b. Six (6) shares of stock in The Larimer & Weld Reservoir Company represented by Stock Certificate No. 2253;
   
   c. Two (2) shares of stock in The Windsor Reservoir and Canal Company represented by Stock Certificate No. 570;
   
   d. Seven (7) shares of stock in The Kitchell Reservoir Company represented by Stock Certificate No. 71. The water court decree governing Kitchell Reservoir was entered by the Larimer County District Court in Case No. 11217 on September 10, 1953. The decree adjudicated a water right for Kitchell Reservoir to fill at a rate of 4.75 cubic feet per second with an appropriation date of April 9, 1894 for irrigation purposes from the Duck Slough Seepage Ditch System;
   
   e. Seven (7) shares of stock in The Kitchell Reservoir Company represented by Stock Certificate No. 72;
   
   f. Smith Well No. 5-R-01556, located in the SW1/4 of the SW1/4 of Section 14, Township 7 North, Range 68 West of the 6th P.M., Larimer County, Colorado; and
   
   g. Three (3) shares of capital stock in the North Poudre Irrigation Company represented by Stock Certificate No. 12115.

3. **Delivery of Non-Potable Water.** SF LLC will provide to District No. 2 fifty (50) acre-feet per year from any portion of its Non-Potable Water Rights portfolio. Delivery of the water shall be at the water meter used to measure the total amount of irrigation and/or non-potable water delivered to District No. 2, the location of which is shown on the attached Exhibit A. SF LLC is solely responsible for the delivery of water to this location and for making the water available as reasonably required by District 2 during
the course of the typical irrigation season of the beginning of April through the end of October of each calendar year.

SF LLC warrants that the Non-Potable Water Rights may be lawfully used for irrigation and non-potable purposes in the Serratoga Falls Project. SF LLC shall be responsible for paying all assessments on the Non-Potable Water Rights and shall be responsible for maintaining compliance with any requirements on the use of the Non-Potable Water Rights. SF LLC is also responsible for complying with administration requirements imposed by the State and/or Division Engineer’s office.

4. Pro-Rata Portion of Delivery. If the yield of SF LLC’s Non-Potable Water Rights is reduced for any reason, including but not limited to drought conditions, District No. 2 will take a commensurate reduction in its fifty (50) acre-feet per year allocation. SF LLC shall provide thirty (30) days written notice to District No. 2 of any such reduction. The written notice shall include an explanation of the reason for such reduction.

District No. 2 understands that the quantity of water available to it from SF LLC may change periodically due to drought conditions as described above. District No. 2 agrees that in the event of such a shortage, SF LLC shall not be responsible for providing an alternate supply of water to District No. 2, and that failure to deliver the full amount of water provided for herein due to drought conditions shall not be deemed to be a breach of this Water Lease. This provision shall not apply to any event in which SF LLC is unable to provide the full fifty (50) acre-feet of Non-Potable Water Rights as specified in this Water Lease due to circumstances other than drought.

5. Term. The term of this Water Lease shall be thirty (30) years from the date of this Lease (the “Term”). District No. 2 shall have the right to extend the term for up to six (6) ten year renewal terms (each, an “Extension Term”), which term will be automatically extended at the end of the Term and each Extension Term without action unless District No. 2 provides written notice to SF LLC on or before the end of the then current term that it does not wish to extend. Each Extension Term, if and when exercised, shall be on the same terms and conditions of this Lease.

6. Assignment. This lease may be assigned or sublet by either party to this Water Lease subject to the following terms and conditions:

a. Consent. Neither Party can assign its rights, entitlement, or obligations hereunder to any other party without the express, written consent of the other party. Such consent shall not be unreasonably withheld.

b. No Modifications. No obligations under this agreement shall be modified in any way whatsoever by any assignment of this Water Lease. The terms and conditions of this Water Lease shall inure to the benefit of and be binding upon the respective permitted successors and assigns of the Parties.
c. **Notification.** Any party wishing to assign its portion of this Water Lease must notify the other party sixty (60) days before any such assignment would be effective. The party receiving notification will have thirty (30) days within which to consent or object to the assignment of this Water Lease.

7. **Default; Remedies.** In the event that SF LLC fails to deliver the Non-Potable Water Rights at the time and/or location as described above in paragraph 3, District No. 2 shall give SF LLC notice of such breach, and SF LLC shall have a period of thirty (30) days to remedy or cure the same. If such failure continues for a period of thirty (30) days after written demand from SF LLC, then the Parties shall proceed to negotiations or mediation under the subsequent paragraph.

In the event of any breach or dispute, the Parties agree that they shall first attempt to resolve the dispute by negotiations through the Parties, which may include a mediator if agreed to by the Parties. If negotiation or mediation fails to resolve the dispute within sixty (60) days after the first notice of breach or dispute from one party to the other, then the claiming party may proceed to arbitration or litigation, at such party’s election. In the event of litigation or arbitration or other dispute resolution process concerning this Lease, the remedy of specific performance shall be available to any party, in addition to any other remedies available at law or in equity.

8. **Change in Location or Type of Use.** SF LLC agrees not to change the location of or type of use of the Non-Potable Water Rights, unless it receives prior written consent from District No. 2 to do so. SF LLC shall provide District No. 2 at least sixty (60) days advance written notice of its intent to change either the location of or type of use of the Non-Potable Water Rights. District No. 2 shall have thirty (30) days to consent or object to the proposed change in location and/or type of use.

9. **Amendment.** This Water Lease may be modified, amended, changed, or terminated in whole or in any part only by an amendment in writing duly authorized and executed by SF LLC and District No. 2.

10. **Waiver.** The waiver of any breach of any provision of this Lease by any party shall not constitute a continuing waiver of any subsequent breach of said party, for either breach of the same or for any other provision of this Lease.

11. **Binding Effect.** The provisions of this Water Lease shall bind and benefit the Parties, their successors and permitted assigns.

12. **Non-Severability.** Each section of this Water Lease is intertwined with the others and is not severable unless by mutual consent of the parties hereto.

13. **Entire Agreement.** This Water Lease represents the entire agreement of the Parties with respect to the lease of the Non-Potable Water Rights, and neither party has relied upon any fact or representation not expressly set forth herein. This Lease supersedes all prior agreements and understandings of any type, both written and oral.
among the parties with respect to the lease of the Non-Potable Water Rights. Each party represents that it has authority to enter into this Water Lease.

14. **Governing Law.** This Water Lease and the rights and obligations of the Parties hereto shall be governed by and construed in accordance with the laws of the State of Colorado. The Parties agree that venue for any litigated disputes regarding this Lease shall be in the District Court in and for Larimer County, Colorado, unless any such issues are defined as water matters as defined by section 37-92-203 of the Colorado Revised Statutes, for which the parties agree the venue for any litigated disputes shall be the District Court, Water Division No. 1.

15. **Attorney’s Fees and Costs.** In the event of any litigation, mediation, arbitration or other dispute resolution process arising out of this Lease, the Parties agree that each shall be responsible for their respective costs and fees associated with such action.

16. **Joint Draft.** The Parties agree that they drafted this Lease jointly with each having the advice of legal counsel and an equal opportunity to contribute to its content.

17. **Notices.** Any notice required or permitted to be given under this Water Lease shall be given in writing and shall be deemed given when delivered personally with proof of receipt, or sent by certified mail or registered mail, postage prepaid, return receipt requested, or by a commercial overnight courier that guarantees next day delivery and provides a receipt.

    Such notices shall be addressed as follows:

    **If to Lessor:**
    Serratoga Falls, LLC
    1530 16th Street, Suite 300
    Denver, CO 80202

    **With a copy to:**
    Matthew Dalton, Esq.
    Spencer Fane, LLP
    1700 Lincoln Street, Suite 2000
    Denver, CO 80203

    **If to Lessee:**
    Serratoga Falls Metropolitan District No. 2
    c/o Metro District Management, LLC
    Attn: Mr. John Paul Williams
    333 W. Drake Road
    Fort Collins, Colorado 80526

    **With a copy to:**
    Jeffrey Erb, Esq.
    Seter & Vander Wall, P.C.
    7400 E. Orchard Road, Suite 3300
    Greenwood Village, Colorado 80111
18. **No Third Party Beneficiaries.** It is the intent of the Parties that no third party beneficiary interest is created in this Lease. The Parties are not presently aware of any actions by them or any of their authorized representatives which would form the basis for interpretation construing a different intent, and in any event expressly disclaim any such acts or actions.

19. **No Waiver of Governmental Immunity.** District No. 2, its directors, officials, officers, agents, and employees are relying upon and do not waive or abrogate, or intend to waive or abrogate by any provision of this Lease the monetary limitations or any other rights immunities or protections afforded by the Colorado Governmental Immunity Act, section 24-10-101 of the Colorado Revised Statutes *et seq.*

20. **No Personal Liability.** No elected official, director, officer, agent or employee of District No. 2 or SF LLC shall be charged personally or held contractually liable by or to the other party under any term or provision of this Lease or because of any breach thereof or because of its or their execution, approval, or attempted execution of this Lease.

IN WITNESS WHEREOF, the Parties have executed this lease on the day and year first written above.
SERRATOGA FALLS, LLC

By: ________________________  
Name: ________________________  
Title: _________________________

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2

By: ________________________  
Name: ________________________  
Title: _________________________

Attest:

By: ________________________  
Name: ________________________  
Title: _________________________
Exhibit A
Serratoga Falls First Filing Meter Location
EXHIBIT F

Recreational Lease Agreement

[Insert Recreational Lease Agreement]
RECREATIONAL LEASE AGREEMENT

This Recreational Lease Agreement is made this 27th day of July, 2015 (the “Lease”) between SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado, with offices at 1530 16th Street, Suite 300, Denver, CO 80202 (“Metro District” or “Lessee”) and Kitchell Reservoir Company, a Colorado mutual reservoir company organized under the laws of the State of Colorado, with offices at 925 South County Road 5, Fort Collins, Colorado 80524 (“Kitchell”).

RECITALS

WHEREAS, Kitchell owns and operates Kitchell Reservoir located in Section 14, Township 7 North, Range 68 West of the 6th P.M. in Larimer County (“Kitchell Reservoir”). Kitchell Reservoir is adjacent to and north and east of a residential development known as Serratoga Falls, which includes developed lots within Filing No. 1 and certain undeveloped real property owned by Serratoga Falls, LLC (collectively, the “Serratoga Falls Project”). Kitchell Reservoir and the Serratoga Falls Project are depicted on Exhibit A attached hereto.

WHEREAS, Serratoga Falls, LLC is in the process of obtaining the necessary legal entitlements from the Town of Timnath and others for Serratoga Falls Filing No. 2 and 3 within the undeveloped real property owned by Serratoga Falls, LLC within the Serratoga Falls Project.

WHEREAS, the Metro District services the Serratoga Falls Project.

WHEREAS, the Metro District and Kitchell desire to enter into this Lease to govern the terms and conditions under which Kitchell will lease the recreational rights in Kitchell Reservoir to Lessee, and allow Lessee to construct and maintain certain recreational amenities at the Kitchell Reservoir for the benefit of the homeowners in the Serratoga Falls Project.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, and in consideration of the Recitals noted above, which are incorporated herein, the parties agree as follows:

1. Recreational Lease: Kitchell hereby leases to Lessee the recreational rights on and associated with Kitchell Reservoir (as well as any surrounding adjacent property owned by Kitchell, for associated recreational activities), for use by Lessee and for use by the homeowners in the Serratoga Falls Project (and their guests and invitees), all subject to the terms and conditions of this Lease. The recreational rights include, but are not limited to, boating (including kayaks, paddleboards, canoes, rafts, and other recreational craft), fishing, swimming, sunbathing, picnicking.

This Lease is for use by Lessee and by the homeowners in the Serratoga Falls Project, including their guests and invitees. Lessee and the homeowners in the Serratoga Falls Project, their guests and invitees, shall abide by the terms of this Lease. The other shareholders in Kitchell shall also have the right to use the recreational rights at no charge, in common with Lessee and the homeowners in the Serratoga Falls Project (and their guests and invitees). Except
for the other Kittell shareholders, the lease of the recreational rights shall be exclusive to Lessee and the homeowners in the Serratoga Falls Project during the Term; and Kittell agrees not to lease to or allow any other parties to use the recreational rights during the Term.

2. Water Right: The Water Court Decree which governs Kittell Reservoir was entered in Larimer County District Court Case No. CA11217 on September 10, 1953 in a supplemental adjudication which is commonly referred to as the “Coffin Decree” because of the District Court Judge that signed it (the “Decree”). The Decree awards Kittell Reservoir a right to fill at the rate of 4.75 CFS with an appropriation date of April 9, 1894 for irrigation purposes from the Duck Slough Seepage Ditch System and indicates that the water in the Duck Slough is “developed water is not tributary to the stream.” Kittell by entering into this Lease will not take any action which would jeopardize this Decree nor does it authorize Lessee to take any such action. The Decree capacity of the Kittell Reservoir is 410 acre feet.

The primary use and purpose of the Kittell Reservoir is to remain as irrigation storage for the approximately 254 acres in section 14 (some of which are part of the Serratoga Falls Project) and the smaller properties historically served in section 15 which are west of County Road 5, all as depicted on Exhibit D attached hereto. The recreational rights shall be subordinate to this primary use (e.g., Kittell shall have the right to lower the water level of the Kittell Reservoir in the course of providing irrigation water to such properties, even if that adversely impacts the recreational uses of the Kittell Reservoir).

Kittell shall remain responsible for all maintenance and repair of the Kittell Reservoir dam, including any maintenance and repair required by the State Engineers Office.

No activity under this Lease will reduce water quality or adversely affect water quality from Kittell Reservoir.

3. Recreational Facilities: Subject to the terms of this Lease, Lessee shall have the right (but not the obligation), at Lessee’s cost, to: (i) improve the shoreline with imported sand or other materials as long as it does not decrease the capacity of the Kittell Reservoir; (ii) install floating docks for swimming and sunbathing; (iii) develop the shoreline into a beach with a boat or fishing dock; (iv) build volleyball courts, fire pits, picnic and seating area within the adjacent property owned by Kittell; (v) install lights for evening usage (although the hours of usage will be restricted by Lessee); (vi) install facilities for kayaks, paddleboards, canoes, rafts, paddleboards and other non-motorized recreational craft to be used on the Kittell Reservoir; and (vii) install additional facilities consistent with (i) through (vi) immediately above. Except, fishing boats or motorized vessels will be permitted, limited to an electrically powered trolling motor of 5 horsepower or less.

Lessee shall have the right to impose rules and regulations on the use of Kittell Reservoir, and on the use of the recreational facilities, by the Serratoga Falls Project’s homeowners and their guests and invitees; and to modify the rules and regulations from time to time, consistent with the terms of this Lease.
No activity under this Lease will compromise or breach the shoreline of Kitchell Reservoir (including the dam).

4. **Term:** The term of this Lease is ten (10) years from the date of this Lease (the “Term”). Lessee shall have the right to extend the Term for up to two (2), ten (10) year renewal terms (each, an “Extension Term”, and when exercised, part of the “Term”), by providing written notice of extension to Kitchell on or before the end of the then-current Term. Each Extension Term, if and when exercised, shall be on the same terms and conditions of this Lease, subject only to rental being increased during each Extension Term as set forth in Section 5 below.

5. **Rent:** The annual rental during the first year of the Term of this Lease shall be Five Thousand Dollars ($5,000.00); the annual rental for each succeeding year during the initial ten-year Term will be adjusted based on the prior year rental, increased by the greater of (i) two percent (2.0%) of the prior year rental; or (ii) the percentage net change in the general consumer price index for all items for the preceding full calendar year. Rent for the first year of an Extension Term, if exercised, shall be the rent paid for the last year of the preceding term. The annual rental for each succeeding year of the Extension Term (and the second Extension Term, if exercised) will be adjusted based on the prior year rental, increased by the greater of (i) two percent (2.0%) of the prior year rental; or (ii) the percentage net change in the general consumer price index for all items for the preceding full calendar year. Rental shall be payable annually on or in advance of each anniversary of this Lease.

6. **Warranty; Indemnification and Insurance:**

(a) All uses of the recreational rights will be in compliance with all applicable laws and regulations, including any requirements of the Town of Timnath. No activity under this Lease will compromise or breach the shoreline of Kitchell Reservoir (including the dam), or reduce water quality or adversely affect water quality from Kitchell Reservoir.

(b) To the extent allowed by law, Lessee hereby agrees to indemnify and hold harmless Kitchell against any and all claims, demands, judgments, penalties, liabilities, contractual obligations, costs, damages, and expenses directly incurred by Kitchell arising from any work by Lessee or use of Kitchell Reservoir under this Lease by Lessee, homeowners in the Serratoga Falls Project, and their guests and invitees. Lessee will maintain at its expense general liability insurance in an amount of at least One Million Dollars ($1,000,000.00) of coverage. Lessee will name Kitchell as an additional member in the District’s liability insurance pool.

7. **Amendment:** This Lease may only be modified, amended, changed or terminated in whole or in any part only by an amendment in writing duly authorized and executed by Lessee and Kitchell.

8. **Waiver:** The waiver of any breach of any provision of this Lease by any party shall not constitute a continuing waiver of any subsequent breach of said party, for either breach of the same or for any other provision of this Lease.
9. **Entire Agreement:** This Lease represents the entire agreement of the parties with respect to the lease of the recreational rights to Kitchell Reservoir, and neither party has relied upon any fact or representation not expressly set forth herein. This Lease supersedes all prior agreements and understandings of any type, both written and oral, among the parties with respect to the lease of the recreational rights to Kitchell Reservoir. Each party represents that it has authority to enter into this Lease.

10. **Non-Severability:** Each section of this Lease is intertwined with the others and is not severable unless by mutual consent of the parties hereto.

11. **Assignability:** Upon written notice to Kitchell (without the prior written consent of Kitchell), Lessee may assign or sublet this Lease to a metropolitan district. Except as set forth above, any other assignment of this Lease will require written consent of Lessee and Kitchell. Lessee (and any assignee) and Kitchell shall designate an individual contact person.

12. **Binding Effect:** This Lease and the rights and obligations created hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

13. **Governing Law:** This Lease and its application shall be construed in accordance with the laws of the State of Colorado. The parties agree that venue for any litigated disputes regarding this Lease shall be in the District Court in and for Larimer County, unless any such issues are water matters as defined by C.R.S. §37-92-203, for which the parties agree the venue for any litigated disputes shall be the District Court, Water Division No. 1.

14. **Attorney’s Fees:** In the event of any litigation, mediation, arbitration or other dispute resolution process arising out of this Lease, the parties agree that each shall be responsible for their respective costs and fees associated with such action.

15. **Joint Draft:** The parties agree that they drafted this Lease jointly with each having the advice of legal counsel and an equal opportunity to contribute to its content.

16. **Default; Remedies:** In the event Lessee, or any homeowner within the Serratoga Falls Project (or their guests or invitees) fails to observe or comply with any of the terms, covenants and conditions of this Lease, then Kitchell shall give Lessee notice of such breach, and Lessee shall have a period of thirty (30) days to remedy or cure the same. Lessee may impose rules and regulations on the homeowners within Serratoga Falls Project (and their guests and invitees) as a remedy or to prevent subsequent breach (i.e., Lessee’s imposition and enforcement of rules and regulations shall be deemed a remedy or cure). If such failure continues for a period of thirty (30) days after written demand from Kitchell, or if Lessee fails to impose rules and regulations to remedy or prevent subsequent breach, then the parties shall proceed to negotiations or mediation under the subsequent paragraph. If Lessee does impose rules and regulations to remedy or prevent subsequent breach, then Kitchell shall not have the right to cancel this Lease unless Lessee fails to enforce such rules or regulations.
In the event of any breach or dispute, the parties agree that they shall first attempt to resolve the dispute by negotiations through the parties, which may include a mediator if agreed to by the parties. If negotiation or mediation fails to resolve the dispute within sixty (60) days after the first notice of breach or dispute from one party to the other, then the claiming party may proceed to arbitration or litigation, at such party's election. In the event of litigation or arbitration or other dispute resolution process concerning this Lease, the remedy of specific performance shall be available to any party, in addition to any other remedies available at law or in equity.

17. Notices: Any notice required or permitted to be given hereunder shall be in writing and shall be deemed given when delivered personally or sent by certified or registered mail, return receipt requested, postage pre-paid, or by a nationally recognized overnight courier, addressed as follows:

If to Lessee: Serratoga Falls Metropolitan District No. 1
1530 16th Street, Suite 300
Denver, CO 80202

With a copy to: Mark Goldstein
P.O. Box 273180
Fort Collins, CO 80527
Phone: 970/231-6389

With a copy to: Timothy J. Flanagan, Esq.
Fowler, Schimberg & Flanagan, P.C.
1640 Grant Street
Denver, CO 80203

If to Kitchell: Kitchell Reservoir Company
Attn: President
925 South County Road 5
Fort Collins, CO 80524

With a copy to: Mayo Sommermeyer, Esq.
The Dow Law Firm, LLC
P.O. Box 1578
Fort Collins, CO 80522-1578

18. No Third Party Beneficiaries. It is the intent of the parties hereto that no third party beneficiary interest is created in this Lease. The parties hereto are not presently aware of any actions by them or any of their authorized representatives which would form the basis for interpretation construing a different intent, and in any event expressly disclaim any such acts or actions.
19. **No Waiver of Governmental Immunity.** The Metro District, its directors, officials, officers, agents and employees are relying upon and do not waive or abrogate, or intend to waive or abrogate by any provision of this Lease the monetary limitations or any other rights immunities or protections afforded by the Colorado Governmental Immunity Act, C.R.S Section 24-10-101 et seq as the same may be amended.

20. **Appropriation.** All financial obligations of the Metro District under and pursuant to this Lease are subject to prior appropriations of monies expressly made by the Metro District for the purposes of this Lease.

21. **No Personal Liability.** No elected official, director, officer, agent or employee of the Metro District or Kitchell shall be charged personally or held contractually liable by or to the other party under any term or provision of this Lease or because of any breach thereof or because of its or their execution, approval or attempted execution of this Lease.

IN WITNESS WHEREOF, the parties have executed this Lease effective as of the date first written above.

**Serratoga Falls Metropolitan District No. 1**
A quasi-municipal corporation and political subdivision of the State of Colorado

By: 
Name: **Aaron M. Patek**
Title: **Director**

STATE OF (Colorado) ss.
COUNTY OF (Denver)

**Kitchell Reservoir Company**
A Colorado mutual reservoir company

By: 
Name: **Dale W. Johnson**
Title: **President**

The foregoing instrument was acknowledged before me this 26th day of July, 2015, by **Aaron M. Patek**, whose title is **Director**, of Serratoga Falls Metropolitan District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado.

Witness my hand and official seal.

My commission expires: **Nov. 7, 2016**

**Susan Jend**
Notary Public
STATE OF \underline{Colorado} )
) ss.
COUNTY OF \underline{Larimer} )

The foregoing instrument was acknowledged before me this 17th day of July, 2015, by \underline{Dave Johnson}, whose title is \underline{President}, of Kitchell Reservoir Company, a Colorado mutual reservoir company.

Witness my hand and official seal.

My commission expires: \underline{May 13, 2019} 

\underline{[Signature]}

Notary Public

Brittany Schlepp
Notary Public
State of Colorado
Notary ID 20114028607
My Commission Expires May 13, 2019
Exhibit H

Intergovernmental Agreement Between Serratoga Falls Metropolitan District No. 1 and Serratoga Falls Metropolitan District No. 3
INTER-DISTRICT INTERGOVERNMENTAL AGREEMENT

THIS AGREEMENT is made and entered into the _____ day of September 2015 by and between SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1 ("Operating District") and SERRATOGA FALLS METROPOLITAN DISTRICT NO. 3 ("Financing District"), quasi-municipal corporations of the State of Colorado (collectively referred to herein as "Districts" or individually as "District").

RECITALS

WHEREAS, the Districts were organized to provide public services and improvements pursuant to the Consolidated Service Plan of the Serratoga Falls Metropolitan District Nos. 1-3 dated March 9, 2006 ("Service Plan"); and

WHEREAS, pursuant to Article XIV, Section 18(2)(a) of the Colorado Constitution, and Section 29-1-201, et seq., C.R.S., the Districts may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each District; and

WHEREAS, the Districts were organized with the approval of the Town of Timnath, State of Colorado, and with the approval of their respective electors, fully contemplating cooperation between the Districts as provided in the Service Plan, and fully contemplating execution of this Agreement; and

WHEREAS, the primary purpose and function of the Financing District is to provide funding and the necessary tax base for financing the construction, operation and maintenance of certain public improvements (as defined by the Service Plan) by the Operating District; and

WHEREAS, the primary purpose of the Operating District is to obtain financing for construction of the public improvements, manage the construction and operation of the public improvements, and to own, operate and maintain the public improvements to the extent permitted by the Service Plan and Town of Timnath requirements and pursuant to a long-term operations and maintenance program; and

WHEREAS the Districts previously entered into an Inter-District Intergovernmental Agreement dated July 31st, 2006 that included as a party Serratoga Falls Metropolitan District No. 2 (the "Prior IGA"), and it is the intent of the Districts that this Agreement replace and restate the Prior IGA as between the Districts; and

WHEREAS, the Districts desire to set forth herein the terms and conditions upon which certain public improvements will be financed, funded, constructed, owned, operated and maintained and for other purposes.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Districts hereby agree as follows:

1. The Districts shall diligently attempt to implement their Service Plan in accordance with the terms of such Service Plan. Without limiting the rights and privileges or
duties and obligations of the Districts as set forth in the Service Plan, it is generally anticipated that the Operating District will develop a coordinated plan for financing public improvements identified in the Service Plan, and that the Districts will work cooperatively to implement the financing plan in such a way as to enable the Operating District to construct, operate and maintain the public improvements described in the Service Plan.

2. The Operating District shall be responsible for the design, acquisition, installation, construction, installation, relocation, funding, financing, operation and maintenance of potable and non-potable water system, street and roadway improvements, drainage improvements, traffic and safety improvements, landscaping improvements, public park and recreation facilities, and additional metropolitan district improvements within the Districts, as provided in the Service Plan. Development within the Districts will proceed in phases and construction of such public improvements will be completed in phases as development and need for service necessitates.

3. The Operating District shall obtain financing for construction and installation of such public improvements in accordance with the provisions of the Service Plan, through general obligation and/or revenue bonds or other instruments issued by the Operating District. The Financing District may issue general obligation debt only after determination that the assessed valuation of the Financing District is sufficient to pay the debt service with ad valorem property tax revenue. Until such time, the Financing District shall pay to the Operating District all revenue raised from mill levies assessed by the Financing District to offset the operating expenses and debt service incurred by the Operating District for provisions of services to property within the Financing District. This obligation shall constitute debt of the Financing District; therefore, mill levies certified by the Financing District shall be characterized as debt service mill levies.

4. The Financing District shall assign all revenue raised from all sources, including, but not limited to ad valorem property taxes, development fees, capital facilities fees, irrigation water service charges, water plant investment fees, conservation trust funds, specific ownership taxes, and interest, to the Operating District in order to offset the expenses of the construction of the public improvements and the Operating District's costs of operation and maintenance of such public improvements.

5. The public improvements constructed hereunder and in accordance with the Service Plan shall be owned, operated and maintained by the Operating District or dedicated upon completion to the Town of Timnath or its designee. It shall be the responsibility of the Operating District to provide the operations and maintenance services and to maintain necessary insurance for the public improvements in a manner deemed appropriate by the Districts, and in compliance with applicable law. The Financing District shall have no direct responsibility for operations or maintenance of such public improvements.

6. 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 parties hereto, any rights, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all of the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the parties shall be for the sole and exclusive benefit of the parties. The covenants,
terms, conditions, and provisions contained herein shall inure to and be binding upon the representatives, successors, and permitted assigns of the parties hereto. This Agreement is not intended to create any third-party beneficiaries, implied trusts, or similar implied agreements, nor may the provisions hereof be enforced by any person or entity not a party hereto, including without limitation, the owners of bonds issued by the Districts.

7. 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.

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

9. As between the Districts the Prior IGA is hereby terminated.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]
IN WITNESS WHEREOF, the Districts have executed this Agreement on the date first above written.

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1

By: ________________________________
    President

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2

By: ________________________________
    President
TOWN OF TIMNATH
RESOLUTION NO. 34, SERIES 2016

A RESOLUTION APPROVING THE AMENDED AND RESTATED SERVICE PLAN
FOR SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2

WHEREAS, the Town Council of the Town of Timnath (the “Town”), pursuant to the provisions of its Charter and the Colorado Revised Statutes, has the power to adopt resolutions and policies; and

WHEREAS, the Town Council desires to approve the Amended and Restated Service Plan for Serratoga Falls Metropolitan District No. 2 (the “Service Plan”) attached hereto as Exhibit A; and

WHEREAS, the Town Council is familiar with the Service Plan and finds its terms to be in the best interest of the Town, the residents within its boundaries, and the general public; and

WHEREAS, the boundaries of the Serratoga Falls Metropolitan District No. 2 (“Districts”) are wholly within the corporate limits of the Town; and

WHEREAS, the Town Council has conducted a public hearing on April 26, 2016, regarding the Service Plan; and

WHEREAS, the Special District Act requires that any service plan submitted to the District Court for the creation of a special district must first be approved by resolution of the governing body of the municipality within which the District lies; and

WHEREAS, an Intergovernmental Agreement between the Town and the District has been prepared in accordance with the terms, provisions, and limitations contained in the Service Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, COLORADO as follows:

1. The Town Council determines that the Service Plan satisfies the requirements of §§ 32-1-201, 32-1-202(2), 32-1-203(2) and 32-1-204.5, C.R.S., as amended, relating to the filing of the Service Plan and that the notice of the hearing was given in the time and manner required by law.

2. The Town Council determines that the Town's notification requirements have been complied with regarding the public hearing on the Service Plan.

3. The Town Council determines that, based on representations by and on behalf of the District, the Town Council has jurisdiction over the subject matter of the Service Plan pursuant to §§32-1-201, et seq., C.R.S., as amended.
4. In accordance with the requirements of §§ 32-1-202(2), 32-1-203(2) and 32-1-204.5, C.R.S, the Town Council hereby finds that:

   a. There is sufficient existing and projected need for organized service in the area to be served by the District.

   b. The existing service in the area to be serviced by the District is inadequate for present and projected needs.

   c. The District is capable of providing economical and sufficient service to the area within their proposed boundaries.

   d. The area included within the District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

4. The Town Council's findings are based solely upon the Service Plan and evidence presented at the public hearing and the Town has not conducted any independent investigation of the evidence. The Town makes no guarantee as to the financial viability of the District’s financial plan or the achievability of the results.

5. The Town of Timnath hereby conditionally approves the Service Plan subject to the condition that the District agrees that, within fifteen (15) days following presentment by the Town of an invoice, all fees and expenses that have been submitted to the District for payment by or on behalf of the Town or its attorneys or financial or other advisors shall be paid in full, and the District shall also promptly pay all such fees and expenses submitted thereafter.

6. The terms, provisions, and limitations of the Service Plan have been incorporated in the Intergovernmental Agreement attached to the Service Plan. The Intergovernmental Agreement is incorporated herein by this reference and is hereby approved, but shall not be effective until executed by the Town and the District. The District is not authorized to issue any debt, impose mill levies or fees until the time that the Intergovernmental Agreement is executed. The Town Mayor, or Town Manager in the alternative, is authorized to sign, and the Town Clerk to attest, the attached Intergovernmental Agreement once it has been executed by the District.

7. The Town Council's approval of the Service Plan and the Intergovernmental Agreement is not a waiver or a limitation upon any power, which the Town Council is legally permitted to exercise with respect to the property within the District. The Amended and Restated Service Plan is hereby approved in substantially the form as attached hereto, subject to technical or otherwise non-substantive modifications, as deemed necessary by the Town Manager in consultation with the Town Planner, Engineer, Legal Counsel, and other applicable staff or consultants.
INTRODUCED, MOVED, AND ADOPTED ON APRIL 26, 2016.

TOWN OF TIMNATH

__________________________
Jill Grossman-Belisle, Mayor

ATTEST:

__________________________
Milissa Peters, CMC
Clerk
EXHIBIT A
SERVICE PLAN
AMENDED AND RESTATED SERVICE PLAN
FOR
SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2
TOWN OF TIMNATH, COLORADO

Prepared
by

SETER & VANDER WALL, P.C.

7400 EAST ORCHARD ROAD, SUITE 3300
GREENWOOD VILLAGE, CO 80111

APRIL 26, 2016
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I. INTRODUCTION

On March 29, 2006, the Town Council of the Town of Timnath approved the Consolidated Service Plan for Serratoga Falls Metropolitan District Nos. 1, 2, and 3 (the “Original Service Plan”). Serratoga Falls Metropolitan District No. 2 (the “District”) was organized concurrently with Serratoga Falls Metropolitan Districts Nos. 1 and 3 by the recording in the Larimer County Clerk and Recorder’s Office of an Order and Decree Creating Serratoga Falls Metropolitan District No. 2, as amended on August 9, 2006. After the platting of eighty-three (83) lots in the first phase of development in the District, the developer that initiated the formation of the Districts fell into financial distress, and the remaining property owned by the developer in the Districts was foreclosed upon and subsequently sold to Serratoga Falls, LLC. Due to new development plans by Serratoga Falls, LLC for the remaining property within the District and future filings in the Serratoga Falls Development, the District is amending and restating, in part, the Original Service Plan with this Amended and Restated Service Plan for Serratoga Falls Metropolitan District No. 2. A separate Amended and Restated Service Plan has been submitted for Serratoga Falls Metropolitan Districts Nos. 1 and 3. Following adoption of the new amended and restated service plan for District Nos. 1 & 3, and the amended and restated service plan for District No. 2, District No. 2 will operate solely pursuant to this Amended and Restated Service Plan (the “Service Plan”).

A. Purpose and Intent.

(i) Enabling Authority. All Public Improvements to serve the Service Area have been completed. It is the intention of the Town that this Service Plan grant authority to the District to finance, operate and maintain the existing Public Improvements, including but not limited to, the repair, removal, relocation, and replacement of any Public Improvements for the benefit of the District and its inhabitants and taxpayers. In all events, the Town and the District acknowledge that the District is an independent unit of local government, separate and distinct from the Town, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the Town only insofar as they may deviate in a material manner from the requirements of the Service Plan.

(ii) General Purpose. It is intended that the District will provide a part or all of the operations and maintenance services for the existing Public Improvements constructed for the use and benefit of all anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance, operate and maintain the Public Improvements, as specifically authorized herein or in an intergovernmental agreement with the Town.

B. Need for the District.

The District owns or will own certain public improvement and receives a benefit from other public improvement located within the District that were necessary for development. The District intends to issue approximately $950,000 in debt to pay for these public improvements and costs related to the preparation of the Amended and Restated Service Plan for the District and the exhibits thereto. As a result, there is a continued need for the District to exist.
to fund the payment of its debt and to provide operations and maintenance of the Public Improvements.

C. **Objective of the Town Regarding District’s Service Plan.**

The Town’s objective in approving the Service Plan for the District is to authorize the District to provide for the financing of Debt for the Public Improvements and the operations and maintenance of the Public Improvements. All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties, and at a maximum mill levy no higher than the Maximum Aggregate Mill Levy for residential properties, and/or repaid by Fees, as long as such Fees are not imposed upon or collected from Taxable Property owned or occupied by an End User for the purpose of creating a capital cost payment obligation as further described in Section V.A. 11. Debt which is issued within these parameters, will insulate property owners from excessive tax and Fee burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of said Debt.

This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the financing, operation and maintenance of the Public Improvements associated with development and regional needs.

The District may dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt, and for continuation of any operations approved in an plan for dissolution.

The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from Fees or from tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy and which shall not exceed the Maximum Debt Mill Levy Imposition Term. It is the intent of this Service Plan to assure to the extent possible that no property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy in amount and that no property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District.

II. **DEFINITIONS**

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

**Approved Development Plan:** means a Subdivision Improvement Agreement or other process established by the Town for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service Area as approved by the Town pursuant to the Town Code and as amended pursuant to the Town Code from time to time.
**Board:** means the board of directors of the District.

**Bond, Bonds or Debt:** means bonds or other obligations for the payment of which a District has promised to impose an *ad valorem* property tax mill levy, and/or collect Fee revenue.

**Covenant Enforcement and Design Review Services:** means those services authorized under Section 32-1-1004(8), C.R.S.

**District:** means Serratoga Falls Metropolitan District No. 2.

**Districts:** means the District and Serratoga Falls Metropolitan Districts Nos. 1 and 3, collectively.

**End User:** means any owner, or tenant of any owner, of any taxable improvement within the District who is intended to become burdened by the imposition of ad valorem property taxes subject to the Maximum Mill Levy. By way of illustration, a resident homeowner or renter is an End User. The business entity that constructs homes is not an End User.

**Exclusion Area:** means that certain real property to be excluded from the boundaries of the District as depicted in the Exclusion Area Boundary Map.

**Exclusion Area Boundary Map:** means the map attached hereto as EXHIBIT C-3 depicting the property proposed for exclusion from the boundaries of the District.

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

**Fee(s):** means any fee imposed by the District for services, programs or facilities provided by the District, as described in Section V.A.11. below.

**Financial Plan:** means the Financial Plan described in Section VI, which describes (i) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes. In addition to the information in Section VI the Town may require additional financial forecasts and feasibility reports to support the Financial Plan.

**Gallagher Adjustment:** means, if, on or after January 1, 2014, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut
or abatement, the Maximum Aggregate Mill Levy may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted for changes occurring after January 1, 2014, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

**Inclusion Area Boundaries:** Not Applicable.

**Inclusion Area Boundary Map:** Not Applicable.

**Current District Boundaries:** means the boundaries of the area described in the Current District Boundary Map.

**Current District Boundary Map:** means the map attached hereto as Exhibit C-1, describing the District’s Current boundaries.

**Maximum Aggregate Mill Levy:** means the maximum mill levy the District is permitted to impose for payment of Debt, capital improvements administration, operations, and maintenance expenses as set forth in Section VI.C below.

**Maximum Debt Mill Levy:** means the maximum mill levy the District is permitted to impose for payment of Debt as set forth in Section VI.C below.

**Maximum Debt Mill Levy Imposition Term:** means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section VI.D below.

**Maximum Operations and Maintenance Mill Levy:** means the maximum mill levy the District is permitted to impose for payment of operations as set forth in Section VI.C below.

**Project:** means the development or property commonly referred to as Serratoga Falls.

**Public Improvements:** means a part or all of the existing or future improvements planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act to serve the taxpayers and inhabitants of the Service Area as determined by the Board of the District.

**Service Area:** means the property within Serratoga Falls, First Filing, Town of Timnath, County of Larimer, State of Colorado.

**Service Plan:** means this amended and restated service plan for the District approved by Town Council.
**Service Plan Amendment**: means an amendment to the Service Plan approved by Town Council in accordance with the Town’s ordinance and the applicable state law.

**Special District Act**: means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

**State**: means the State of Colorado.

**Taxable Property**: means real or personal property within the Service Area subject to ad valorem taxes imposed by the District.

**TDA Intergovernmental Agreement**: Not Applicable.

**Town**: means the Town of Timnath, Colorado.

**Town Code**: means the Town Code of the Town of Timnath, Colorado.

**Town Council**: means the Town Council of the Town of Timnath, Colorado.

### III. **BOUNDARIES**

The area of the Current District Boundaries included approximately 371.48 acres. A legal description of the Current District Boundaries is attached hereto as Exhibit A. A vicinity map is attached hereto as Exhibit B. The Current District Boundary Map is attached hereto as Exhibit C-1. Since the approval of the original Service Plan, the nature of the proposed development within the District’s boundaries has changed. The District anticipates receiving a petition from the owner of one hundred percent (100%) of the property located in the Exclusion Area to exclude such property from the boundaries of the District. The Exclusion Area Boundary Map is attached hereto as Exhibit C-3. Upon approval of this Service Plan, the District will be authorized to exclude the Exclusion Area without further approval from the Town. Prior to the exclusion the District and Serratoga Falls Metropolitan District No. 1 shall enter into an intergovernmental agreement to provide for operations and maintenance of public improvements that benefit the District and the property in the Exclusion Area as attached hereto as EXHIBIT H.

The District’s boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Section V below.

### III. **PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION**

Upon exclusion of the Exclusion Area, the Service Area will consist of approximately 46 acres of residential land. The 2016 assessed valuation of the Service Area is approximately $2.3 million and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The population of the District, after the exclusion of the Exclusion Area, at
build-out is estimated to be approximately two hundred forty-nine (249) people based on 83 platted lots within the Service Area and three (3) persons per unit.

Approval of this Service Plan by the Town does not imply approval of the development of a specific area within the District, nor does it imply approval of the number of residential units or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

IV. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the District and Service Plan Amendment.

The District shall have the power and authority to provide Public Improvements, and operation and maintenance services within and without the boundaries of the District as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein:

1. Operations and Maintenance Limitation. Public Improvements for use by the inhabitants and taxpayers of the Service Area have been completed. Streets and related traffic and safety protection improvements have been dedicated to the Town. The District shall operate and maintain all trails, parks, landscaping, irrigation and related amenities within the District pursuant to an intergovernmental agreement with the Town, which shall be executed at the first meeting of the District after approval of this Service Plan. 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, similar fees and taxes paid by residents of the District. However, the District shall be entitled to impose an administrative Fee as necessary 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 costs are not the responsibility of District residents. All such Fees shall be based upon the District’s determination that such Fees do not exceed a reasonable annual market fee for users of such facilities and the costs of providing the service.

2. Fire Protection 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.

3. 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.
4. **Construction Standards Limitation.** The District will ensure that 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 will obtain the Town’s approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

5. **Financial Advisor Certification.** Prior to the issuance of any privately placed Debt other than the debt to be issued as described in Section VI.A., the District shall obtain the certification of an External Financial Advisor approved by the Town, in 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.

   The District shall submit notice to the Town Manager of the proposed External Financial Advisor which shall either be approved or objected to within ten (10) days of the selection of an External Financial Advisor. If the Town Manager does not object to such selection within the ten (10) day period, the Town Manager’s approval shall be deemed to have been given.

6. **Inclusion Limitation.** The District shall not include within its boundaries any property without advance notice to the Town. No property will be included within the District at any time unless such property has been annexed into the Town’s corporate limits.

7. **Exclusion Limitation.** Other than the Exclusion Area depicted on the Exclusion Area Boundary Map, the District shall not exclude from its boundaries any property without the prior written consent of the Town. The District shall follow the procedure for exclusion of property as provided in Section 32-1-501, C.R.S.

8. **Overlap Limitation.** The boundaries of the District shall not overlap with any other metropolitan district unless the aggregate mill levies within the overlapping districts will not at any time exceed the Maximum Debt Mill Levy, the Maximum Operations and Maintenance Mill Levy, and the Maximum Aggregate Mill Levy, respectively. Additionally, the District shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the District unless the aggregate mill levy for the District will not at any time exceed the Maximum Debt Mill Levy, Maximum Operations and Maintenance Mill Levy, and the Maximum Aggregate Mill Levy, respectively.
9. **Initial Debt Limitation.** Not Applicable.

10. **Total Debt Issuance Limitation.** The District shall not issue Debt in excess of Two Million Dollars ($2,000,000).

11. **Fee Limitation.** The Districts may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance. Any operations and maintenance Fees and Fee Increases not specifically listed herein or in the Exhibit D shall be subject to review and written approval by the Town, either administratively or by formal action of Town Council, at the discretion of the Town Manager. If the Town does not respond to a request for the imposition of an operations and maintenance Fee or Fee Increase within thirty (30) days of receipt of a written request, the Town shall be deemed to have waived its approval authority with respect to the requested operations and maintenance Fee or Fee Increase. Any operation and maintenance Fee imposed without approval as set forth herein shall constitute a material departure from the Service Plan. No Fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from owners of Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a direct capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this section related to capital fees charged to End Users shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the Districts.

12. **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 that the Town is eligible to apply for, 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, loans or grants.

13. **Consolidation Limitation.** The Districts shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town, unless such consolidation is with Serratoga Falls Metropolitan District No. 3.

14. **Bankruptcy Limitation.** All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Operations Mill Levy, Maximum Aggregate Mill Levy, Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term, and the Fees 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. It is expressly intended that such limitations:

   (a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; 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).

15. Water Rights/Resources Limitation. The District shall not acquire, own, manage, adjudicate or develop water rights or resources except as identified in the Intergovernmental Agreement with Serratoga Falls Metropolitan District No. 1 attached hereto as EXHIBIT H, unless otherwise provided pursuant to an intergovernmental agreement with the Town.

16. Extraterritorial Service/Improvements Limitation. Except for the operations and maintenance of certain Public Improvements benefiting the District and Serratoga Falls as described in the intergovernmental agreement attached hereto as EXHIBIT H, the District shall not provide any extraterritorial service or public improvements without Town consent, which may be obtained administratively, in writing, from the Town Manager.

17. Eminent Domain Limitation. The District shall be authorized to utilize the power of eminent domain after entering into a written agreement with the Town regarding the use of eminent domain.

18. Covenant Enforcement/Design Review. The District shall provide all community functions authorized by covenants, conditions and restrictions including the Covenant Enforcement and Design Review Services for the Service Area, unless otherwise provided pursuant to an intergovernmental agreement with the Town. Covenants, conditions and restrictions have been recorded against the property in the District. Upon approval of this Service Plan, it is anticipated that the declarant will record an amendment to the covenants, conditions and restrictions to designate the District as the covenant enforcer subject to the terms contained therein. The covenants, conditions and restrictions may be amended in the future by the property owners and/or declarant to permit the District to provide design review services. The District shall not impose assessments to fund Covenant Enforcement and Design Review Services, but the District shall be authorized to impose Fees to defray the costs of such Services.

19. Financial Review. The Town shall be permitted to conduct periodic reviews of the financial powers of the District in the Service Plan at its discretion, including more frequently than the so-called “quinquennial” review contemplated by CRS Section 32-1-1101.5. Within sixty days of receipt of notice of the Town’s intent to conduct such a financial review, the District shall submit to the Town an application for a finding of reasonable due diligence setting forth the amount of the District’s authorized but unissued general obligation debt, any current or anticipated plan to issue such debt, a copy of the District’s last audit or audit exemption, and any other information required by the Town relevant to making its determination of due diligence as provided below. The Town’s procedures for conducting a financial review under this Paragraph 19, and the remedies available to the Town as a result of such financial review shall be identical to those provided for in CRS Section 32-1-1101.5(2).

B. Service Plan Amendment Requirement.
This Service Plan has been designed with sufficient flexibility to enable the
District to provide required services and facilities under evolving circumstances without the need
for numerous amendments. Actions of the District which violate the limitations set forth in V.A
above or in VI.A-I. 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.

V. FINANCIAL PLAN

A. General.

Public Improvements to benefit the inhabitants and taxpayers of the Service Area
have been constructed. The District intends to issue approximately $950,000 in debt to pay for
these public improvements and costs related to the preparation of the Amended and Restated
Service Plan for the District and the exhibits thereto on terms substantively similar to the
repayment terms set forth in EXHIBIT G upon Town approval of this Service Plan and the
exclusion of the Exclusion Area by the District. The District may issue this debt in two separate
transactions as dictated by the prevailing market and development conditions.

The District is authorized to provide for the planning, design, acquisition, construction,
installation, relocation and/or redevelopment of the Public Improvements, as may be needed in
the future to serve the Service Area, from its revenues and by and through the proceeds of Debt
to be issued by the District. The Financial Plan for the District shall be to issue such Debt as the
District can reasonably pay within the Maximum Debt Mill Levy Imposition Term from
revenues derived from the Maximum Debt Mill Levy and other legally available revenues.
Except for the new obligation to be issued, the total Debt that the District shall be permitted to
issue shall not exceed Two Million Dollars ($2,000,000) and shall be permitted to be issued on a
schedule and in such year or years as the District determines shall meet the needs of the
District. All Bonds and other Debt issued by the District may be payable from any and all legally
available revenues of the District, including general ad valorem taxes and Fees to be imposed
upon all Taxable Property within the District. The District may also rely upon various other
revenue sources authorized by law. These will include the power to assess Fees, rates, tolls,
penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time,
subject to the limits in this Service Plan. In addition to the information in this Section VI, the
Town may require additional financial forecasts and feasibility reports.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt
is issued. All debt-related election ballot questions shall provide that in the event of a default,
the proposed maximum interest rate on any Debt shall not exceed eighteen percent (18%). All
debt-related election ballot questions shall provide that the proposed maximum underwriting
discount for Debt will be five percent (5%). Debt, when issued, will comply with all relevant
requirements of this Service Plan, State law and Federal law as then applicable to the issuance of
public securities. All debt-related election ballot questions shall be drafted so as to limit the
District’s debt service mill levy to the Maximum Debt Mill Levy. Prior to any election to authorize the issuance of Debt, the District shall cause a letter prepared by an attorney licensed in the State of Colorado to be provided to the Town opining that the requirements of this paragraph have been satisfied. Failure to observe the requirements established in this paragraph shall constitute a material modification under the Service Plan and shall entitle the Town to all remedies available at law and in equity, including the remedies provided for in Section V(19), herein.

C. Maximum Mill Levies.

1. The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within such District for payment of Debt, and shall be fifty (50) mills, beginning in the 2016 fiscal year. If there are changes in the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement, the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2014, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

2. The Maximum Operations and Maintenance Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of administration, operations, maintenance, and capital costs, and shall be fifty (50) mills, beginning in the 2016 fiscal year. If there are changes in the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2014, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

3. The Maximum Aggregate Mill Levy shall be the maximum combined mill levy a District is permitted to impose upon the taxable property within the District for payment of all expense categories, including but not limited to: Debt, capital costs, and administration, operations, and maintenance costs, and shall be fifty (50) mills, beginning in the 2016 fiscal year. However, if, on or after January 1, 2014, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the preceding mill levy limitations may be increased or decreased to reflect such changes, with such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2014, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to
assessed valuation shall be deemed to be a change in the method of calculating assessed valuation. Except as provided in this paragraph, the provisions below, or pursuant to separate intergovernmental agreement entered into with the Town under extraordinary circumstances, the Maximum Aggregate Mill Levy shall not be exceeded under any circumstances. Imposition by a District of a mill levy in excess of this limitation shall constitute a material departure from this Service Plan.

4. If the total amount of aggregate Debt of a District exceeds fifty percent (50%) of that District’s assessed valuation, the Maximum Debt Mill Levy shall be fifty (50) mills; provided that if the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement is changed by law; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2014, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation. If the total amount of aggregate Debt of a District is equal to or less than fifty percent (50%) of that District’s assessed valuation, either on the date of issuance or at any time thereafter, the Maximum Debt Mill Levy, the Maximum Operations and Maintenance Mill Levy, and the Maximum Aggregate Mill Levy will each be increased to sixty (60) mills.

5. For purposes of the foregoing, once Debt has been determined to be within Section VI.C.4. above, so that the District is entitled to pledge to their debt service payments the increased Maximum Debt Mill Levy as described above, the District may provide that such Debt shall remain secured by the increased Maximum Debt Mill Levy as described above, notwithstanding any subsequent change in the District’s Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

6. To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term “District” as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

7. Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the Town as part of a Service Plan Amendment.

D. Maximum Debt Mill Levy Imposition Term.

The District shall have no authority to impose or collect any mill levy, fee, charge, rate, toll or any other financial burden on property or persons for repayment of any and
all Debt (or use the proceeds hereof 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 a debt
service mill levy by the District in which such property is located, unless a majority of the Board
are residents of the District and the Board shall have voted in favor of a refunding of a part or all
of the Debt. At the end of the forty (40) year term any and all Debt that has not been paid shall
be forgiven.

E. Debt Repayment Sources.

The District may impose a mill levy on taxable property within its boundaries as a
primary source of revenue for repayment of debt service and for operations and maintenance.
The District may also rely upon various other revenue sources authorized by law. At the
District’s discretion, these may include the power to assess fees, rates, tolls, penalties, or charges
as provided in Section 32-1-1001(l), C.R.S., as amended from time to time. In no event shall the
debt service mill levy in the District exceed the Maximum Debt Mill Levy or, the Maximum
Debt Mill Levy Imposition Term.

F. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting
Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees
and consents to all of the limitations in respect of the payment of
the principal of and interest on this Bond contained herein, in the
resolution of the District authorizing the issuance of this Bond and
in the Service Plan for creation of the District.

Similar language describing the limitations in respect of the payment of the
principal of and interest on Debt set forth in this Service Plan shall be included in any document
used for the offering of the Debt for sale to persons, including, but not limited to, a developer of
property within the boundaries of the District.

G. Security for Debt.

The District shall not pledge any revenue or property of the Town as security for
the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be
construed as a guarantee by the Town of payment of any of the District’s obligations; nor shall
anything in the Service Plan be construed so as to create any responsibility or liability on the part
of the Town in the event of default by the District in the payment of any such obligation.

H. TABOR Compliance.

The District will comply with the provisions of TABOR. In the discretion of the
Board, of any one or all of the District may set up other qualifying entities to manage, fund,
construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of the District’s Board.

I. **District Operating Costs.**

   In addition to financing the Debt of Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be maintained. The District’s operating budget for 2016 is estimated to be approximately $170,000, which is anticipated to be derived from property taxes and other revenues.

### VI. **ANNUAL REPORT**

A. **General.**

   The District shall be responsible for submitting an annual report to the Town Manager’s Office no later than August 1st of each year following the year in which this Service Plan has been approved by the Town.

B. **Reporting of Significant Events.**

   The annual report shall include information as to any of the following:

   1. Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year.
   2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.
   3. Copies of the District’s rules and regulations, if any as of December 31 of the prior year.
   4. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.
   5. Status of the District’s construction of the Public Improvements as of December 31 of the prior year.
   6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the Town as of December 31 of the prior year.
   7. The assessed valuation of the District for the current year.
   8. Current year budget including a description of the Public Improvements to be constructed in such year.
9. Audit of the District’s, and any entity formed by one or more of the District, financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

10. Notice of any uncured events of default by any of the District, which continue beyond a ninety (90) day period, under any Debt instrument.

11. Any inability of a District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

In addition to the annual report, the District will be required to submit to a periodic review, unlimited in scope, as provided for in Section V(19) herein.

VII. **DISSOLUTION**

Upon an independent determination by the Town Council that the purposes for which the District was created have been accomplished, the Town may file a request with the District to dissolve the District.

VIII. **DISCLOSURE TO PURCHASERS**

The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Aggregate Mill Levy, as well as a general description of the District’s authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be filed with the Town prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Aggregate Mill Levy.

IX. **INTERGOVERNMENTAL AGREEMENTS**

The form of the intergovernmental agreement, relating to the limitations imposed on the District’s activities, is attached hereto as **Exhibit D**. The District shall approve the intergovernmental agreement in the attached form at its first Board meeting after approval by the Town of this Service Plan. Failure of the District to execute the intergovernmental agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The Town Council shall approve the intergovernmental agreement in the attached form at the public hearing approving the Service Plan. Any determination by a court of competent jurisdiction that such intergovernmental agreement is invalid, nonbinding, or unenforceable in any material degree shall be deemed a material departure from the express terms of this Service Plan.

The District and Serratoga Falls Metropolitan District No. 1 anticipate entering into a cost sharing intergovernmental agreement, as attached hereto as **EXHIBIT H**, pursuant to which the Districts will set forth the terms and conditions for funding, operating, and maintaining certain Public Improvements in the Districts.
X. CONCLUSION

It is submitted that this Service Plan for the District, as required by Section 32-1-203(2), C.R.S., establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District.

2. The existing service in the area to be served by the District is inadequate for present and projected needs.

3. The District is capable of providing economical and sufficient service to the area within its boundaries.

4. The area included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

5. Adequate service is not, and will not be, available to the area through the Town or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.

6. The facility and service standards of the District are compatible with the facility and service standards of the Town within which the special district is to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.

7. The Service Plan is in substantial compliance with a comprehensive plan adopted pursuant to the Town Code.

8. The Service Plan is in compliance with any duly adopted Town, regional or state long-range water quality management plan for the area.

9. The creation of the District is in the best interests of the area proposed to be served.
EXHIBIT A

Legal Description

A PARCEL OF LAND LOCATED IN SECTION 14, TOWNSHIP 7 NORTH, RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDIAN; TOWN OF TIMNATH, COUNTY OF LARIMER, STATE OF COLORADO; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 14 AND CONSIDERING THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 14 TO HAVE A BEARING OF N89°48'24"W, SAID BEARING BEING A GRID BEARING OF THE COLORADO STATE PLANE COORDINATE SYSTEM, NORTH ZONE, NORTH AMERICAN DATUM 1983/92, WITH ALL OTHER BEARINGS CONTAINED HEREIN RELATIVE THERETO.

THENCE ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER, N00°07'12"W 772.86 FEET TO A POINT ON THAT PARCEL OF LAND AS DESCRIBED WITHIN THAT WARRANTY DEED ASRecorded October 25, 1892 IN BOOK 82 ON PAGE 504 OF THE RECORDS OF THE LARIMER COUNTY CLERK AND RECORDER, SAID POINT BEING THE TRUE POINT OF BEGINNING;

THENCE ALONG SAID WEST LINE, N00°07'12"W 1879.22 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 14;

THENCE ALONG THE WEST LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER N00°07'28"W 1325.95 FEET TO THE NORTH SIXTEENTH CORNER COMMON TO SECTIONS 14 AND 15;

THENCE ALONG THE NORTH LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 14, S89°35'40"E, 541.64 FEET TO A POINT ON THE SOUTHERLY LINE OF THAT PARCEL OF LAND AS DESCRIBED WITHIN THAT WARRANTY DEED RECORDED NOVEMBER 29, 1977 IN BOOK 1817 ON PAGE 0027 AS RECEIPTION NUMBER 224110 OF THE RECORDS OF THE LARIMER COUNTY CLERK AND RECORDER;

THENCE ALONG SAID SOUTHERLY AND A PORTION OF THE EASTERLY LINE OF THE AFORESAID PARCEL OF LAND THE FOLLOWING TWO (2) COURSES AND DISTANCES:

1. S89°13'26"E, 302.57 FEET;
2. N26°55'26"W, 2.20 FEET TO A POINT ON THE NORTH LINE OF SAID SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 14;

THENCE ALONG SAID NORTH LINE, S89°35'40"E, 233.46 FEET TO THE SOUTHERLY LINE OF JACKSON HEIGHTS SUBDIVISION, AS RECORDED AUGUST 16, 1973 AT RECEIPTION NUMBER 264737 OF THE RECORDS OF THE LARIMER COUNTY CLERK AND RECORDER;

THENCE ALONG THE SOUTHERLY LINE OF SAID SUBDIVISION THE FOLLOWING SIX (6) COURSES AND DISTANCES:

1. S67°23'30"E, 1.75 FEET;
2. S88°07'12"E, 101.15 FEET;
3. N89°23'48"E, 185.40 FEET;
4. S85°01'31"E, 270.93 FEET;
5. N85°56'04"E, 102.28 FEET;
6. N72°01'57"E, 28.21 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 14;

THENCE ALONG SAID NORTH LINE, S89°35'40"E, 855.04 FEET TO THE CENTER NORTH SIXTEENTH CORNER;

{00217358}
THENCE ALONG THE NORTH LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 14, S89°35'40"E, 324.94 FEET;
THENCE S14°09'13"E, 79.05 FEET;
THENCE S11°18'11"E, 118.46 FEET;
THENCE S01°09'25"W, 123.51 FEET;
THENCE ALONG A LINE BEING THE HIGH WATER LINE OF THE AFORESAID RESERVOIR WHEN THE WATER IS UP TO SIX AND ONE-HALF (6 1/2) FEET ABOVE THE GRADE OF THE OUTLET DITCH OF SAID RESERVOIR, AND BEING AT AN ELEVATION OF 4959.50 BASED UPON THE NAVD 1988 DATUM BY THE FOLLOWING THIRTY-THREE (33) COURSES AND DISTANCES. SAID LINE BEING ALONG THE FOLLOWING PARCELS OF LAND:
ALONG THE NORTHWESTERLY LINE OF THAT PARCEL OF LAND AS DESCRIBED WITHIN THAT WARRANTY DEED AS RECORDED OCTOBER 27, 1915 IN BOOK 334 ON PAGE 491 OF THE RECORDS OF THE LARIMER COUNTY CLERK AND RECORDER AND BEING THAT 30 ACRES, MORE OR LESS WITHIN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 14;
ALONG THE WESTERLY AND NORTHERLY LINE OF THAT PARCEL OF LAND AS DESCRIBED WITHIN THAT WARRANTY DEED AS RECORDED OCTOBER 27, 1915 IN BOOK 334 ON PAGE 491 OF THE RECORDS OF THE LARIMER COUNTY CLERK AND RECORDER AND BEING THAT 10 ACRES, MORE OR LESS WITHIN THE SE QUARTER OF THE NW QUARTER (SOUTHEAST QUARTER NORTHWEST QUARTER) OF SECTION 14;
ALONG THE SOUTHWESTERLY LINE OF THAT PARCEL OF LAND AS DESCRIBED WITHIN THAT WARRANTY DEED AS RECORDED DECEMBER 23, 1891 IN BOOK 82 ON PAGE 165 OF THE RECORDS OF THE LARIMER COUNTY CLERK AND RECORDER;
ALONG THE SOUTHERLY LINE OF THAT PARCEL OF LAND AS DESCRIBED WITHIN THAT WARRANTY DEED AS RECORDED NOVEMBER 8, 1893 IN BOOK 95 ON PAGE 412 OF THE RECORDS OF THE LARIMER COUNTY CLERK AND RECORDER;
1. THENCE S23°26'07"W, 114.66 FEET;
2. THENCE S74°10'55"W, 104.70 FEET;
3. THENCE N56°47'52"W, 123.88 FEET;
4. THENCE N70°49'16"W, 116.92 FEET;
5. THENCE N73°28'38"W, 123.16 FEET;
6. THENCE S88°26'29"W, 138.78 FEET;
7. THENCE S82°34'17"W, 99.96 FEET;
8. THENCE S34°09'23"W, 96.02 FEET;
9. THENCE S21°24'45"W, 107.81 FEET;
10. THENCE S05°38'22"E, 116.93 FEET;
11. THENCE S07°62'15"E, 114.12 FEET.
THENCE S06°33'11"E, 115.91 FEET;
13. THENCE S23°10'07"E, 138.58 FEET;
14. THENCE S16°33'13"E, 83.66 FEET;
15. THENCE S10°36'55"W, 39.55 FEET;
16. THENCE S62°47'30"W, 44.46 FEET;
17. THENCE S31°43'40"E, 8.18 FEET;
18. THENCE S55°19'24"E, 224.90 FEET;
19. THENCE S38°05'22"E, 152.75 FEET;
20. THENCE S60°09'07"E, 106.17 FEET;
21. THENCE S85°54'02"E, 70.85 FEET;
22. THENCE S71°43'10"E, 120.77 FEET;
23. THENCE S56°10'06"E, 110.01 FEET;
24. THENCE S60°10'19"E, 151.52 FEET;
25. THENCE S75°46'02"E, 124.10 FEET;
26. THENCE S81°12'12"E, 143.97 FEET;
27. THENCE S72°25'24"E, 213.02 FEET;
28. THENCE N58°18'39"E, 130.14 FEET;
29. THENCE N09°55'32"E, 124.35 FEET;
30. THENCE N30°05'42"W, 151.82 FEET;
31. THENCE N19°41'21"W, 101.82 FEET;
32. THENCE N39°45'53"E, 107.77 FEET;
33. THENCE N50°46'22"E, 25.29 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 14;
34. THENCE ALONG SAID NORTH LINE, S86°40'41"E, 290.52 FEET; THENCE N09°26'19"E, 359.27 FEET TO THE SOUTHEAST CORNER OF PARCEL 1 AS DESCRIBED WITHIN THAT QUIT CLAIM DEED AS RECORDED JULY 27, 1977 IN BOOK 765, ON PAGE 0893, AS RECEPTION NUMBER 204869 OF THE RECORDS OF THE LARIMER COUNTY CLERK AND RECORDER;
THENCE ALONG THE NORTHEASTERLY AND EASTERLY LINES OF THE AFORESAID PARCEL OF LAND THE FOLLOWING THREE (3) COURSES AND DISTANCES:
1. N87°41'52"E, 258.00 FEET;
2. S43°08'08"E, 225.00 FEET;
3. S07°28'08"E, 204.34 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 14;
35. THENCE ALONG SAID LINE, S89°40'41"E, 886.43 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 14
THENCE ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID
SECTION 14, S00°15'37"E, 2,636.55 FEET TO THE SOUTHEAST CORNER OF SAID
SECTION 14;
THENCE ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID
SECTION 14, N89°53'22"W, 2,630.56 FEET TO THE SOUTH QUARTER CORNER OF
SAID SECTION 14;
THENCE ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID
SECTION 14, N89°48'24"W, 1,360.74 FEET; THENCE N00°11'38"E, 401.87 FEET; THENCE N89°48'24"E, 499.69 FEET; THENCE N46°38'36"W, 545.22 FEET; THENCE S89°52'48"W, 365.74 FEET TO THE POINT OF BEGINNING.

SAID TRACT CONTAINS 371.48 ACRES (16,181,774 SQUARE FEET) MORE OR LESS AND IS SUBJECT TO ALL RIGHTS-OF-WAY, EASEMENTS, AND
RESTRICTIONS OF RECORD, OR THAT NOW EXIST ON THE GROUND.
EXHIBIT B
Timnath Vicinity Map
EXHIBIT C-1
Current District Boundary Map
EXHIBIT C-2

Inclusion Area Boundary Map

NOT APPLICABLE
EXHIBIT C-3
Exclusion Area Boundary Map

Legal Description of Property to be Excluded

SERRATOGA FALLS – SECOND FILING, A REPLAT OF TRACTS B, D, E, AND F
SERRATOGA FALLS FILING NO. 1 IN SECTION 14, TOWNSHIP 7 NORTH, RANGE 68
WEST OF THE 6TH PRINCIPAL MERIDIAN, TOWN OF TIMNATH, COLORADO
EXHIBIT D
INTERGOVERNMENTAL AGREEMENT BETWEEN
THE TOWN OF TIMNATH, COLORADO
AND
SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2

THIS AGREEMENT is made and entered into as of this _____ day of ____________, 2016, by and between the TOWN OF TIMNATH, a home-rule municipal corporation of the State of Colorado (“Town”), and SERRATOGA FALLS 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, as required by the Timnath Town Code; 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, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

COVENANTS AND AGREEMENTS

1. Operations and Maintenance. Public Improvements for use by the inhabitants and taxpayers of the Service Area have been completed. Streets and related traffic and safety protection improvements have been dedicated to the Town. The District shall operate and maintain all trails, parks, landscaping, irrigation 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, similar fees and taxes paid by residents of the District. However, the District shall be entitled to impose an administrative Fee as necessary 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 costs are not the responsibility of District residents. All such Fees shall be based upon the District’s determination that such Fees
do not exceed a reasonable annual market fee for users of such facilities and the costs of providing the service.

In addition, until such time that the assessed valuation increases with the build-out of the District to generate sufficient property tax revenues to fund certain costs associated with services, programs and facilities provided by the District, with such determination to be made in the sole discretion of the District, the District is authorized to imposing a fee of up to $1,500 annually to assist in the funding of landscaping, irrigation, and other services, programs and facilities provided by District.

Except as otherwise provided herein, the District shall not provide any extraterritorial service or public improvements without Town consent, which may be obtained administratively, in writing, from the Town Manager.

2. **Service Plan.** The District shall not take any action, including without limitation the issuance of any obligations or the imposition of any tax or fee, which would constitute material modification of the Service Plan as set forth in Section 32-1-207(2), C.R.S. Actions of the District which violate any restriction set forth in the Service Plan constitute a material modification of the Service Plan that shall be a default under this Agreement, and shall entitle the Town to protect and enforce its rights under this Agreement by such suit, action, or special proceedings as the Town deems appropriate. It is intended that the contractual remedies herein shall be in addition to any remedies the Town may have or actions the Town may bring under Section 32-1-207, C.R.S., or any other applicable statute. The Town may impose any sanctions allowed by the Timnath Municipal Code or statute. Nothing herein is intended to modify or prevent the use of the provisions of Section 32-1-207(3)(b), C.R.S.

3. **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 District:** Serratoga Falls Metropolitan District No. 2 c/o Seter & Vander Wall, P.C. Attn: Jeffrey E. Erb, Esq. 7400 East Orchard Rd., Suite 3300 Greenwood Village, Colorado 80111 Phone: (303) 770-2700 Fax: (303) 770-2701

   **To the Town:** Attn: Town Manager Town of Timnath 4800 Goodman Street Timnath, CO 80547 Phone: (970) 224-3211
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 to change its address.

4. 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 without amendment to the Service Plan.

5. 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.

6. Default/Remedies. In the event of a breach or default of this Agreement by any Party, the non-defaulting Party shall be entitled to exercise all remedies available at law or in equity. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party in such proceeding shall be entitled to obtain its reasonable attorneys’ fees from the other party.

7. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any dispute shall be in the District Court for Larimer County, Colorado.

8. 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.

9. 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.

10. 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.

11. 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.
12. **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.

13. **Paragraph Headings.** Paragraph headings are inserted for convenience of reference only.

14. **Defined Terms.** Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Service Plan.
SERRATOGA FALLS METROPOLITAN
DISTRICT NO. 2

By: _________________________________
    President

Attest:

______________________________
Secretary
TOWN OF TIMNATH, COLORADO

By: ________________________________
    Mayor ___________________________

Attest:

By: ________________________________
Its: ________________________________

APPROVED AS TO FORM: ________________________________
EXHIBIT E
TDA – Intergovernmental Agreement

NOT APPLICABLE
EXHIBIT F

Public Improvements

NOT APPLICABLE
EXHIBIT G

Bank Term Sheet
Borrower: Serratoga Falls Metropolitan District Nos. 2 and 3 (Individually, District No. 2 and District No. 3, and collectively, the "Borrowers").

Other: Serratoga Falls Metropolitan District No. 1 ("District No. 1," and together with District Nos. 2 and 3, the "Districts").

Lender: National Bank Holdings, N.A. (the "Bank" or "NBH").

Credit Facility: Series 2015A and Series 2015B tax-exempt, bank-qualified, limited tax general obligation bonds (the "Bonds").

Facility Amount: In the amount of $1,257,875, consisting of two bonds, in the approximate amounts of:

2. Series 2015B: $462,500 in limited tax general obligation bonds issued by District No. 3.

Purpose: The prior promissory notes (the "Notes") issued by the Districts and held by the Bank will be voided ab initio upon the issuance of the Bonds.

Security: Senior pledge of revenues from the Borrowers' dedicated debt service mill levy of 25 mills (the "Debt Service Mill Levy"), which is senior to any other debt pledge of the Borrowers.

Maturity: 25 years from closing.

Amortization: Principal payments during the term of the Bonds will be paid annually on each December 1, subject to the Cash Flow Obligation described below, beginning on December 1, 2016. Any available revenues received under the Debt Service Mill Levy will be paid to the Bank on December 1 annually, and such revenues will be applied first to interest and then to principal.

Interest Rate: 4.5%

Interest shall be computed on the basis of a 360-day year and actual days elapsed. Interest shall be payable semi-annually in arrears on the first day of each June and December, beginning on June 1, 2016.

Cash Flow Obligation: The Borrowers will convey to the Bank all revenues received under the Debt Service Mill Levy, regardless of whether such revenues are greater than, less than, or equal to the debt service requirements.

Assignment: The Bonds will be freely assignable by the Bank without prior approval from the Borrowers, provided that notice of the assignment is given to the Borrowers.

Prepayment Option: Prepayable at any time without penalty at the option of the Borrowers.
Closing Fee: None.

Covenants: 1. The Borrowers shall impose the Debt Service Mill Levy to be used solely for the payment of the Bonds.
2. Revenues from the Debt Service Mill Levy may not be used to pay for operations and maintenance costs of the Districts, and any mill levy levied for payment of such costs must be separate from the Debt Service Mill Levy.

Additional debt: No additional debt secured by pledged revenue without Bank consent.

Reporting: 1. The Bank may, in its discretion, request audited financials for the Districts within the earlier of two weeks following completion or 210 days after fiscal year-end, where the costs associated with such audits will be payable from the Debt Service Mill Levy.
2. Annual budget financials for the Districts within 30 days of prior fiscal year-end.
3. Annual certification of assessed value and mill levies within 30 days of calendar year end.
4. Other financial information upon request.

Subject To: 1. Opinion letter from bond counsel regarding tax-exempt status of the Bonds.
2. Approval by the Town of Tinmith of an Amended and Restated Consolidated Service Plan for the Districts.

Fees, Expenses, & Indemnification: Bond counsel fees shall be split equally between the Bank and the Districts, provided that District No. 2 will capitalize its share of the bond counsel fees (approximately $7,875) into its Series 2015A Bond and District Nos. 1 and 3 will contribute approximately $4,625 in district funds towards its share of bond counsel fees at closing.
AGREED AND ACCEPTED:
SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1

Authorized Signer

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2

Authorized Signer

6/3/2015

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 3

Authorized Signer

All preliminary terms and conditions outlined herein are confidential and may not be shared with any financial institution without the prior consent of NBH Bank N.A. This Information is intended for discussion purposes only, and is offered by NBH Bank N.A. as a preliminary indication of interest.

This Indication of Interest does not represent a commitment to lend monies, nor is it an indication that a formal lending commitment may be forthcoming. Any formal lending commitment that may be issued by NBH Bank N.A. will be subject to the satisfactory conclusion of the Bank's due diligence, completion of the Bank's credit underwriting process, and requisite approval by the Bank's credit authorities.
AGREED AND ACCEPTED:

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1

Authorized Signer

Date

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2

Authorized Signer

Date

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 3

Authorized Signer

Date

All preliminary terms and conditions outlined herein are confidential and may not be shared with any financial institution without the prior consent of NBH Bank N.A. This information is intended for discussion purposes only, and is offered by NBH Bank N.A. as a preliminary indication of interest.

This Indication of Interest does not represent a commitment to lend monies, nor is it an indication that a formal lending commitment may be forthcoming. Any formal lending commitment that may be issued by NBH Bank N.A. will be subject to the satisfactory conclusion of the Bank’s due diligence, completion of the Bank’s credit underwriting process, and requisite approval by the Bank’s credit authorities.
EXHIBIT H

Intergovernmental Agreement
between the District and Serratoga Falls Metropolitan District No. 1
INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT (the “IGA”) is made and entered into this ___ day of __________, 2016, by and between SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1 (“District 1”) and SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2 (“District 2”), quasi-municipal corporations of the State of Colorado (District 1 and District 2 collectively referred to herein as the “Districts”).

RECITALS

A. WHEREAS, the Districts were organized to provide public services and improvements pursuant to the Consolidated Service Plan of the Serratoga Falls Metropolitan District Nos. 1 - 3 dated March 9, 2006 (“Service Plan”); and

B. WHEREAS, the Districts and Serratoga Falls Metropolitan District No. 3 (“District 3”) are parties to an “Inter-District Intergovernmental Agreement” dated July 31, 2006 (the “Prior IGA”); and

C. WHEREAS, the development plans for property within District 2 and District 3 have changed and, with Town of Timnath approval, District 1 and District 3 have amended and restated, in part, the Service Plan, and, by separate document, District 2 has amended and restated in part the Service Plan (each amended Service Plan, the “Amended Service Plan”); and

D. WHEREAS, the terms of the Districts’ Amended Service Plans have made the Prior IGA obsolete as between District 1 and 2; and

E. WHEREAS, as between District 1 and District 2, the Districts wish to terminate the Prior IGA; and

F. WHEREAS, the Districts desire to set forth herein the terms and conditions upon which certain public improvements will be financed, funded, constructed, owned, operated and maintained; and

NOW, THEREFORE, in consideration of the foregoing recitals, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Districts agree as follows:

TERMS AND CONDITIONS

1. Prior IGA Terminated. As related to District 2, the Prior IGA is terminated effective immediately (“Termination Date”). By limited joinder to this IGA, District 3 consents to the termination of the Prior IGA.

2. Transfer of Ownership of Improvements: On or before the execution of this IGA District 1 will:
a. Transfer to District 2 the ownership of Tracts A and C, Serratoga Falls First Filing, together with any associated personal property located thereon including without limitation shelters, playground equipment and landscaping improvements. The property shall be conveyed by a Bargain and Sale deed and Bill of Sale free and clear of all encumbrances. (Deed attached as Exhibit A-1; Bill of Sale attached as Exhibit A-2).

i. Following the transfer of Tract A, District 2 shall grant District 1 a perpetual access easement for the purpose of maintaining the “Entry Feature” as defined below. (Easement attached as Exhibit A-3).

b. Transfer to District 2 the entire non-potable irrigation system used to service Serratoga Falls First Filing except for those portions located upstream of the tee that diverts water to Filing 1 (“District 2 System”) (District 2 System to be included in the Bill of Sale at Exhibit A-2).

c. District 1 will grant or cause to be granted to District 2 a perpetual easement for the operation and maintenance of the District 2 System, the Sidewalk and Open Space, perimeter split rail fence, and as otherwise needed (form of easement attached as Exhibit A-4).

d. Transfer to District 2 the ownership of the perimeter split rail fence adjacent to Serratoga Falls First Filing (split rail fence to be included in the Bill of Sale at Exhibit A-2).

3. Operation and Maintenance of Improvements. Except as provided herein, each District will operate and maintain all improvements owned by the District.

a. Entry Feature.

i. District 1 will operate and maintain the landscape improvements, medians, fountain and non-potable irrigation system located near the intersection of County Road 5 and Serratoga Falls Parkway (the “Entry Feature”) as shown on the attached Exhibit B.

ii. District 2 will provide the water for the Entry Feature as part of its annual water use allocation.

b. Sidewalks and Open Space. District 2 will operate and maintain (including the irrigation of) the sidewalk, landscape and fencing (the “Sidewalks and Open Space”) as shown on the attached Exhibit B.

4. Shared Costs

a. Pump House. District 2 shall pay a percentage of the Pump House Costs as follows:

1) “Pump House Costs” are the costs of the operation and maintenance, repair and replacement of the Pump House that provides non-potable water to the

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Intergovernmental Agreement b/w Serratoga Falls Metropolitan District No. 1 and Serratoga Falls Metropolitan District No. 2
property within the Serratoga Falls Subdivision (Serratoga Falls Subdivision shown on the attached Exhibit C). Pump House Costs include the operation and maintenance costs of all pumps in the Pump House and the Kitchell Reservoir agricultural pump and pipeline except for the initial costs related to the purchase and installation of a third non-potable water pump expected to be installed in the future.

2) Calculation and Payment of Pump House Costs

a) During any calendar year District 1 shall be responsible for advancing the Pump House Costs.

b) Calculation of Percentage of Pump House Costs. The percentage of the Pump House Costs paid by District 2 shall be determined as follows: the volume of non-potable water used by the District 2 System divided by the total amount of non-potable water used by the Serratoga Falls Subdivision for a period beginning on January 1 and ending on December 31 of the same calendar year ("Allocation Percentage"). The Allocation Percentage shall be used to allocate the Pump House Costs for the following calendar year. All non-potable water use must be metered. District 1 shall track and record all water use.

3) Payment. District 1 shall invoice District 2 for the Pump House Costs advanced and paid by District 1 based on the applicable Allocation Percentage on March 31, June 30, September 30, and December 31, with payment due no later than 60 days from the date of the invoice.

4) The Pump House Costs is a calculation of a share of costs only, and shall not be construed or interpreted as a setting of water use rates by District 1. The calculation of Pump House Costs is solely a matter of contract and not an exercise by either Party of their legislative powers.

b. Audit of Pump House Costs

i. Either district may request an audit of the costs related to the Pump House Costs within 30 days of the date of the invoice for payment.

5. Additional Consideration. As additional consideration for this IGA, District 2 requires:

a. Execution and recordation of the Transfer of Declarant Rights attached as Exhibit D.

b. Execution and recordation of the Water Lease Agreement attached as Exhibit E.

c. Payment of $15,000 to District 2 by Serratoga Falls, LLC no later than 30 days following the approval of the Districts’ amended service plans by the Town of Timnath.
6. **Kitchell Recreation Agreement**

   a. District 1 has entered into a Recreational Lease Agreement ("RLA") with Kitchell Reservoir Company ("Kitchell") pursuant to which District 1 is permitted to construct and maintain certain recreational amenities at the Kitchell Reservoir for the benefit of the homeowners in the Serratoga Falls development. (RLA attached as Exhibit F).

   b. District 2 may access the Kitchell Reservoir pursuant to the terms of the RLA upon payment to District 1 of 14.44% of the annual lease price. District 2 shall exercise its right to obtain access by providing notice to District 1 no later than November 15 for access the following calendar year (the "Access Year"). By exercising its right, District 2 also agrees that during the Access Year, it will:

      i. maintain at its expense general liability insurance in an amount of at least One Million Dollars ($1,000,000.00) of coverage naming Kitchell as an additional member in the District 2’s liability insurance pool.

   c. Use of Kitchell Reservoir is subject to the Rules and Regulations on the use of Kitchell Reservoir and associated recreational facilities and subject to the terms of the RLA.

7. **Annual Appropriation.** District 1 and 2’s obligations for payments under the IGA are subject to annual appropriation of funds and do not create a multi-fiscal year obligation.

8. **Assignment.** This IGA may not be assigned without the prior written consent of the parties.

9. **Termination.** This Agreement may be terminated at any time by mutual consent.

10. **Notices.** Any notices, demands, or other communications required or permitted to be given in writing hereunder shall be hand delivered, sent by facsimile, e-mail, or sent by First Class Mail, addressed to the Parties at the addresses set forth below, or at such other address as either party may hereafter designate by written notice to the other party given in accordance herewith.

   To District 2:

   Serratoga Falls Metropolitan District No. 2  
c/o Seter & Vander Wall, P.C. 
7400 East Orchard Road, Suite 3300  
Greenwood Village, CO 80111  
Attn: Jeffrey E. Erb, Esq.  
T: (303) 770-2700  
F: (303) 770-2701  
e-mail: jerb@svwpc.com

   To District 1:

   Intergovernmental Agreement b/w Serratoga Falls Metropolitan District No. 1 and Serratoga Falls Metropolitan District No. 2
11. **Entire Agreement.** This IGA, including all Exhibits, constitutes the entire agreement between the Parties relating to the rights, duties, and obligations of each to the other as of the effective date of this IGA. Any prior agreements, promises, negotiations, or representations not expressly set forth in this IGA are of no force and effect. This IGA may not be modified except by a writing executed by both parties.

12. **Binding Agreement.** This Agreement shall inure to and be binding on the successors, and assigns of the Parties hereto.

13. **No Waiver.** No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any of the other provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed a waiver of any subsequent default hereunder.

14. **Counterparts and Facsimile Signatures.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

15. **Controlling Law and Venue.** This Agreement shall be governed by and construed in accordance with the law of the State of Colorado and any dispute shall be heard in the District Court for Larimer County, Colorado.

IN WITNESS WHEREOF, the Parties have executed this IGA effective the date first above written. By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.
SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1

Name: ___________________________________________
Title: __________________________________________

Attest:
___________________________________________
Secretary/Assistant Secretary

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2

Name: ___________________________________________
Title: __________________________________________

Attest:
___________________________________________
Secretary/Assistant Secretary

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 3

Name: ___________________________________________
Title: __________________________________________

Attest:
___________________________________________
Secretary/Assistant Secretary
EXHIBIT A-1

Bargain and Sale Deed for Transfer of Tracts A and C

Intergovernmental Agreement b/w Serratoga Falls Metropolitan District No. 1 and Serratoga Falls Metropolitan District No. 2
DEED

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is c/o Spencer Fane, LLP, 1700 Lincoln Street, Suite 2000, Denver, CO 80203, for the consideration of Ten Dollars paid and received, hereby sells and conveys to SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is c/o Seter & Vander Wall, P.C., 7400 E. Orchard Road, Suite 3300, Greenwood Village, CO 80111, the following real property located in the Town of Timnath, County of Larimer, State of Colorado:

Tract A, Serratoga Falls First Filing AND Tract C, Serratoga Falls First Filing

with all its appurtenances.

Signed this ___ day of ______________, 2016.

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1

Name: ____________________________________________

Title: ____________________________________________

Attest:

Name: ____________________________________________

Title: ____________________________________________

STATE OF COLORADO )
)
COUNTY OF ________________ ) ss.

The foregoing instrument was acknowledged before me this ___ day of

__________, 2016 by ______________________, and ______________________, as the

_________________________ and ______________________ of the Serratoga Falls Metropolitan District

No. 1.

WITNESS my hand and official seal.

My commission expires: _______________________

_________________________ Notary Public
EXHIBIT A-2

Bill of Sale for Personal Property on Tracts A and C, District 2 System, and Perimeter Split-Rail Fence
BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS that SERRATOGA FALLS, LLC, a Colorado limited liability company whose address is 1530 16th Street, Suite 300, Denver, CO 80202, for good and valuable consideration paid at or before the delivery of these presents by the SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation of the State of Colorado whose address is c/o Seter & Vander Wall, P.C., 7400 E. Orchard Rd., Suite 3300, Greenwood Village, CO 80111 (the “Grantee”), the receipt and sufficiency of which is hereby acknowledged, has quitclaimed, and by these presents does grant and convey unto the Grantee, its successors and assigns, without warranty or representation, the public improvements ("Public Improvements") installed by Serratoga Fall, LLC as follows:

1. Entire non-potable irrigation system downstream of the “Tee” identified in Exhibit A;

2. All other public improvements on Tract A and C of Serratoga Falls First Filing, including any playground equipment; and

3. The split-rail fence immediately adjacent to the east boundary of Serratoga Falls First Filing.

Such conveyance of Public Improvements does not include any private improvements, including, without limitation, any lots and the homes now or hereafter constructed thereon.

TO HAVE AND TO HOLD the same unto the Grantee, and the Grantee’s successors and assigns, forever.

IN WITNESS WHEREOF, the Grantor has executed this Bill of Sale this ___ day of __________, 2016.

[SIGNATURE PAGE TO FOLLOW]
STATE OF COLORADO
COUNTY OF ______________________

The foregoing instrument was acknowledged before me this _____ day of
________, 20____ by _____________________, as _____________ of
Serratoga Falls, LLC.

WITNESS my hand and official seal.

My commission expires: _____________________

______________________________________
Notary Public

Accepted this ____ day of _____________________, 2016.

SERRATOGA FALLS METROPOLITAN
DISTRICT NO. 2

______________________________________
President

Attest:

______________________________________
EXHIBIT A

The "Tee"
EXHIBIT A-3

Tract A Easement for District 1 Maintenance of Entry Feature
EASEMENT DEED

This Easement Deed ("Easement Deed") is made and entered into this _____ day of ____________, 2016, by and between SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2 ("Grantor"), a quasi-municipal corporation and political subdivision of the State of Colorado, who address is c/o Seter & Vander Wall, P.C., 7400 East Orchard Road, Suite 3300, Greenwood Village, CO 80111 and SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1 ("Grantee"), a quasi-municipal corporation and political subdivision of the State of Colorado, who address is c/o Spencer Fane, LLP, 1700 Lincoln Street, Suite 2000, Denver, CO 80203.

Grantor, for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby grants and conveys to Grantee and its successors and assigns, subject to the terms and conditions provided herein, a perpetual and non-exclusive easement in gross ("Easement") in, over, and under the real property located within Larimer County, Colorado and more particularly described below:

See Exhibit A attached hereto and incorporated herein by this reference.

As further consideration for the grant of this Easement, Grantee, by acceptance of this Easement Deed, agrees, for itself and its successors and assigns, as follows:

1. Non-Exclusive Rights. The Easement shall be for the non-exclusive use and benefit of Grantee and its successors and assigns. Grantor reserves the right to use the Easement for any lawful purpose and to grant to others the rights to use the Easement, so long as such uses are not inconsistent with, and do not unreasonably interfere with, the use of the Easement by Grantee for the purposes set forth herein.

2. Limitations on Use. Grantee's use of the Easement shall be and hereby is limited to the following uses: maintenance, repair and replacement of ground, surface and underground landscaping improvements, retaining walls, water features, non-potable irrigation system and appurtenances thereto.

3. Subjacent and Lateral Support. The Grantee shall have and exercise the right of subjacent and lateral support as necessary for the operation and maintenance of the Improvements. Grantor shall not take any action which would impair the lateral or subjacent support for the Improvements.

4. Maintenance of Easement. The landscaping improvements, sidewalks, non-potable irrigation system and appurtenances thereto located in the Easement will be operated, repaired, replaced and maintained by or at the direction of Grantee, at Grantee's sole cost and expense.
5. Exercise of Rights. Grantee and all others permitted to use the Easement hereunder shall exercise the rights granted by this Easement Deed in a safe and orderly manner and in compliance with all applicable laws, ordinances, governmental regulations, covenants, conditions, and restrictions, and without unreasonably interfering with Grantor’s use of the Property.

6. Attorneys' Fees. In the event that legal action is instituted to enforce any of the provisions of this Easement Deed, the prevailing party shall recover from the losing party its reasonable attorneys' fees and court costs.

7. Notices. All notices, demands, or other communications required or permitted to be given by any provision of this Easement Deed shall be given in writing, delivered personally or sent by certified or registered mail, postage prepaid and return receipt requested, to the address set forth above, or at such other address as either party hereto 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 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 given.

8. Binding Nature. The easements, covenants, conditions and agreements contained in this Easement Deed shall run with the Property and the Easement and be binding upon and inure to the benefit of all parties having any right, title, or interest in the Property or any portion thereof, their heirs, successors and assigns, forever.

9. Severability. If any clause, provision, subparagraph, or paragraph set forth in this Easement Deed is illegal, invalid, or unenforceable under present or future applicable laws, then and in that event it is the intention of Grantor and Grantee hereto that the remainder of this Easement Deed shall not be affected thereby.

10. Applicable Law. The terms and provisions contained in this Easement Deed shall be governed and construed in accordance with the laws of the State of Colorado.

11. Enforcement. In addition to other rights and remedies afforded Grantor and Grantee herein, violation or breach of any covenant or agreement herein contained, or of the terms of any easement herein granted, by Grantor or Grantee, shall give to the nonbreaching Grantor or Grantee the right to enjoin or compel the cessation of such violation or breach, and to seek damages therefor. In addition, the violation of any covenant or agreement herein contained, or of the terms of any easement herein granted, is hereby acknowledged to constitute a nuisance, and every remedy allowed by law or equity shall be applicable against every such violation. All remedies provided herein at law and in equity shall be cumulative and nonexclusive.
12. Modification and Termination. Except as otherwise provided herein, this Easement Deed may be modified, altered, amended or terminated only by written agreement of all of the then owners of the Property and this Easement Deed.

13. Merger. This Easement Agreement constitutes the whole agreement between the parties and no additional or different oral representation, promise or agreement shall be binding on any of the parties hereto with respect to the subject matter of this Agreement.

14. Authority. The Grantor warrants that it has full right and lawful authority to make the grant herein above contained, and further agrees that Grantor shall and will WARRANT AND FOREVER DEFEND the Easement in the quiet and peaceable possession of Grantee, its successors and assigns, against all and every person lawfully claiming the whole or any part thereof.

15. No Waiver of Governmental Immunity. Nothing herein shall be deemed or construed to waive or otherwise impair any provision of the Colorado Governmental Immunity Act as applied to the District and its personnel.

GRANTOR: SERRATOGA FALLS
METROPOLITAN DISTRICT NO. 2

__________________________
William Grush, President, Serratoga Falls Metropolitan District No. 2

ATTEST

__________________________
Secretary/Assistant Secretary, Serratoga Falls Metropolitan District No. 2

STATE OF COLORADO )
) ss.
COUNTY OF ________ )

The foregoing instrument was acknowledged before me this _____ day of __________________, 2016, by __________________ and __________________ as __________________ and ___________________________ of Serratoga Falls Metropolitan District No. 2.

Witness my hand and official seal.
My commission expires: __________________

__________________________
Notary Public

(00217339)

-Easeement Deed between Serratoga Falls Metropolitan District No. 2 and Serratoga Falls Metropolitan District No. 1-
Accepted this ____ day of ___________________, 2016.

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1.

Name: ________________________________
President, Serratoga Falls Metropolitan District No. 1 Board of Directors

Attest:

Name: ________________________________
Secretary/Assistant Secretary
EXHIBIT A
LEGAL DESCRIPTION OF EASEMENT

A portion of Tract C, Serratoga Falls First Filing, Town of Timnath, County of Larimer, State of Colorado, depicted as follows:

-Easeement Deed between Serratoga Falls Metropolitan District No. 2 and Serratoga Falls Metropolitan District No. 1-
EXHIBIT A-4

Easement for District 2 Operation and Maintenance of District 2 System
This Easement Deed ("Easement Deed") is made and entered into this ____ day of ______________, 2016, by and between SERRATOGA FALLS, LLC ("Grantor"), a Colorado limited liability company, whose address is 1530 16th Street, Suite 300, Denver, CO 80202 and SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2 ("Grantee"), a quasi-municipal corporation and political subdivision of the State of Colorado, who address is c/o Seter & Vander Wall, P.C., 7400 East Orchard Road, Suite 3300, Greenwood Village, CO 80111.

Grantor, for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby grants and conveys to Grantee and its successors and assigns, subject to the terms and conditions provided herein, a perpetual and non-exclusive easement in gross ("Easement") in, over, and under the real property located within Larimer County, Colorado and more particularly described below:

See Exhibit A attached hereto and incorporated herein by this reference.

As further consideration for the grant of this Easement, Grantee, by acceptance of this Easement Deed, agrees, for itself and its successors and assigns, as follows:

1. Non-Exclusive Rights. The Easement shall be for the non-exclusive use and benefit of Grantee and its successors and assigns. Grantor reserves the right to use the Easement for any lawful purpose and to grant to others the rights to use the Easement, so long as such uses are not inconsistent with, and do not unreasonably interfere with, the use of the Easement by Grantee for the purposes set forth herein.

2. Limitations on Use. Grantee’s use of the Easement shall be and hereby is limited to the following uses: maintenance, repair and replacement of ground, surface and underground landscaping improvements, sidewalks, fence, non-potable irrigation system and appurtenances thereto.

3. Subjacent and Lateral Support. The Grantee shall have and exercise the right of subjacent and lateral support as necessary for the operation and maintenance of the Improvements. Grantor shall not take any action which would impair the lateral or subjacent support for the Improvements.

4. Maintenance of Easement. The landscaping improvements, sidewalks, non-potable irrigation system and appurtenances thereto located in the Easement will be operated, repaired, replaced and maintained by or at the direction of Grantee, at Grantee’s sole cost and expense.

5. Exercise of Rights. Grantee and all others permitted to use the Easement hereunder shall exercise the rights granted by this Easement Deed in a safe and orderly manner and in compliance
with all applicable laws, ordinances, governmental regulations, covenants, conditions, and restrictions, and without unreasonably interfering with Grantor’s use of the Property.

6. **Attorneys’ Fees.** In the event that legal action is instituted to enforce any of the provisions of this Easement Deed, the prevailing party shall recover from the losing party its reasonable attorneys’ fees and court costs.

7. **Notices.** All notices, demands, or other communications required or permitted to be given by any provision of this Easement Deed shall be given in writing, delivered personally or sent by certified or registered mail, postage prepaid and return receipt requested, to the address set forth above, or at such other address as either party hereto 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 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 given.

8. **Binding Nature.** The easements, covenants, conditions and agreements contained in this Easement Deed shall run with the Property and the Easement and be binding upon and inure to the benefit of all parties having any right, title, or interest in the Property or any portion thereof, their heirs, successors and assigns, forever.

9. **Severability.** If any clause, provision, subparagraph, or paragraph set forth in this Easement Deed is illegal, invalid, or unenforceable under present or future applicable laws, then and in that event it is the intention of Grantor and Grantee hereto that the remainder of this Easement Deed shall not be affected thereby.

10. **Applicable Law.** The terms and provisions contained in this Easement Deed shall be governed and construed in accordance with the laws of the State of Colorado.

11. **Enforcement.** In addition to other rights and remedies afforded Grantor and Grantee herein, violation or breach of any covenant or agreement herein contained, or of the terms of any easement herein granted, by Grantor or Grantee, shall give to the nonbreaching Grantor or Grantee the right to enjoin or compel the cessation of such violation or breach, and to seek damages therefor. In addition, the violation of any covenant or agreement herein contained, or of the terms of any easement herein granted, is hereby acknowledged to constitute a nuisance, and every remedy allowed by law or equity shall be applicable against every such violation. All remedies provided herein at law and in equity shall be cumulative and nonexclusive.

12. **Modification and Termination.** Except as otherwise provided herein, this Easement Deed may be modified, altered, amended or terminated only by written agreement of all of the then owners of the Property and this Easement Deed.
13. **Merger.** This Easement Agreement constitutes the whole agreement between the parties and no additional or different oral representation, promise or agreement shall be binding on any of the parties hereto with respect to the subject matter of this Agreement.

14. **Authority.** The Grantor warrants that it has full right and lawful authority to make the grant herein above contained, and further agrees that Grantor shall and will WARRANT AND FOREVER DEFEND the Easement in the quiet and peaceable possession of Grantee, its successors and assigns, against all and every person lawfully claiming the whole or any part thereof.

15. **No Waiver of Governmental Immunity.** Nothing herein shall be deemed or construed to waive or otherwise impair any provision of the Colorado Governmental Immunity Act as applied to the District and its personnel.

**GRANTOR:**

By: ____________________________  
Title: ____________________________

**STATE OF COLORADO**  
)  
) ss.  
**COUNTY OF ______**  
)

The foregoing instrument was acknowledged before me this _____ day of __________________, 2016, by __________________ as ________________ of Serratoga Falls, LLC.

Witness my hand and official seal.

My commission expires: __________________

______________________________
Notary Public
Accepted this ___ day of ________________, 2016.

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2.

______________________________________________
Name: ________________________________________
President, Serratoga Falls Metropolitan District No. 2 Board of Directors

Attest:

Name: ________________________________________
Secretary/Assistant Secretary
EXHIBIT A
LEGAL DESCRIPTION OF EASEMENT

A portion of Tract B, Serratoga Falls First Filing, Town of Timnath, County of Larimer, State of Colorado, depicted as follows:
EXHIBIT B

Property to be Operated and Maintained by Districts
Key
Red - Maintained by District No. 2
Blue - Maintained by District No. 1
EXHIBIT C

Map of Serratoga Falls Subdivision

Property within the First Filing and Second Filing as shown on the following maps
NORTH FINAL PLAT OF SERRATOGA FALLS - SECOND FILING, LOCATED IN SECTION 14, TOWNSHIP 7NORTH, RANGE 68 WEST OF THE 6th PRINCIPAL MERIDIAN, TOWN OF TIMNATH, COUNTY OF LARIMER, STATE OF COLORADO
EXHIBIT D

Partial Assignment of Declarant Rights
PARTIAL ASSIGNMENT OF DECLARANT RIGHTS

THIS PARTIAL ASSIGNMENT OF DECLARANT RIGHTS (this "Assignment"), dated on the ______ day of ________________, 2016, is made by SERRATOGA FALLS, LLC, a Colorado limited liability company ("Successor Declarant") whose address is 1530 16th Street, Suite 300, Denver, CO 80202 and SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation of the State of Colorado ("District 2"), whose address is c/o Seter & Vander Wall, P.C., 7400 E. Orchard Rd., Suite 3300, Greenwood Village, CO 80111.

RECITALS

This Assignment is made with reference to the following facts:

A. The planned community known as Serratoga Falls ("Community") was created on March 7, 2007 by the recording of that certain Declaration of Covenants, Conditions and Restriction for Serratoga Falls at Reception Number 20070017170 in the records of the Clerk and Recorder for Larimer County, Colorado, as amended by the Affidavit of Correction recorded November 30, 2007 at Reception No. 20070089531 ("Declaration"). The real property that has been submitted to the Declaration and made part of the Community is more particularly described on "Exhibit A," attached hereto and incorporated herein (the "Real Estate").

B. The Declaration reserved certain development rights, special declarant rights, benefits, privileges, exemptions and reservations for the benefit of the initial Declarant to develop the Community and the Real Estate during the Declarant Control Period (the "Declarant Rights").

D. Successor Declarant succeeded to all of the initial Declarant’s Declarant Rights pursuant to that certain Notice of Succession to Declarant Rights, recorded July 2, 2012 at Reception No. 20120043262, and that certain Assignment of Agreements, recorded on January 9, 2013 at Reception No. 20130002516 in the records of the Clerk and Recorder for Larimer County, Colorado.

E. Successor Declarant now desires to assign a portion of its Declarant Rights to District 2, as those Declarant Rights are specifically described below, and District 2 agrees to accept the assignment of those specified Declarant Rights.
F. In accordance with Article VIII, Section 5 of the Declaration, Successor Declarant is authorized and empowered to assign all or any portion of its Declarant Rights to District 2.

AGREEMENT

NOW, THEREFORE, for Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Capitalized Terms. All capitalized terms used but not defined in this Assignment have the meaning ascribed to such terms in the Declaration.

2. Assignment of Declarant Rights. Successor Declarant does hereby convey, assign, transfer and set over unto District 2, and District 2 does hereby accept, the following Declarant Rights, which may be exercised by District 2 until the expiration of the Declarant Control Period, subject to the additional terms and conditions set forth herein:

   a. Architectural Control Rights

      1). Pursuant to Article VIII, Section 1(a) concerning membership of the Design Review Committee ("DRC"), Successor Declarant assigns to District 2 its right to appoint and remove two members of the DRC for the duration of the Declarant Control Period. Successor Declarant shall retain the right to appoint and remove the remaining three members of the DRC, and the parties agree that for the duration of the Declarant Control Period, the DRC Committee shall be comprised of no more than five total members.

      2). Pursuant to Article VIII, Section 7, Successor Declarant assigns to District 2 its right to determine appeals by the Applicant of the decisions of the DRC, and District 2's decision shall be final. Successor Declarant reserves its right to determine appeals by any other Owner (appellant) or third party of the decisions of the DRC, and Successor Declarant's decision shall be final. Any appeals shall be by the procedure set forth in Article VIII, Section 7. After the Declarant Control Period, the right to hear and determine appeals shall be vested in the Association Board. For avoidance of doubt, the term “Applicant” or “applicant” means the Owner who submitted the plans and specifications for approval for such Owner’s Lot.

      3). Successor Declarant assigns to the two members of the DRC appointed by District 2 the sole right to grant waivers to the Architectural Guidelines, which waivers the two members of the DRC appointed by District 2 may grant or deny in their sole discretion by unanimous decision.

      4). The parties further agree that the Architectural Guidelines in effect at the time of the execution of this Assignment may not be amended or modified during the Declarant Control Period without the prior written consent of Successor Declarant and District 2.
b. **Other District Rights and Responsibilities.** Successor Declarant hereby revokes any and all authority granted to the Serratoga Falls Metropolitan District No. 1 under the Declaration, pursuant to its rights reserved in Article XIV, Section 3 of the Declaration.

In accordance with its rights under Article XIV, Section 3 of the Declaration, Successor Declarant hereby modifies Article XIV, Sections 1 and 2 of the Declaration as follows:

(a) Successor Declarant hereby revokes Article XIV, Sections 1 and 2 of the Declaration for all real property other than the Real Estate set forth on Exhibit A to the Declaration;

(b) Successor Declarant hereby revokes Article XIV, Sections 1 and 2 of the Declaration for the power to adopt, amend and enforce rules and regulations applicable within the Serratoga Falls Metropolitan District No. 1 and the Serratoga Falls Metropolitan District No. 3;

(c) with respect to the Real Estate, during the Period of Declarant Control, Successor Declarant grants the following rights under Article XIV, Sections 1 and 2 of the Declaration to District 2 all with Successor Declarant’s reasonable prior approval: (1) for Improvements commenced or constructed after the date of this Assignment only, District 2 may adopt one or more policies pursuant to Article VIII of the Declaration for notices of violations, hearing procedures, and the schedule of fines, to either (A) enforce compliance with the plans and specifications approved by the DRC; or (B) in the absence of prior approval of plans and specifications by the DRC, to enforce compliance with the Architectural Guidelines and the provisions of Article VIII of the Declaration, provided that the initial procedure in the absence of prior approval of plans and specifications shall be to allow the Owner to submit as-built plans to the DRC for review and approval; and (2) District 2 may adopt one or more policies for notices of violations, hearing procedures, and the schedule of fines to enforce the covenants, conditions, restrictions and easements set forth in Articles IX, X, and XV of the Declaration.

Except as set forth herein, (d) with respect to the Real Estate, after the Period of Declarant Control, Successor Declarant hereby assigns all of the District duties and responsibilities set forth in Article XIV, Sections 1 and 2 of the Declaration to District 2; and (e) Successor Declarant irrevocably relinquishes its right reserved in Article XIV, Section 3 to revoke any and all authority granted or assigned to District 2.

c. All of the foregoing rights assigned in this Paragraph 2 shall hereinafter be referred to collectively as the **Assigned Rights.**

3. **Covenants, Representations, and Warranties; Savings Clause.** Successor Declarant hereby covenants, represents, and warrants to District 2, its successors and assigns, as of the date hereof, it is authorized and empowered to take the actions under this Assignment and to assign the Assigned Rights described herein and that none of the Assigned Rights being assigned under this Assignment have been otherwise assigned, conveyed, or encumbered by Successor Declarant.
4. **Compliance with Declaration and the Act.** District 2 warrants and agrees that in exercising its Assigned Rights, it will fully comply with and exercise such rights in accordance with the terms of this Assignment, the Declaration and the Act, as applicable.

5. **Successor Declarant and District 2 Liability.** Successor Declarant shall have no liability for any act or omission or any breach of a contractual or warranty obligation by District 2 in connection with the exercise by District 2 of the Assigned Rights assigned hereunder, and District 2 shall have no liability for any act or omission or any breach of a contractual or warranty obligation by Successor Declarant in connection with the exercise by Successor Declarant of the Assigned Rights prior to the effective date of this Assignment.

6. **Construction with Declaration.** Except as specifically set forth herein, the Assigned Rights shall not be limited, modified, or amended, by either Successor Declarant or District 2, it being the intent of the parties that such rights be irrevocably transferred and assigned to District 2. Successor Declarant retains all other development rights, special declarant rights, benefits, privileges, reservations and exemptions of the “Declarant” under the Declaration with regard to the Community and the Real Estate, except for the Assigned Rights described herein.

7. **Successors and Assigns.** The terms and provisions of this Assignment shall be binding upon and inure to the benefit of Successor Declarant, its successor and assigns, and shall be binding upon and inure to the benefit of the District 2.

8. **Rights Not Transferable.** District 2 shall not have the right to transfer all or any portion of the Assigned Rights described hereunder.

9. **Further Assurances.** From time to time following the date of this Assignment, Successor Declarant or District 2 respectively shall perform such other acts and shall execute, deliver and furnish such other instruments, documents, materials and information as District 2 or Successor Declarant may reasonably request of the other party in order to effectuate the transactions provided for in this Assignment.

10. **Not to be Construed Against Drafter.** This Assignment shall not be construed more strictly against one party than the other merely by virtue of the fact that it may have been initially drafted by one of the parties or its counsel, since both parties have contributed substantially and materially to the preparation hereof.

11. **Savings and Invalidity.** If any party disputes Successor Declarant’s rights to take the actions under this Assignment and to assign the Assigned Rights, and if any provision of this Assignment or any portion thereof shall be found by a court of competent jurisdiction to be void, illegal or unenforceable, then such court shall enforce such provision and the other terms of this Assignment to the fullest extent permitted by applicable law; and Successor Declarant and District 2 shall enter into a separate enforceable document to provide for the same substantive provisions of this Assignment to remain in effect.

12. **Attorney’s Fees.** Should any action be brought in connection with this
Assignment, including, without limitation, actions based on contract, tort or statute, the prevailing party in such action shall be awarded all costs and expenses incurred in connection with such action, including reasonable attorneys’ fees.

13. **Recitals.** The foregoing Recitals are incorporated into and made a part of this Assignment.

14. **Counterparts.** This Assignment may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute the same document.

[Signature Pages Follow]
IN WITNESS WHEREOF Successor Declarant has caused this Assignment to be duly executed and effective as of the date first above written.

SUCCESSOR DECLARANT:

SERRATOGA FALLS, LLC,
a Colorado limited liability company

By: ___________________________

Name: ___________________________

Its: ___________________________

STATE OF COLORADO )
COUNTY OF )ss.

The foregoing instrument was acknowledged before me this ____ day of ____________ , 2016, by ________________________, as ____________________________ of SERRATOGA FALLS, LLC, a Colorado limited liability company

Witness my hand and official seal.

My Commission expires _______________

_____________________________
Notary Public
ACCEPTED BY DISTRICT 2:

SERRATOGA FALLS METROPOLITAN DISTRICT NO.2, a quasi-municipal corporation of the State of Colorado

By: __________________________

Name: __________________________

Title: __________________________

STATE OF COLORADO )

COUNTY OF __________ ) ss.

The foregoing instrument was acknowledged before me this ___ day of __________, 2016, by __________________________, as ______________________ of SERRATOGA FALLS METROPOLITAN DISTRICT NO.2, a quasi-municipal corporation of the State of Colorado Witness my hand and official seal.

My Commission expires ________________

Notary Public
EXHIBIT A

to the Partial Assignment of Declarant Rights

Legal Description of the Real Estate

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 of BLOCK 1, SERRATOGA FALLS, FIRST FILING;

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 of BLOCK 2, SERRATOGA FALLS, FIRST FILING;

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 of BLOCK 3, SERRATOGA FALLS, FIRST FILING;

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9 of BLOCK 4, SERRATOGA FALLS, FIRST FILING;

LOTS 1, 2 of BLOCK 5, SERRATOGA FALLS, FIRST FILING;

LOTS 1, 2, 3, 4, 5, 6, 7, 8 of BLOCK 6, SERRATOGA FALLS, FIRST FILING;

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9 of BLOCK 7, SERRATOGA FALLS, FIRST FILING; AND

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 of BLOCK 8, SERRATOGA FALLS, FIRST FILING;

COUNTY OF LARIMER,

STATE OF COLORADO.
EXHIBIT E

Water Lease Agreement
WATER LEASE AGREEMENT

This Water Lease Agreement ("Water Lease") is entered into this ___ day of ______, 2016 by and between SERRATOGA FALLS, LLC, a Colorado limited liability company ("Lessor" or “SF LLC”) and SERRATOGA FALLS METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado ("Lessee" or “District No. 2”) (collectively the “Parties”).

RECITALS

WHEREAS, District No. 2 was organized to provide public services and improvements to the Serratoga Falls Project, which includes the Serratoga Falls First Filing; and

WHEREAS, SF LLC owns certain water rights decreed for irrigation and non-potable use for the Serratoga Falls Project; and

WHEREAS, the Serratoga Falls Project currently receives non-potable water through an existing non-potable water delivery and irrigation system; and

WHEREAS, SF LLC, District No. 2, and Serratoga Falls Metropolitan District No. 1 have engaged in negotiations related to the resolution of disagreements related to the ownership and maintenance of public improvements, district boundaries and control, water use, and covenant control; among others; and

WHEREAS, as a condition of resolving these disagreements, SF LLC has agreed to lease to District No. 2 a certain amount of irrigation and non-potable water from its Non-Potable Water Rights portfolio; and

WHEREAS, SF LLC and District No. 2 desire to enter into this Water Lease Agreement to allow District No. 2 to provide a non-potable and irrigation water supply to the Serratoga Falls Project and Serratoga Falls First Filing; and

WHEREAS, upon execution of this Water Lease Agreement, SF LLC shall provide District No. 2 with fifty (50) acre-feet of water per year for use as a non-potable and irrigation water supply in the existing irrigation system; and

WHEREAS, the Parties desire to set forth herein the terms and conditions upon which SF LLC will lease a non-potable water supply to District No. 2; and

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:
TERMS AND CONDITIONS

1. **Water Lease.** SF LLC hereby leases to District No. 2 fifty (50) acre-feet of water per year from its Non-Potable Water Rights portfolio, which is described in paragraph 2 below. SF LLC agrees to lease fifty (50) acre-feet of water per year to District No. 2 for no charge during the term of this Water Lease. District No. 2 shall only use the leased water for non-potable and irrigation purposes in the Serratoga Falls Project, which includes Serratoga Falls First Filing, subject to the terms and conditions described in this Lease.

2. **Non-Potable Water Rights.** SF LLC owns the following water rights that are legally and physically available for use as an irrigation and non-potable water supply for the Serratoga Falls Project ("Non-Potable Water Rights"): 

   a. Eight (8) shares of capital stock in The Larimer & Weld Irrigation Company represented by Stock Certificate No. 6149;

   b. Six (6) shares of stock in The Larimer & Weld Reservoir Company represented by Stock Certificate No. 2253;

   c. Two (2) shares of stock in The Windsor Reservoir and Canal Company represented by Stock Certificate No. 570;

   d. Seven (7) shares of stock in The Kitchell Reservoir Company represented by Stock Certificate No. 71. The water court decree governing Kitchell Reservoir was entered by the Larimer County District Court in Case No. 11217 on September 10, 1953. The decree adjudicated a water right for Kitchell Reservoir to fill at a rate of 4.75 cubic feet per second with an appropriation date of April 9, 1894 for irrigation purposes from the Duck Slough Seepage Ditch System;

   e. Seven (7) shares of stock in The Kitchell Reservoir Company represented by Stock Certificate No. 72;

   f. Smith Well No. 5-R-01556, located in the SW1/4 of the SW1/4 of Section 14, Township 7 North, Range 68 West of the 6th P.M., Larimer County, Colorado; and

   g. Three (3) shares of capital stock in the North Poudre Irrigation Company represented by Stock Certificate No. 12115.

3. **Delivery of Non-Potable Water.** SF LLC will provide to District No. 2 fifty (50) acre-feet per year from any portion of its Non-Potable Water Rights portfolio. Delivery of the water shall be at the water meter used to measure the total amount of irrigation and/or non-potable water delivered to District No. 2, the location of which is shown on the attached Exhibit A. SF LLC is solely responsible for the delivery of water to this location and for making the water available as reasonably required by District 2 during
the course of the typical irrigation season of the beginning of April through the end of October of each calendar year.

SF LLC warrants that the Non-Potable Water Rights may be lawfully used for irrigation and non-potable purposes in the Serratoga Falls Project. SF LLC shall be responsible for paying all assessments on the Non-Potable Water Rights and shall be responsible for maintaining compliance with any requirements on the use of the Non-Potable Water Rights. SF LLC is also responsible for complying with administration requirements imposed by the State and/or Division Engineer’s office.

4. **Pro-Rata Portion of Delivery.** If the yield of SF LLC’s Non-Potable Water Rights is reduced for any reason, including but not limited to drought conditions, District No. 2 will take a commensurate reduction in its fifty (50) acre-feet per year allocation. SF LLC shall provide thirty (30) days written notice to District No. 2 of any such reduction. The written notice shall include an explanation of the reason for such reduction.

   District No. 2 understands that the quantity of water available to it from SF LLC may change periodically due to drought conditions as described above. District No. 2 agrees that in the event of such a shortage, SF LLC shall not be responsible for providing an alternate supply of water to District No. 2, and that failure to deliver the full amount of water provided for herein due to drought conditions shall not be deemed to be a breach of this Water Lease. This provision shall not apply to any event in which SF LLC is unable to provide the full fifty (50) acre-feet of Non-Potable Water Rights as specified in this Water Lease due to circumstances other than drought.

5. **Term.** The term of this Water Lease shall be thirty (30) years from the date of this Lease (the “Term”). District No. 2 shall have the right to extend the term for up to six (6) ten year renewal terms (each, an “Extension Term”), which term will be automatically extended at the end of the Term and each Extension Term without action unless District No. 2 provides written notice to SF LLC on or before the end of the then current term that it does not wish to extend. Each Extension Term, if and when exercised, shall be on the same terms and conditions of this Lease.

6. **Assignment.** This lease may be assigned or sublet by either party to this Water Lease subject to the following terms and conditions:

   a. **Consent.** Neither Party can assign its rights, entitlement, or obligations hereunder to any other party without the express, written consent of the other party. Such consent shall not be unreasonably withheld.

   b. **No Modifications.** No obligations under this agreement shall be modified in any way whatsoever by any assignment of this Water Lease. The terms and conditions of this Water Lease shall inure to the benefit of and be binding upon the respective permitted successors and assigns of the Parties.
c. **Notification.** Any party wishing to assign its portion of this Water Lease must notify the other party sixty (60) days before any such assignment would be effective. The party receiving notification will have thirty (30) days within which to consent or object to the assignment of this Water Lease.

7. **Default; Remedies.** In the event that SF LLC fails to deliver the Non-Potable Water Rights at the time and/or location as described above in paragraph 3, District No. 2 shall give SF LLC notice of such breach, and SF LLC shall have a period of thirty (30) days to remedy or cure the same. If such failure continues for a period of thirty (30) days after written demand from SF LLC, then the Parties shall proceed to negotiations or mediation under the subsequent paragraph.

    In the event of any breach or dispute, the Parties agree that they shall first attempt to resolve the dispute by negotiations through the Parties, which may include a mediator if agreed to by the Parties. If negotiation or mediation fails to resolve the dispute within sixty (60) days after the first notice of breach or dispute from one party to the other, then the claiming party may proceed to arbitration or litigation, at such party’s election. In the event of litigation or arbitration or other dispute resolution process concerning this Lease, the remedy of specific performance shall be available to any party, in addition to any other remedies available at law or in equity.

8. **Change in Location or Type of Use.** SF LLC agrees not to change the location of or type of use of the Non-Potable Water Rights, unless it receives prior written consent from District No. 2 to do so. SF LLC shall provide District No. 2 at least sixty (60) days advance written notice of its intent to change either the location of or type of use of the Non-Potable Water Rights. District No. 2 shall have thirty (30) days to consent or object to the proposed change in location and/or type of use.

9. **Amendment.** This Water Lease may be modified, amended, changed, or terminated in whole or in any part only by an amendment in writing duly authorized and executed by SF LLC and District No. 2.

10. **Waiver.** The waiver of any breach of any provision of this Lease by any party shall not constitute a continuing waiver of any subsequent breach of said party, for either breach of the same or for any other provision of this Lease.

11. **Binding Effect.** The provisions of this Water Lease shall bind and benefit the Parties, their successors and permitted assigns.

12. **Non-Severability.** Each section of this Water Lease is intertwined with the others and is not severable unless by mutual consent of the parties hereto.

13. **Entire Agreement.** This Water Lease represents the entire agreement of the Parties with respect to the lease of the Non-Potable Water Rights, and neither party has relied upon any fact or representation not expressly set forth herein. This Lease supersedes all prior agreements and understandings of any type, both written and oral,
among the parties with respect to the lease of the Non-Potable Water Rights. Each party represents that it has authority to enter into this Water Lease.

14. **Governing Law.** This Water Lease and the rights and obligations of the Parties hereto shall be governed by and construed in accordance with the laws of the State of Colorado. The Parties agree that venue for any litigated disputes regarding this Lease shall be in the District Court in and for Larimer County, Colorado, unless any such issues are defined as water matters as defined by section 37-92-203 of the Colorado Revised Statutes, for which the parties agree the venue for any litigated disputes shall be the District Court, Water Division No. 1.

15. **Attorney’s Fees and Costs.** In the event of any litigation, mediation, arbitration or other dispute resolution process arising out of this Lease, the Parties agree that each shall be responsible for their respective costs and fees associated with such action.

16. **Joint Draft.** The Parties agree that they drafted this Lease jointly with each having the advice of legal counsel and an equal opportunity to contribute to its content.

17. **Notices.** Any notice required or permitted to be given under this Water Lease shall be given in writing and shall be deemed given when delivered personally with proof of receipt, or sent by certified mail or registered mail, postage prepaid, return receipt requested, or by a commercial overnight courier that guarantees next day delivery and provides a receipt.

Such notices shall be addressed as follows:

If to Lessor: Serratoga Falls, LLC 1530 16th Street, Suite 300 Denver, CO 80202

With a copy to: Matthew Dalton, Esq. Spencer Fane, LLP 1700 Lincoln Street, Suite 2000 Denver, CO 80203

If to Lessee: Serratoga Falls Metropolitan District No. 2 c/o Metro District Management, LLC Attn: Mr. John Paul Williams 333 W. Drake Road Fort Collins, Colorado 80526

With a copy to: Jeffrey Erb, Esq. Seter & Vander Wall, P.C. 7400 E. Orchard Road, Suite 3300 Greenwood Village, Colorado 80111
18. **No Third Party Beneficiaries.** It is the intent of the Parties that no third party beneficiary interest is created in this Lease. The Parties are not presently aware of any actions by them or any of their authorized representatives which would form the basis for interpretation construing a different intent, and in any event expressly disclaim any such acts or actions.

19. **No Waiver of Governmental Immunity.** District No. 2, its directors, officials, officers, agents, and employees are relying upon and do not waive or abrogate, or intend to waive or abrogate by any provision of this Lease the monetary limitations or any other rights immunities or protections afforded by the Colorado Governmental Immunity Act, section 24-10-101 of the Colorado Revised Statutes et seq.

20. **No Personal Liability.** No elected official, director, officer, agent or employee of District No. 2 or SF LLC shall be charged personally or held contractually liable by or to the other party under any term or provision of this Lease or because of any breach thereof or because of its or their execution, approval, or attempted execution of this Lease.

    IN WITNESS WHEREOF, the Parties have executed this lease on the day and year first written above.
SERRATOGA FALLS, LLC

By: ______________________
Name: ______________________
Title: ______________________

SERRATOGA FALLS METROPOLITAN
DISTRICT NO. 2

By: ______________________
Name: ______________________
Title: ______________________

Attest:

By: ______________________
Name: ______________________
Title: ______________________
Exhibit A
Serratoga Falls First Filing Meter Location

Water Lease Agreement between Serratoga Falls, LLC and Serratoga Falls Metropolitan District No. 2
EXHIBIT F
Recreational Lease Agreement
RECREATIONAL LEASE AGREEMENT

This Recreational Lease Agreement is made this ___ day of July, 2015 (the “Lease”) between SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado, with offices at 1530 16th Street, Suite 300, Denver, CO 80202 (“Metro District” or “Lessee”) and Kitchell Reservoir Company, a Colorado mutual reservoir company organized under the laws of the State of Colorado, with offices at 925 South County Road 5, Fort Collins, Colorado 80524 (“Kitchell”).

RECITALS

WHEREAS, Kitchell owns and operates Kitchell Reservoir located in Section 14, Township 7 North, Range 68 West of the 6th P.M. in Larimer County (“Kitchell Reservoir”). Kitchell Reservoir is adjacent to and north and east of a residential development known as Serratoga Falls, which includes developed lots within Filing No. 1 and certain undeveloped real property owned by Serratoga Falls, LLC (collectively, the “Serratoga Falls Project”). Kitchell Reservoir and the Serratoga Falls Project are depicted on Exhibit A attached hereto.

WHEREAS, Serratoga Falls, LLC is in the process of obtaining the necessary legal entitlements from the Town of Timnath and others for Serratoga Falls Filing No. 2 and 3 within the undeveloped real property owned by Serratoga Falls, LLC within the Serratoga Falls Project.

WHEREAS, the Metro District services the Serratoga Falls Project.

WHEREAS, the Metro District and Kitchell desire to enter into this Lease to govern the terms and conditions under which Kitchell will lease the recreational rights in Kitchell Reservoir to Lessee, and allow Lessee to construct and maintain certain recreational amenities at the Kitchell Reservoir for the benefit of the homeowners in the Serratoga Falls Project.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, and in consideration of the Recitals noted above, which are incorporated herein, the parties agree as follows:

1. Recreational Lease: Kitchell hereby leases to Lessee the recreational rights on and associated with Kitchell Reservoir (as well as any surrounding adjacent property owned by Kitchell, for associated recreational activities), for use by Lessee and for use by the homeowners in the Serratoga Falls Project (and their guests and invitees), all subject to the terms and conditions of this Lease. The recreational rights include, but are not limited to, boating (including kayaks, paddleboards, canoes, rafts, and other recreational craft), fishing, swimming, sunbathing, picnicking.

This Lease is for use by Lessee and by the homeowners in the Serratoga Falls Project, including their guests and invitees. Lessee and the homeowners in the Serratoga Falls Project, their guests and invitees, shall abide by the terms of this Lease. The other shareholders in Kitchell shall also have the right to use the recreational rights at no charge, in common with Lessee and the homeowners in the Serratoga Falls Project (and their guests and invitees). Except
for the other Kitchell shareholders, the lease of the recreational rights shall be exclusive to Lessee and the homeowners in the Serratoga Falls Project during the Term; and Kitchell agrees not to lease to or allow any other parties to use the recreational rights during the Term.

2. **Water Right:** The Water Court Decree which governs Kitchell Reservoir was entered in Larimer County District Court Case No. CA11217 on September 10, 1953 in a supplemental adjudication which is commonly referred to as the “Coffin Decree” because of the District Court Judge that signed it (the “Decree”). The Decree awards Kitchell Reservoir a right to fill at the rate of 4.75 CFS with an appropriation date of April 9, 1894 for irrigation purposes from the Duck Slough Seepage Ditch System and indicates that the water in the Duck Slough is “developed water is not tributary to the stream.” Kitchell by entering into this Lease will not take any action which would jeopardize this Decree nor does it authorize Lessee to take any such action. The Decree capacity of the Kitchell Reservoir is 410 acre feet.

The primary use and purpose of the Kitchell Reservoir is to remain as irrigation storage for the approximately 254 acres in section 14 (some of which are part of the Serratoga Falls Project) and the smaller properties historically served in section 15 which are west of County Road 5, all as depicted on Exhibit D attached hereto. The recreational rights shall be subordinate to this primary use (e.g., Kitchell shall have the right to lower the water level of the Kitchell Reservoir in the course of providing irrigation water to such properties, even if that adversely impacts the recreational uses of the Kitchell Reservoir).

Kitchell shall remain responsible for all maintenance and repair of the Kitchell Reservoir dam, including any maintenance and repair required by the State Engineers Office.

No activity under this Lease will reduce water quality or adversely affect water quality from Kitchell Reservoir.

3. **Recreational Facilities:** Subject to the terms of this Lease, Lessee shall have the right (but not the obligation), at Lessee’s cost, to: (i) improve the shoreline with imported sand or other materials as long as it does not decrease the capacity of the Kitchell Reservoir; (ii) install floating docks for swimming and sunbathing; (iii) develop the shoreline into a beach with a boat or fishing dock; (iv) build volleyball courts, fire pits, picnic and seating area within the adjacent property owned by Kitchell; (v) install lights for evening usage (although the hours of usage will be restricted by Lessee); (vi) install facilities for kayaks, paddleboards, canoes, rafts, paddleboards and other non-motorized recreational craft to be used on the Kitchell Reservoir; and (vii) install additional facilities consistent with (i) through (vi) immediately above. Except, fishing boats or motorized vessels will be permitted, limited to an electrically powered trolling motor of 5 horsepower or less.

Lessee shall have the right to impose rules and regulations on the use of Kitchell Reservoir, and on the use of the recreational facilities, by the Serratoga Falls Project’s homeowners and their guests and invitees; and to modify the rules and regulations from time to time, consistent with the terms of this Lease.
No activity under this Lease will compromise or breach the shoreline of Kitchell Reservoir (including the dam).

4. Term: The term of this Lease is ten (10) years from the date of this Lease (the "Term"). Lessee shall have the right to extend the Term for up to two (2), ten (10) year renewal terms (each, an “Extension Term”, and when exercised, part of the “Term”), by providing written notice of extension to Kitchell on or before the end of the then-current Term. Each Extension Term, if and when exercised, shall be on the same terms and conditions of this Lease, subject only to rental being increased during each Extension Term as set forth in Section 5 below.

5. Rent: The annual rental during the first year of the Term of this Lease shall be Five Thousand Dollars ($5,000.00); the annual rental for each succeeding year during the initial ten-year Term will be adjusted based on the prior year rental, increased by the greater of (i) two percent (2.0%) of the prior year rental; or (ii) the percentage net change in the general consumer price index for all items for the preceding full calendar year. Rent for the first year of an Extension Term, if exercised, will be the rent paid for the last year of the preceding term. The annual rental for each succeeding year of the Extension Term (and the second Extension Term, if exercised) will be adjusted based on the prior year rental, increased by the greater of (i) two percent (2.0%) of the prior year rental; or (ii) the percentage net change in the general consumer price index for all items for the preceding full calendar year. Rental shall be payable annually on or in advance of each anniversary of this Lease.

6. Warranty; Indemnification and Insurance:

(a) All uses of the recreational rights will be in compliance with all applicable laws and regulations, including any requirements of the Town of Timnath. No activity under this Lease will compromise or breach the shoreline of Kitchell Reservoir (including the dam), or reduce water quality or adversely affect water quality from Kitchell Reservoir.

(b) To the extent allowed by law, Lessee hereby agrees to indemnify and hold harmless Kitchell against any and all claims, demands, judgments, penalties, liabilities, contractual obligations, costs, damages, and expenses directly incurred by Kitchell arising from any work by Lessee or use of Kitchell Reservoir under this Lease by Lessee, homeowners in the Serratoga Falls Project, and their guests and invitees. Lessee will maintain at its expense general liability insurance in an amount of at least One Million Dollars ($1,000,000.00) of coverage. Lessee will name Kitchell as an additional member in the District’s liability insurance pool.

7. Amendment: This Lease may only be modified, amended, changed or terminated in whole or in any part only by an amendment in writing duly authorized and executed by Lessee and Kitchell.

8. Waiver: The waiver of any breach of any provision of this Lease by any party shall not constitute a continuing waiver of any subsequent breach of said party, for either breach of the same or for any other provision of this Lease.
9. **Entire Agreement:** This Lease represents the entire agreement of the parties with respect to the lease of the recreational rights to Kitchell Reservoir, and neither party has relied upon any fact or representation not expressly set forth herein. This Lease supersedes all prior agreements and understandings of any type, both written and oral, among the parties with respect to the lease of the recreational rights to Kitchell Reservoir. Each party represents that it has authority to enter into this Lease.

10. **Non-Severability:** Each section of this Lease is intertwined with the others and is not severable unless by mutual consent of the parties hereto.

11. **Assignability:** Upon written notice to Kitchell (without the prior written consent of Kitchell), Lessee may assign or sublet this Lease to a metropolitan district. Except as set forth above, any other assignment of this Lease will require written consent of Lessee and Kitchell. Lessee (and any assignee) and Kitchell shall designate an individual contact person.

12. **Binding Effect:** This Lease and the rights and obligations created hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

13. **Governing Law:** This Lease and its application shall be construed in accordance with the laws of the State of Colorado. The parties agree that venue for any litigated disputes regarding this Lease shall be in the District Court in and for Larimer County, unless any such issues are water matters as defined by C.R.S. §37-92-203, for which the parties agree the venue for any litigated disputes shall be the District Court, Water Division No. 1.

14. **Attorney's Fees:** In the event of any litigation, mediation, arbitration or other dispute resolution process arising out of this Lease, the parties agree that each shall be responsible for their respective costs and fees associated with such action.

15. **Joint Draft:** The parties agree that they drafted this Lease jointly with each having the advice of legal counsel and an equal opportunity to contribute to its content.

16. **Default; Remedies:** In the event Lessee, or any homeowner within the Serratoga Falls Project (or their guests or invitees) fails to observe or comply with any of the terms, covenants and conditions of this Lease, then Kitchell shall give Lessee notice of such breach, and Lessee shall have a period of thirty (30) days to remedy or cure the same. Lessee may impose rules and regulations on the homeowners within Serratoga Falls Project (and their guests and invitees) as a remedy or to prevent subsequent breach (i.e., Lessee’s imposition and enforcement of rules and regulations shall be deemed a remedy or cure). If such failure continues for a period of thirty (30) days after written demand from Kitchell, or if Lessee fails to impose rules and regulations to remedy or prevent subsequent breach, then the parties shall proceed to negotiations or mediation under the subsequent paragraph. If Lessee does impose rules and regulations to remedy or prevent subsequent breach, then Kitchell shall not have the right to cancel this Lease unless Lessee fails to enforce such rules or regulations.
In the event of any breach or dispute, the parties agree that they shall first attempt to resolve the dispute by negotiations through the parties, which may include a mediator if agreed to by the parties. If negotiation or mediation fails to resolve the dispute within sixty (60) days after the first notice of breach or dispute from one party to the other, then the claiming party may proceed to arbitration or litigation, at such party’s election. In the event of litigation or arbitration or other dispute resolution process concerning this Lease, the remedy of specific performance shall be available to any party, in addition to any other remedies available at law or in equity.

17. Notices: Any notice required or permitted to be given hereunder shall be in writing and shall be deemed given when delivered personally or sent by certified or registered mail, return receipt requested, postage pre-paid, or by a nationally recognized overnight courier, addressed as follows:

If to Lessee: Serratoga Falls Metropolitan District No. 1
1530 16th Street, Suite 300
Denver, CO 80202

With a copy to: Mark Goldstein
P.O. Box 273180
Fort Collins, CO 80527
Phone: 970/231-6389

With a copy to: Timothy J. Flanagan, Esq.
Fowler, Schimberg & Flanagan, P.C.
1640 Grant Street
Denver, CO 80203

If to Kitchell: Kitchell Reservoir Company
Attn: President
925 South County Road 5
Fort Collins, CO 80524

With a copy to: Mayo Sommermeyer, Esq.
The Dow Law Firm, LLC
P.O. Box 1578
Fort Collins, CO 80522-1578

18. No Third Party Beneficiaries. It is the intent of the parties hereto that no third party beneficiary interest is created in this Lease. The parties hereto are not presently aware of any actions by them or any of their authorized representatives which would form the basis for interpretation construing a different intent, and in any event expressly disclaim any such acts or actions.
19. **No Waiver of Governmental Immunity.** The Metro District, its directors, officials, officers, agents and employees are relying upon and do not waive or abrogate, or intend to waive or abrogate by any provision of this Lease the monetary limitations or any other rights immunities or protections afforded by the Colorado Governmental Immunity Act, C.R.S Section 24-10-101 et seq as the same may be amended.

20. **Appropriation.** All financial obligations of the Metro District under and pursuant to this Lease are subject to prior appropriations of monies expressly made by the Metro District for the purposes of this Lease.

21. **No Personal Liability.** No elected official, director, officer, agent or employee of the Metro District or Kitchell shall be charged personally or held contractually liable by or to the other party under any term or provision of this Lease or because of any breach thereof or because of its or their execution, approval or attempted execution of this Lease.

IN WITNESS WHEREOF, the parties have executed this Lease effective as of the date first written above.

**Serratoga Falls Metropolitan District No. 1**
A quasi-municipal corporation and political subdivision of the State of Colorado

By: ____________________________
Name: Aaron M. Hattan
Title: Director

**Kitchell Reservoir Company**
A Colorado mutual reservoir company

By: ____________________________
Name: Dale W. Johnson
Title: President

STATE OF )
COUNTY OF ) ss.

The foregoing instrument was acknowledged before me this 21st day of July, 2015, by Aaron M. Hattan, whose title is Director, of Serratoga Falls Metropolitan District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado.

Witness my hand and official seal.

My commission expires: Nov 7, 2016

[Signature]
Notary Public
STATE OF Colorado )
COUNTY OF Larimer ) ss.

The foregoing instrument was acknowledged before me this 17th day of July, 2015, by Dave Johnson, whose title is President, of Kitchell Reservoir Company, a Colorado mutual reservoir company.

Witness my hand and official seal.

My commission expires: May 13, 2019

Notary Public

Brittany Schlepp
Notary Public
State of Colorado
Notary ID 20114028807
My Commission Expires May 13, 2019
| Meeting Date: | Item: EXECUTIVE SESSION: “For the purposes of discussion concerning the purchase, acquisition, lease, transfer, or sale of real, personal, or other property interests under Section §24-6-402(a), C.R.S.; discussion concerning personnel matters under §24-6-402(4)(f), C.R.S.; discussion regarding positions relative to matters that may be subject to negotiations and development of a strategy for negotiations under §24-6-402(4)(e), C.R.S.; and conferences with the Town’s attorney for purposes of receiving legal advice on specific legal questions under §24-6-402(4)(b), C.R.S.” |
| Presented by: | Town Attorney |
| | | Ordinance | Resolution | Discussion X |

**KEY POINTS/SUPPORTING INFORMATION:**

EXECUTIVE SESSION: “For the purposes of discussion concerning the purchase, acquisition, lease, transfer, or sale of real, personal, or other property interests under Section §24-6-402(a), C.R.S.; discussion concerning personnel matters under §24-6-402(4)(f), C.R.S.; discussion regarding positions relative to matters that may be subject to negotiations and development of a strategy for negotiations under §24-6-402(4)(e), C.R.S.; and conferences with the Town’s attorney for purposes of receiving legal advice on specific legal questions under §24-6-402(4)(b), C.R.S.”

**ADVANTAGES:**
N/A

**DISADVANTAGES:**
N/A

**FINANCIAL IMPACT:**
N/A

**RECOMMENDATIONS:**
I move to enter into Executive Session “For ____________________________.”

**ATTACHMENTS:**
N/A