

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
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<https://crowfootmd1-2.colorado.gov>

NOTICE OF A REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expires:</u>
Chad Murphy	President	2025/May 2025
Richard Cross	Treasurer	2023/May 2023
Ryan D. Marsh	Assistant Secretary	2025/May 2025
Collier Bailey	Assistant Secretary	2025/May 2025
VACANT		2023/May 2023
Ann E. Finn	Secretary	

DATE: December 5, 2022

TIME: 1:00 p.m.

LOCATION: Zoom and in person at the Castle Pines Library, The Loft, 360 Village Square Lane, Castle Pines, CO 80108.

This meeting will be held via Zoom Meeting and can be joined through the directions below:

Join Zoom Meeting

<https://us02web.zoom.us/j/89598386053?pwd=dmN5UHpFOXJ6akc1WkE3SzFEaUesyUT09>

Meeting ID: 895 9838 6053

Passcode: 208458

One tap mobile

+16699006833,,89598386053#,,,,*208458# US (San Jose)

I. ADMINISTRATIVE MATTERS

A. Disclosure of Potential Conflicts of Interest.

B. Approve Agenda; confirm location of the meeting.

II. CONSENT AGENDA – These items are considered to be routine and will be approved and/or ratified by one motion. There will be no separate discussion of these items unless a Board Member so requests, in which event, the item will be removed from the Consent Agenda and considered on the Regular Agenda.

- Discuss results of the May 3, 2022 Election (enclosure).
 - Acknowledge resignation of Mitchell Peterson from the Board of Directors, effective March, 2022.
 - Review and approve the Minutes of the December 6, 2021 Special Meeting (enclosure).
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A. Consider appointment to fill a vacancy on the Board of Directors. Administer Oath of Office (Notice of Vacancy published May 12, 2022).

B. Consider appointment of Officers:

President _____
Treasurer _____
Secretary _____
Asst. Secretary _____
Asst. Secretary _____
Asst. Secretary _____

III. PUBLIC COMMENTS

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

IV. FINANCIAL MATTERS

A. Review and accept unaudited financial statements through the period ending March 31, 2022 and cash position statement dated _____, 2022 and updated _____, 2022 (to be distributed).

B. Conduct Public Hearing to consider Amendment to 2022 Budget and consider adoption of Resolution to Amend the 2022 Budget and Appropriate Expenditures.

C. Consider engagement of Fiscal Focus Partners LLC for preparation of 2022 Audit in the amount of \$6,200.00 (enclosure).

- D. Conduct Public Hearing on the proposed 2023 Budget and consider adoption of Resolution No. 2022-12-__; Resolution to Adopt the 2023 Budget, Set Mill Levy and Appropriate Sums of Money (enclosures – Final AV, draft 2023 Budget, and Resolution).
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- E. Consider authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.
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- F. Consider appointment of District Accountant to prepare the 2024 Budget and set budget hearing.
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- G. Discuss and consider approval of a 2023 Scope of Work between the District and CliftonLarsonAllen LLP (enclosure).
-

V. LEGAL MATTERS

- A. Review and consider approval of the Second Amendment to District Facilities Agreement between Crowfoot Metropolitan Districts Nos. 1 and 2 (enclosure).
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- B. Review and approve Engagement Letter with Ballard Spahr LLP to serve as the Bond Counsel (enclosure).
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- C. Review and approve Engagement Letter with King & Associates, Inc. for preparation of a Market Study (to be distributed).
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- D. Review and approve Engagement Letter with Municap, Inc. to serve as the External Financial Advisor (to be distributed).
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- E. Review and consider adoption of a Resolution authorizing the issuance of the District's Junior Lien Limited Tax General Obligation Bonds, Series 2022C(3), in a maximum aggregate principal amount of \$30,000,000, for the purposes of paying or reimbursing the costs of public improvements for the District, and authorize the execution of all related documents, instruments and certificates in connection therewith, ratify prior actions, authorize incidental actions, and repeal prior inconsistent actions (enclosure).
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- F. Consider adoption of Resolution No. 2022-12-___ Calling for the 2023 Regular Election and Appointing Designated Election Official and authorizing the Designated Election Official to perform all tasks required for the conduct of a mail ballot election. Self-Nomination and Acceptance Forms are due by February 24, 2023. Discuss need for ballot issues and/or questions (enclosure).
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- G. Consider adoption of Resolution No. 2022-12-___ 2023 Annual Administrative Resolution (enclosure).
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- H. Consider adoption of Resolution No. 2022-12-___ Designating Location to Post Notice (enclosure).
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- I. Consider adoption of Resolution No. 2022-12-___ Designating Location of Regular and Special Meetings (enclosure)
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- J. Consider adoption of Resolution Determining Not to Provide Workers' Compensation Insurance Coverage for Non-compensated Members of the Board of Directors (enclosure).
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VI. OTHER BUSINESS

- A. _____

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

Informational Enclosure:

- Memo regarding New Rate Structure from Special District Management Services, Inc.

NOTICE OF CANCELLATION OF REGULAR ELECTION
BY THE DESIGNATED ELECTION OFFICIAL FOR THE
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

NOTICE IS HEREBY GIVEN by the Crowfoot Valley Ranch Metropolitan District No. 2, Douglas County, Colorado, that at the close of business on the sixty-third (63rd) day before the election or thereafter there were not more candidates for Director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates; therefore, the election to be held on May 3, 2022, is hereby cancelled.

The following candidates are declared elected:

Chad Murphy	Three-Year Term to 2025
Ryan D. Marsh	Three-Year Term to 2025
J. Collier Bailey	Three-year Term to 2025

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2

/s/ Micki L. Mills
Designated Election Official

Published on: March 17, 2022

Published in: Douglas County News-Press

**CANCELLATION OF ELECTION AND
DECLARATION DEEMING CANDIDATES ELECTED FOR
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**

The Designated Election Official of the Crowfoot Valley Ranch Metropolitan District No. 2 has been duly authorized by the Board of Directors to cancel and declare candidates elected if, at the close of business on the sixty-third (63rd) day before the election or thereafter, there are not more candidates than offices to be filled at the election to be conducted on May 3, 2022; and

As of the close of business on March 1, 2022, or thereafter, there were not more candidates for Director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates.

Pursuant to Section 1-13.5-513(1), C.R.S., the Designated Election Official hereby cancels the regular election to be conducted on May 3, 2022.

THE ELECTION IS CANCELLED AND THE FOLLOWING CANDIDATES ARE DECLARED ELECTED FOR THE FOLLOWING TERMS:

Chad Murphy 4530 Meade Street Denver, Colorado 80211	Three-Year Term to 2025
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Ryan D. Marsh 2747 South Steele Street Denver, Colorado 80120	Three-Year Term to 2025
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J. Collier Bailey 3450 North Downing Street, #4 Denver, Colorado 80205	Three-Year Term to 2025
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DATED this 2nd day of March, 2022.



Designated Election Official

Contact Person for District:	Matthew P. Ruhland
Telephone Number of District:	Cockrel Ela Glesne Greher & Ruhland, P.C. (303) 218-7200
Address of District:	390 Union Boulevard, Suite 400 Lakewood, Colorado 80228

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2 HELD DECEMBER 6, 2021

A Special Meeting of the Board of Directors (the “Board”) of the Crowfoot Valley Ranch Metropolitan District No. 2 (the “District”) was convened on Monday, the 6th day of December 2021, at 1:00 p.m. via Zoom Meeting. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Chad Murphy
Richard Cross
Mitchell M. Peterson (for a portion of the meeting)
Ryan D. Marsh
Collier Bailey

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc. (“SDMS”)

Matthew Ruhland, Esq.; Collins Cockrel & Cole, P.C.

Paul Wilson; CliftonLarsonAllen LLP

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

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

Ms. Finn noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that all Directors’ Disclosure Statements have been filed.

ADMINISTRATIVE MATTERS

Agenda: The Board reviewed a proposed Agenda for the District’s Special Meeting.

RECORD OF PROCEEDINGS

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

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. The Board noted that due to Executive Orders issued by Governor Polis and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Health and Environment, and the threat posed by the COVID-19 coronavirus, the meeting was held via Zoom Meeting.

Minutes: The Board reviewed the Minutes of the September 20, 2021 Special Meeting.

Following discussion, upon motion duly made by Director Cross, seconded by Director Marsh and, upon vote, unanimously carried, the Minutes of the September 20, 2021 Special Meeting were approved, as presented.

Resolution No. 2021-12-01; Resolution Concerning 2022 Annual Administration Matters: Mr. Ruhland reviewed with the Board Resolution No. 2021-12-01; Resolution Concerning 2022 Annual Administrative Matters.

Following discussion, upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-12-01; Resolution Concerning 2022 Annual Administrative Matters. A copy of the adopted Resolution is attached to these Minutes and incorporated herein by this reference.

Resolution No. 2021-12-02; Resolution Designating Meeting Location: Attorney Ruhland reviewed with the Board Resolution No. 2021-12-02; Resolution Designating Location of Regular and Special Meetings.

2022 Regular Meetings: Following discussion, the Board determined to meet on June 6, 2022 and December 5, 2022 at 1:00 p.m. teleconference via Zoom.

Following discussion, upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-12-02; Resolution Designating Location of Regular and Special Meetings. A copy of the adopted Resolution is attached to these Minutes and incorporated herein by this reference.

RECORD OF PROCEEDINGS

PUBLIC COMMENT

There was no public comment.

FINANCIAL MATTERS

Unaudited Financial Statements: Mr. Wilson reviewed for the Board the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers for the period ending September 30, 2021 and the schedule of cash position statement updated as of November 22, 2021.

Following review and discussion, upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried, the unaudited financial statements and the schedule of cash position statement were accepted, as presented.

2021 Audit: The Board discussed the engagement of Fiscal Focus Partners LLC to perform the 2021 Audit.

Following discussion, upon motion duly made by Director Murphy, seconded by Director Cross and, upon vote, unanimously carried, the Board approved the engagement of Fiscal Focus Partners LLC to perform the 2021 Audit, for an amount not to exceed \$5,700.

2022 Budget: The President opened the public hearing to consider the proposed 2022 Budget and discuss related issues.

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

Mr. Wilson reviewed the estimated 2021 revenues and expenditures and proposed 2022 revenues and expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2021-12-03 to Adopt the 2022 Budget and Appropriate Sums of Money and Set Mill Levies (for the General Fund at 22.265 mills, Debt Service Funds at 55.663, and Other Funds (Fire Protection) at 7.514 mills, for a total mill levy of 85.442 mills).

Upon motion duly made by Director Murphy, seconded by Director Cross and, upon vote, unanimously carried, the Resolution was adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2021 and verification of Fire Protection mill

RECORD OF PROCEEDINGS

levy. Ms. Finn was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Douglas County and to the Division of Local Government, not later than December 15, 2021. Ms. Finn was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2022. Copies of the adopted Resolution is attached to these minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director Marsh, seconded by Director Murphy and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

2023 Budget Preparation: The Board discussed the preparation of the 2023 Budget.

Following discussion, upon motion duly made by Director Marsh, seconded by Director Murphy and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2023 Budget.

Master Service Agreement for Accounting Services between the District and CliftonLarsonAllen LLP: Mr. Wilson reviewed with the Board a Master Service Agreement (“MSA”) for Accounting Services between the District and CliftonLarsonAllen LLP.

Following review and discussion, upon motion duly made by Director Murphy, seconded by Director Cross and, upon vote, unanimously carried, the Board approved the MSA for Accounting Services between the District and CliftonLarsonAllen LLP.

OPERATION AND MAINTENANCE MATTERS

Service Agreements for 2022 Operation and Maintenance Services: The Board entered into discussion the need for operation and maintenance services for 2022. Following discussion, the Board determined no services would be needed for 2022.

LEGAL MATTERS

Resolution Calling the May 3, 2022 Regular Election: Attorney Ruhland

RECORD OF PROCEEDINGS

discussed with the Board the upcoming election and Resolution No. 2021-12-04 Calling the May 3, 2022 Regular Election.

Following discussion, upon motion duly made by Director Murphy seconded by Director Cross and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-12-04 Calling the May 3, 2022 Regular Election and appointed Micki Mills as the Designated Election Official and authorized her to perform all tasks required for the May 3, 2022 Regular Election of the Board of Directors for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Engagement of Legal Counsel: Attorney Ruhland noted for the Board that his current law firm has decided to dissolve and he has started a new law firm, Cockrel Ela Gelsne Greher & Ruhland, P.C (CEGGR) and discussed transitioning the District's legal services to GEGGR.

Following discussion, upon motion duly made by Director Murphy, seconded by Director Cross and, upon vote, unanimously carried, the Board approved the transition and engagement of Cockrel Ela Gelsne Greher & Ruhland, P.C as General Counsel for the District.

OTHER BUSINESS

There were no other matters for discussion.

ADJORNMENT

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

Respectfully submitted,

By: _____
Secretary for the Meeting

November 9, 2022

To the Board of Directors and Management
Crowfoot Valley Ranch Metropolitan District No. 2
Douglas County, Colorado

We are pleased to confirm our understanding of the services we are to provide Crowfoot Valley Ranch Metropolitan District No. 2 (the District) for the year ended December 31, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund, and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. If the District elects to omit MD&A, our report will contain a statement that the District has omitted MD&A. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, will be subjected to the auditing procedures applied in our audit of the financial statements.

We have also been engaged to report on supplementary information other than RSI that accompanies the District's financial statements. We will subject the following supplementary information, as applicable, to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (GAAS), and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1. Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund
2. Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Projects Fund
3. Schedule of Debt Service Obligations Requirements to Maturity
4. Summary of Assessed Valuation, Mill Levy, and Property Taxes Collected

In connection with our audit of the basic financial statements, we will read the Annual Disclosure Information and consider whether a material inconsistency exists between the disclosure information and the basic financial statements, or the disclosure information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the disclosure information exists, we are required to describe it in our report.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether the District's financial statements are fairly presented, in all material respects in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are

Fiscal Focus Partners, LLC

considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

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

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

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

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Audit Procedures—Internal Control

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

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for any nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of the financial statements, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

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

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

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Engagement Administration, Fees, and Other

We understand that your employees or consultants will prepare the financial statements and all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Fiscal Focus Partners, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will

be made available upon request and in a timely manner to an applicable regulator or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Fiscal Focus Partners, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to an applicable regulator or its designee. The applicable regulator or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit on a date mutually agreed to by your accountants and our firm, and to issue our reports no later than July 31, 2023, or September 30, 2023 if the District is eligible for, and management requests, an extension of time from state auditor. If the originally scheduled audit commencement date is not met due to delays in availability of required information and rescheduling is necessary, we will advise you of any change in anticipated report issuance dates. Eric Barnes will be the engagement partner and will be responsible for supervising the engagement and signing the report or authorizing another individual to sign it. The designated partner may change depending on scheduling and work demands. You will be advised of any change in the designated partner. Our audit engagement commences when all information necessary to conduct the audit is available and provided to us, and ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service. This engagement agreement may be cancelled by you or by us upon written notice provided at least 45 days prior to engagement commencement.

Our fee for these services will be \$6,200 plus out-of-pocket costs (such as postage, mileage, etc.). Our invoice for these fees will be rendered upon completion of fieldwork and in-house review and is payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes thirty days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel, contractors, and professionals, and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

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

Contractor Certification Regarding Illegal Aliens – Public Contracts for Services

Pursuant to the requirements of Section 8-17.5-102(1), C.R.S., we hereby certify to the District that we do not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that we participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of Fiscal Focus Partners, LLC who are newly hired to perform work under the Agreement.

In accordance with Section 8-17.5-102(2)(a), C.R.S., we shall not:

- 1) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or
- 2) Enter into a contract with a subcontractor that fails to certify to us that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

We represent and warrant that we have confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

We are prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

If we obtain actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, we shall:

- 1) Notify the subcontractor and the District within three days that we have actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
- 2) Terminate the subcontract with the subcontractor if within three days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that we 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.

We shall comply with any reasonable request by the Colorado Department of Labor and Employment ("Department") made in the course of an investigation that the Department is undertaking, pursuant to the law.

If we violate any provision of Section 8-17.5-102(1), C.R.S., the District may terminate the Agreement immediately and we shall be liable to the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by us to the Colorado Secretary of State, as required by law.

We appreciate the opportunity to be of service to Crowfoot Valley Ranch Metropolitan District No. 2 and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Fiscal Focus Partners, LLC

Fiscal Focus Partners, LLC

RESPONSE:

This letter correctly sets forth the understanding of Crowfoot Valley Ranch Metropolitan District No. 2.

Authorized signature: _____ Title: _____

Date: _____

CERTIFICATION OF VALUATION BY DOUGLAS COUNTY ASSESSOR

Name of Jurisdiction: 4437 - Crowfoot Valley Ranch Metro District 2

IN DOUGLAS COUNTY ON 11/18/2022

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
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IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN DOUGLAS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$8,657,680
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$10,139,180
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$10,139,180
5. NEW CONSTRUCTION: **	\$3,000,790
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

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

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

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

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

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

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

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$89,350,895
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$43,177,635
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

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

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

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

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$0
--	-----

** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/2/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 9,146,730	\$ 6,539,490	\$ 5,788,566	\$ 5,788,566	\$ 4,466,137
REVENUES					
Property taxes	310,834	674,675	673,721	674,675	761,485
Specific ownership tax	32,866	53,974	37,635	64,517	68,534
Interest income	2,731	4,405	18,838	56,600	45,954
Fire protection tax	29,971	65,054	64,962	65,054	73,428
Bond Proceeds - Series 2023C	-	-	-	-	25,705,000
Other revenue	-	1,757	-	3,449	4,162
Facilities fees	594,000	576,000	234,000	576,000	441,000
Total revenues	<u>970,402</u>	<u>1,375,865</u>	<u>1,029,156</u>	<u>1,440,295</u>	<u>27,099,563</u>
Total funds available	<u>10,117,132</u>	<u>7,915,355</u>	<u>6,817,722</u>	<u>7,228,861</u>	<u>31,565,700</u>
EXPENDITURES					
General and administrative	130,240	275,000	268,285	280,000	314,738
Debt service	1,834,149	1,844,000	919,630	1,838,048	1,841,192
Capital projects	2,364,177	3,281,600	484,213	644,676	27,660,074
Total expenditures	<u>4,328,566</u>	<u>5,400,600</u>	<u>1,672,128</u>	<u>2,762,724</u>	<u>29,816,004</u>
Total expenditures and transfers out requiring appropriation	<u>4,328,566</u>	<u>5,400,600</u>	<u>1,672,128</u>	<u>2,762,724</u>	<u>29,816,004</u>
ENDING FUND BALANCES	<u>\$ 5,788,566</u>	<u>\$ 2,514,755</u>	<u>\$ 5,145,594</u>	<u>\$ 4,466,137</u>	<u>\$ 1,749,696</u>
SURPLUS FUND	<u>\$ 3,216,370</u>	<u>\$ 2,514,755</u>	<u>\$ 3,050,176</u>	<u>\$ 2,525,617</u>	<u>\$ 1,749,696</u>
TOTAL RESERVE	<u>\$ 3,216,370</u>	<u>\$ 2,514,755</u>	<u>\$ 3,050,176</u>	<u>\$ 2,525,617</u>	<u>\$ 1,749,696</u>

No assurance provided. See summary of significant assumptions.

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

12/2/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION					
Residential	\$ 15,180	\$ 324,080	\$ 324,080	\$ 324,080	\$ 5,065,090
Agricultural	34,340	35,080	35,080	35,080	31,920
State assessed	6,800	3,100	3,100	3,100	16,100
Vacant land	3,486,300	7,864,960	7,864,960	7,864,960	4,726,090
Personal property	446,100	430,460	430,460	430,460	300,010
Certified Assessed Value	<u>\$ 3,988,720</u>	<u>\$ 8,657,680</u>	<u>\$ 8,657,680</u>	<u>\$ 8,657,680</u>	<u>\$ 10,139,210</u>
MILL LEVY					
General	22.265	22.265	22.265	22.265	21.458
Debt Service	55.663	55.663	55.663	55.663	53.645
Fire Protection	7.514	7.514	7.514	7.514	7.242
Total mill levy	<u>85.442</u>	<u>85.442</u>	<u>85.442</u>	<u>85.442</u>	<u>82.345</u>
PROPERTY TAXES					
General	\$ 88,809	\$ 192,763	\$ 192,763	\$ 192,763	\$ 217,567
Debt Service	222,024	481,912	481,912	481,912	543,918
Fire Protection	29,971	65,054	65,054	65,054	73,428
Levied property taxes	<u>340,804</u>	<u>739,729</u>	<u>739,729</u>	<u>739,729</u>	<u>834,913</u>
Adjustments to actual/rounding	1	-	(1,046)	-	-
Budgeted property taxes	<u>\$ 340,805</u>	<u>\$ 739,729</u>	<u>\$ 738,683</u>	<u>\$ 739,729</u>	<u>\$ 834,913</u>
BUDGETED PROPERTY TAXES					
General	\$ 88,809	\$ 192,763	\$ 192,490	\$ 192,763	\$ 217,567
Debt Service	222,025	481,912	481,231	481,912	543,918
Fire Protection	29,971	65,054	64,962	65,054	73,428
	<u>\$ 340,805</u>	<u>\$ 739,729</u>	<u>\$ 738,683</u>	<u>\$ 739,729</u>	<u>\$ 834,913</u>

No assurance provided. See summary of significant assumptions.

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

12/2/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Property Taxes	88,809	192,763	192,490	192,763	217,567
Specific ownership tax	11,455	15,421	10,753	18,434	19,581
Fire Protection Tax	29,971	65,054	64,962	65,054	73,428
Interest income	5	5	80	300	-
Other Revenue	-	1,757	-	3,449	4,162
Total revenues	<u>130,240</u>	<u>275,000</u>	<u>268,285</u>	<u>280,000</u>	<u>314,738</u>
Total funds available	<u>130,240</u>	<u>275,000</u>	<u>268,285</u>	<u>280,000</u>	<u>314,738</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	1,332	2,891	2,888	2,891	3,264
County Treasurers Fee - Fire	450	976	975	976	1,101
Contingency	-	1,757	-	3,449	4,162
Intergovernmental expenditures	98,937	205,298	200,435	208,606	244,453
Payment to Town	29,521	64,078	63,987	64,078	61,758
Total expenditures	<u>130,240</u>	<u>275,000</u>	<u>268,285</u>	<u>280,000</u>	<u>314,738</u>
Total expenditures and transfers out requiring appropriation	<u>130,240</u>	<u>275,000</u>	<u>268,285</u>	<u>280,000</u>	<u>314,738</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/2/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 4,211,815	\$ 3,259,490	\$ 3,216,370	\$ 3,216,370	\$ 2,525,617
REVENUES					
Property Taxes	222,025	481,912	481,231	481,912	543,918
Specific ownership tax	21,411	38,553	26,882	46,083	48,953
Facilities fees	594,000	576,000	234,000	576,000	441,000
Interest income	1,268	2,800	11,323	43,300	31,400
Total revenues	<u>838,704</u>	<u>1,099,265</u>	<u>753,436</u>	<u>1,147,295</u>	<u>1,065,271</u>
Total funds available	<u>5,050,519</u>	<u>4,358,755</u>	<u>3,969,806</u>	<u>4,363,665</u>	<u>3,590,888</u>
EXPENDITURES					
Debt Service					
Series 2018A Bonds Interest	1,824,819	1,824,819	912,409	1,824,819	1,824,819
County Treasurer's fee	3,330	7,229	7,221	7,229	8,159
Trustee fees	6,000	6,000	-	6,000	6,000
Contingency	-	5,952	-	-	2,214
Total expenditures	<u>1,834,149</u>	<u>1,844,000</u>	<u>919,630</u>	<u>1,838,048</u>	<u>1,841,192</u>
Total expenditures and transfers out requiring appropriation	<u>1,834,149</u>	<u>1,844,000</u>	<u>919,630</u>	<u>1,838,048</u>	<u>1,841,192</u>
ENDING FUND BALANCE	<u>\$ 3,216,370</u>	<u>\$ 2,514,755</u>	<u>\$ 3,050,176</u>	<u>\$ 2,525,617</u>	<u>\$ 1,749,696</u>
SURPLUS FUND	<u>\$ 3,216,370</u>	<u>\$ 2,514,755</u>	<u>\$ 3,050,176</u>	<u>\$ 2,525,617</u>	<u>\$ 1,749,696</u>
TOTAL RESERVE	<u>\$ 3,216,370</u>	<u>\$ 2,514,755</u>	<u>\$ 3,050,176</u>	<u>\$ 2,525,617</u>	<u>\$ 1,749,696</u>

No assurance provided. See summary of significant assumptions.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
 CAPITAL PROJECTS FUND
 2023 BUDGET
 WITH 2021 ACTUAL AND 2022 ESTIMATED
 For the Years Ended and Ending December 31,**

12/2/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 4,934,915	\$ 3,280,000	\$ 2,572,196	\$ 2,572,196	\$ 1,940,520
REVENUES					
Interest income	1,458	1,600	7,435	13,000	14,554
Bond Proceeds - Series 2023C	-	-	-	-	25,705,000
Total revenues	<u>1,458</u>	<u>1,600</u>	<u>7,435</u>	<u>13,000</u>	<u>25,719,554</u>
Total funds available	<u>4,936,373</u>	<u>3,281,600</u>	<u>2,579,631</u>	<u>2,585,196</u>	<u>27,660,074</u>
EXPENDITURES					
Capital Projects					
Bond issue Costs	-	-	-	-	357,050
Intergovernmental Expenditure - District No. 1	2,364,177	3,281,600	484,213	644,676	27,303,024
Total expenditures	<u>2,364,177</u>	<u>3,281,600</u>	<u>484,213</u>	<u>644,676</u>	<u>27,660,074</u>
Total expenditures and transfers out requiring appropriation	<u>2,364,177</u>	<u>3,281,600</u>	<u>484,213</u>	<u>644,676</u>	<u>27,660,074</u>
ENDING FUND BALANCE	<u>\$ 2,572,196</u>	<u>\$ -</u>	<u>\$ 2,095,418</u>	<u>\$ 1,940,520</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Douglas County on December 3, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County, Colorado.

The District was organized to provide financing for the design, acquisition, installation and construction of sanitation improvements, water improvements, street improvements, traffic and safety control improvements, park and recreation improvements, transportation improvements, television relay and translation improvements, mosquito control, fire protection, emergency medical services, and operation and maintenance of the District. Under the Service Plan, the District is the Financing District related to Crowfoot Valley Ranch Metropolitan District No. 1, the Service District ("District No. 1").

On November 4, 2014, the District's voters authorized general obligation indebtedness of \$53,000,000 for street improvements, \$53,000,000 for parks and recreation, \$53,000,000 for water supply system, \$53,000,000 for sanitary sewer system, \$53,000,000 for traffic and safety control, \$53,000,000 for public transport, \$53,000,000 for fire protection and emergency response facilities, and \$106,000,000 for refinancing of District debt. This voter authorization replaced the voter authorization of November 5, 2002. District voters also approved authorization for the District to retain and spend District revenues, from any lawful source, in excess of the spending, revenue raising or other limitations in Article X, Section 20 of the Colorado constitution.

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

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

Revenues

Property Taxes

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues - (continued)

The District's service plan sets a mill levy cap for payment of general obligation debt and for operations and maintenance of 70.000 mills district wide, with 20.000 mills for operating costs. Additionally, 6.750 mills is designated for fire protection, payable to the Castle Rock Fire Protection District. The operating mill levy may include an additional levy not to exceed 10.00 mills for subdistricts created to serve specific areas within the district.

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

The property taxes levied are as shown on the Property Tax Summary Page.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9.0% of the total property taxes collected by the General Fund.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

Facilities Fees

Capital Fees are pledged to the payment of the Bonds and are generally defined to mean all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District at the time of issuance of the Bonds or thereafter, including Facilities Fees. The District is expected to adopt a Facilities Fee Resolution prior to the issuance of the Bonds. Capital Fees do not include Excluded Fees, which are defined in the Indentures as any fee imposed by the District solely for the purpose of funding operation and maintenance expenses.

The Facilities Fee Resolution will impose a one-time fee in the amount of \$3,000 for each single-family or multi-family dwelling unit located within the District. The Facilities Fees are payable at the time a building permit is issued by the County for any dwelling unit. Facilities Fees are pledged to the payment of the Bonds.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures

General and Administrative Expenditures

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

Payment to Town

The District has entered into an intergovernmental agreement with the Town of Castle Rock for fire protection and emergency response services. The Town of Castle Rock was required to build a new fire station to service the District and as a result the District agreed to levy 7.242 mills, as adjusted for changes in assessed valuation, and remit the proceeds, net of collection fees, to the Town annually.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Debt and Leases

Series 2018 Bonds

On June 19, 2018 the District issued 2018A Senior Bonds and the 2018B Subordinate Bonds in the respective amounts of \$31,945,000 and \$3,260,000. Proceeds from the sale of the 2018A Senior Bonds will be used to: (i) finance or reimburse the costs of public improvements related to the Development; (ii) fund capitalized interest on the 2018A Senior Bonds; (iii) make an initial deposit to the 2018A Surplus Fund; and (iv) pay the costs of issuance of the Bonds. Proceeds from the sale of the 2018B Subordinate Bonds will be used to: (i) finance or reimburse the cost of public improvements related to the Development; and (ii) pay certain other costs of issuance of the 2018B Subordinate Bonds.

The 2018A Senior Bonds are will bear interest at rates ranging from 5.625% to 5.750% and are payable semi-annually on June 1 and December 1, beginning on December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026. The 2018A Senior Bonds mature on December 1, 2048. The 2018B Subordinate Bonds are assumed to be issued at the rate of 8% per annum and are payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2048.

The 2018B Subordinate Bonds will bear interest at 8.00% and are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the 2018B Subordinate Bonds compounds annually at the rate then borne by the 2018B Subordinate Bonds on each December 15. In the event any amounts due and owing on the 2018B Subordinate Bonds remain outstanding on December 15, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

The 2018A Senior Bonds are payable solely from and to the extent of the Senior Pledged Revenue, defined generally in the 2018A Senior Indenture as the following, net of any costs of collection: a) all Senior Property Tax Revenues (generally defined as revenues resulting from the imposition of the Senior Required Mill Levy); b) all Senior Specific Ownership Tax Revenues, resulting from the imposition of the Senior Required Mill Levy; c) all Capital Fees; and d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The 2018A Senior Bonds are additionally secured by the 2018A Surplus Fund, which will initially be partially funded with proceeds of the 2018A Senior Bonds, and will also be funded with excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000, and by capitalized interest which will be funded with proceeds of the 2018A Senior Bonds. Amounts on deposit in the 2018A Surplus Fund (if any) on the final maturity date of the 2018A Senior Bonds shall be applied to the payment of the 2018A Senior Bonds. The availability of such amount shall be taken into account in calculating the Senior Required Mill Levy required to be imposed in December 2047.

The 2018B Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue, which is defined generally in the 2018B Subordinate Indenture as the following, net costs of collection: a) all Subordinate Property Tax Revenues (generally defined as revenues resulting from the imposition of the Subordinate Required Mill Levy); b) all Subordinate Specific Ownership Tax Revenues, resulting from the imposition of the Subordinate Required Mill Levy; c) all Subordinate Capital Fee Revenue; and d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund. Subordinate Capital Fee Revenue is defined as any revenue from Capital Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior Obligations. For the Senior Required Mill Levy and the Subordinate Required Mill Levy, the Indentures separate property taxes and specific ownership taxes generated by each mill levy. Receipts generated from the Senior Required Mill Levy are pledged to the repayment of the 2018A Senior Bonds and receipts generated from the Subordinate Required Mill Levy are pledged to the repayment of the 2018B Subordinate Bonds. In no event is Subordinate Pledged Revenue required to be deposited to the Senior Bond Fund or to be applied to debt service on the 2018A Senior Bonds. Assumptions related to debt principal amounts, bond interest rates, issuance costs, capitalized interest amounts, and other related debt service costs for the proposed 2018A Senior Bonds and 2018B Subordinate Bonds have been provided to Management by D.A. Davidson & Co., the underwriter of the proposed bond issuance of the District.

	Balance at December 31, 2021		Additions	Reductions	Balance at December 31, 2022	
G.O Bonds - Series 2018B Unpaid Interest	\$ 1,025,529	\$ 339,516	\$ -	\$ -	\$ 1,365,045	\$ 1,365,045
Total	<u>\$ 1,025,529</u>	<u>\$ 339,516</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,365,045</u>	<u>\$ 1,365,045</u>

	Balance at December 31, 2022		Additions	Reductions	Balance at December 31, 2023	
G.O Bonds - Series 2018B Unpaid Interest	\$ 1,365,045	\$ 370,004	\$ -	\$ -	\$ 1,735,049	\$ 1,735,049
Total	<u>\$ 1,365,045</u>	<u>\$ 370,004</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,735,049</u>	<u>\$ 1,735,049</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Leases

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

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 1, which pays for all the District's operations and maintenance costs, an Emergency Reserve is not reflected in the District's budget.

Surplus Fund

The 2018A Senior Bonds are additionally secured by the 2018A Surplus Fund, which will initially be partially funded with proceeds of the 2018A Senior Bonds, and will also be funded with excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000, and by capitalized interest which will be funded with proceeds of the 2018A Senior Bonds.

This information is an integral part of the accompanying budget.

**CROWFOOT VALLEY RANC METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
LONG TERM DEBT**

Bonds and Interest Maturing in the Year Ending December 31,	\$31,945,000 Limited Tax General Obligation Bonds Series 2018A Interest 5.625% - 5.750% Dated June 13, 2018 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2023	\$ -	\$ 1,824,819	\$ 1,824,819
2024	-	1,824,819	1,824,819
2025	-	1,824,819	1,824,819
2026	25,000	1,824,819	1,849,819
2027	190,000	1,823,413	2,013,413
2028	380,000	1,812,725	2,192,725
2029	515,000	1,791,350	2,306,350
2030	660,000	1,762,381	2,422,381
2031	710,000	1,725,256	2,435,256
2032	800,000	1,685,319	2,485,319
2033	845,000	1,640,319	2,485,319
2034	945,000	1,592,788	2,537,788
2035	995,000	1,539,631	2,534,631
2036	1,105,000	1,483,663	2,588,663
2037	1,165,000	1,421,506	2,586,506
2038	1,280,000	1,355,975	2,635,975
2039	1,355,000	1,283,975	2,638,975
2040	1,485,000	1,206,063	2,691,063
2041	1,570,000	1,120,675	2,690,675
2042	1,715,000	1,030,400	2,745,400
2043	1,815,000	931,788	2,746,788
2044	1,970,000	827,425	2,797,425
2045	2,085,000	714,150	2,799,150
2046	2,260,000	594,263	2,854,263
2047	2,390,000	464,313	2,854,313
2048	5,685,000	326,888	6,011,888
	\$ 31,945,000	\$ 35,433,542	\$ 67,378,542

No assurance provided. See summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

RESOLUTION NO. 2022-12-_____

RESOLUTION TO ADOPT 2023 BUDGET

WHEREAS, the Board of Directors (the “**Board**”) of Crowfoot Valley Ranch Metropolitan District No. 2 (the “**District**”) has appointed a budget committee to prepare and submit a proposed 2023 budget to the Board at the proper time; and

WHEREAS, such budget committee has submitted the proposed budget to the Board for its consideration; and

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

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

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Crowfoot Valley Ranch Metropolitan District No. 2:

1. That estimated expenditures for each fund are as follows:

General Fund:	\$
Debt Service Fund:	\$
Capital Projects Fund:	\$ _____
Total	\$

2. That estimated revenues are as follows:

General Fund:

From unappropriated surpluses	\$
From sources other than general property tax	\$
From general property tax	<u>\$</u>
Total	\$

Debt Services Fund:

From unappropriated surpluses	\$
From sources other than general property tax	\$
From general property tax	<u>\$</u>
Total	\$

Capital Projects Fund:

From unappropriated surpluses	\$
From sources other than general property tax	\$
From general property tax	<u>\$</u>
Total	\$

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of the District for the 2023 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

TO SET MILL LEVIES

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$_____; and

WHEREAS, the amount of money from property taxes necessary to balance the budget for debt service is \$_____; and

WHEREAS, the amount of money from property taxes necessary to balance the budget for contractual obligation purposes is \$_____; and

WHEREAS, the 2022 valuation for assessment of the District, as certified by the County Assessor, is \$10,139,180.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Crowfoot Valley Ranch Metropolitan District No. 2:

1. That for the purpose of meeting the general operating expenses of the District during the 2023 budget year, there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of _____ mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$_____.

2. That for the purpose of meeting debt service expenses of the District during the 2023 budget year, there is hereby levied a property tax of _____ mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$_____.

3. That for the purpose of meeting contractual obligations of the District during the 2023 budget year, there is hereby levied a property tax of _____ mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$_____.

4. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Douglas County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

TO APPROPRIATE SUMS OF MONEY

WHEREAS, the Board has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Crowfoot Valley Ranch Metropolitan District No. 2 that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

General Fund:	\$
Debt Service Fund:	\$
Capital Projects Fund:	\$ _____
Total	\$

ADOPTED and approved this 5th day of December, 2022.

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2

By: _____
Chad Murphy, Chair

ATTEST:

Ann Finn, Secretary



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAconnect.com

September 27, 2022

Board of Directors
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
8390 E. Crescent Pkwy., Ste. 300
Greenwood Village, CO 80111

Dear Board of Directors:

This master service agreement (“MSA”) documents the terms, objectives, and the nature and limitations of the services CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) will provide for **CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2** (“you,” “your,” “board of directors” or “the district”). The terms of this MSA will apply to the initial and each subsequent statement of work (“SOW”), unless the MSA is changed in a communication that you and CLA both sign or is terminated as permitted herein.

Scope of professional services

CLA will provide services as described in one or more SOW that will reference this MSA. The SOW will describe the scope of professional services; the nature, limitations, and responsibilities related to the specific services CLA will provide; and the fees for such services.

If modifications or changes are required during CLA’s performance of requested services, or if you request that we perform any additional services, we will provide you with a separate SOW for your signature. Such SOW will advise you of the additional fee and time required for such services to facilitate a clear understanding of the services.

Our services cannot be relied upon to disclose errors, fraud, or noncompliance with laws and regulations. Except as described in the scope of professional services section of this MSA or any applicable SOW, we have no responsibility to identify and communicate deficiencies in your internal control as part of any services.

Board of director responsibilities

The board of directors of the district acknowledge and understand that our role is to provide the services identified in one or more SOWs issued per this MSA and that the board of directors of the district has certain responsibilities that are fundamental to our undertaking to perform the identified services. The district may engage CLA to perform management functions to help the board of directors of the district to meet your responsibilities, but the board of directors of the district acknowledges its role in management of the district.

Responsibilities and limitations related to nonattest services

For all nonattest services we may provide to you, you agree to oversee all management services; evaluate the adequacy and results of the services; ensure that your data and records are complete; and accept responsibility for the results of the services.

Fees and terms

See the applicable SOW for the fees for the services.

Work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagements will be deemed to have been completed even if we have not completed the services. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures permitted by this MSA through the date of termination.

Payments may be made utilizing checks, Bill.com, your online banking platform, CLA's electronic payment platform, or any other client initiated payment method approved by CLA. CLA's electronic online bill pay platform claconnect.com/billpay accepts credit card and Automated Clearing House (ACH) payments. Instructions for making direct bank to bank wire transfers or ACH payments will be provided upon request.

Other fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one percent (1.00%), which is an annual percentage rate of 12%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable if and as provided by Colorado law.

Limitation of remedies

You agree that in no event shall any CLA party be liable to you for any indirect, special, incidental, consequential, punitive, or exemplary damages, or for loss of profits or loss of goodwill, costs, or attorney fees.

The exclusive remedy available to you shall be the right to pursue claims for actual damages related to CLA's acts or omissions in performance of our duties under the terms of this MSA or any SOW issued under this MSA.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between you and any CLA party. Any legal or equitable action brought by the district to recover on a dispute shall be commenced within the applicable statute of limitations under Colorado state statutes and case law.

CLA shall be authorized to the following cash access services:

- Using any or a combination of the following methods and approval processes, we will pay your vendors and service providers based upon invoices that you have reviewed and approved:
 - Paper checks – we will prepare the checks for your approval and wet ink signature.
 - Payments using Bill.com – we will only release payments after you have electronically approved and authorized such payments.

- ACH/Wire – we will use this method as needed/as requested, with your approval.

We understand that you will designate one or more members of the board of directors to approve disbursements using the above methods.

- If applicable, access the entity credit card for purposes of purchasing products and services on your behalf up to a certain limit that will be discussed with you and documented separately.
- Obtain administrator access to your bank accounts for purposes of performing the duties documented in our engagement letter identified above.
- Take deposits to the bank that include cash.
- If applicable, have access to cash-in-kind assets, such as coupons.
- If applicable, initiate direct deposits or sign checks as part of the payroll processing function.

Board of Directors' responsibilities relevant to CLA's access to your cash

All members of your board of directors are responsible for the processes below; however, we understand that you will designate one or more board of directors to review and give approvals for disbursements. All approvals must be documented in writing, either electronically or manually, then formally ratified in board meetings and documented in the meeting minutes.

- Approve all invoices and check payments.
- Approve all new vendors and customers added to the accounting system.
- Approve non-recurring wires to external parties.
- Pre-approve for recurring wires, then board of directors will ratify approval.
- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system.
- Approve all credit card statements prior to those expenses being processed in the accounting system and subsequently paid.
- Approve (or delegate to the CLA controller if applicable) all customer and vendor credit memos and accounts receivable amounts written off.
- Review and approve (or delegate to the CLA controller if applicable) all bank statements and affiliated monthly reconciliations.

Other provisions

Except as expressly permitted by the "Consent" section of this agreement, CLA shall not disclose any confidential, proprietary, or privileged information of the district or you to any person or party, unless the district or you authorizes us to do so, it is published or released by the district, it becomes publicly known or available other than through disclosure by us, or disclosure is required by law. This confidentiality provision does not prohibit us from

disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Pursuant to authority given by law or regulation, we may be requested to make certain workpapers available to a regulator for its regulatory oversight purposes. We will notify you of any such request, if permitted by law. Access to the requested workpapers will be provided to the regulator under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

You acknowledge and agree that this agreement and the pricing structure and billing rates of CLA are sensitive information which you shall not furnish or otherwise disclose to any third party without the prior written consent of CLA or as required by the Colorado Open Records Act, Section 24-72-200.1 *et seq.*, C.R.S. (“CORA”).

Insurance:

CLA shall acquire and maintain in full force and effect, during the entire term of the MSA, the insurance coverages set forth in below in order to protect the district including its board of directors, and CLA from claims that arise out of or result from the operations under this MSA by the CLA or its affiliates or by anyone acting on their behalf or for which they may be liable. Failure to maintain the insurance policies shall be a material breach of this MSA and the district may request certificates of insurance reflecting the coverages outlined below.

- A. Workers’ Compensation Insurance.
- B. Commercial General Liability Insurance.
- C. Commercial Automobile Liability Insurance
- D. General Professional Liability.
- E. Network Security (Cyber) Liability Insurance.
- F. Excess/Umbrella Liability Coverage.

The relationship of CLA with the district shall be solely that of an independent contractor and nothing in this agreement shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

If applicable, accounting standards and procedures will be suggested that are consistent with those normally utilized in a district of your size and nature. Internal controls may be recommended relating to the safeguarding of the district’s assets. If fraud is initiated by your employees or other service providers, your insurance is responsible for covering any losses.

The district agrees that CLA will assume fiduciary responsibility on the district’s behalf during the course of this agreement only if provided in SOWs issued under this MSA; and the parties, in entering into this MSA, do not intend to create an overarching fiduciary relationship.

CLA may, at times, utilize external web applications to receive and process information from our clients; however, it is not appropriate for you to upload protected health information using such applications. All protected health information contained in a document or file that you plan to transmit to us via a web application must be redacted

by you to the maximum extent possible prior to uploading the document or file. In the event that you are unable to remove or obscure all protected health information, please contact us to discuss other potential options for transmitting the document or file.

Annual Appropriation and Budget

The district does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. CLA expressly understands and agrees that the district's obligations under this MSA shall extend only to monies appropriated for the purposes of this MSA by the board of directors and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this MSA shall be construed or interpreted as a delegation of governmental powers by the district, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the district or statutory debt limitation, including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. No provision of this MSA shall be construed to pledge or to create a lien on any class or source of district funds. The district's obligations under this MSA exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this MSA.

Governmental Immunity

Nothing in this MSA shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the district, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the district and, in particular, governmental immunity afforded or available to the district pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

No Third-Party Beneficiaries

It is expressly understood and agreed that enforcement of the terms and conditions of this MSA, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this MSA shall give or allow any such claim or right of action by any third party. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this MSA shall be deemed to be an incidental beneficiary only.

Personal Identifying Information

During the performance of this MSA, the district may disclose Personal Identifying Information to CLA. "Personal Identifying Information" means a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver's license or identification card number; a government passport number; biometric data, as defined in § 24-73-103(1)(a), C.R.S.; an employer, student, or military identification number; or a financial transaction device, as defined in § 18-5-701(3), C.R.S. In compliance with § 24-73-102, C.R.S., CLA agrees to implement and maintain reasonable security procedures and practices that are: (i) appropriate to the nature of the Personal Identifying Information disclosed to CLA; and (ii) reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.

CLA agrees to report within twenty-four (24) hours to the district's board of directors any Data Security Incidents that may result in the unauthorized disclosure of Personal Identifying Information. For the purposes of this MSA "Data Security Incident" is defined to mean any actual or reasonably suspected: (a) unauthorized use of, or unauthorized access to, CLA systems; (b) inability to access business and other proprietary information, data, or the CLA systems due to a malicious use, attack, or exploit of such business and other proprietary information or systems; (c) unauthorized access to, theft of, or loss of business and other proprietary information, or of storage devices that could reasonably contain such information; (d) unauthorized use of business and other proprietary information or data for purposes of actual or reasonably suspected theft, fraud, or identity theft; (e) unauthorized disclosure of business and other proprietary information or data.

Consent to use financial information

Annually, we assemble a variety of benchmarking analyses using data obtained through our client engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this MSA will serve as your consent to use of **CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2** information, excluding Personal Identifying Information, in these cost comparison, performance indicator, and/or benchmarking reports.

Technology

CLA may, at times, use third-party software applications to perform services under this agreement. CLA can provide a copy of the application agreement at your request. You acknowledge the software vendor may have access to your data.

Counterpart Execution

This MSA may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

Electronic Signatures

The parties consent to the use of electronic signatures pursuant to the Uniform Electronic Transactions Act, Sections 24-71.3-101, et seq., Colorado Revised Statutes, as may be amended from time to time. The MSA, and any other documents requiring a signature hereunder, may be signed electronically by the parties in a manner acceptable to the district. The parties agree not to deny the legal effect or enforceability of the MSA solely because it is in electronic form or because an electronic record was used in its formation. The parties agree not to object to the admissibility of the MSA in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

MSA Modification

The MSA may not be amended, altered, or otherwise changed except by a written agreement signed by authorized representatives of the parties.

Termination of MSA

Either party may terminate this MSA at any time by giving 30 days written notice to the other party. In that event, the provisions of this MSA shall continue to apply to all services rendered prior to termination.

Agreement

We appreciate the opportunity to be of service to you and believe this MSA accurately summarizes the significant terms of our relationship. This MSA, along with the applicable SOW(s), constitute the entire agreement regarding

services to be performed and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. If you agree with the terms of our relationship as described in this MSA, please sign, date, and return.

Sincerely,

CliftonLarsonAllen LLP

A handwritten signature in black ink that reads "Jason Carroll". The signature is written in a cursive style with a large, looped "C" at the end.

Jason Carroll, CPA
Principal
Jason.Carroll@CLAconnect.com

APPROVED:

Signature

Title

Date



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAconnect.com

Special Districts Preparation SOW

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2 (“you” and “your”). The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

Scope of professional services

Jason Carroll, CPA is responsible for the performance of the preparation engagement and other services identified in this agreement. They may be assisted by one or more of our authorized signers in the performance of the preparation engagement.

Ongoing normal accounting services:

- Outsourced accounting activities
 - For each fund of the district, CLA will generally prepare and maintain the following accounting records:
 - Cash receipts journal
 - Cash disbursements journal
 - General ledger
 - Accounts receivable journals and ledgers
 - Deposits with banks and financial institutions
 - Schedule of disbursements
 - Bank account reconciliations
 - Investment records
 - Detailed development fee records
 - Process accounts payable including the preparation and issuance of checks for approval by the Board of Directors.
 - Prepare billings, record billings, enter cash receipts, and track revenues
 - Reconcile certain accounts regularly and prepare journal entries
 - Prepare depreciation schedules

- Prepare monthly/quarterly/as requested financial statements and supplementary information, but not perform a compilation with respect to those financial statements. Additional information is provided below.
- Prepare a schedule of cash position to manage the district’s cash deposits, funding for disbursements, and investment programs in accordance with policies established by the district’s board of directors.
- Prepare the annual budget and assist with the filing of the annual budget
- Assist the district’s board of directors in monitoring actual expenditures against appropriation/budget.
- Oversee investment of district funds based on investment policies established by the board of directors, but in any case, in accordance with State law.
- Research and make recommendations to the board of directors on financial investments and cash management matters, as requested.
- If an audit is required, prepare the year-end financial statements (additional information is provided below) and related audit schedules for use by the district’s auditors.
- If an audit is not required, prepare the Application for Exemption from Audit, perform a compilation engagement with respect to the Application for Exemption from Audit, and assist with the filing of the Application for Exemption from Audit – additional information is provided below.
- Monitor compliance with bond indentures and trust agreements, including preparation of continuing disclosure reports to the secondary market as required.
- Review claims for reimbursement from related parties prior to the board of directors’ review and approval.
- Read supporting documentation related to the district’s acquisition of infrastructure or other capital assets completed by related parties for overall reasonableness and completeness. Procedures in excess of providing overall reasonableness and completeness will be subject to a separate SOW. These procedures may not satisfy district policies, procedures, and agreements’ requirements. Note: our procedures should not be relied upon as the final authorization for this transaction.
- Attend board meetings as requested.
- Be available during the year to consult with you on any accounting matters related to the district.
- Review and approve monthly reconciliations and journal entries prepared by staff
- Reconcile complex accounts monthly and prepare journal entries
- Analyze financial statements and present to management and the board of directors.
- Develop and track key business metrics as requested and review periodically with the board of directors.

- Document accounting processes and procedures
- Continue process and procedure improvement implementation
- Report and manage cash flows
- Assist with bank communications.
- Perform other non-attest services.

Compilation services

If an audit is not required, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement with respect to the Application for Exemption from Audit.

Preparation services – financial statements

We will prepare the monthly/quarterly/as requested financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable of the district, which comprise the balance sheet – governmental funds and the related statement of revenues, expenditures, and changes in fund balance – general fund. The financial statements will not include the related notes to the financial statements; the government-wide financial statements; the statement of revenues, expenditures, and changes in fund balances – governmental funds; statement of cash flows for business type activities, if applicable; and required supplementary information.

Preparation services – annual

If an audit is required, we will prepare the year-end financial statements of the government wide governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable, and Management Discussion and Analysis, if applicable, which collectively comprise the basic financial statements of the district, and the related notes to the financial statements. The year-end financial statements, including the related notes to the financial statements, will be prepared for use by the district’s auditors.

Preparation services – prospective financial information (i.e., unexpired budget information)

You have requested that we prepare the financial forecast, which comprises the forecasted financial statements identified below.

A financial forecast presents, to the best of management’s knowledge and belief, the entity’s expected financial position, results of operations, and cash flows for the forecast period. It is based on management’s assumptions reflecting conditions it expects to exist and the course of action it expects to take during the forecast period.

The financial forecast will omit substantially all of the disclosures required by the guidelines for presentation of a financial forecast established by the American Institute of Certified Public Accountants (AICPA presentation guidelines) other than those related to the significant assumptions.

The supplementary information accompanying the financial forecast will be prepared and presented for purposes of additional analysis and is not a required part of the basic financial forecast.

References to financial statements in the remainder of this SOW are to be taken as a reference to also include the prospective financial information, where applicable.

Engagement objectives and our responsibilities

The objectives of our engagement are to:

- a. Prepare monthly/quarterly/as requested financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), except for the departures from U.S. GAAP identified above, based on information provided by you and information generated through our outsourced accounting services.
- b. As requested, apply accounting and financial reporting expertise to assist you in the presentation of your monthly/quarterly/as requested financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.
- c. Prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105 based on information provided by you.
- d. Apply accounting and financial reporting expertise to assist you in the presentation of the annual budget without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the annual budget in order for the annual budget to be in accordance with requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105.
- e. If an audit is required, prepare the year-end financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) based on information provided by you.
- f. If applicable, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement on the application.

We will conduct our preparation and compilation engagements in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

Engagement procedures and limitations

We are not required to, and will not, verify the accuracy or completeness of the information provided to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements, the annual budget, the Application for Exemption from Audit (if an audit is not required), the year-end financial statements (if an audit is required), and the supplementary information.

Our engagement cannot be relied upon to identify or disclose any misstatements in the monthly/quarterly/as requested financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements, including misstatements caused by fraud or error, or to identify or disclose any

wrongdoing within the district or noncompliance with laws and regulations. However, if any of the foregoing are identified as a result of our engagement, we will promptly report this information to the board of directors of the district. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement, but will promptly report them to the board of directors of the district if they are identified. You agree that we shall not be responsible for any misstatements in the district's financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements that we may not identify as a result of misrepresentations made to us by you.

Our report

The compilation report on the Application for Exemption from Audit will state that management is responsible for the accompanying application included in the prescribed form, that we performed a compilation of the application, that we did not audit or review the application, and that, accordingly, we do not express an opinion a conclusion, nor provide any form of assurance on it. The report will also state that the Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America. The report will include a statement that the report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party and may not be suitable for another purpose.

There may be circumstances in which the report may differ from its expected form and content. If, for any reason, we are unable to complete the compilation on the Application for Exemption from Audit (if an audit is not required), we will not issue report on the Application for Exemption from Audit as a result of this engagement.

No assurance statements

The monthly/quarterly/as requested financial statements prepared for the district will not be accompanied by a report. However, management agrees that each page of the financial statements will include a statement clearly indicating that no assurance is provided on them.

As part of our preparation of financial statements each page of the financial statements and supplementary information will include the following statement: "No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances – governmental funds have been omitted if applicable, For business type activities, the Statement of Cash Flows has been omitted".

If an audit is required, the year-end financial statements prepared for use by the district's auditors will not be accompanied by a report. However, management agrees that each page of the year-end financial statements will include a statement clearly indicating that no assurance is provided on them.

Management responsibilities

The financial statement engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with U.S. GAAP and assist management in the presentation of the financial statements in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.

The annual budget engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the annual budget in accordance with the requirements prescribed

by Colorado Revised Statutes C.R.S. 29.1.105 and assist management in the presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105.

The Application for Exemption from Audit engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor and assist management in the presentation of the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor.

We are required by professional standards to identify management's responsibilities in this agreement. Professional standards define management as the persons with executive responsibility for the conduct of the district's operations and may include some or all of those charged with governance. Those standards require that you acknowledge and understand that management has the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARs:

- a. The selection of the financial reporting framework to be applied in the preparation of the financial statements, the annual budget, and the Application for Exemption from Audit.
- b. The preparation and fair preparation of the financial statements in accordance with U.S. GAAP, except as identified as above, the preparation and fair presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105, and the preparation and fair presentation of the Application for Exemption from Audit (if applicable) in accordance with the requirements prescribed by the Colorado Office of the State Auditor.
- c. The presentation of the supplementary information.
- d. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that are free from material misstatement, whether due to fraud or error.
- e. The prevention and detection of fraud.
- f. To ensure that the entity complies with the laws and regulations applicable to its activities.
- g. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.
- h. To provide us with the following:
 - i. Access to all information relevant to the preparation and fair presentation of the financial statements, and the annual budget, the Application for Exemption from Audit (if applicable) such as records, documentation, and other matters.
 - ii. Additional information that may be requested for the purpose of the engagement.
 - iii. Unrestricted access to persons within the entity with whom we determine it necessary to communicate.

We understand that you are engaging us to make recommendations and perform services to help you meet your responsibilities relevant to the preparation and fair presentation of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable).

For all accounting services we may provide to you, including the preparation of your financial statements, the annual budget, and the Application for Exemption from Audit (if applicable), management agrees to assume all management responsibilities; oversee the services by designating an individual (i.e., the Board Treasurer); evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Fees, time estimates, and terms

Our professional fees will be billed based on the time involved and the degree of responsibility and skills required. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

The hour rates currently in effect for our services are as follows:

Principal	\$300 - \$500
Chief Financial Officer	\$280 - \$385
Controller	\$220 - \$330
Assistant Controller	\$190 - \$250
Senior	\$140 - \$190
Staff	\$120 - \$165
Administrative support	\$110 - \$150

Out-of-pocket expenses such as out-of-town travel, meals, and lodging will be billed at cost and are not included in the fees quoted above. We will also add a technology and client support fee of five percent (5%) of all professional fees billed. The fee estimates are based on anticipated cooperation from your personnel and their assistance with preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fees will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimates.

Use of financial statements, the annual budget, the Application for Exemption from Audit

The financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) are for management's use. If you intend to reproduce and publish the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) and our report thereon, they must be reproduced in their entirety. Inclusion of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

With regard to the electronic dissemination of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that have been subjected to a compilation engagement, including financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Municipal advisors

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the "Act"). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP

A handwritten signature in cursive script that reads "Jason Carroll".

Jason Carroll, CPA
Principal
Jason.Carroll@CLAconnect.com

APPROVED:

Signature

Title

Date



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAconnect.com

Special Districts Payroll Services SOW

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2 (“you” and “your”). The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

Scope of payroll preparation services

We will provide the following payroll preparation services from information you provide:

- For each pay period:
 - Perform payroll calculations
 - Prepare payroll checks or pay-stubs in the case of direct deposit of employee net pay
 - Initiate electronic transfer of funds for employee net pay and payroll tax deposit liabilities
 - Processing retirement plan contribution payments
 - Preparation of information needed for the retirement plan and other census information
- Prepare the following government forms annually for each calendar year-end (may be filed electronically):
 - All copies of required forms W-2 and W-3
 - Form 940 – Employers Annual Federal Unemployment Tax Return, if applicable
 - Form 943 – Employers Annual Tax Return for Agricultural Employees
 - All necessary state forms, if applicable
- If applicable, prepare the following government reporting forms for each calendar quarter-end (may be filed electronically):
 - Form 941 – Employers Quarterly Tax Return
 - State Employers Quarterly Withholding Return
 - State Employers Quarterly Unemployment Tax Return (SUTA)
 - Initiate electronic funds transfer for quarterly Federal Unemployment Tax (FUTA) liability
- Cash access services related to payroll services
 - Obtain one or more signature stamps bearing the name(s) and facsimile signature(s) of any of your officer(s) who are responsible for signing checks and bank drafts on your behalf.

- Obtain access to electronic signatures or signatures embedded into cloud-based software for the purpose of drafting payments on your behalf.
- Prepare checks to be drawn upon your bank account(s) and to use the above noted methods to thereby finally approve such checks for payment by the corresponding bank(s).
- Initiate the direct deposit of employee net pay from funds drawn upon your bank account(s).
- The following services would impair independence
 - Accept responsibility to authorize payment of client funds, electronically or otherwise, except as specifically provided for with respect to electronic payroll tax payments.
 - Accept responsibility to sign or cosign client checks, even if only in emergency situations.
 - Maintain a client’s bank account or otherwise have custody of a client’s funds or make credit for banking decisions for the client.

Our responsibility to you and limitations of the payroll services

We will prepare your federal and state (if applicable) payroll forms and tax returns in accordance with the applicable payroll tax laws.

We will not audit or otherwise verify the accuracy or completeness of the information we receive from you for the preparation of the payroll and related returns, and our engagement cannot be relied upon to uncover errors or irregularities in the underlying information. However, we will inform the board of directors of the district of any material errors and of any evidence or information that comes to our attention during the performance of our payroll preparation services that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our payroll preparation services regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify deficiencies in your internal control as part of this engagement but will promptly report them to the board of directors of the district if identified. You agree that we shall not be responsible for any misstatements in your payroll that we may not identify as a result of misrepresentations made to us by you.

Our payroll preparation services will include electronically transmitting information to taxing authorities and your financial institution to facilitate the electronic transfer of funds. Authorizations for us to provide these services will be made in separate communications.

Our payroll preparation services will include transmitting federal Form W-2, federal Form 1099, and payroll data forms to federal and state taxing authorities on your behalf. Authorizations for us to provide these services will be made in separate communications.

Your responsibilities

It is your responsibility to provide us with all of the information needed to prepare complete and accurate payrolls and returns. We will have no obligations with regard to a particular payroll or withholding taxes and filing returns in a particular state or local tax jurisdiction until you have provided such information to us. All necessary information should be provided to us within two days of the close of each payroll period or no later than two days prior to your payroll check date. A list of information we will require and the dates required will be provided in a separate communication.

For all nonattest services we may provide to you, including these payroll services, management agrees to assume all management responsibilities; oversee the services; by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

Specifically, your responsibilities include:

- Accuracy of information used in the preparation of the payrolls.
- Careful review of paychecks or pay-stubs, and payroll journals for each periodic payroll.
- Accuracy of information used in the preparation and filing of all government forms.
- Review and pre-approval of each electronic funds transfer initiated on your behalf for employee net pay amounts, payroll tax and withholding liabilities, and related benefit amounts.

You are responsible to carefully review the paper returns that we prepare on your behalf before signing and submitting them to tax authorities. You are responsible to review the paper copies of payroll forms and tax returns that were filed electronically on your behalf. We will advise you with regard to tax positions taken in the preparation of the payroll forms and tax returns, but the responsibility for the payroll forms and tax returns remains with you.

You are also responsible for the payment of payroll tax and withholding liabilities. Therefore, the Internal Revenue Service recommends that you enroll in the U.S. Department of the Treasury Electronic Federal Tax Payment System (EFTPS) to monitor your account and ensure that timely tax payments are being made for you. You may enroll in the EFTPS online at www.eftps.gov, or call 800-555-4477 for an enrollment form. Individual states have similar programs that allow you to monitor your account. A list of links by state is provided online at <http://www.americanpayroll.org/weblink/statelocal-wider/>.

Your responsibilities relevant to CLA's access to your cash

Someone with management authority is responsible for the processes below. All approvals listed must be documented in writing, either electronically or manually:

- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system.
- Approve all payroll runs prior to cash being committed.

Fees

Our professional fees will be billed based on the degree of responsibility and contribution of the professionals working on the engagement. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Other than annual adjustments reflecting inflation, our professional fees will not fluctuate unless there is a significant change in the number of employees, taxing jurisdictions, or in the services you wish for us to provide. If such changes should occur, we will discuss any fee adjustments with you prior to making any changes to your billing. Lastly, any additional forms that you would like us to complete will be charged at an hourly fee.

The hour rates currently in effect for our services are as follows:

Principal	\$300 - \$500
Chief Financial Officer	\$280 - \$385
Controller	\$220 - \$330
Assistant Controller	\$190 - \$250
Senior	\$140 - \$190
Staff	\$120 - \$165
Administrative support	\$110 - \$150

We do not anticipate encountering the need to perform additional services beyond those described in this letter. Below are examples of services considered to be outside the scope of our engagement. We will bill you for additional services you would like us to provide at an hourly fee at periodic dates after the additional service has been performed.

- Reprocessing for corrected information provided to us subsequent to original payroll
- Preparation of non-standard reports
- Calculation of fringe benefit additions
- Processing retirement plan contribution payments
- Preparation of retirement plan and other census information
- Responding to workers compensation insurance audits
- Responding to employment verification requests
- Preparation of additional state tax registrations
- Preparation of amended payroll tax returns
- Responding to tax notices

Tax examinations

All government forms and returns are subject to potential examination by the IRS and state taxing authorities. In the event of an examination, we will be available, at your request, to assist or represent you. Services in connection with tax examinations are not included in our fee for preparation of your payroll returns. Our fee for such services will be billed to you separately, along with any direct costs.

Record retention

You are responsible for retaining all documents, records, payroll journals, canceled checks, receipts, or other evidence in support of information and amounts reported in your payroll records and on your quarterly and calendar year-end payroll forms and tax returns. These items may be necessary in the event the taxing authority examines or challenges your returns. These records should be kept for at least seven years. Your copy of the payroll forms and tax returns should be retained indefinitely.

In preparing the payrolls, payroll forms, and tax returns, we rely on your representation that you understand and have complied with these documentation requirements. You are responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, and for the substantial accuracy of your financial records.

All of the records that you provide to us to prepare your payrolls and related forms and tax returns will be returned to you after our use. Our working papers, including any copies of your records that we chose to make, are our property and will be retained by us in accordance with our established records retention policy. This policy states, in general, that we will retain our working papers for a period of seven years. After this period expires, our working papers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time our records are available. The working papers and files of our firm are not a substitute for the records of you.

Tax consulting services

This SOW also covers tax consulting services that may arise for which you seeks our consultation and advice, both written and oral, that are not the subject of a separate SOW. These additional services are not included in our fees for the preparation of the payroll and related federal and state forms and tax returns.

We will base our tax analysis and conclusions on the facts you provide to us, and will not independently verify those facts. We will review the applicable tax law, tax regulations, and other tax authorities, all of which are subject to change. At your request, we will provide a memorandum of our conclusions. Written advice provided by us is for your information and use only and is not to be provided to any third party without our express written consent.

Unless we are separately engaged to do so, we will not continuously monitor and update our advice for subsequent changes or modifications to the tax law and regulations, or to the related judicial and administrative interpretations.

Communications and confidentiality

CLA will hold the information supplied by you to us in confidence and CLA will not disclose it to any other person or party, unless you authorizes us to do so, it is published or released by you, or it becomes publicly known or available other than through disclosure by us, or disclosure is required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

The Internal Revenue Code contains a limited privilege for confidentiality of tax advice between you and our firm. In addition, the laws of some states likewise recognize a confidentiality privilege for some accountant-client communications. You understand that CLA makes no representation, warranty or promise, and offers no opinion with respect to the applicability of any confidentiality privilege to any information supplied or communications you have with us, and, to the extent that we follow instructions from you to withhold such information or communications in the face of a request from a third party (including a subpoena, summons or discovery demand in litigation), you agree to hold CLA harmless should the privilege be determined not to apply to particular information or communications.

Consent to send you publications and other materials

For your convenience, CLA produces a variety of publications, hard copy and electronic, to keep you informed about pertinent business and personal financial issues. This includes published articles, invitations to upcoming seminars, webinars and webcasts, newsletters, surveys, and press releases. To determine whether these materials may be of interest to you, CLA will need to use your tax return information. Such tax information includes your name and address as well as the business and financial information you provided to us.

By signing and dating this SOW, you authorize CLA to use the information that you provide to CLA during the preparation of your tax returns to determine whether to offer you relevant materials. Your consent is valid until further notice. If you do not wish to authorize such use, please strike out this paragraph prior to signing the SOW.

Legal compliance

You agree to assume sole responsibility for full compliance with all applicable federal and state laws, rules or regulations, and reporting obligations that apply to you or your business, including the accuracy and lawfulness of any reports you submit to any government regulator, authority, or agency. You also agree to be solely responsible for providing legally sufficient substantiation, evidence, or support for any reports or information supplied by you to any governmental or regulatory body, or for any insurance reimbursement in the event that you is requested to do so by any lawful authority. Except as outlined in this SOW, CLA, its successors, affiliates, officers, and employees do not assume or undertake any duty to perform or to be responsible in any way for any such duties, requirements, or obligations.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP

A handwritten signature in cursive script that reads "Jason Carroll".

Jason Carroll, CPA

Principal

Jason.Carroll@CLAconnect.com

APPROVED:

Signature

Title

Date

**FIRST AMENDMENT TO
FACILITIES FUNDING AND ACQUISITION AGREEMENT
BY AND AMONG
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1, CROWFOOT
VALLEY RANCH METROPOLITAN DISTRICT NO. 2 AND
HT CANYONS SOUTH DEVELOPMENT LP**

This FIRST AMENDMENT TO FACILITIES FUNDING AND ACQUISITION AGREEMENT (the “**First Amendment**”) is made and entered into to be effective as of the [__] day of [____], 2022, by and among CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 1**”), CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 2**” and, together with District No. 1, the “**Districts**”), and HT CANYONS SOUTH DEVELOPMENT LP, a Delaware limited partnership (the “**Developer**”) (collectively, the “**Parties**”).

RECITALS

WHEREAS, the Developer is the owner of certain property known as Crowfoot Valley Ranch, located in Douglas County, Colorado and within the boundaries of the Districts (the “**Property**”); and

WHEREAS, in order for the Property to be developed, certain public infrastructure improvements to serve the development within the Districts must be acquired, constructed or installed including but not limited to water systems, sanitation systems, park and recreation facilities, street and safety protection improvements, drainage improvements and mosquito control improvements; and

WHEREAS, the Districts are authorized by Title 32, Article 1, Part 1, C.R.S., to furnish certain public facilities and services, including, but not limited to, streets, water, sanitation, parks and recreation, traffic and safety control, and transportation improvements in accordance with the Amended and Restated Consolidated Service Plan for the Districts approved by the Board of County Commissioners of the County of Douglas, Colorado on December 16, 2008 (as amended and restated from time to time, the “**Service Plan**”) (such public improvements and facilities authorized by the Service Plan being referred to herein as the “**Improvements**”); and

WHEREAS, as contemplated by the Service Plan, the Districts entered into an Amended and Restated District Facilities Agreement dated January 1, 2008, as amended by a First Amendment thereto dated as of May 29, 2018 (the “**Master IGA**”), for the purpose of establishing their respective roles, responsibilities and obligations with respect to the administrative services, provision, ownership, operation and maintenance of the Improvements (to the extent not dedicated to another governmental entity) and funding of the same; and

WHEREAS, District No. 1 does not currently have funds available for the construction and installation of the Improvements anticipated in the Service Plan; and

WHEREAS, the Districts and the Developer have determined that for reasons of economic efficiency and timeliness it is in the best interests of the Districts to establish a means by which either: (1) the Developer will construct or cause to have constructed by a general contractor the Improvements which District No. 1 will acquire after they have been completed; or (2) the Developer will initially fund the construction and installation of the Improvements by District No. 1; and

WHEREAS, the Districts' Service Plan authorizes the issuance of general obligation bonds in sufficient amounts to pay for the Improvements; and

WHEREAS, for the purpose of providing for the funding of costs of the Improvements by the Developer, and setting forth the procedures for the reimbursement from District No. 1 to the Developer of such costs, subject to certain conditions, District No. 1 and Canyons South LLC entered into a Facilities Funding and Acquisition Agreement dated as of February 2, 2007, which agreement has been assigned to the Developer pursuant to an Assignment and Assumption Agreement dated as of May 11, 2018 (the "**2007 Agreement**"); and

WHEREAS, the portion of the Improvements constructed by the Developer in accordance with the provisions of Section 2(A) of the 2007 Agreement are referred to therein and herein as the "**Project Improvements**;" and

WHEREAS, District No. 2 has previously issued its Limited Tax General Obligation Bonds, Series 2018A, in the aggregate principal amount of \$31,945,000, and its Subordinate Limited Tax General Obligation Bonds, Series 2018B, in the total aggregate principal amount of \$3,260,000 (collectively, the "**2018 Bonds**"), and has disbursed a portion of the net proceeds of the 2018 Bonds to the Developer in payment of amounts due and payable by District No. 1 to the Developer in accordance with the 2007 Agreement, which amounts represent costs of Improvements constituting "Actual Capital Costs" payable by District No. 2 in accordance with the Master IGA; and

WHEREAS, in exchange for evidence of the extinguishment of obligations due and owing (or which become due and owing) to the Developer under the 2007 Agreement (as amended hereby), District No. 2 [has authorized][intends to authorize] the issuance to the Developer from time to time of District No. 2's Junior Lien Limited Tax General Obligation Bonds, Series 2022C(3), in the aggregate principal amount of up to \$[_____] (the "**2022C Junior Lien Bonds**"), in accordance with an Indenture of Trust (Junior Lien) to be dated as of December 1, 2022 (the "**Junior Lien Indenture**"), between District No. 2 and UMB Bank, n.a., as trustee; and

WHEREAS, the Districts and the Developer desire to enter into this First Amendment for the purpose of (i) adding District No. 2 as a party to the 2007 Agreement, and (ii) reflecting the Parties' agreement with respect to the terms and conditions under which District No. 2 agrees to issue the 2022C Junior Lien Bonds to the Developer, and the Developer agrees to accept such

2022C Junior Lien Bonds, in payment of the costs of Project Improvements and reimbursement of costs of issuance of the 2022C Junior Lien Bonds, as more particularly provided herein.

WHEREAS, the Districts have determined and hereby determine that the execution of this First Amendment is in the best interests of the Districts and the residents, property owners, and taxpayers thereof, and is in furtherance of the purposes of their Service Plan; and

COVENANTS

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

ARTICLE I

DISTRICT NO. 2 AS PARTY TO 2007 AGREEMENT

Section 1.01. District No. 2 as Party to the 2007 Agreement; Rights and Obligations of District No. 2. The parties agree that District No. 2 is hereby added as a party to the 2007 Agreement for the purpose of establishing the obligations of District No. 2 described in Article II of this First Amendment. On and after the date hereof, and until all obligations of District No. 2 under Article II of this First Amendment have been fully satisfied or terminated, any amendment, modification or restatement of the 2007 Agreement or this First Amendment thereto shall require the prior written consent of District No. 2, in addition to District No. 1 and the Developer.

Section 1.02. District No. 2 Findings with Respect to Project Improvements. District No. 2 has found and determined that the Project Improvements described on Exhibit A hereto are in the nature of community improvements intended for the general direct or indirect benefit of the existing and planned residential community within District No. 2, and constitute improvements for which District No. 2 is authorized to issue indebtedness and impose ad valorem property taxes in accordance with its electoral authorization and the Service Plan, and the payment of such costs of the Project Improvements described on Exhibit A is in furtherance of the purposes for which District No. 2 was formed. District No. 2 acknowledges and agrees that, accordingly, the Developer's provision of the Project Improvements described on Exhibit A hereto benefits District No. 2, its taxpayers and the residents thereof, and that the obligations of District No. 2 hereunder are necessary and appropriate, and in furtherance of the prior undertakings of District No. 2 under the Master IGA with respect to the payment of Actual Capital Costs.

ARTICLE II

SUPPLEMENTS TO 2007 AGREEMENT

Section 2.01. Supplement to Section 4 of 2007 Agreement. *Until the earlier of: (i) such time as District No. 2 has issued to the Developer the full amount of 2022C Junior Lien Bonds authorized to be issued under the Junior Lien Indenture, or (ii) December [___], 2025 (the third anniversary of the initial date of issuance of any portion of the 2022C Junior Lien Bonds), the following provisions shall apply with respect to the payment of costs of Project Improvements*

and the reimbursement of Costs of Issuance (defined herein) to the Developer, and District No. 2 shall be obligated to take the following actions with respect to the payment and/or reimbursement of such amounts (subject to the conditions and limitations herein and in the Junior Lien Indenture) notwithstanding any other form or manner of repayment that may be authorized or directed by Section 4 of the 2007 Agreement.

(a) *Subject to the conditions set forth in subparagraphs (b) and (c) below*, District No. 2 agrees to pay the Developer for the costs of Project Improvements acquired by District No. 2, including costs of design, engineering, testing, construction and related consultant fees (collectively, “**Project Improvements Costs**”) and to reimburse the Developer for any fees of legal counsel, consultants, the placement agent, the trustee, DTC and any other expenses relating to the issuance of 2022C Junior Lien Bonds to the extent funded by the Developer on behalf of District No. 2 (collectively, “**Costs of Issuance**”), through the issuance from time to time to the Developer of 2022C Junior Lien Bonds in a principal amount equal to the amount of such Project Improvements Costs and Costs of Issuance, without interest thereon (the amount of each such obligation of District No. 2 arising hereunder being referred to herein as the “**Payment Obligation**”).

(b) District No. 2 shall take all actions necessary under the Junior Lien Indenture to cause the issuance of the 2022C Junior Lien Bonds in an aggregate amount equal to the applicable Payment Obligation payable therefrom in accordance with subparagraph (a) above, subject to subparagraph (c) below; provided, however, that District No. 2’s obligation to issue the 2022C Junior Lien Bonds for such purpose is subject to: (i) receipt of an engineer’s certification satisfying the requirements of Section 2(A)(2)(b) of the 2007 Agreement with respect to the applicable Project Improvements, and satisfaction of the conditions of Section 2(B) of the 2007 Agreement pertaining to the acquisition of the Project Improvements, (ii) the execution and delivery by the Developer of investor letters in the form attached to the Junior Lien Indenture, (iii) the availability of electoral authorization for indebtedness issued for the purpose of financing the Improvements relating to the applicable Payment Obligation, (iv) satisfaction of the minimum authorized denomination requirement for the 2022C Junior Lien Bonds, as set forth in the Junior Lien Indenture, of \$500,000 (i.e., a 2022C Junior Lien Bond will not be required to be issued in a principal amount less than \$500,000), and (v) the ability of bond counsel to deliver the Favorable Opinion of Bond Counsel, as defined in the Junior Lien Indenture. Subject to subparagraph (c) below, so long as District No. 1 and/or District No. 2 has adopted a resolution accepting the costs of acquisition of the Project Improvements as set forth in the applicable engineer’s certification, District No. 2’s obligation to issue the 2022C Junior Lien Bonds in accordance with the foregoing is not subject to annual appropriation of the Board of Directors of District No. 2. Rather, the foregoing agreement of District No. 2 to issue the 2022C Junior Lien Bonds constitutes a multiple fiscal year financial obligation of District No. 2.

(c) Notwithstanding any other provision contained herein, District No. 2 shall not be obligated to issue 2022C Junior Lien Bonds for any Payment Obligation relating to a Project Improvement that is not described on Exhibit A hereto unless and until District No. 2 has found and determined that such Project Improvement is in the nature of community improvements intended for the general direct or indirect benefit of the existing and planned residential community within District No. 2, and constitutes improvements for which District No. 2 is

authorized to issue indebtedness and impose ad valorem property taxes in accordance with its electoral authorization and the Service Plan, and the payment of such costs of the Project is in furtherance of the purposes for which District No. 2 was formed. Any such determination shall be made by the Board of Directors of District No. 2 in good faith.

Section 2.02. Developer Acknowledgements and Agreements Relating to 2022C Junior Lien Bonds.

(a) The Developer acknowledges that District No. 2 is required to issue its 2022C Junior Lien Bonds to the Developer in accordance with the provisions hereof in payment of Payment Obligations due and owing hereunder.

(b) Subject to subparagraph (c) hereof, the Developer hereby agrees to purchase the 2022C Junior Lien Bonds when issued from time to time, provided that the 2022C Junior Lien Bonds are registered in the name of the Developer. In connection with each issuance of 2022C Junior Lien Bonds, the Developer agrees to execute an investor letter in the form attached to the Junior Lien Indenture.

(c) The purchase price for the 2022C Junior Lien Bonds shall be equal to 100% of the principal amount of the 2022C Junior Lien Bonds, and shall be paid solely from the extinguishment, by the Developer, of a like amount of Payment Obligation then due and owing under this Agreement. The Developer hereby agrees to take such action and execute such documents as may be reasonably necessary to evidence the same.

(d) The Developer acknowledges and agrees that, notwithstanding any provision of the 2007 Agreement, no interest shall accrue on the costs of any Project Improvements or any Costs of Issuance paid or reimbursed by District No. 2 through the issuance of 2022C Junior Lien Bonds.

ARTICLE II

MISCELLANEOUS

Section 3.01. Confirmation of 2007 Agreement. The 2007 Agreement is in all respects ratified and confirmed, subject to the amendments provided herein, and the 2007 Agreement and this First Amendment shall be read, taken and construed as one and the same instrument so that, except as expressly supplemented or amended by this First Amendment, all of the rights, remedies, terms, conditions, covenants and agreements of the 2007 Agreement shall remain in full force and effect.

Section 3.02. Governing Law and Venue. This First Amendment shall be governed and construed under the laws of the State of Colorado, and any proceedings shall take place in Arapahoe County, Colorado and not elsewhere.

Section 3.03. Counterparts. This First Amendment 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.

Section 3.04. Effective Date. This First Amendment shall become effective as of the date hereof.

[Signatures appear on following page]

IN WITNESS WHEREOF, the Parties have executed this First Amendment as of the day and year first set forth above.

DISTRICT NO. 1:

**CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado

By: _____
President

Attest:

By: _____
Secretary or Assistant Secretary

DISTRICT NO. 2:

**CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2**, a quasi-municipal corporation and political subdivision of the State of Colorado

By: _____
President

Attest:

By: _____
Secretary or Assistant Secretary

[Signature Page to First Amendment to Facilities Funding and Acquisition Agreement]

HT CANYONS SOUTH DEVELOPMENT LP

By: HT Canyons South Development LLC, its general partner

By: HT Canyons South LP, its sole member

By: Hines Canyons South LLC, its general partner

By: Hines Canyons South Associates LP, its sole member

By: Hines Investment Management Holdings
Limited Partnership, its general partner

By: HIMH GP LLC, its general partner

By: Hines Real Estate Holdings Limited Partnership,
its sole member

By: JCH Investments, Inc., its general
partner

By: _____

Name: _____

Title: _____

[Signature Page to First Amendment to Facilities Funding and Acquisition Agreement]

EXHIBIT A

PROJECT IMPROVEMENTS

1225 17th Street, Suite 2300
Denver, CO 80202-5596
TEL 303.292.2400
FAX 303.296.3956
www.ballardspahr.com

December 2, 2022

Via Electronic Mail

Board of Directors
Crowfoot Valley Ranch Metropolitan District No. 2
c/o Matt Ruhland
Cockrel Ela Glesne Greher and Ruhland
390 Union Blvd. Suite 400
Denver, Colorado 80228

Dear Mr. Ruhland:

We are pleased that Crowfoot Valley Ranch Metropolitan District No. 2 (the “District”) has engaged Ballard Spahr LLP as bond counsel in connection with the District’s proposed issuance of its Junior Lien Limited Tax General Obligation Bonds, Series 2022C₍₃₎, in the presently estimated principal amount of \$27,000,000 (the “Bonds”).

This transmittal letter, together with the attached Terms of Representation, is intended to formalize our retention. It sets forth the scope of our engagement, outlines how we propose to staff the work for the District, describes the billing arrangements, discusses certain of our confidentiality obligations, and addresses certain conflict of interest understandings.

If this letter and the attached Terms of Representation correctly reflect your understanding, please sign, date and return the enclosed copy of this letter to me. We value our representation of the District and are grateful that the District will look to us for legal representation.

Very truly yours,

/s/ Kimberly Casey Reed

Enclosure

Crowfoot Valley Ranch Metropolitan District No. 2

December 2, 2022

Page 2

AGREED AND APPROVED

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

By: _____

Name: _____

Title: _____

Date: _____

TERMS OF REPRESENTATION

The following terms together with the accompanying letter of engagement dated December 2, 2022 (the “**Transmittal Letter**”) constitute the terms of the engagement of Ballard Spahr LLP (“**Ballard Spahr**”) as the District’s bond counsel with respect to the proposed Bonds:

1. **CLIENT.** It is understood that Ballard Spahr’s client for purposes of this representation is limited to the District and does not include others.

2. **SCOPE OF REPRESENTATION.** Generally, the Bonds will be secured by ad valorem property taxes of the District limited to 50 mills (subject to adjustment for changes in the method of calculating assessed valuation), related specific ownership taxes, and capital fees imposed by the District. However, such pledged revenue is anticipated to be applied: (i) first to the payment of and fund accumulations required with respect to the District’s Limited Tax General Obligation Bonds, Series 2018A (the “**Series 2018A Bonds**”), (ii) upon satisfaction of such annual requirements of the Series 2018A Bonds, to payment of the District’s Subordinate Limited Tax General Obligation Bonds, Series 2018B (the “**Series 2018B Bonds**”), and (iii) only upon full payment or defeasance of the Series 2018B Bonds and satisfaction of annual requirements of the Series 2018A Bonds, to payment of the Bonds. The ad valorem property tax pledge securing payment of the Bonds will not convert to an unlimited property tax pledge. The Bonds are structured as fixed rate “cashflow bonds,” payable annually as to principal and interest to the extent of such available pledged revenue.

The Bonds are to be issued from time to time (as “drawdown” obligations) to the developer of property within the District or affiliate thereof that qualifies as a “financial institution or institutional investor” as such term is defined in Section 32-1-103(6.5), Colorado Revised Statutes, as payment for a like amount of reimbursable then due and owing (on the date of issuance of such Bonds) to such developer (or assigned to such developer) in accordance with agreements entered into with the District. The purchaser (i.e., recipient) of the Bonds will be required to execute an investor letter.

We note that, because the Bonds are structured as “draw-down” obligations, the issuance of Bonds from time to time will be subject to compliance with the process described in the Indenture of Trust and any applicable agreements between the District and the developer, and will be contingent upon, among other things: (i) certification of sufficient costs payable by the District to the developer; (ii) no change in State laws applicable to the District’s ability to issue general obligation debt; and (iii) availability of sufficient electoral authorization in the appropriate infrastructure categories. We also note that Bonds will be issued from time to time in not less than \$500,000 principal amounts.

As bond counsel we will advise the District in connection with the structuring of the Bonds and will prepare the basic bond documents. In particular, we will (i) prepare an Indenture of Trust (Junior Lien); (ii) prepare a resolution of the District authorizing the Bonds and other documents; (iii) prepare an amendment to the existing acquisition and reimbursement agreement between the District and the developer to reflect the authorization of the Bonds; (iv) prepare forms of certificates and opinions anticipated to be required in connection with future “draws” of the Bonds; (v) prepare and/or review, as applicable, such other documents and agreements as

may be required in connection with the Bonds or which we deem necessary for rendering our opinion; (vi) negotiate opinions of the District's counsel and other necessary opinions required to be delivered in connection with the issuance of the Bonds; (vii) prepare a tax certificate and a tax-exempt opinion; and (viii) prepare the forms of such closing documents, certificates and opinions of counsel as may be required by the terms of the financing, the District's service plan and applicable federal and state laws.

As you know, bond counsel's primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of bonds and the status of any exemption provided to interest thereon under federal tax law. Subject to the completion of tax due-diligence and other proceedings to our satisfaction, on the date when the Bonds are issued, we will render our opinion in customary form to the District addressing the enforceability of the Bonds and the Indenture of Trust and the extent to which the interest on the Bonds is excluded from gross income for purposes of federal income tax. These opinions will be executed and delivered by us in written form and will be based on facts, expectations and law existing as of the date of the opinion.

We assume no obligation to review the financial condition of the District or any other participant or the adequacy of the security provided to bondholders, and we will express no opinion relating thereto. However, we reserve the right to request such information as we consider necessary to inform ourselves of all aspects of the financing. As bond counsel we would also not assume responsibility for the accuracy, completeness or fairness of statements contained in any offering materials, other than any statements regarding validity of the Bonds, tax exemption or other issues that we expressly address in an opinion. While we may suggest alternative provisions for the documents to comply with legal requirements and accommodate the interests of the parties, we neither represent nor advocate the interests of any party to the transaction other than the District, and we expect that the developer(s) of the properties in the District, Piper Sandler & Co., as the placement agent of the Bonds, and other parties will retain such other counsel as they deem necessary and appropriate to represent their interests.

3. STAFFING. Customarily, each client of Ballard Spahr is served by a Relationship Partner (a principal lawyer contact) and one or more Matter Billing Lawyers (a lawyer designated to oversee an individual matter that Ballard Spahr handles on your behalf). It is expected that Kimberly Reed will be the Relationship Partner and the Matter Billing Lawyer, and will have primary responsibility for work performed by Ballard Spahr under this engagement letter. The work or parts of it may be performed by other lawyers and legal assistants at Ballard Spahr. Such delegation may be for the purpose of involving lawyers or legal assistants with special expertise in a given area or for the purpose of providing services on the most efficient and timely basis. For example, the work on the bond counsel matters will be performed by Kimberly Reed, with the assistance of an associate, and the work on federal tax matters will be performed by Marybeth Orsini.

4. FEES AND EXPENSES. Our fee to act as bond counsel to the District in connection with the issuance of the Bonds (as presently proposed) will be \$50,000, a fee based on the structure, size and complexity of the financing transaction, and our estimate of the amount and nature of legal work necessary to accomplish a closing of the Bonds on or before December

31, 2022. This fee includes routine out of pocket disbursements (such as photocopying charges, delivery expenses, fax charges and postage). Any extraordinary disbursements or expenses authorized by the District will be billed to the District. If the anticipated structure of the Bonds changes significantly, we may propose an increase in the fee if warranted by the change, and the above proposed fee is nonbinding with respect to an issuance of the Bonds in accordance with a structure varying materially from the structure described above. Our fee for bond counsel services will be payable on the closing date for the Bonds.

Because the Bonds are structured as “draw-down” obligations, in addition to the above-described fee, we will charge for the work necessary to make each additional draw, at the time of each draw, on an hourly basis at our then-current hourly rates. We expect those charges to total not more than \$5,000 per draw, if no additional opinions or document amendments are necessary (other than those opinions and documents anticipated at the time of initial issuance execution of the Indenture of Trust).

5. RETENTION AND DISPOSITION OF DOCUMENTS. Following the termination of our representation, any otherwise nonpublic information the District has supplied to us which is retained by us will be kept confidential in accordance with applicable rules of professional conduct. At your request, the District’s papers and property will be returned to the District promptly upon receipt of payment for outstanding fees and costs. Our own files pertaining to the matter will be retained by Ballard Spahr. These firm files include, for example, firm administrative records, time and expense reports, personnel and staffing materials, credit and accounting records; and internal lawyers’ work product such as drafts, notes, internal memoranda, and legal and factual research, including investigative reports, prepared by or for the internal use of lawyers. We reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us within a reasonable time after the termination of the engagement.

6. REGARDING FEDERAL TAX ADVICE. In the course of our representation, we may render tax advice to the District on various legal matters. The District understands that it may not use such tax advice to avoid any penalties that may be imposed by the Internal Revenue Service unless, in accordance with the Internal Revenue Service rules of practice, we are specifically engaged to provide a formal, written tax opinion for that purpose. Accordingly, the District acknowledges that we may legend any written tax advice that we provide in the course of this engagement to indicate that it may not be relied on for purposes of penalty protection. The District further understands that our representation does not include the provision of any tax advice concerning transactions in which you may participate that would be “reportable transactions” within the meaning of Section 6707A of the Internal Revenue Code of 1986, as amended, and that our provision of tax advice concerning such transactions would require a separate engagement for that purpose.

7. CONFLICTS OF INTEREST. Ballard Spahr represents many other companies and individuals. It is possible that present or future clients of Ballard Spahr will have disputes or transactions with the District. For example, from time to time we represent investment banking firms with whom the District may have a relationship, such as Piper Sandler & Co., that may be viewed as competing with the District’s projects, but are not related to the District’s project, and

we would expect to continue with these representations. Accordingly, to prevent any future misunderstanding and to preserve Ballard Spahr's ability to represent the District and its other clients, the District and we agree as follows with respect to certain conflicts of interest issues:

(a) Unless we have the District's specific agreement that we may do so we will not represent another client in a matter which is substantially related to a matter in which we represent the District and in which the other client is adverse to the District. We understand the term "matter" to refer to transactions, negotiations, proceedings or other representations involving specific parties.

(b) In the absence of a conflict as described in subparagraph (a) above, the District acknowledges that we will be free to represent any other client either generally or in any matter in which the District may have an interest.

(c) The effect of subparagraph (b) above is that we may represent another client on any issue or matter in which the District might have an interest, including, but not limited to:

(i) Agreements; licenses; mergers and acquisitions; joint ventures; loans and financings; securities offerings; bankruptcy, receivership or insolvency (including, without limitation, representation of a debtor, secured creditor, unsecured creditor, potential or actual acquirer, contract party or other party-in-interest in a case under the federal bankruptcy code or state insolvency laws or in a non-judicial debt restructuring, in which you are a debtor, creditor, contract party, potential or actual acquirer or other party-in-interest); patents, copyrights, trademarks, trade secrets or other intellectual property; real estate; government contracts; the protection of rights; representation before regulatory authorities as to these matters and others;

(ii) Representation of the debtor or other party in a Chapter 11 case under the Federal Bankruptcy Code in which you are a creditor, debtor or otherwise have an interest in the case;

(iii) Representation and advocacy with respect to legislative issues, policy issues, or regulatory issues, including rulemakings, administrative proceedings and enforcement proceedings; and

(iv) Litigation matters brought by or against you as long as such matters are not the same as or substantially related to matters in which we are, or have been, representing you.

We agree, however, that the District's prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of the District, we have obtained proprietary or other confidential information of a nonpublic nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage. The District should know that, in similar engagement letters with many of our other clients, we have asked for similar agreements to preserve our ability to represent the District.

8. APPLICATION OF THESE TERMS. The Transmittal Letter, this statement of general terms of representation, and the accompanying schedule of other charges will govern our relationship with you upon our retention even if you do not sign and return a copy of the

Transmittal Letter. In the event that we agree to undertake additional matters, any such additional representations will be governed by the terms and conditions of this agreement unless we mutually agree otherwise in writing. Our representation will be deemed concluded at the time that we have rendered our final bill for services on this matter. If you disagree with any of these terms and conditions, please advise us immediately by return correspondence so that we can resolve any differences as early as possible and proceed with a clear, complete, and consistent understanding of our relationship. This letter agreement supersedes any prior agreement with you with respect to our engagement to provide professional services to you. The terms and conditions of this letter may be modified or amended only by written agreement signed by an authorized representative of the District and Ballard Spahr, and neither party may bind the other party by unilateral submission of additional or different terms and conditions absent written consent to such terms and conditions by the other party.

Ballard Spahr LLP

2022

Disbursement Pricing

Disbursement	Cost
Ballard Spahr Messenger	No Charge
Binding	No Charge
Cab Fares/Ride Share Services	Actual Cost
Courier Service	Actual Cost
Data Hosting	\$5 p/gb per month
Data Processing	\$200 p/gb
Document Production	No Charge
Duplicating	\$0.10 per page
Duplicating (Color)	\$0.15 per page
Outside Duplicating	Invoice Cost
Fax (Outgoing Only)	No Charge
Lexis and Westlaw	Actual (discounted) Cost
Library Research Services	Published Standard Cost
Long Distance Telephone	No Charge
Overtime	No Charge
Postage	No Charge (Standard USPS First Class under \$25) Actual Cost (Standard USPS First Class over \$25, Certified, Registered, Insurance, USPS Priority and Overnight Express)
State Department Services	No Charge
Telephone (Credit Card Calls)	No Charge
Travel	Actual Cost

Crowfoot Valley Ranch Metropolitan District No. 2
c/o Matt Ruhland
Cockrel Ela Glesne Greher & Ruhland
P.C. 390 Union Blvd. Suite 400
Denver, CO 80228
mruhland@cegrlaw.com

November 28, 2022

Re: Underwriter/Placement Agent Engagement Letter
Junior Subordinate Limited Tax General Obligation Bonds, Series 2022C(3)
(the “Securities”)

Dear Matt:

This letter confirms the agreement (the “Agreement”) between Piper Sandler & Co. (“Piper Sandler” or “we” or “us”) and **Crowfoot Valley Ranch Metropolitan District No. 2** (the “Issuer” or “you”) as follows:

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

As an Underwriter:

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

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

As a Placement Agent:

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

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

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

Private Placement to the Developer
1%

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

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

- (a) the Securities will be sold by you in compliance with the requirements for exemptions from registration or qualification of, and otherwise in accordance with, all federal and state securities laws and regulations;

- (b) you will make available to us and each purchaser such documents and other information which we and each purchaser reasonably deem (the "Transaction Materials") appropriate and will provide access to your officers, directors, employees, accountants, counsel and other representatives and will provide each purchaser and us opportunities to ask questions and receive answers from these persons; it being understood that we and each purchaser will rely solely upon such information supplied by you and your representatives without assuming any responsibility for independent investigation or verification thereof; and
- (c) you agree to be responsible for the accuracy and completeness of any Transaction Materials to the extent of federal securities laws applicable to the transaction. You agree to notify us promptly, at any time prior to the Closing Date, of any material adverse changes, or development that may lead to any material adverse change, in your business, properties, operations, financial condition or prospects and concerning any statement contained in any Transaction Materials, or in any other information provided to us, which is not accurate or which is incomplete or misleading in any material respect;
- (d) all financial projections that have or will be made available to Piper Sandler by you or any of your representatives in connection with the Transaction (the "Projections") have been and will be prepared in good faith and will be based upon assumptions believed by you to be reasonable (it being understood that projections by their nature are inherently uncertain and no assurances are being given that the results reflected in the Projections will be achieved);
- (e) On the Closing Date, you will deliver or cause to be delivered to us an Opinion of Bond Counsel to you, dated the Closing Date relating to: the validity of the Securities; exemption from registration and qualification under federal and state securities law; and if applicable the tax-exempt status of the Securities, together with a reliance letter from such counsel, dated the Closing Date and addressed to us and in a form acceptable to us.

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

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

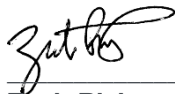
6. **Disclosure.** Attached to this letter are regulatory disclosures required by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board to be made by us at this time because of this engagement. We may be required to send you additional disclosures regarding the material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

any other provision hereof. You and us will endeavor in good faith negotiations to replace the invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid or unenforceable provisions.

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

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

Sincerely,



Zach Bishop, Managing Director
Piper Sandler & Co.

Acknowledgement and Approval of Engagement
and Receipt of Appendix A Disclosures

Authorized Signor
Crowfoot Valley Ranch Metropolitan District No. 2

Date: _____

Appendix A – G-17 Disclosure

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

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

Standard Disclosures

- Disclosures Concerning the Placement Agent Role:
 - MSRB Rule G-17 requires us to deal fairly at all times with both municipal issuers and investors.
 - Our primary role in this transaction is to facilitate the sale and purchase of municipal securities between you and one or more investors for which we will receive compensation.
 - Unlike a municipal advisor, a placement agent does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
 - The placement agents have a duty to purchase the Bonds from the Issuer at a fair and reasonable price but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
 - In the event an official statement is prepared, the placement agent will review the official statement for the Bonds in accordance with, and a part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.²

- Disclosures Concerning the Placement Agent's Compensation:
 - The placement agent will be compensated by a fee that was negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the placement agent fee will be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the placement agent may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

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

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

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

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

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

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

Appendix B – Fixed Rate Bonds

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

Financial Characteristics

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

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

Security

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

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

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

Revenue Bonds. “Revenue bonds” are debt securities that are payable only from a specific source or sources of revenues. Revenue bonds are not a pledge of your full faith and credit, and you (or, if you are a conduit issuer, the obligor, as described in the following paragraph) are obligated to

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

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

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

Financial Risk Considerations

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

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

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

Bonds payable from the general fund, particularly bonds without a defined revenue stream identified to pay debt service, reduce your flexibility to balance the general fund. Because a fixed debt service payment is required to be paid regardless of how your general fund is impacted by revenue losses or by increased expenses, you have less flexibility in the options available to you in assuring a balanced budget for your general fund.

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

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

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

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

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

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

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

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

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

STATE OF COLORADO)
)
 DOUGLAS COUNTY) ss
)
 CROWFOOT VALLEY RANCH)
 METROPOLITAN DISTRICT NO. 2)

I, the Secretary or Assistant Secretary of the Crowfoot Valley Ranch Metropolitan District No. 2, in Douglas County, Colorado (the “District”), do hereby certify that:

1. Attached hereto is a true and correct copy of a resolution (the “Resolution”) adopted by the Board of Directors (the “Board”) of the District at a special meeting held on December 5, 2022 at 1:00 p.m., at the Castle Pines Library, The Loft, 360 Village Square Lane, Castle Pines, CO 80108 and via video/telephone conference at:

<https://us02web.zoom.us/j/89598386053?pwd=dmN5UHpFOXJ6akc1WkE3SzFEaUesyUT09>
 Dial: 669-900-6833
 Meeting ID: 895 9838 6053
 Passcode: 208458

2. Notice of such meeting was posted no less than 24 hours prior to the holding of the meeting on a public website of the District or in a designated public place within the boundaries of the District, in accordance with law.

3. In accordance with §11-57-211, C.R.S., one or more of the members of the Board participated in this meeting and voted through the use of a conference telephone, and there was at least one person physically present at the designated meeting area to ensure that the public meeting was in fact accessible to the public.

4. Upon roll call, the members of the Board not marked absent below, were present, constituting a quorum, and the Resolution was duly introduced, moved, seconded and adopted at such meeting by the affirmative vote of a majority of the members of the Board as follows:

Board Member	Yes	No	Absent	Abstaining
Chad Murphy, President	_____	_____	_____	_____
Richard Cross, Treasurer	_____	_____	_____	_____
Collier Bailey, Assistant Secretary	_____	_____	_____	_____
Ryan D. Marsh, Assistant Secretary	_____	_____	_____	_____

5. The Resolution was duly approved by the Board, signed by the President of the District, sealed with the District’s seal, attested by the Secretary or Assistant Secretary of the District and recorded in the minutes of the Board.

6. The meeting at which the Resolution was adopted was noticed, and all proceedings relating to the adoption of the Resolution were conducted in accordance with all applicable bylaws, rules, regulations and resolutions of the District, in accordance with the normal procedures of the District relating to such matters, and in accordance with applicable constitutional provisions and statutes of the State of Colorado.

WITNESS my hand and the seal of the District this 5th day of December, 2022.

[SEAL]

By _____
Secretary or Assistant Secretary

(Attach copy of notice of meeting, as posted)

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RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE FROM TIME TO TIME BY CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2, IN DOUGLAS COUNTY, COLORADO, OF ITS JUNIOR LIEN LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2022C(3), FOR THE PURPOSE OF REIMBURSING THE COSTS OF CERTAIN PUBLIC IMPROVEMENTS AND PAYING THE COSTS OF ISSUANCE OF THE BONDS; AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST (JUNIOR LIEN); AND APPROVING OTHER DOCUMENTS RELATING TO THE BONDS.

WHEREAS, Crowfoot Valley Ranch Metropolitan District No. 2, in Douglas County, Colorado (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado (the “**State**”) duly organized and existing as a metropolitan district under the constitution and laws of the State, including particularly Title 32, Article 1, Colorado Revised Statutes, as amended (“**C.R.S.**”); and

WHEREAS, the District was organized by Order and Decree of the District Court for Douglas County, Colorado issued on December 3, 2002, recorded in the real property records of Douglas County, Colorado (the “**County**”) on December 18, 2002; and

WHEREAS, the District is authorized by Title 32, Article 1, Part 1, C.R.S. (the “**Act**”), to furnish certain public facilities and services, including, but not limited to, streets, water, sanitation, parks and recreation, traffic and safety control, and transportation improvements in accordance with the Amended and Restated Consolidated Service Plan for the District and Crowfoot Valley Ranch Metropolitan District No. 1 (“**District No. 1**” and, together with the District, the “**Districts**”) approved by the Board of County Commissioners of the County of Douglas, Colorado on December 16, 2008 (as amended and restated from time to time, the “**Service Plan**”); and

WHEREAS, at elections of the qualified electors of the District, duly called and held on Tuesday, November 5, 2002 (the “**2002 Election**”); Tuesday, November 7, 2006 (the “**2006 Election**”); and Tuesday, November 4, 2014 (the “**2014 Election**” and, together with the 2006 Election, the “**Elections**”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the 2002 Election and the Elections voted in favor of, inter alia, the issuance of District indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities (as more particularly defined herein, the “**Facilities**”), and for the refunding of such indebtedness, the questions relating thereto being as set forth on Exhibit C to the Junior Lien Indenture (as defined herein); and

WHEREAS, the returns of the Elections were duly canvassed and the results thereof duly declared; and

WHEREAS, the results of the Elections were certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the

governing body of a municipality that has adopted a resolution of approval of the special district pursuant to Section 32-1-204.5, C.R.S., and with the division of securities created by Section 11-51-701, C.R.S. within 45 days after the applicable Election; and

WHEREAS, as contemplated by the Service Plan, the Districts entered into an Amended and Restated District Facilities Agreement dated January 1, 2008, as amended by a First Amendment thereto dated as of May 29, 2018 (the “**Master IGA**”), for the purpose of establishing their respective roles, responsibilities and obligations with respect to the administrative services, provision, ownership, operation and maintenance of the Facilities (to the extent not dedicated to another governmental entity) and funding of the same; and

WHEREAS, the Boards of the Districts have previously determined that it was necessary to acquire, construct, and install a portion of the Facilities (the “**Project**”); and

WHEREAS, for the purpose of funding certain costs of the Facilities, as contemplated by the Master IGA, District No. 1 has previously entered into a Facilities Funding and Acquisition Agreement dated February 2, 2007 with Canyons South LLC (the “**Prior Developer**”), which agreement has been assigned to HT Canyons South Development LP, a Delaware limited partnership (the “**Developer**”), pursuant to an assignment dated as of May 11, 2018 (collectively, the “**Original Reimbursement Agreement**”), pursuant to which District No. 1 has agreed to acquire from the Developer any Facilities constructed for the benefit of the Districts and to reimburse the Developer for the costs of Facilities constructed by or on behalf of the Developer (if any) in accordance with the provisions thereof (but solely from the sources of revenue identified therein); and

WHEREAS, for the purpose of financing a portion of the Project (including paying amounts due or to become due under the Reimbursement Agreement), the District has previously issued its: (i) Limited Tax General Obligation Bonds, Series 2018A, in the aggregate principal amount of \$31,945,000 (the “**Series 2018A Senior Bonds**”), pursuant to an Indenture of Trust (Senior) dated as of June 1, 2018 (the “**2018A Senior Indenture**”), by and between the District and UMB Bank, n.a., as trustee; and (ii) Subordinate Limited Tax General Obligation Bonds, Series 2018B, in the total aggregate principal amount of \$3,260,000 (the “**Series 2018B Subordinate Bonds**”), pursuant to an Indenture of Trust (Subordinate) dated as of June 1, 2018 (the “**2018B Subordinate Indenture**”), by and between the District and UMB Bank, n.a., as trustee; and

WHEREAS, in connection with the authorization of the Bonds (defined below), the Board of Directors of the District (the “**Board**”) intends to authorize the execution and delivery of a First Amendment to the Original Reimbursement Agreement (the “**First Amendment**” and, together with the Original Reimbursement Agreement, the “**Reimbursement Agreement**”), pursuant to which the District will agree to issue from time to time to the Developer (or an affiliated entity thereof that qualifies as a “financial institution or institutional investor” under Section 32-1-103(6.5), C.R.S.) (referred to herein as the “**Purchaser**”) the Bonds in payment of the costs of certain Facilities acquired by District No. 1 from the Developer and in reimbursement of any costs of issuance of the Bonds funded by the Purchaser, all subject to the limitations more particularly provided therein; and

WHEREAS, in furtherance of the Reimbursement Agreement, the Board hereby determines to issue, from time to time, the District’s Junior Lien Limited Tax General Obligation Bonds, Series 2022C(3) (the “**Bonds**”) in an aggregate principal amount not to exceed \$[_____] to the Purchaser in exchange for the extinguishment of the District’s obligations with respect to an equivalent amount of costs of Facilities due to the Developer under the Reimbursement Agreement and costs of issuing the Bonds funded by the Purchaser (if any); and

WHEREAS, the Bonds shall be equally and ratably secured by certain revenues to be received by the District and pledged under an Indenture of Trust (Junior Lien) (the “**Junior Lien Indenture**”) by and between the District and UMB Bank, n.a., as trustee (the “**Trustee**”), and shall be payable solely from the sources set forth in the Junior Lien Indenture, including the Junior Lien Pledged Revenue (as defined therein); and

WHEREAS, the Service Plan limits the aggregate debt that may be issued by the Districts to \$70,000,000, District No. 1 has not previously issued debt within the meaning of the Service Plan, and the aggregate principal amount of the Bonds, the 2018A Senior Bonds and the 2018B Subordinate Bonds will not exceed \$70,000,000; and

WHEREAS, the Bonds shall be issued pursuant to the provisions of Title 32, Article 1, Part 11, C.R.S., the Service Plan and all other laws thereunto enabling; and

WHEREAS, the Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Bonds; and

WHEREAS, the Bonds shall be limited tax general obligations of the District, and shall be payable solely from the Junior Lien Pledged Revenue; and

WHEREAS, the Bonds shall be issued in denominations of \$500,000 each, and in integral multiples above \$500,000 of not less than \$1,000 each, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

WHEREAS, pursuant to the provisions of Section 32-1-1101(6)(a)(IV), C.R.S., the Bonds are being issued only to “financial institutions or institutional investors” as such terms are defined in Section 32-1-103(6.5), C.R.S.; and

WHEREAS, the electoral authorization to be applied to the Bonds shall be as set forth in Permitted Draw Certificates provided to the Trustee in accordance with the provisions of the Junior Lien Indenture, based upon the nature of the portion of the Facilities financed thereby (i.e., the nature of the facilities and improvements the costs of which are reimbursable to the Developer under the Reimbursement Agreement, and the payment of which is to be made through the issuance of the Bonds); provided however that none of the Bonds shall utilize electoral authorization of the 2002 Election; and

WHEREAS, the Bonds are being issued as drawdown bonds and shall be issued from time to time in accordance with, and subject to the limitations of, the Junior Lien Indenture, in satisfaction of the obligations of the District incurred from time to time under the Reimbursement Agreement; and

WHEREAS, the Board has received a proposal from Piper Sandler & Co. to act as placement agent (the “**Placement Agent**”) with respect to the Bonds pursuant to the terms of a Placement Agent Agreement (the “**Placement Agent Agreement**”) by and between the District and the Placement Agent; and

WHEREAS, after consideration, the Board has determined that the issuance of the Bonds to the Purchaser upon the terms and conditions presented to the Board is in the best interests of the District and the taxpayers thereof; and

WHEREAS, there has been presented at or prior to this meeting of the Board substantially final forms of the First Amendment, the Junior Lien Indenture and the Placement Agent Agreement; and

WHEREAS, the Board desires to authorize the issuance and sale of the Bonds and the execution of the foregoing documents; delegate the authority to the Sale Delegate (defined below) pursuant to Section 11-57-205(1), C.R.S. to execute and deliver the Bonds from time to time and to make other determinations regarding the Bonds; and authorize the execution, completion, and delivery of such certificates and other documents as may be necessary to effect the intent of this Resolution and the Junior Lien Indenture, as such delegation authority is more specifically delineated by, and subject to the limitations set forth in, this Resolution; and

WHEREAS, the Board desires, as provided in the Supplemental Public Securities Act, Part 2 of Article 57 of Title 11, C.R.S., to delegate the authority to the Sale Delegate (as defined herein) to determine certain provisions of the Bonds to be set forth in the executed Bonds and the Junior Lien Indenture, in accordance with the provisions of this Resolution; and

WHEREAS, pursuant to Section 32-1-902(3), C.R.S., and Section 18-8-308, C.R.S., all known potential conflicting interests of the Directors of the Board were disclosed to the Colorado Secretary of State and to the Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with Section 24-18-110, C.R.S., the appropriate Board members have made disclosure of their personal and private interests relating to the issuance of the Bonds in writing to the Secretary of State and the Board; finally, the Board members have stated for the record immediately prior to the adoption of this Resolution the fact that they have such interests and the summary nature of such interests and the participation of those Board members is necessary to obtain a quorum or otherwise enable the Board to act.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2, IN DOUGLAS COUNTY, COLORADO:

Section 1. Definitions. Unless the context indicates otherwise, as used herein, capitalized terms shall have the meanings ascribed by the preambles hereto and the Junior Lien Indenture, and the following capitalized terms shall have the respective meanings set forth below:

“*Act*” means the “Special District Act,” being Title 32, Article 1, C.R.S. including, specifically, Part 11 thereof.

“*Bonds*” means the District’s Junior Lien Limited Tax General Obligation Bonds, Series 2022C(3), dated the applicable date(s) of delivery.

“*Code*” means the Internal Revenue Code of 1986, as amended and in effect as of the date of issuance of the Bonds.

“*Developer*” means HT Canyons South Development LP, a Delaware limited partnership.

“*District Representative*” means the District President or the person or persons at the time designated to act on behalf of the District by this Bond Resolution or as designated by written certificate furnished to the Trustee containing the specimen signatures of such person or persons and signed on behalf of the District by its President and attested by its Secretary or Assistant Secretary, and any alternate or alternates designated as such therein.

“*Facilities*” means public facilities the debt for which was approved at the Elections, including, without limitation, necessary or appropriate equipment.

“*Financing Documents*” means, collectively, this Resolution, the First Amendment, the Junior Lien Indenture, the Placement Agent Agreement and the Tax Certificate.

“*Placement Agent Agreement*” means the Placement Agent Agreement between the District and Piper Sandler & Co., as placement agent, with respect to the Bonds.

“*Project*” means the acquisition, construction, or installation of the Facilities.

“*Purchaser*” means the purchaser of the Bonds, as set forth in the Junior Lien Indenture, which shall be the Developer or an affiliated entity thereof that qualifies as a “financial institution or institutional investor” under Section 32-1-103(6.5), C.R.S.

“*Resolution*” means this Resolution which authorizes the issuance of the Bonds.

“*Sale Delegate*” means the [President] of the Board.

“*Series 2018A Senior Bonds*” means the Limited Tax General Obligation Bonds, Series 2018A, in the aggregate principal amount of \$31,945,000 dated as of the date of issuance, and issued by the District pursuant to the 2018A Senior Indenture.

“*Series 2018B Subordinate Bonds*” means the Subordinate Limited Tax General Obligation Bonds, Series 2018B, in the aggregate principal amount of \$3,260,000 dated as of the date of issuance, and issued by the District pursuant to the 2018B Subordinate Indenture.

“*Supplemental Act*” means the “Supplemental Public Securities Act,” being Title 11, Article 57, Part 2, C.R.S.

“*Tax Certificate*” means the Tax Certificate of the District in a form approved by bond counsel to the District governing issues relating to the Bonds under the Code.

Section 2. Approval and Authorization of Financing Documents. The Financing Documents are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the Financing Documents in the form of such documents presented at or prior to this meeting or, with respect to the Tax Certificate, in the form approved by bond counsel to the District, with such changes as are made pursuant to this Section 2 and are not inconsistent herewith (including specifically the provisions of Section 5 hereof). The President or Vice President of the District and the Secretary or Assistant Secretary of the District are hereby authorized and directed to execute and attest the Financing Documents and the certificated bond forms and to affix the seal of the District thereto, and the President or Vice President of the District, Secretary or Assistant Secretary of the District, and other appropriate officers of the District are further authorized to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to issue, secure, sell, deliver and administer the Bonds. The Financing Documents and such other documents are to be executed in substantially the form presented at or prior to this meeting of the Board or, with respect to the Tax Certificate, in the form approved by bond counsel to the District, provided that such documents may be completed, corrected, or revised as deemed necessary and approved by the officer(s) of the District executing the same in order to carry out the purposes of this Resolution, subject to the limitations of Section 5 hereof, such approval to be evidenced by their execution thereof. To the extent any Financing Document has been executed prior to the date hereof, said execution is hereby ratified and affirmed. Copies of all of the Financing Documents shall be delivered, filed, and recorded as provided therein.

Upon execution of the Financing Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the Bonds and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any instrument by the President or Vice President of the District, Secretary or Assistant Secretary of the District or other appropriate officer of the District in connection with the issuance, sale, delivery or administration of the Bonds not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

Section 3. Authorization of Bonds. In accordance with the Constitution of the State of Colorado; the Act; the Supplemental Act; the Elections; and all other laws of the State of Colorado thereunto enabling, there shall be issued the Bonds for the purpose of paying amounts due in accordance with the Reimbursement Agreement, which shall constitute costs of the Project, and costs of issuance of the Bonds, as further provided in the Junior Lien Indenture. The Bonds shall constitute junior lien limited tax general obligations of the District as provided in the Junior Lien Indenture, secured by the Trust Estate as defined and more particularly provided therein.

Section 4. Bond Details. The Bonds shall be issued only as fully registered bonds in the form and denomination provided in the Junior Lien Indenture, up to a total principal amount set forth in the Junior Lien Indenture, as more particularly set forth in the Junior Lien Indenture pursuant to the delegation of authority in Section 5 hereof, and shall be dated the applicable date of delivery of the Bonds. The Bonds shall mature and shall be subject to optional and mandatory redemption prior to maturity, and shall bear interest as provided in the Junior Lien Indenture. The Bonds shall be issued in Authorized Denominations (as defined in the Junior Lien Indenture), and be payable, shall be registered, numbered and subject to transfer and exchange, and shall otherwise be subject to the terms and conditions as provided in the Junior Lien Indenture. The Bonds shall be issued from time to time for a price equal to 100% of the face value thereof (such price being the amount payable under the Reimbursement Agreement deemed extinguished in exchange for the issuance of such Bond, including the amount, if any, of costs of issuance of the Bonds funded by the Purchaser on behalf of the District).

Section 5. Delegation and Parameters.

(a) Pursuant to Section 11-57-205, C.R.S., the Board hereby delegates to the Sale Delegate the authority to determine and set forth in the Junior Lien Indenture and the certificated Bond forms executed and delivered from time to time, as applicable: (i) the matters set forth in subsection (b) of this Section, subject to the applicable parameters set forth in subsection (c) of this Section; and (ii) any other matters that, in the judgment of the Sale Delegate, are necessary or convenient to be set forth in the Junior Lien Indenture and the certificated Bond forms executed and delivered from time to time, and are not inconsistent with the Act, the Supplemental Act, or the parameters set forth in subsection (c) of this Section. The Board hereby authorizes and directs the Sale Delegate to prepare and execute the Junior Lien Indenture and the certificated Bond forms executed and delivered from time to time, in accordance with such determinations. Upon the execution of the Junior Lien Indenture and such Bond forms, the matters set forth in the Junior Lien Indenture shall be incorporated into this Resolution with the same force and effect as if they had been set forth herein when this Resolution was adopted.

(b) The Junior Lien Indenture and the certificated Bond forms executed and delivered from time to time shall set forth the following matters and other matters permitted to be set forth therein pursuant to subsection (a) of this Section, but each such matter must fall within the applicable parameters set forth in subsection (c) of this Section:

- (i) the rates of interest on the Bonds;
- (ii) the terms on which and the prices at which the Bonds may be redeemed prior to maturity; and
- (iii) the total authorized aggregate principal amount of the Bonds and the principal amount of each Bond issued from time to time;
- (iv) the dates on which principal and interest shall be paid; and
- (v) the amount of principal maturing in any particular year.

(c) The authority delegated to the Sale Delegate by this Section shall be subject to the following parameters:

(i) in no event shall the Sale Delegate be authorized to execute the Junior Lien Indenture after the date that is one calendar year after the date of adoption of this Resolution and in no event may any Bonds be issued after such date, absent further authorization by the Board (which may be provided as described in Section 6 below);

(ii) the final maturity date of the Bonds shall not exceed [_____];

(iii) the total authorized principal amount of the Bonds shall not exceed \$[_____];

(iv) the interest rate borne by the Bonds shall not exceed [___]%;

(v) any redemption premium shall not be in excess of 3.00% of the principal amount so redeemed; and

(vi) the total repayment cost of the Bonds and the maximum annual repayment costs thereof shall not exceed, respectively, the total repayment cost and maximum annual tax increase limitations of the Elections.

Section 6. Additional Provisions Concerning Issuance of Bonds From Time to Time. The Bonds are issued as drawdown bonds and are to be delivered from time to time to the Purchaser in the related Permitted Draw Amounts (as defined in the Junior Lien Indenture) subject to the limitations of the Junior Lien Indenture. However, notwithstanding any other provision contained herein, *no Bonds are to be issued under the Junior Lien Indenture unless:* (i) unless the Bonds are to be executed and delivered within one year of the date of adoption of this Resolution or continuing authorization hereof, the Board has adopted a resolution stating that it constitutes a continuation of the authorization to issue the Bonds in accordance with this Resolution and the Junior Lien Indenture for the purpose of paying such costs, (ii) unless the costs for which the Bonds are to be issued relate to improvements described on Exhibit A to the Reimbursement Agreement, the Board has adopted a resolution stating that the District has found and determined that the improvements to which such costs relate are in the nature of community improvements intended for the general direct or indirect benefit of the existing and planned residential community within the District, and constitute improvements for which the District is authorized to issue indebtedness and impose ad valorem property taxes in accordance with its electoral authorization and the Service Plan, and the payment of such costs of such improvements is in furtherance of the purposes for which the District was formed, and (iii) the the Board (of the District) or the Board of Directors of District No. 1 has adopted a resolution that satisfies the applicable requirements of the Reimbursement Agreement (if any) to acknowledge receipt of documentation with respect to the costs to be reimbursed from such Bonds, or otherwise accepts such costs if and to the extent required by the Reimbursement Agreement.

Section 7. Permitted Amendments to Bond Resolution. After the issuance of the Bonds, and except as otherwise provided herein, the District may amend this Resolution only in the same manner, and subject to the same terms and conditions, as apply to an amendment or supplement to the Junior Lien Indenture, as provided in the Junior Lien Indenture.

Section 8. Appointment of District Representatives. The [President] of the Board is hereby appointed as a District Representative, as defined in the Junior Lien Indenture. A different or additional District Representative may be appointed by resolution adopted by the Board and a certificate filed with the Trustee.

Section 9. Disposition and Investment of Proceeds; Tax Covenants. The Bonds shall be issued and sold for the purposes aforesaid. Neither the placement agent nor any subsequent Owner of the Bonds shall be responsible for the application or disposal by the District or any of its officers of the funds derived from the sale thereof.

All or any portion of the Bond proceeds may be temporarily invested or reinvested, pending such use, in securities or obligations which are both lawful investments and which are Permitted Investments (as defined in the Junior Lien Indenture). It is hereby covenanted and agreed by the District that it will not make, or permit to be made, any use of the original proceeds of the Bonds, or of any moneys treated as proceeds of the Bonds within the meaning of the Code and applicable regulations, rulings, and decisions, or take, permit to be taken, or fail to take any action, which would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Code and applicable regulations, rulings, and decisions.

Section 10. Post Issuance Tax Compliance Policy. The Board hereby confirms its previously adopted Post Issuance Tax Compliance Policy (adopted in connection with the issuance of the 2018A Senior Bonds and the 2018B Subordinate Bonds) and the designation of the “Responsible Person” so identified therein.

Section 11. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds shall be paid by the Purchaser (in exchange for the issuance of Bonds in a like amount) or from legally available moneys of the District or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 12. Pledge of Revenues. The creation, perfection, enforcement, and priority of the revenues pledged to secure or pay the Bonds as provided herein and in the Junior Lien Indenture, shall be governed by Section 11-57-208 C.R.S., this Resolution and the Junior Lien Indenture. The revenues pledged for the payment of the Bonds, as received by or otherwise credited to the District or the Trustee, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues of the District and the obligation to perform the contractual provisions made herein and in the Junior Lien Indenture shall have priority over any or all other obligations and liabilities of the District. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

Section 13. No Recourse Against Officers and Agents. Pursuant to Section 11-57-209 C.R.S., if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 14. Conclusive Recital. Pursuant to Section 11-57-210, C.R.S., the Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Section 15. Limitation of Actions. Pursuant to Section 11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds shall be commenced more than thirty days after the authorization of such securities.

Section 16. Ratification and Approval of Prior Actions. All actions heretofore taken by the consultants to or officers of the District and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the authorization, sale, issuance, and delivery of the Bonds, or the execution of any documents in connection with the Bonds, are hereby ratified, approved, and confirmed.

Section 17. Resolution Irrepealable. After any of the Bonds have been issued, this Resolution shall constitute a contract between the Owners and the District and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided and as provided in the Junior Lien Indenture.

Section 18. Repealer. All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

Section 19. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 20. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

Section 21. Electronic Signatures. Any individual or individuals who are authorized to execute or consent to this Resolution on behalf of the District are hereby authorized to execute this Resolution and any other Financing Document electronically via facsimile or email signature pursuant to Article 71.3 of Title 24, C.R.S., also known as the "Uniform Electronic Transactions Act." Any electronic signature so affixed to this Resolution shall carry the full legal force and effect of any original, handwritten signature.

Section 22. Confirmation of Seal; Electronic Production and Reproduction. The Board hereby affirms the adoption of the seal appearing on the signature page of this Resolution in accordance with Section 32-1-902, C.R.S., regardless of whether initially produced electronically or manually. The requirement of any District resolution, proceeding or other document (including this Resolution, the Bonds and any Financing Document) to “affix” the District seal thereto, including for the purpose of satisfying any applicable State law, shall be satisfied by manual impression or print, facsimile reproduction or electronic reproduction or inclusion of the image of such seal. Without limiting the foregoing, any electronic production or reproduction of the image of the seal shall constitute an electronic record of information, as defined in the Uniform Electronic Transactions Act, and the Board hereby authorizes its use for the purposes provided herein in accordance with the authority provided by Section 24-71.3-118, C.R.S.

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ADOPTED AND APPROVED this 5th day of December, 2022.

(S E A L)

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2, IN
DOUGLAS COUNTY, COLORADO

President

ATTESTED:

Secretary or Assistant Secretary

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

RESOLUTION NO. 2022-12-_____

A RESOLUTION CALLING FOR THE 2023 REGULAR DISTRICT ELECTION AND APPOINTING A DESIGNATED ELECTION OFFICIAL

WHEREAS, the Crowfoot Valley Ranch Metropolitan District No. 2 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Article 1, C.R.S.; and

WHEREAS, the terms of office of the Richard Cross and Board vacancy shall expire after their successors are elected at the regular special district election to be held on May 2, 2023 (the “**Election**”) and have taken office; and

WHEREAS, in accordance with the provisions of the Special District Act (the “**Act**”) and the Colorado Local Government Election Code (the “**Code**”) (the Act and the Code being referred to jointly as the “**Election Laws**”), the Election must be conducted to elect two (2) Directors to serve for a term of four (4) years.

NOW, THEREFORE, be it resolved by the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 in the County of Douglas, State of Colorado that:

1. The regular election of the eligible electors of the District shall be held on May 2, 2023, between the hours of 7:00 a.m. and 7:00 p.m. pursuant to and in accordance with the Election Laws, and other applicable laws. At that time, two (2) Directors may be elected to serve a four-year term.

2. The Election shall be conducted as a mail ballot election in accordance with all relevant provisions of the Election Laws. The Designated Election Official shall prepare the Plan for conducting the mail ballot Election. There shall be no election precinct or polling place. All mail ballots shall be returned to the Designated Election Official at the location designated in the Mail Ballot Plan.

3. The Board of Directors (the “**Board**”) hereby designates Micki L. Mills as the Designated Election Official for the conduct of the Election on behalf of the District and she is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Election Laws or other applicable laws. Among other matters, the Designated Election Official shall publish the call for nominations, appoint election judges as necessary, appoint the

Canvass Board, arrange for the required notices of election, printing of ballots, and direct that all other appropriate actions be accomplished.

4. Self-Nomination and Acceptance forms are available from the Designated Election Official at mmills@cegrraw.com. All candidates must file a Self-Nomination and Acceptance form with the Designated Election Official no earlier than January 1, 2023, nor later than the close of business on Friday, February 24, 2023.

5. If the only matter before the electors is the election of Directors of the District and if, at the close of business on February 28, 2023, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent no later than February 27, 2023, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with the Code.

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

7. Any and all actions previously taken by the Designated Election Official, the Secretary of the Board, or any other persons acting on their behalf pursuant to the Election Laws or other applicable laws, are hereby ratified and confirmed.

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

9. The provisions of this Resolution shall take effect immediately.

ADOPTED this 5th day of December, 2022

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2

By _____
Chad Murphy, Chair

ATTEST:

By _____
Ann Finn, Secretary

WHEREAS, in accordance with the Colorado Governmental Immunity Act, the Board is given authority to obtain insurance against liability for injuries for which the District may be liable under the Governmental Immunity Act, pursuant to § 24-10-115, C.R.S.; and

WHEREAS, §§ 32-1-901(2) and 32-1-902(2), C.R.S., require the District to obtain an individual, schedule or blanket surety bond in an amount of no less than \$1,000 per director and \$5,000 for the Board Treasurer, and to file such bond with the District Court and the Division of Local Government (the “**Division**”); and

WHEREAS, in accordance with § 24-10-115, C.R.S., the Board is given the authority to obtain insurance to insure the District against all or any part of the District’s liability; and

WHEREAS, § 32-1-306, C.R.S. requires the District to maintain a current, accurate map of its boundaries and shall provide for such map to be on file with the County Assessor, County Clerk and Recorder and the Division on or before January 1st of each year; and

WHEREAS, § 32-1-809, C.R.S., requires that the District, between November 16th and January 15th of the subsequent year, provide notice to the eligible electors of the District (the “**Transparency Notice**”), which notice shall contain the following information:

- The address and telephone number of the principal business office;
- The name and business telephone number of the manager or other primary contact person;
- The names of and contact information for members of the board, the name of the board chair, and the name of each member whose office will be on the ballot at the next regular special district election;
- The times and places designated for regularly scheduled meetings of the board during the year, and the place where notice of board meetings is posted pursuant to § 24-6-402(2)(c) C.R.S.;
- The current mill levy, and total ad valorem tax revenue received during the last year;
- The date of the next regular special district election of board members;
- The procedure and time to submit a self-nomination form for election to the board;
- Information on the procedures to request permanent absentee voter status; and
- The address of any web site on which the special district’s election results will be posted.

The Transparency Notice shall be filed with the Division, Board of County Commissioners, County Assessor, County Treasurer and County Clerk and Recorder of

each county in which the special district is located, and with the governing body of any municipality in which the special district is located, and shall be provided to electors in one or more of the following ways:

- Mailing the notice separately to each household where one or more eligible electors of the special district resides;
- Including the notice as a prominent part of a newsletter, annual report, billing statement, letter, voter information card or other notice sent by the special district to the eligible electors;
- Posting the information on the official web site of the special district if there is a link to the district's web site on the official web site of the Division;
- For any district that is a member of the Special District Association, by mailing or electronically transmitting the notice to the Special District Association, which shall post the notice on its website.

WHEREAS, § 29-1-205, C.R.S. requires that within 30 days after receiving a written request from the Division, the District shall provide the Division with a current list of all contracts in effect with other political subdivisions; and

WHEREAS, the Local Government Budget Law of Colorado, §§ 29-1-101, *et seq.*, C.R.S., requires the Board to hold a public hearing on proposed budgets and amendments thereto, to adopt budgets, and to file copies of the budgets and amendments thereto; and

WHEREAS, in accordance with § 39-5-1125, C.R.S. the District shall certify its mill levy with the Board of County Commissioners on or before December 15th; and

WHEREAS, in accordance with the Public Securities Information Reporting Act, §§ 11-58-101, *et seq.*, C.R.S., issuers of non-rated public securities issued to the public must file an annual report with the Department of Local Affairs; and

WHEREAS, § 32-1-104.8, C.R.S., requires the District to record a Special District Disclosure Document and a map of the boundaries of the District with the County Clerk and Recorder at the time of recording any decree or order organizing a special district or including additional property in a special district; and

WHEREAS, in accordance with § 29-1-604(1), C.R.S., if expenditures and revenues of the District are not in excess of \$100,000, the District may file an application for exemption from audit with the State auditor; or, in accordance with § 29-1-604(2), C.R.S., if expenditures and revenues of the District are at least \$100,000 but not more than \$750,000 the District may file an application for exemption from audit with the State Auditor, or in accordance with § 29-1-603, C.R.S., the governing body of the District shall cause to be made an annual audit of the financial statements for each fiscal year; and

WHEREAS, the Unclaimed Property Act, §§ 38-13-101, *et seq.*, C.R.S., requires that governmental subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer by November 1st; and

WHEREAS, in accordance with § 24-12-103, C.R.S., a person designated by the District shall have the power to administer all oaths or affirmations of office and other oaths or affirmations required to be taken by any person upon any lawful occasion; and

WHEREAS, in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S., either the Board of County Commissioners of each county in which the District is located, or the governing body of the municipality that has adopted a resolution of approval of the District, may require the District to file an application for quinquennial finding of reasonable diligence; and

WHEREAS, special district directors are governed by § 32-1-902(3), C.R.S., which requires such directors to disqualify himself/herself from voting on an issue in which he or she has a conflict of interest unless the director has properly disclosed such conflict in compliance with law; and

WHEREAS, § 32-1-902, C.R.S., requires the Board to elect officers, including a Chair of the Board and President of the District, a Treasurer of the Board and District, and a Secretary, who may be a member of the Board; and

WHEREAS, in accordance with the Workers' Compensation Act of Colorado, §§ 8-40-101 – 8-47-101, *et seq.*, C.R.S., the District is required to carry workers' compensation coverage for its employees, but the Board members may opt out of such coverage by the methods prescribed in the Workers' Compensation Act of Colorado; and

WHEREAS, the Board desires to continue the engagement of legal counsel for the District to assist with providing legal services and to assist with the operation of the District; and

WHEREAS, the Board desires to continue the engagement of an accountant and management for the District to assist with providing financial services and to assist with the financial operations and to manage the affairs of the District, and who shall also be designated as the budget officer required to prepare and submit to the Board a proposed District budget by October 15, pursuant to §§ 29-1-104 and 29-1-105(3)(d), C.R.S.; and

WHEREAS, concerning the public records of the District, § 24-72-202(2), C.R.S. defines "Official Custodian" to mean and include any officer or employee of any political subdivision of the state who is responsible for the maintenance, care, and keeping of public records, regardless of whether the records are in his or her actual personal custody and control. The maintenance, care and keeping of public records shall be in accordance with the Colorado Special District Records Management Manual.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2, DOUGLAS COUNTY, COLORADO AS FOLLOWS:

1. The Board determines that each director shall not receive compensation for services as directors.
2. The Board designates *Douglas County News-Press* as the newspaper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes.
3. The Board determines to hold regular meetings on the 1st Monday of June and December at 1:00 p.m. Meeting notices shall be posted pursuant to statute.
4. The Board directs the District's management to obtain proposals and/or renewals for insurance, as applicable, to insure the Directors acting within the scope of employment by the Board against all or any part of such liability for an injury; to insure against the expense of defending a claim for injury against the District or its Board. Additionally, the Board directs the District's management and general counsel to obtain bonds or equivalent insurance coverage as required by §§ 32-1-901(2) and 32-1-902(2), C.R.S., in an amount of no less than \$1,000 per director and \$5,000 for the Board Treasurer, and to file the bond or certificate of insurance with the District Court and the Division.
5. The Board directs the District's management to obtain proposals and/or renewals for insurance, as applicable, to insure the District against all or any part of the District's liability, in accordance with §§ 24-10-115, *et seq.*, C.R.S. The Board directs the District's management and accountant to cause to be paid the annual SDA membership dues, agency fees and insurance premiums, as applicable, in a timely manner.
6. The Board directs the District's management to maintain a current, accurate boundary map and shall provide for such map to be on file with the Division, with the County Assessor, and with the County Clerk and Recorder on or before January 1st.
7. The Board directs the District's management to provide the Transparency Notice to the eligible electors of the District, the Board of County Commissioners of the County, County Assessor, County Treasurer, County Clerk and Recorder, and the Division, between November 16th and January 15th of the subsequent year.
8. The Board directs the District's management to prepare and file with the Division, within 30 days after receiving a written request from the Division, a current list of all contracts in effect with other political subdivisions.

9. The Board designates the District's the accountant to serve as the budget officer, and to submit a proposed budget to the Board by October 15th for the following year, and, in cooperation with general counsel, to schedule a public hearing on the proposed budget; to prepare a final budget, budget resolutions and amendments to the budget, if necessary; to certify the mill levies on or before December 15th; and to file the approved budgets and amendments thereto with the proper governmental entities in accordance with the Local Government Budget Law of Colorado.

10. The Board directs the District's accountant to prepare and file the annual public securities report for nonrated public securities issued by the District, with the Department of Local Affairs on or before March 1st, if applicable.

11. The Board directs the District's general counsel to provide the Special District Disclosure Document and a map of the District's boundaries to the County Clerk and Recorder, for recording, at the same time an inclusion order is recorded.

12. The Board directs the District's accountant to: (i) obtain proposals for auditors to be presented to the Board, (ii) to cause an audit of the annual financial statements of the District to be prepared and submitted to the Board on or before June 30; and (iii) to cause the audit to be filed with the State Auditor by July 31st, or by the filing deadline permitted under any extension thereof, all in accordance with §§ 29-1-603(1) and 29-1-606, C.R.S. Alternatively, if warranted by § 29-1-604, C.R.S., the Board directs the District's accountant to apply for and obtain an audit exemption from the State Auditor on or before March 31st in accordance with § 29-1-604, C.R.S.

13. The Board directs the District's accountant to prepare the mill levy certification form and directs the District's accountant to file the mill levy certification form with the Board of County Commissioners on or before December 15th.

14. The Board directs the District's general counsel to prepare the Unclaimed Property Act report and forward the report to the State Treasurer by November 1st. if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with §§ 38-13-110, C.R.S.

15. The Board hereby designates, in addition to any officer of the District, Micki Mills, as a person with the power to administer all oaths or affirmations of office and other oaths or affirmations required to be taken by any person upon any lawful occasion.

16. The Board directs the District's general counsel to prepare and file with the Board of County Commissioners of the County, if requested, the quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.

17. The Board directs the District's general counsel to prepare and file the special district annual report with the Board of County Commissioners of the County, the Division, and the State Auditor, County Clerk and Recorder per § 32-1-207(3)(c), C.R.S.; if required.

18. The District hereby elects the following officers for the District:

President/Chair of the Board – Chad Murphy
Secretary – Ann Finn
Treasurer – Richard Cross
Assistant Secretary – Ryan D. Marsh
Assistant Secretary – J. Collier Bailey
Assistant Secretary – Board vacancy

19. The Board directs the District's general counsel to file conflict of interest disclosure forms provided by Board members with the Secretary of State annually. At the discretion of general counsel, transactional conflict of interest disclosures shall be filed 72 hours prior to regular and special meetings of the Board, when applicable, or at a Board member's request. In addition, written disclosures required to be filed with the governing body in accordance with § 18-8-308, C.R.S., shall be deemed filed with the Board when filed with the Secretary of State.

20. The Board extends the current indemnification resolution to allow the resolution to continue in effect as written.

21. In accordance with § 8-40-202(1)(a)(I)(B), C.R.S., the Board hereby waives workers' compensation coverage for individual Board members by opting that the individual Board members not be deemed employees as that term is defined in the Workers' Compensation Act of Colorado, and directs legal counsel to file a statement with the Division of Workers' Compensation in the Department of Labor and Employment for the State of Colorado at least forty-five (45) days before the start of the policy year in order to effect such waiver of coverage.

22. The Board continues the engagement Cockrel Ela Glesne Greher & Ruhland, P.C. as general counsel for the District.

23. The Board continues the engagement of CliftonLarsonAllen as accountant for the District.

24. The Board continues the engagement of Special District Management Services, Inc. as manager for the District.

25. The Board designates Special District Management Services, Inc. to serve as the official custodian of public records and to follow the Colorado Special District Records Retention Schedule, as adopted by the District.

WHEREUPON, the motion was seconded by Director _____ and upon vote, unanimously carried. The Chair declared the motion carried and so ordered.

ADOPTED AND APPROVED THIS 5th DAY OF DECEMBER, 2022.

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2

By: _____
Chad Murphy, Chair

Attest:

Ann Finn, Secretary

CERTIFICATION

I, Ann Finn, Secretary of the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2, Douglas County, Colorado do hereby certify that the attached and foregoing Resolution is a true copy from the records of the proceedings of the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Crowfoot Valley Ranch Metropolitan District No. 2, at Douglas County, Colorado, this 5th day of December, 2022.

Ann Finn, Secretary

[S E A L]

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

RESOLUTION NO. 2022-12-_____

RESOLUTION DESIGNATING LOCATION TO POST NOTICE

WHEREAS, pursuant to §§24-6-402(2)(c) and 32-1-903(2) C.R.S., notice and the agenda, with specific information to the extent possible, of the Crowfoot Valley Ranch Metropolitan District No. 2 (the “**District**”) Board of Directors (the “**Board**”) meetings at which the adoption of any formal action is to occur or at which a majority or quorum of the body is in attendance, or is expected to be in attendance, shall be posted within the boundaries of the District at least 24 hours prior to each meeting at a location designated at the first regular meeting of each year.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 as follows:

Notices of meetings (regular, special and work/study session) of the Board required pursuant to §24-6-401, et seq., C.R.S., shall be posted at least 24 hours prior to each meeting at:

<https://crowfootmd1-2.colorado.gov/>

In the event of an exigent or emergency circumstance such as a power outage or an interruption in internet service, the District will post notice of public meetings at least 24 hours prior to a meeting at the following physical location within the District at the Green Castle Gate entrance at 4688 Crowfoot Valley Ranch Road, Castle Rock, Colorado.

ADOPTED this 5th day of December, 2022.

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2

By: _____
Chad Murphy, Chair

ATTEST:

Ann Finn, Secretary

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

RESOLUTION NO. 2022-12-_____

RESOLUTION DESIGNATING THE LOCATION OF REGULAR AND SPECIAL MEETINGS OF THE BOARD OF DIRECTORS

WHEREAS, the Crowfoot Valley Ranch Metropolitan District No. 2 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado (the “**State**”) organized to serve a public use and promote the health, safety, prosperity, security and general welfare of the residents of the District and the State of Colorado.

WHEREAS, pursuant to §32-1-903(1), C.R.S., the District’s Board of Directors (the “**Board**”) shall meet regularly at a time and in a location to be designated by the Board; and

WHEREAS, the Colorado Legislature enacted House Bill 21-1278 amending §32-1-903, C.R.S., to clarify what qualifies as a meeting location for purposes of special district board meetings; and

WHEREAS, pursuant to § 32-1-903(5)(a), C.R.S., “location” means the physical, telephonic, electronic, or other virtual place, or combination of such means where a meeting can be attended; and

WHEREAS, §32-1-903(4), C.R.S., provides that the method of conducting any meeting held prior to the effective date of this section, as amended, by telephonic, electronic, or other virtual means is validated, ratified, confirmed, and may not be challenged; and

WHEREAS, the Board desires to designate the location for regular meetings of the Board.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 as follows:

1. **Ratification of Prior Actions.** The Board hereby finds and determines that, pursuant to §32-1-903(4), C.R.S., actions taken by the Board before July 7, 2022, are automatically validated, ratified and confirmed and cannot be challenged. All actions

taken by the Board in meetings on or after July 7, 2022, and prior to the date of this resolution, are hereby ratified by the Board.

2. **Designation of Regular and Special Meeting Location.** As of the date hereof, all regular and special meetings of the Board will be held at the following locations:

By telephonic, electronic, or other virtual means, and notice of all meetings of the Board shall include the method or procedure, including the conference number or link, by which members of the public can attend the meeting.

AND/OR

Physical Meeting Location: 1144 15th Street, Suite 2600
Denver, Colorado

3. **Notice of Meetings Location.** All notices of meetings shall designate whether such meeting will be held by electronic means, at a physical location, or both, and notices of electronic meetings shall include the method or procedure, including the conference number or link, by which members of the public can attend the meeting.

4. **Effect of Resolution.** The above location shall remain in effect until contrary action is taken by the Board, which action must comply with §32-1-903(1), C.R.S., or §§ 32-1-903(1)(a) - 32-1-903(1)(b), C.R.S.

Adopted this 5th day of December, 2022.

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2

By: _____
Chad Murphy, Chair

Attest:

Ann Finn, Secretary

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

RESOLUTION NO. 2022-12-____

**RESOLUTION DETERMINING NOT TO PROVIDE
WORKERS' COMPENSATION INSURANCE COVERAGE
FOR UNCOMPENSATED MEMBERS OF THE BOARD OF DIRECTORS**

WHEREAS, the Crowfoot Valley Ranch Metropolitan District No. 2 (the "**District**") is a quasi-municipal corporation and political subdivision of the State of Colorado duly organized and existing pursuant to Article 1 of Title 32, Colorado Revised Statutes; and

WHEREAS, the members of the Board of Directors (the "**Board**") of the District are not compensated for their service on the Board, except for reimbursement of actual out-of-pocket expenses related to Board service; and

WHEREAS, pursuant to Section 8-40-202(1)(a)(I)(B), C.R.S., the Board may annually determine that it is in the best interest of the District not to provide workers' compensation insurance coverage to its uncompensated elected officials; and

WHEREAS, the Board has determined that its policy period for purposes of this election shall commence on March 1 and end on the last day of February of every year; and

WHEREAS, pursuant to Section 8-40-202(1)(a)(I)(B), C.R.S., the District must notify the Colorado Department of Labor & Employment, Division of Workers' Compensation (the "**Division**"), in writing of the decision not to provide workers' compensation coverage and such notification must be filed with the Division not less than forty-five (45) days before the start of the policy period; and

WHEREAS, the Division has requested that the Board annually adopt a formal Resolution and complete Division Form WC44 to acknowledge its decision not to provide workers' compensation insurance; and

WHEREAS, the Board hereby finds and determines that it is in the public interest and is an appropriate fiscal policy to exercise the option not to provide workers' compensation insurance coverage for its uncompensated elected officials.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 as follows:

1. **No Workers' Compensation Insurance Coverage.** Because members of the Board are not compensated for their service, except for reimbursement of actual expenses incurred on behalf of the District, the Board finds and determines that its members shall not be regarded as "employees" of the District for purposes of the Workers' Compensation Act of Colorado (Section 8-40-101, C.R.S. et seq.), and that the District shall not purchase workers' compensation insurance coverage for members of the Board for the policy year commencing on March 1, 2022.

2. **Direction to File with the Division.** In addition to a copy of this Resolution, legal counsel to the District is directed and authorized to file Form WC44, “Exclusion of Uncompensated Public Officials,” with the Division no later than forty-five (45) days prior to March 1.

3. **Severability.** If any part, section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

4. **Effective Date.** Notwithstanding the application of this Resolution to a certain specified plan year, this Resolution shall take effect and be enforced immediately upon its approval by the Board.

ADOPTED this 5th day of December, 2022.

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2

By: _____
Chad Murphy, Chair

ATTEST:

Ann Finn, Secretary



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

MEMORANDUM

TO: Board of Directors

FROM: Christel Gemski
Executive Vice-President

DATE: September 2, 2022

RE: Notice of 2023 Rate Increase

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

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

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