

CUNDALL FARMS METROPOLITAN DISTRICT
SPECIAL MEETING
(via Teleconference)
Monday, July 12, 2021 at 5:30 P.M.

David Scott, President/Treasurer	Term to May 2022
Reuben Patrick Maes, Vice President	Term to May 2023
Bradley Mark Nelson, Director	Term to May 2023
VACANT	Term to May 2023
Darren Fresquez, Secretary	Term to May 2022

Due to the threat posed by the COVID-19 coronavirus, this meeting will be held via teleconferencing and can be joined through the directions below:

Link:

<https://us06web.zoom.us/j/81298906543?pwd=WldpQXZ6eUIPVVFLc1N0RldHZ1d4QT09>

Meeting ID: 812 9890 6543

Passcode: 678046

Phone: 1-253-215-8782

NOTICE OF SPECIAL MEETING AND AGENDA

1. Call to Order
2. Declaration of Quorum/Conflict of Interest Disclosures
3. Approval of Agenda
4. Acknowledge Resignation of Kathy Snyder effective June 14, 2021
5. Consider Appointment of Director to Fill Vacancy; Administer Oath of Office
6. Election of Officers
7. Public Comment - 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 per person. Please sign in.
8. Consent Agenda **(5 minutes)**
 - a. Approval of June 8, 2021 Special Meeting Minutes (**enclosure**)
 - b. Ratification of 2020 Annual Report (**enclosure**)
 - c. Ratification of Axe Whooping Contract for Axe Throwing (**enclosure**)
 - d. Ratification of Lighting Mobile Electric Contract for LED Lamps (**enclosure**)
 - e. Ratification of CO Smart Landscape Contract for Tree Watering (**enclosure**)
 - f. Ratification of CO Smart Landscape Contract for Planting Trees, Bushes, and Grasses (**enclosure**)

- g. Ratification of Independent Contractor Agreement with Altitude Athletic Surfaces, LLC (**enclosure**)
 - h. Rescind Approval of Blue Planet Energy Solutions Contract
- 9. Director Matters **(20 minutes)**
- 10. Financial Matters **(10 minutes)**
 - a. Consider Ratification of Cash Position and Interim Claims Report (**enclosures**)
 - b. Other Financial Matters
- 11. Management Matters **(30 minutes)**
 - a. Manager Report (**enclosure**)
 - b. Consider Approval of Proposal from Schultz Industries Inc. for Grading (**enclosure**)
 - c. Consider Approval of Proposal from Rocky Mountain Wildlife Services, Inc. for Prairie Dog Treatment (**enclosure**)
 - d. Discussion Regarding Park Pavilion and Sports Field Reservation System
 - e. Other Management Matters
- 12. Legal Matters
 - a. Legislative Update
 - b. Other Legal Matters
- 13. Adjourn

MINUTES OF A SPECIAL MEETING OF THE BOARD
OF DIRECTORS

OF

CUNDALL FARMS METROPOLITAN DISTRICT

Held: Tuesday, June 8, 2021, at 5:30 p.m. via
Teleconference.

*Due to the threat posed by the COVID-19 coronavirus, this
meeting was held via teleconference.*

Attendance

A special meeting of the Board of Directors of the Cundall Farms Metropolitan District was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve on the Board, were in attendance:

David Scott
Reuben Patrick Maes
Bradley Mark Nelson
Kathy Snyder
Darren Fresquez

Also present was Megan J. Murphy, Esq. and Erin K. Stutz, Esq., White Bear Ankele Tanaka & Waldron, District General Counsel; Melissa Sykes, Advance HOA Management, Inc., District Manager; Gigi Pangindian, CliftonLarsonAllen LLP, District Accountant; and homeowners.

Call to Order

Mr. Scott noted that a quorum of the Board was present and called the meeting to order.

**Declaration of Quorum/Director
Qualification/Reaffirmation of
Disclosures**

Ms. Murphy advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Murphy reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Murphy inquired into whether members of the Board had any

additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Agenda

The Board reviewed the proposed agenda. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agenda as amended.

Public Comment

Ms. Erin Traux noted that landscaping to replace dead trees installed in the park took place. Three evergreen trees were planted in the berm at the park which block her view of the playground equipment at the park. She noted that she is not happy about this as she believes this will affect the value of her home and what she really likes about living here. She is asking the Board to replace these trees with different ones. Director Scott noted that there would be a discussion of trees later in the meeting.

Ms. Paula Juhrs noted that one person is interested in being appointed to the Social Committee and noted that she will follow up. She also noted the summer event is scheduled for June 26, 2021. She also noted that there would be a movie night in August.

Consent Agenda

Ms. Murphy reviewed the items on the consent agenda with the Board. Ms. Murphy advised the Board that any item may be removed from the consent agenda to the regular agenda upon the request of any director. Three items were requested to be removed from the consent agenda. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved, ratified and/or adopted:

1. March 17, 2021 Special Meeting Minutes;
2. April 28, 2021 Special Meeting Minutes;
3. May 4, 2021 Special Meeting Minutes;
4. Fun Services Contract; and
5. Contract for Musical Services.

Director Matters

Discussion Regarding Board Liaisons

The Board engaged in discussion regarding Board Liaisons for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved

the appointment of Director Maes as liaison to White Bear Ankele Tanaka & Waldron.

Discussion Regarding
Architectural Review Committee

The Board engaged in discussion regarding Architectural Review Committee. Following discussion, upon a motion duly made and seconded, the Board unanimously appointed Director Maes and Ms. Judy Poor to the Committee.

Discussion Regarding
Establishment of Finance
Committee

The Board removed this item from the agenda.

Discussion Regarding Upcoming
Board Vacancy

Ms. Murphy noted for the Board that Director Snyder will be resigning from the Board. Director Snyder noted that she thinks that her replacement should be a woman and patio homeowner. Director Scott agrees with this perspective.

The Board engaged in discussion regarding filling the vacancy. Following discussion, the Board directed legal counsel to send a notice of vacancy via email blast on June 11, 2021 with responses due by June 25, 2021.

Financial Matters

Consider Ratification of Cash
Position and Interim Claims
Report

Ms. Pangindian presented the schedule of cash position dated April 30, 2021 updated as of June 1, 2021 to the Board. Ms. Pangindian presented total general and operations costs of \$26,400.62; total tree replacement costs of \$137,327.81; and total loan issue costs of \$204,200.00 to the Board for ratification. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the schedule of cash position and ratified the claims.

Acceptance of Unaudited Financial
Statements, dated April 30, 2021

Ms. Pangindian presented the unaudited financial statements, dated April 30, 2021 to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the unaudited financial statements.

Consider Approval of 2020 Audit

Ms. Pangindian presented the 2020 Audit to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the 2020 Audit, subject to final legal review and receipt of clean opinion.

Other Financial Matters
Management Matters

None.

Manager Report

Ms. Sykes reviewed the Manager Report with the Board.

Violation for Maintenance of Detention Pond from City of Thornton

Ms. Sykes discussed the violation for maintenance of detention pond from the City of Thornton (the “City”). She noted that she contacted KB Homes and asked them to clean up construction debris and that Schultz Industries will clean up the detention pond.

Discuss Board@cfmd.co

The Board engaged in discussion regarding Board@cfmd.co. Ms. Sykes noted that this has been deactivated. Following discussion, the Board directed Ms. Sykes to reactivate the Board@cfmd.co address and forward the messages to the full Board.

Consider Approval of Reserve Study from Association Reserves

Ms. Sykes presented the Reserve Study from Association Reserves to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the Reserve Study.

Consider Approval of Proposal for Basketball Repairs

Director Nelson presented proposals for basketball court repairs to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the proposal from Altitude Athletic Surfaces in an amount not to exceed \$59,750 including permit fees subject to final review by legal counsel and Director Nelson.

The Board requested that legal counsel reach out to KB Homes to inform them that the City will no longer approve asphalt basketball courts and inquire if KB Homes is willing to contribute funds toward a new basketball court.

Discussion Regarding Prairie Dog Eradication in Open Space

The Board engaged in discussion regarding prairie dog eradication in the open space. Following discussion, the Board directed legal counsel to request that the City remove prairie dogs from the City’s property at no cost to the District.

Discussion Regarding Grading Near St. Paul Street

Ms. Sykes noted that there are drainage issues near St. Paul Street. Following discussion, the Board directed Ms. Sykes to contact KB Homes to investigate the drainage issue.

Discussion Regarding Underdrain

The Board engaged in discussion regarding the mainline underdrain system. Following discussion, the Board directed legal counsel to follow-up with KB Homes to find out the status of conveyance of the mainline underdrain system.

Consider Approval of Proposal for LED Lights in the Park

Director Nelson presented the Board a proposal for installation of LED Lights at the park. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the proposal and authorized Director Nelson to approve up to \$8,000 for park and trail light replacements.

Other Management Matters

Director Nelson noted that it is starting to look very dry and the sprinkler system needs to be up and working. Ms. Sykes noted that she will follow-up with Schultz Industries to make sure the irrigation system is on.

Legal Matters

Update Regarding White Bear Ankele Tanaka & Waldron Covenant Enforcement Services

Ms. Murphy presented proposals for covenant enforcement to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the proposal with Winzenburg Leff Purvis & Payne.

Other Legal Matters

None.

Executive Sessions

Upon motion of Director Scott, seconded by Director Nelson, and upon an affirmative vote of at least two-thirds of the quorum present, pursuant to § 24-6-402(4)(b), C.R.S., conference with an attorney for the District, the Board convened in executive session at 7:52 P.M. for the purpose of receiving legal advice on specific legal questions related to waiver of fines and fees for account 1824267 and pursuant to § 24-6-402(4)(e), C.R.S. determining positions relative matter that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators related to a fine waiver request for account 1824267.

Pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of the portion of this executive session that, in the opinion of the District's attorney, constitutes privileged attorney-client communication pursuant to § 24-6-402(4)(b), C.R.S.

Also pursuant to § 24-6-402(4), C.R.S., the Board did not adopt any proposed policy, position, resolution, rule, regulation or take formal action during execution session.

Upon motion of Director Scott, seconded by Director Maes, the Board reconvened in regular session at 8:07 P.M. No Action was taken.

Upon motion of Director Scott, seconded by Director Nelson, and upon an affirmative vote of at least two-thirds of the quorum present, pursuant to § 24-6-402(4)(b), C.R.S., conference with an attorney for the District, the Board convened in executive session at 8:07 P.M. for the purpose of receiving legal advice on specific legal questions related contract with Arbortanics, Inc.; The Tree Farm Contract; contract with 1st Green Colorado LLC; and contract with James Nursery Company pursuant to § 24-6-402(4)(e), C.R.S. determining positions relative to matter that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators related to contract with Arbortanics, Inc.; The Tree Farm Contract; contract with 1st Green Colorado LLC; and contract with James Nursery Company.

Pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of the portion of this executive session that, in the opinion of the District’s attorney, constitutes privileged attorney-client communication pursuant to § 24-6-402(4)(b), C.R.S.

Also pursuant to § 24-6-402(4), C.R.S., the Board did not adopt any proposed policy, position, resolution, rule, regulation or take formal action during execution session.

Upon motion of Director Scott, seconded by Director Snyder, the Board reconvened in regular session at 8:44 P.M.

Discuss Creation of Berm on an Oil Well Site

The Board engaged in discussion regarding creating a berm on the oil well site (Tract M). Following discussion, upon a motion duly made and seconded, the Board unanimously approved creating a berm on oil well site, subject to final approval by the City.

Discuss Engagement of CO Smart to Provide Tree Watering on a Month-to-Month Basis

The Board engaged in discussion regarding the engagement of CO Smart to provide tree watering on a month-to-month basis not to exceed \$3,000/month. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the engagement of CO Smart subject to final review by Director Fresquez.

Ratification of Arbortanics, Inc.
d/b/a The Tree Farm Contract

The Board engaged in discussion of the Arbortanics, Inc. d/b/a The Tree Farm Contract. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the contract subject to final review by Director Fresquez.

Ratification of 1st Green Colorado
LLC Contract

The Board engaged in discussion of the 1st Green Colorado LLC Contract. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the contract subject to final review by Director Fresquez.

Approval of James Nursery
Company Contract

The Board engaged in discussion regarding the James Nursery Company Contract. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the contract subject to final review by Director Fresquez.

Discuss Tree Planting at the Park

Director Fresquez noted that the tree planting at the park was approved by the City and the trees at the park are not going to be moved or replaced. Ms. Truax noted she was not happy with this decision and she feels it reduces the value of her home and substantially impacts her view of the park. Director Maes noted that mature trees generally increase the value of home. Director Scott noted that Ms. Traus has a beautiful view of pine trees, the Board received the City's approval to plant these trees, and the Board has decided to keep the trees in their current location. Director Snyder noted there was no guarantee in any documents that the view of the park would remain forever, Ms. Traux likely does not have no legal recourse. Ms. Truax noted that the email communication from the Board did not include the message that there would be new trees at the park and that would have made a difference to her.

Other Business Matters

The Board engaged in discussion regarding meeting dates. Following discussion, upon a motion duly made and seconded, the Board unanimously approved moving the July 6, 2021 meeting to July 13, 2021.

Adjourn

There being no further business to be conducted, the meeting was adjourned.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

Secretary for the Meeting

The foregoing minutes were approved on the 13th day of July, 2021.

**ATTORNEY STATEMENT
REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION**

Pursuant to Section § 24-6- 402(4)(b), C.R.S., I attest that, in my capacity as the attorney representing Cundall Farms Metropolitan District, I attended the executive session meeting at a special meeting of Cundall Farms Metropolitan District convened at 7:52 P.M. on June 8, 2021 for the sole purpose of discussing legal advice on specific legal questions related to a fine waiver request for account 1824267 and pursuant to § 24-6-402(4)(e), C.R.S. determining positions relative to matter that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators related to a fine waiver request for account 1824267. I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S. and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(b), C.R.S. or Section 24-6-402(2)(d.5)(II)(B), C.R.S.

Megan J. Murphy, Esq.

Pursuant to Section § 24-6- 402(4)(b), C.R.S., I attest that, in my capacity as the attorney representing Cundall Farms Metropolitan District, I attended the executive session meeting at a special meeting of Cundall Farms Metropolitan District convened at 8:07 P.M. on June 8, 2021 for the sole purpose of discussing legal advice on specific legal questions related contract with Arbortanics, Inc.; The Tree Farm Contract; contract with 1st Green Colorado LLC; and contract with James Nursery Company pursuant to § 24-6-402(4)(e), C.R.S. determining positions relative to matter that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators related to contract with Arbortanics, Inc.; The Tree Farm Contract; contract with 1st Green Colorado LLC; and contract with James Nursery Company. I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S. and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(b), C.R.S. or Section 24-6-402(2)(d.5)(II)(B), C.R.S.

Megan J. Murphy, Esq.

**CUNDALL FARMS METROPOLITAN DISTRICT
CITY OF THORNTON, STATE OF COLORADO**

ANNUAL REPORT FOR FISCAL YEAR 2020

Pursuant to the Service Plan for Cundall Farms Metropolitan District (the “District”), the District is required to provide an annual report to the City of Thornton, Colorado (the “City”) with regard to the following matters:

For the year ending December 31, 2020, the District makes the following report:

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

There were no boundary changes made or proposed in 2020.

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

The District did not enter into any new intergovernmental agreements as of December 31, 2020. The list of current Intergovernmental Agreements is attached hereto as **Exhibit A**.

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

The District adopted the Amended and Restated Resolution Regarding Policies, Procedures and Penalties for the Enforcement of the Governing Documents on October 19, 2020, attached hereto as **Exhibit B**.

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

To our actual knowledge, based on a review of the court records in Adams County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District’s Public Improvements as of December 31, 2020.

5. The status of the District’s construction of the Public Improvements as of December 31 of the prior year:

To our actual knowledge, all Public Improvements were completed on or before 2019.

6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year:

Improvements for three phases of the community have been completed by the developer. These improvements include roadways, utilities including water mains, sewer mains and storm mains, and park and open space areas. A portion of the roadways, sidewalks, and utilities

including water mains, sewer mains and storm mains have been dedicated to and accepted by the City as of December 31, 2020. The District has not constructed any facilities or improvements. In 2021, the District is undertaking a large landscaping replacement and enhancement project that will include planting of numerous trees throughout the District.

7. The assessed valuation of the District for the current year:

The District's current assessed valuation is \$13,661,040, attached hereto as **Exhibit C**.

8. The current year budget, including a description of the Public Improvements to be constructed in such year:

The 2021 budget is attached hereto as **Exhibit D**. No additional Public Improvements are planned to be constructed in 2021.

9. An audit of the District's financial statements for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or an audit exemption, if applicable:

The 2019 audit is attached hereto as **Exhibit E**. The 2020 audit has not yet completed but will be submitted in the 2021 annual report.

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

There were no events of default for the year ending December 31, 2020.

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

The District has been able to pay its obligations as they come due.

EXHIBIT A
Intergovernmental Agreement Listing

1. Intergovernmental Agreement Between the City of Thornton and Cundall Farms Metropolitan District Regarding the Service Plan for the District dated June 7, 2010.
2. First Amendment to the Intergovernmental Agreement Between the City of Thornton and Cundall Farms Metropolitan District Regarding the Service Plan for the District dated December 4, 2018.

EXHIBIT B
Rules and Regulations

**AMENDED AND RESTATED RESOLUTION
OF THE BOARD OF DIRECTORS OF
CUNDALL FARMS METROPOLITAN DISTRICT**

**REGARDING POLICIES, PROCEDURES AND PENALTIES FOR THE
ENFORCEMENT OF THE GOVERNING DOCUMENTS**

WHEREAS, Cundall Farms Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to the terms and conditions of the “Covenants, Conditions and Restrictions for Trailside,” recorded at Reception No. 2014000080289, Adams County, Colorado, on November 17, 2014, (the “**Covenants**”), the District is authorized to promulgate design and/or architectural standards, rules, regulations and/or guidelines (collectively, the “**Guidelines**”); and

WHEREAS, pursuant to the terms and conditions of the Covenants, the District is authorized to adopt, enact, amend, modify and re-enact rules and regulations concerning and governing the Property (as that term is defined in the Covenants) (the “**Rules and Regulations**” and, collectively with the Covenants and Guidelines, the “**Governing Documents**”), and to establish and enforce penalties for the infraction of the Rules and Regulations, including the levying and collection of fines; and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the Board is authorized to fix and from time to time increase or decrease, fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District which, until such fees, rates, tolls, charges and penalties are paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, on November 26, 2014, the Board adopted the Resolution Regarding Policies, Procedures and Penalties for Enforcement of the Governing Documents, establishing policies, procedures and penalties for violations of the guidelines, rules and regulations and other policies and procedures of the District, as the same may be amended and supplemented from time to time (the “**Prior Resolution**”); and

WHEREAS, the Board desires to amend and restate the Prior Resolution to establish new policies, procedures and penalties for violations of the Governing Documents.

NOW THEREFORE, the Board hereby adopts this Resolution and the following policies and procedures:

1. Intent of District. This Resolution is adopted to ensure the protection of the health, safety and welfare of the residents and property owners of the District, to preserve property values, enhance the quality of life for all District residents, and provide a fair and consistent enforcement process of the Governing Documents.

2. Enforcement Policy. The District may enforce the Governing Documents through administrative proceedings or judicial action, and any non-compliance with the Governing Documents by any owner, renter or guest will be the responsibility of the owner of the respective

property subject to this Resolution (“the “**Owner**”). This Resolution is intended to serve as guidance to the Board and the District’s authorized representative(s) (the “**District Representative**”), and does not limit or restrict the authority of the Board. The Board may intervene at any time with respect to any authority granted to or action undertaken by the District Representative. In addition, this Resolution shall not supersede the procedures for approval, disapproval, or notice of noncompliance related to improvements as set forth in the Governing Documents.

3. Investigation. Upon receipt of a written complaint alleging a violation of the Governing Documents, if additional information is necessary, the District Representative may conduct an investigation to determine whether a violation of the Governing Documents has occurred.

4. Enforcement Process for Continuous Violations. Upon determining that a “**Continuous Violation**” (defined as a violation that is ongoing, uninterrupted by time and may take time to cure) has occurred, the District Representative and Board shall take the following steps:

a. Advisory Letter. If the District Representative determines that a Continuous Violation of the Governing Documents exists, either through the investigative process as set forth above, or through independent inspections or observations of the District Representative, the District Representative will send an “Advisory Letter” to the Owner by first-class United States mail to the address of the Owner on record according to the records of the County Assessor (“**Owner’s Address**”), notifying the Owner of: (i) the restriction violated and the nature of the Continuous Violation, (ii) that the Owner must have the Continuous Violation corrected within 10 calendar days after the date of the Advisory Letter, and (iii) that failure to timely cure the Continuous Violation may result in potential fines or other sanctions. If, in the discretion of the District Representative, the Continuous Violation requires more than 10 days to cure, the District Representative may extend the cure period or require the Owner to commence such cure within 10 days after the date of the Advisory Letter and diligently prosecute the same to completion. The District Representative may, in its sole discretion, determine that an Advisory Letter is not necessary or appropriate and may instead immediately send a Notice as provided in Paragraph 8 below.

b. Notice of Complaint and Opportunity to Be Heard. If an Owner fails to cure (or provide adequate proof that he or she is diligently seeking to cure, if applicable) a Continuous Violation within 10 days of the date of the Advisory Letter, or if the District Representative determines, in its sole discretion, an Advisory Letter is not necessary or appropriate, the District Representative shall send a notice of complaint and opportunity to be heard (“**Notice of Continuous Violation**”) to the Owner at the Owner’s Address notifying the Owner of the Continuous Violation and of the potential fines that may be imposed if the Continuous Violation is not cured. The Notice of Continuous Violation shall further state that the Owner is entitled to a hearing on the merits

of the matter provided that such hearing is requested in writing by the Owner within 10 days of the date of the Notice of Continuous Violation.

- c. Notice of Ongoing Violation. If after 10 days of the date of the Notice of Continuous Violation, the Owner has not requested a hearing, cured the Continuous Violation or made arrangements to cure the Continuous Violation and communicated such arrangements to the District Representative in writing, the District Representative shall send a notice of ongoing violation (“**Notice of Ongoing Violation**”) to the Owner’s Address demanding that the Owner cure the ongoing Continuous Violation and that an additional fine has been imposed on the Owner’s account pursuant to the fine schedule set forth in Paragraph 7 below. A second Notice of Ongoing Violation shall be sent 10 days thereafter if the Continuous Violation is not cured or arrangements to cure the Continuous Violation are not communicated to the District Representative in writing and the prior fine paid. The second Notice of Ongoing Violation shall advise the Owner of the imposition of an additional fine, pursuant to the fine schedule set forth in Paragraph 7 of this Resolution.
- d. Continuous Violation. In the event that a Continuous Violation continues to exist uninterrupted 10 days after the date of the second Notice of Ongoing Violation, the District may in its discretion, in addition to any other remedy, send the Owner a notice of daily fines (“**Daily Fine Notice**”) and thereafter impose a fine of up to \$100 for each day that a Continuous Violation so continues.

5. Enforcement Process for Repetitious Violations. Upon determining that a “**Repetitious Violation**” (defined as a violation that occurs at a set point in time and does not require time to cure, such as the parking of a restricted vehicle in the community or leaving trash cans out beyond the time allowed) has occurred, the District Representative and Board shall take the following steps:

- a. Advisory Letter. If the District Representative determines that a Repetitious Violation of the Governing Documents has occurred, either through the investigative process as set forth above, or through independent inspections or observations of the District Representative, the District Representative will send an “Advisory Letter” to the Owner by first-class United States mail to the Owner’s Address, notifying the Owner of: (i) the restriction violated and the nature of the Repetitious Violation, and (iii) that any subsequent violations of the same restriction within 45 days of the date of the Advisory Letter may result in the imposition of fines. The District Representative may, in its sole discretion, determine that an Advisory Letter is not necessary or appropriate and may instead immediately send a Notice as provided in Paragraph 5b and/or 8 below.
- b. Notices of Repetitious Violations. If an Owner subsequently violates the same covenant or rule within 45 days of date of the Advisory Letter, each such instance shall constitute a separate Repetitious Violation for which fines may be imposed pursuant to the fine schedule set forth in paragraph 7. Upon the

occurrence of each subsequent Repetitious Violation, the District Representative shall send the Owner a notice advising the Owner of the Repetitious Violation and of the fine to be imposed (“**Repetitious Violation Notice**”). The first such Repetitious Violation Notice shall further state that the Owner is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing by the Owner within 10 days of such first Repetitious Violation Notice. The District may impose additional fines with each Repetitious Violation Notice sent after the first Repetitious Violation Notice without the necessity of providing the Owner with the opportunity for a hearing thereafter.

6. Hearings

- a. If a hearing is requested by the Owner pursuant to paragraph 4.b or 5.b above, the District Representative shall notify the Owner of the date, time and place of the hearing at least 10 days prior to the hearing. Hearings regarding violations of the Governing Documents shall be conducted by the Board, or a tribunal consisting of District residents or other persons as selected by the Board.
- b. In the event an Owner fails to request a hearing within 10 days of the date of the Notice of Continuous Violation or the first Notice of Repetitious Violation, as applicable, or fails to appear at a requested hearing, the Board or the tribunal or person designated by the Board to conduct the hearing may make a decision with respect to the violation based on the complaint, results of the investigation and any other available information without the necessity of holding a formal hearing. Failure to request a hearing or to appear at a requested hearing will result in the Owner being deemed to have admitted and acknowledged the violation and the Owner will thereafter be subject to all fines and penalties assessed in connection with the violation. After offering an Owner the opportunity for a hearing in the Notice of Continuous Violation or the first Notice of Repetitious Violation, as applicable, regardless of whether the Owner then requests a hearing or not, the District need not offer the opportunity for a hearing for any additional fines to be imposed for failure to cure a Continuous Violation or for subsequent instances of a Repetitious Violation.
- c. Decision. If the Board or the tribunal or person designated by the Board to conduct the hearing has made a finding that an Owner is in violation of the Governing Documents, the District Representative shall send notice of violation (“**Notice of Decision**”) to the Owner’s Address. The Notice of Decision shall set forth the fine imposed, if any, and any additional fines that may be imposed if the Continuous Violation remains uncured or if subsequent instances of Repetitious Violations occur. The District may revoke or suspend the Owner’s privileges, impose fines in accordance with the fine schedule set forth below and take such other actions as it may deem necessary or appropriate to assure compliance with the Governing Documents. No hearing shall be required for the imposition of any such additional fines.

7. Fine Schedule. The following fine schedule is adopted for any and all violations of the Governing Documents.

Continuous Violations:

Notice of Continuous Violation:	\$50.00
First Notice of Ongoing Violation:	\$75.00
Second Notice of Ongoing Violation:	\$100.00
Daily Fine Notice:	Up to \$100.00 per day

Repetitious Violations:

First Notice of Repetitious Violation:	\$25.00
Subsequent Notices of Repetitious Violations	\$50.00 per each offense

8. Violations or Offenses that Constitute a Present Danger. If a violation concerns a serious or immediate risk to the health, safety, or welfare of person or property, the District Representative shall seek to obtain prompt action by the Owner to correct the violation and avoid any reoccurrence, and the procedural requirements under this Resolution may be waived by the Board and a hearing scheduled as soon as possible. The Board may impose sanctions as necessary to abate any threat to health, safety or welfare of any person or property.

9. Waiver of Fines and Other Amounts. The District may determine enforcement actions on a case by case basis, and take other actions as it may deem necessary or appropriate to assure compliance with the Governing Documents. The District Representative may, in its sole discretion, waive all or any portion of any fines and other amounts levied under this Resolution. Additionally, the Board may condition waiver of any fine or other amount(s), upon the Owner coming into and staying in compliance with the Governing Documents.

10. Other Enforcement Means. The provisions of this Resolution shall be in addition to all other enforcement means which are available to the District through the Governing Documents, or by law. Application of this Resolution does not preclude the District from using any other enforcement means, including, but not limited to the recording of liens, foreclosure, and any other legal or equitable remedies available to the District.

11. Legal Action. Any violation of the Governing Documents may, in the discretion of the Board, be turned over to legal counsel to take appropriate legal action either in lieu of, or in addition to, the imposition of any fines or other penalties under this Resolution, and Owners shall be responsible for all attorneys' fees and costs incurred in enforcing this Resolution and in collecting amounts due and owing the District.

12. Foreclosure of Lien. All amounts imposed pursuant to this Resolution shall, until paid, constitute a statutory, perpetual lien on and against the property served, and any such lien may be foreclosed in the manner provided by the laws of the State of Colorado for the foreclosure of mechanic's liens, pursuant to § 32-1-1001(1)(j)(I), C.R.S., such lien being a charge imposed for the provision of services and facilities to the property. Said lien may be foreclosed at such time as the District in its sole discretion may determine. The lien shall be perpetual in nature (as defined by the laws of the State of Colorado) on the property and shall run with the land.

13. Modification of Procedures. The District may modify the procedures set forth herein if, in its sole discretion, such modification is reasonable under the circumstances.

14. Amendment. The policies, procedures and fine schedule set forth in this Resolution may be supplemented and/or amended from time to time by the District, in its sole and absolute discretion.

15. Payment. Payment for all fines shall be by check or equivalent form acceptable to the District, made payable to “Cundall Farms Metropolitan District” and sent to the District within 30 days of the date of the notice sent from the District to the Owner notifying the Owner of the imposition of the fine.

16. Severability. If any portion of this Resolution is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this resolution, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Resolution a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

17. Prior Resolutions. This Resolution shall supersede and replace in its entirety the Prior Resolution addressing the enforcement of the Governing Documents adopted by the Board.

18. Effective Date. This Resolution shall become effective immediately, and shall supersede in its entirety any prior resolution.

Signature page follows.

ADOPTED this 19th day of October, 2020.

**CUNDALL FARMS METROPOLITAN
DISTRICT**, a quasi-municipal corporation and
political subdivision of the State of Colorado



Officer of the District

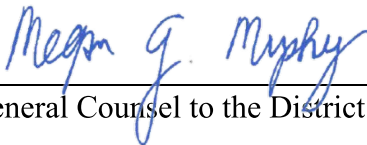
ATTEST:



Darren Fresquez (Oct 22, 2020 17:16 MDT)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

Signature Page to Resolution Concerning Enforcement Policies and Procedures

EXHIBIT C
2020 Assessed Valuation

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **374 - CUNDALL FARMS METRO**

IN ADAMS COUNTY ON 11/29/2020

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
--

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 2020 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$13,664,050
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$13,661,040
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$13,661,040
5. NEW CONSTRUCTION: **	\$0
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.):	\$666.63

* 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 2020 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2020

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$188,443,321
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
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: (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.)	\$0
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, 2020

Data Date: 11/29/2020

EXHIBIT D
2021 Budget

CUNDALL FARMS METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2021

**CUNDALL FARMS METROPOLITAN DISTRICT
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 1,233,159	\$ 1,337,828	\$ 1,603,465
REVENUES			
Interest income	28,946	11,400	8,605
Operations Fees	206,103	210,000	204,168
Property Taxes	714,149	911,734	912,516
Specific Ownership Taxes	57,203	73,018	63,876
Working Capital	-	-	18,000
Total revenues	<u>1,006,401</u>	<u>1,206,152</u>	<u>1,207,165</u>
Total funds available	<u>2,239,560</u>	<u>2,543,980</u>	<u>2,810,630</u>
EXPENDITURES			
General Fund	133,294	135,176	78,000
Operations Fund	273,627	263,061	303,000
Debt Service Fund	494,811	542,278	598,000
Total expenditures	<u>901,732</u>	<u>940,515</u>	<u>979,000</u>
Total expenditures and transfers out requiring appropriation	<u>901,732</u>	<u>940,515</u>	<u>979,000</u>
ENDING FUND BALANCES	<u>\$ 1,337,828</u>	<u>\$ 1,603,465</u>	<u>\$ 1,831,630</u>
Emergency Reserve	\$ 3,900	\$ 5,000	\$ 4,900
Debt Service Reserve Fund	743,000	743,000	743,000
Surplus Fund	271,112	558,458	781,171
Operations Fee Fund Reserve	6,400	6,400	6,700
Available for Operations	313,416	290,607	295,859
TOTAL RESERVE	<u>\$ 1,337,828</u>	<u>\$ 1,603,465</u>	<u>\$ 1,831,630</u>

**CUNDALL FARMS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
ASSESSED VALUATION			
Residential	\$ 9,001,440	\$ 13,500,670	\$ 13,465,430
State assessed	210	2,940	4,560
Vacant land	1,683,260	29,230	29,220
Personal property	81,360	131,170	161,780
Oil & gas	20	40	50
Certified Assessed Value	<u>\$ 10,766,290</u>	<u>\$ 13,664,050</u>	<u>\$ 13,661,040</u>
MILL LEVY			
General	11.055	11.133	11.133
Debt Service	55.277	55.664	55.664
Total mill levy	<u>66.332</u>	<u>66.797</u>	<u>66.797</u>
PROPERTY TAXES			
General	\$ 119,021	\$ 152,122	\$ 152,088
Debt Service	595,128	760,596	760,428
Levied property taxes	<u>714,149</u>	<u>912,718</u>	<u>912,516</u>
Refunds and abatements	-	(984)	-
Budgeted property taxes	<u>\$ 714,149</u>	<u>\$ 911,734</u>	<u>\$ 912,516</u>
BUDGETED PROPERTY TAXES			
General	\$ 119,021	\$ 151,958	\$ 152,088
Debt Service	595,128	759,776	760,428
	<u>\$ 714,149</u>	<u>\$ 911,734</u>	<u>\$ 912,516</u>

**CUNDALL FARMS METROPOLITAN DISTRICT
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 23,242	\$ 19,008	\$ 48,260
REVENUES			
Interest Income	506	300	450
Property Taxes	119,021	151,958	152,088
Specific Ownership Taxes	9,533	12,170	10,646
Total revenues	<u>129,060</u>	<u>164,428</u>	<u>163,184</u>
Total funds available	<u>152,302</u>	<u>183,436</u>	<u>211,444</u>
EXPENDITURES			
Accounting	34,323	30,000	30,000
Audit	4,700	4,700	4,900
County Treasurer's Fees	1,786	2,279	2,281
Dues	543	638	750
Election Expense	-	5,660	-
Insurance	4,040	5,599	7,000
Legal	47,155	45,000	30,000
Miscellaneous	747	600	1,069
Repay Developer Advance	40,000	40,000	-
Website	-	700	2,000
Total expenditures	<u>133,294</u>	<u>135,176</u>	<u>78,000</u>
Total expenditures and transfers out requiring appropriation	<u>133,294</u>	<u>135,176</u>	<u>78,000</u>
ENDING FUND BALANCE	<u>\$ 19,008</u>	<u>\$ 48,260</u>	<u>\$ 133,444</u>
Emergency Reserve	\$ 3,900	\$ 5,000	\$ 4,900
Available for Operations	15,108	43,260	128,544
TOTAL RESERVE	<u>\$ 19,008</u>	<u>\$ 48,260</u>	<u>\$ 133,444</u>

**CUNDALL FARMS METROPOLITAN DISTRICT
OPERATIONS FEE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 365,426	\$ 304,708	\$ 253,747
REVENUES			
Interest Income	6,806	2,100	1,100
Operations Fees	206,103	210,000	204,168
Working Capital	-	-	18,000
Total revenues	<u>212,909</u>	<u>212,100</u>	<u>223,268</u>
Total funds available	<u>578,335</u>	<u>516,808</u>	<u>477,015</u>
EXPENDITURES			
General and Administrative			
Community Activities	8,607	5,000	12,000
District Management - Contract	22,436	20,000	18,000
District Management - Costs	-	5,000	5,000
Insurance	18,643	14,561	20,000
Legal	9,050	10,000	6,000
Miscellaneous	-	-	2,000
Postage and Delivery	3,917	-	-
Transfer Fees	2,400	-	-
Website	2,257	-	-
Holiday Lighting	499	-	5,000
Landscape Maintenance			
Sprinkler Repair	18,151	-	-
Landscape Maintenance - Contract	69,240	80,000	84,000
Landscape Replacements	20,080	25,000	35,000
Tree Replacements	-	-	-
Grounds and Park Maintenance			
Basketball Court Maintenance	-	2,500	4,000
Grounds Cleanup	892	-	-
Irrigation Repairs & Improvements	-	8,000	12,500
Grounds Maintenance	-	5,000	2,000
Lighting	688	2,500	4,000
Playground Inspection & Repair	-	2,500	4,000
Snow Removal	18,615	20,000	25,000
Utilities			
Electricity	2,496	3,000	4,500
Water	75,656	60,000	60,000
Total expenditures	<u>273,627</u>	<u>263,061</u>	<u>303,000</u>
Total expenditures and transfers out requiring appropriation	<u>273,627</u>	<u>263,061</u>	<u>303,000</u>
ENDING FUND BALANCE	<u>\$ 304,708</u>	<u>\$ 253,747</u>	<u>\$ 174,015</u>
Operations Fee Fund Reserve	\$ 6,400	\$ 6,400	\$ 6,700
Available for Operations	<u>298,308</u>	<u>247,347</u>	<u>167,315</u>
TOTAL RESERVE	<u>\$ 304,708</u>	<u>\$ 253,747</u>	<u>\$ 174,015</u>

No assurance provided. See summary of significant assumptions.

**CUNDALL FARMS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 844,491	\$ 1,014,112	\$ 1,301,458
REVENUES			
Property Taxes	595,128	759,776	760,428
Specific Ownership Taxes	47,670	60,848	53,230
Interest Income	21,634	9,000	7,055
Total revenues	<u>664,432</u>	<u>829,624</u>	<u>820,713</u>
Total funds available	<u>1,508,923</u>	<u>1,843,736</u>	<u>2,122,171</u>
EXPENDITURES			
General and Administrative			
County Treasurer's Fees	8,930	11,397	11,406
Paying Agent Fees	8,000	8,000	8,000
Contingency	-	-	4,181
Debt Service			
Bond Interest	477,881	447,881	474,413
Bond Principal	-	75,000	100,000
Total expenditures	<u>494,811</u>	<u>542,278</u>	<u>598,000</u>
Total expenditures and transfers out requiring appropriation	<u>494,811</u>	<u>542,278</u>	<u>598,000</u>
ENDING FUND BALANCE	<u>\$ 1,014,112</u>	<u>\$ 1,301,458</u>	<u>\$ 1,524,171</u>
Debt Service Reserve Fund	\$ 743,000	\$ 743,000	\$ 743,000
Surplus Fund	271,112	558,458	781,171
TOTAL RESERVE	<u>\$ 1,014,112</u>	<u>\$ 1,301,458</u>	<u>\$ 1,524,171</u>

**CUNDALL FARMS METROPOLITAN DISTRICT
2021 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 of Adams County, Colorado on December 1, 2009, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, fire protection, security, television relay and translation, and mosquito control.

The District is not authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City of Thornton. The District is not authorized to plan for, design acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City of Thornton.

On November 3, 2009, the District's voters authorized total indebtedness of \$130,000,000 for each of the above listed facilities, \$20,000,000 for both intergovernmental and private agreements and \$20,000,000 for refunding of debt. Pursuant to the service plan, the total debt that the District shall be permitted to issue shall not exceed \$20,000,000. Additionally, the maximum debt mill levy is 50.000 mills, which shall not be imposed for longer than 40 years from the first year the debt service mill levy is imposed unless a refunding of the debt has been voted upon. The election also approved an annual increase in property taxes of \$5,000,000 without limitation of rate, to pay the District's operation and maintenance costs.

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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**CUNDALL FARMS METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

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

Specific Ownership

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7.0% of the property taxes collected.

Operations Fee

The District collects a fee of \$47.00 per month from homeowners and a transfer fee of \$500 from each new homeowner at closing. The fees are used to cover the landscaping and maintenance costs of the District. The District has 362 homes.

Working Capital

The District collects a \$500 working capital fee upon the transfer of each residential unit.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately .5%.

Expenditures

Administrative Expenditures

Administration expenses include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, dues and other administrative expenses.

Maintenance Expenditures

Anticipated maintenance expenditures are shown on the Operations Fee Fund page of the budget. Homeowners will contract separately with the City for trash removal.

Debt and Leases

On December 14, 2017, the District issued its \$9,720,000 General Obligation Refunding Bonds, Series 2017A (2017A Bonds), its \$1,500,000 Subordinate Limited Tax General Obligation Improvement Bonds, Series 2017B (2017B Bonds) and its \$792,000 Limited Tax Junior Lien Subordinate General Obligation Bonds (2017C Bonds). The proceeds from the sale of the 2017A Bonds were applied to refunding the 2014 and 2016 Bonds of the District, paying the costs of issuing the 2017 Bonds and establishing a Reserve Fund in the amount of \$743,000. The proceeds from the sale of the 2017B Bonds were used to pay for the construction or reimbursement of public improvements and paying the costs of issuing the 2017B Bonds. The proceeds from the sale of the 2017C Bonds were used to pay for the construction or reimbursement of public improvements and paying certain costs of issuing the 2017C Bonds.

**CUNDALL FARMS METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The 2017A Bonds bear interest at 4.625% to 5.000%, payable semi-annually on June 1 and December 1, beginning on June 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2020. The 2017A Bonds mature on December 1, 2032 and December 1, 2047. The maximum amount of the Senior Surplus Fund is \$972,000.

The 2017B Bonds bear interest at 7.375% per annum, are payable annually from Subordinate Pledged Revenue, if any, on December 15, beginning on December 15, 2018, and mature on December 15, 2047. The 2017B Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Unpaid interest on the 2017B Bonds compounds annually on each December 15. The 2017B Bonds mature on December 15, 2047 and discharged on December 16, 2055, regardless of the amount of principal and interest paid on the 2017B Bonds prior to such Subordinate Termination Date.

The 2017C Bonds bear interest at the rate of 12.00% per annum, and are payable annually from Junior Subordinate Pledged Revenue, if any available, on each December 15, commencing on the first December 15 occurring after the 2017B Bonds have been paid in full or are no longer outstanding, and mature on December 15, 2049. The 2017C Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Unpaid interest on the 2017C Bonds compounds annually on each December 15. All of the 2017C Bonds and interest thereon will be deemed to be paid, satisfied and discharged on December 16, 2055, regardless of the amount of principal and interest paid on the 2017C Bonds prior to such Termination Date.

A debt service schedule for the 2017A Bonds is attached.

The District has no operating or capital leases.

Developer Advance

The District has outstanding Developer advances. The anticipated Developer advances are as follows:

	Balance - December 31, 2019	Additions	Retirement of Long-Term Obligations	Balance - December 31, 2020 *	Additions	Retirement of Long-Term Obligations	Balance - December 31, 2021 *
Developer Advances - Operations	164,941	-	15,650	149,291	-	-	149,291
Developer Advances - Capital	4,408,618	-	-	4,408,618	-	-	4,408,618
Accrued Interest - Developer Advances - Operations	17,697	12,608	24,350	5,955	11,943	-	17,898
Accrued Interest - Developer Advances - Capital	1,597,419	352,690	-	1,950,109	352,689	-	2,302,798
Total	<u>\$ 6,188,675</u>	<u>\$ 365,298</u>	<u>\$ 40,000</u>	<u>\$ 6,513,973</u>	<u>\$ 364,632</u>	<u>\$ -</u>	<u>\$ 6,878,605</u>

*Estimated balances

**CUNDALL FARMS METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Funds

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending, as defined under the TABOR Amendment. Such Emergency Reserve is an integral part of Ending Fund Balance for the District's operations.

Debt Service Reserve

The Senior Debt Service Reserve Requirement on the 2017 Bonds is \$743,000.

Operations Fee Fund Reserve

The District has provided a reserve for operating contingencies. This reserve is included as part of the District's Operations Fee Fund Balance.

This information is an integral part of the budget.

**CUNDALL FARMS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$9,720,000		
	General Obligation Bonds (Limited Tax Convertible to Unlimited Tax)		
	Series 2017A, Dated December 14, 2017		
	\$2,165,000 4.625% Term Bonds Due December 1, 2032		
	\$7,555,000 5.000% Term Bonds Due December 1, 2047		
	Interest Due June 1 and December 1		
	Principal Due December 1		
	Principal	Interest	Total
2021	\$ 100,000	\$ 474,413	\$ 574,413
2022	120,000	469,788	589,788
2023	125,000	464,238	589,238
2024	140,000	458,456	598,456
2025	145,000	451,981	596,981
2026	165,000	445,275	610,275
2027	175,000	437,644	612,644
2028	195,000	429,550	624,550
2029	205,000	420,531	625,531
2030	225,000	411,050	636,050
2031	235,000	400,644	635,644
2032	260,000	389,775	649,775
2033	270,000	377,750	647,750
2034	300,000	364,250	664,250
2035	310,000	349,250	659,250
2036	340,000	333,750	673,750
2037	360,000	316,750	676,750
2038	390,000	298,750	688,750
2039	410,000	279,250	689,250
2040	445,000	258,750	703,750
2041	465,000	236,500	701,500
2042	505,000	213,250	718,250
2043	530,000	188,000	718,000
2044	570,000	161,500	731,500
2045	600,000	133,000	733,000
2046	640,000	103,000	743,000
2047	1,420,000	71,000	1,491,000
	\$ 9,645,000	\$ 8,938,095	\$ 18,583,095

No assurance provided. See summary of significant assumptions.

**CUNDALL FARMS METROPOLITAN DISTRICT
RESOLUTION TO AMEND 2021 BUDGET**

WHEREAS, the Board of Directors of Cundall Farms Metropolitan District (the “**District**”) certifies that at a **special** meeting of the Board of Directors of the District held May 4, 2021, a public hearing was held regarding the 2021 amended budget, and, subsequent thereto, the following Resolution was adopted by affirmative vote of a majority of the Board of Directors:

WHEREAS, the Board of Directors of the District adopted a budget and appropriated funds for fiscal year 2021 as follows:

General Fund	\$78,000
Operations Fee Fund	\$303,000
Debt Service Fund	\$598,000
and;	

WHEREAS, the necessity has arisen for additional expenditures by the District due to additional costs which could not have been reasonably anticipated at the time of adoption of the budget, requiring the expenditure of funds in excess of those appropriated for fiscal year 2021; and

WHEREAS, funds are available for such expenditure.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District does hereby amend the adopted budget for fiscal year 2021 as follows:

Debt Service Fund	\$15,617,500
-------------------	--------------

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the funds named above for the purpose stated, and that any ending fund balances shall be reserved for purposes of complying with Article X, Section 20 of the Colorado Constitution.

[Remainder of page intentionally left blank.]

ADOPTED this 4th day of May, 2021.

**CUNDALL FARMS METROPOLITAN
DISTRICT**



Officer of the District

ATTEST:



Darren Fresquez (May 13, 2021 09:44 MDT)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

STATE OF COLORADO
COUNTY OF ADAMS
CUNDALL FARMS METROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a meeting held via teleconference on Tuesday, May 4, 2021 as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 4th day of May, 2021.



Darren Fresquez (May 13, 2021 09:44 MDT)

EXHIBIT E
2019 Audit

CUNDALL FARMS METROPOLITAN DISTRICT
Adams County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2019

**CUNDALL FARMS METROPOLITAN DISTRICT
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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cundall Farms Metropolitan District
Adams County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Cundall Farms Metropolitan District as of and for the year December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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• Member American Institute of Certified Public Accountants • Member Colorado Society of Certified Public Accountants •

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Cundall Farms Metropolitan District, as of December 31, 2019, and the respective changes in financial position and the budgetary comparisons for the General Fund and the Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cundall Farms Metropolitan District's basic financial statements. The budget to actual schedule for the Debt Service Fund (Supplementary Information), the Schedule of Debt Service Requirements to Maturity and the Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected (Other Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Daggio & Associates, P.C.

July 9, 2020

BASIC FINANCIAL STATEMENTS

**CUNDALL FARMS METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 311,058
Cash and Investments - Restricted	1,020,704
Accounts Receivable	10,998
Receivable from County Treasurer	4,449
Prepaid Expenses	27,107
Property Taxes Receivable	912,718
Capital Assets, Net of Accumulated Depreciation	215,503
Total Assets	2,502,537
DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding	929,858
Total Deferred Outflows of Resources	929,858
LIABILITIES	
Accounts Payable	24,550
Bond Interest Payable	39,823
Prepaid Operations Fees	11,938
Noncurrent Liabilities:	
Due Within One Year	75,000
Due in More Than One Year	18,680,827
Total Liabilities	18,832,138
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	912,718
Total Deferred Inflows of Resources	912,718
NET POSITION	
Net Investment in Capital Assets	(53,918)
Restricted For:	
Emergency Reserves	10,300
Debt Service	230,871
Unrestricted	(16,499,714)
Total Net Position	\$ (16,312,461)

See accompanying Notes to Basic Financial Statements.

**CUNDALL FARMS METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Government Activities:					
General Government	\$ 370,574	\$ 206,103	\$ -	\$ -	\$ (164,471)
Interest and Related Costs on Long-Term Debt	1,129,097	-	-	-	(1,129,097)
Conveyance of Capital Assets to Other Entities	12,125,543	-	-	-	(12,125,543)
Total Government Activities	\$ 13,625,214	\$ 206,103	\$ -	\$ -	(13,419,111)
 GENERAL REVENUES					
Property Taxes					714,149
Specific Ownership Taxes					57,203
Interest Income					28,946
Total General Revenues					800,298
 CHANGE IN NET POSITION					
					(12,618,813)
Net Position - Beginning of Year as Restated					(3,693,648)
 NET POSITION - END OF YEAR					
					\$ (16,312,461)

See accompanying Notes to Basic Financial Statements.

**CUNDALL FARMS METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	Special Revenue	Debt Service	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 20,835	\$ 290,223	\$ -	\$ 311,058
Cash and Investments - Restricted	3,900	6,400	1,010,404	1,020,704
Accounts Receivable	-	10,998	-	10,998
Receivable from County Treasurer	741	-	3,708	4,449
Prepaid Expenses	-	27,107	-	27,107
Property Taxes Receivable	152,122	-	760,596	912,718
	<u>\$ 177,598</u>	<u>\$ 334,728</u>	<u>\$ 1,774,708</u>	<u>\$ 2,287,034</u>
Total Assets				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 6,468	\$ 18,082	\$ -	\$ 24,550
Prepaid Operations Fees	-	11,938	-	11,938
Total Liabilities	<u>6,468</u>	<u>30,020</u>	<u>-</u>	<u>36,488</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	152,122	-	760,596	912,718
Total Deferred Inflows of Resources	<u>152,122</u>	<u>-</u>	<u>760,596</u>	<u>912,718</u>
FUND BALANCES				
Nonspendable	-	27,107	-	27,107
Restricted:				
Emergency Reserves	3,900	6,400	-	10,300
Debt Service	-	-	1,014,112	1,014,112
Committed:				
Operations - Fees	-	271,201	-	271,201
Unassigned	15,108	-	-	15,108
Total Fund Balances	<u>19,008</u>	<u>304,708</u>	<u>1,014,112</u>	<u>1,337,828</u>
	<u>\$ 177,598</u>	<u>\$ 334,728</u>	<u>\$ 1,774,708</u>	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances				

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets are reported as assets on the statement of net position but are recorded as expenditures in the funds.

Capital Assets, Net of Accumulated Depreciation 215,503

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	(12,012,000)
Bond Interest Payable	(482,372)
Cost of Refunding	929,858
Original Issue Premium	(112,603)
Developer Advances Payable	(4,573,559)
Accrued Interest on Developer Advances	(1,615,116)
	<u>(16,312,461)</u>

Net Position of Governmental Activities

\$ (16,312,461)

See accompanying Notes to Basic Financial Statements.

**CUNDALL FARMS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Debt Service	Total Governmental Funds
REVENUES				
Property Taxes	\$ 119,021	\$ -	\$ 595,128	\$ 714,149
Specific Ownership Taxes	9,533	-	47,670	57,203
Interest Income	506	6,806	21,634	28,946
Operations Fee	-	206,103	-	206,103
Total Revenues	<u>129,060</u>	<u>212,909</u>	<u>664,432</u>	<u>1,006,401</u>
EXPENDITURES				
General, Administrative, and Operations:				
Accounting	34,323	-	-	34,323
Audit	4,700	-	-	4,700
County Treasurer's Fees	1,786	-	8,930	10,716
Insurance	4,040	18,643	-	22,683
Dues	543	-	-	543
Legal	47,155	9,050	-	56,205
Miscellaneous	747	-	-	747
Grounds Cleanup	-	892	-	892
Holiday Lighting	-	499	-	499
Landscape Maintenance - Contract	-	69,240	-	69,240
Landscape Replacements	-	20,080	-	20,080
District Management	-	22,436	-	22,436
Facilities Management - Transfer Fee	-	2,400	-	2,400
Postage and Delivery	-	3,917	-	3,917
Community Activities	-	8,607	-	8,607
Sprinkler Repair	-	18,151	-	18,151
Snow Removal	-	18,615	-	18,615
Water	-	75,656	-	75,656
Lighting	-	688	-	688
Electric	-	2,496	-	2,496
Repay Developer Advance	40,000	-	-	40,000
Website	-	2,257	-	2,257
Debt Service:				
Paying Agent Fees	-	-	8,000	8,000
Bond Interest	-	-	477,881	477,881
Total Expenditures	<u>133,294</u>	<u>273,627</u>	<u>494,811</u>	<u>901,732</u>
NET CHANGE IN FUND BALANCES	(4,234)	(60,718)	169,621	104,669
Fund Balances - Beginning of Year	<u>23,242</u>	<u>365,426</u>	<u>844,491</u>	<u>1,233,159</u>
FUND BALANCES - END OF YEAR	<u>\$ 19,008</u>	<u>\$ 304,708</u>	<u>\$ 1,014,112</u>	<u>\$ 1,337,828</u>

See accompanying Notes to Basic Financial Statements.

**CUNDALL FARMS METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

Net Changes in Fund Balances - Total Governmental Funds \$ 104,669

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of any cost of any depreciable asset over the estimated useful life of the asset.

Conveyance of Capital Assets to Other Entities	(12,125,543)
Depreciation	(3,653)

Long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Repayment of Developer Advance - Interest	40,000
---	--------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Developer Advances - Change in Liability	(365,884)
Accrued Interest on Bonds - Change in Liability	(226,925)
Amortization of Bond Premium	5,715
Amortization of Deferred Cost of Refunding	(47,192)
	(423,286)

Change in Net Position of Governmental Activities	<u>\$ (12,618,813)</u>
---	------------------------

**CUNDALL FARMS METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 119,021	\$ 119,021	\$ 119,021	\$ -
Specific Ownership Taxes	7,141	7,141	9,533	2,392
Interest Income	786	786	506	(280)
Total Revenues	<u>126,948</u>	<u>126,948</u>	<u>129,060</u>	<u>2,112</u>
EXPENDITURES				
Current:				
Accounting	25,000	35,000	34,323	677
Audit	4,700	4,700	4,700	-
County Treasurer's Fees	1,785	1,786	1,786	-
Insurance	4,180	4,040	4,040	-
Dues	500	543	543	-
Legal	30,000	56,000	47,155	8,845
Miscellaneous	400	931	747	184
Contingency	3,435	-	-	-
Repay Developer Advance	40,000	40,000	40,000	-
Total Expenditures	<u>110,000</u>	<u>143,000</u>	<u>133,294</u>	<u>9,706</u>
NET CHANGE IN FUND BALANCE	16,948	(16,052)	(4,234)	11,818
Fund Balance - Beginning of Year	<u>21,255</u>	<u>23,242</u>	<u>23,242</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 38,203</u></u>	<u><u>\$ 7,190</u></u>	<u><u>\$ 19,008</u></u>	<u><u>\$ 11,818</u></u>

See accompanying Notes to Basic Financial Statements.

**CUNDALL FARMS METROPOLITAN DISTRICT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
REVENUES				
Interest Income	\$ 3,500	\$ 3,500	\$ 6,806	\$ 3,306
Operations Fee	233,802	233,802	206,103	(27,699)
Park Fees	1,000	1,000	-	(1,000)
Tree Replacement - KB Homes	20,000	20,000	-	(20,000)
Total Revenues	<u>258,302</u>	<u>258,302</u>	<u>212,909</u>	<u>(45,393)</u>
EXPENDITURES				
Current:				
Insurance	-	18,643	18,643	-
Legal	3,000	15,000	9,050	5,950
Miscellaneous	-	1,117	-	1,117
Grounds Cleanup	-	1,000	892	108
Holiday Lighting	3,000	5,000	499	4,501
Landscape Maintenance - Contract	48,900	79,740	69,240	10,500
Landscape Replacements	40,000	40,000	20,080	19,920
District Management	20,600	20,600	22,436	(1,836)
Facilities Management - Transfer Fee	20,000	10,000	2,400	7,600
Postage and Delivery	4,000	4,000	3,917	83
Community Activities	12,000	12,000	8,607	3,393
Sprinkler Repair	8,000	5,000	18,151	(13,151)
Snow Removal	20,000	26,000	18,615	7,385
Water	25,000	70,000	75,656	(5,656)
Tract Conveyance	1,200	-	-	-
Backflow Testing	1,200	1,200	-	1,200
Lighting	1,500	6,000	688	5,312
Electric	1,200	1,700	2,496	(796)
Website	-	-	2,257	(2,257)
Total Expenditures	<u>209,600</u>	<u>317,000</u>	<u>273,627</u>	<u>43,373</u>
NET CHANGE IN FUND BALANCE	48,702	(58,698)	(60,718)	(2,020)
Fund Balance - Beginning of Year	<u>310,972</u>	<u>365,426</u>	<u>365,426</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 359,674</u></u>	<u><u>\$ 306,728</u></u>	<u><u>\$ 304,708</u></u>	<u><u>\$ (2,020)</u></u>

See accompanying Notes to Basic Financial Statements.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 DEFINITION OF REPORTING ENTITY

Cundall Farms Metropolitan District (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court for the County of Adams, Colorado on December 16, 2009, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is located within the boundaries of the City of Thornton, Colorado.

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, fire protection, security, television relay and translation, and mosquito control.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements that provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Redemption of bonds is recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes and operations fees. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Fund accounts for the operations fees billed and collected from the homeowners of the District and expenses paid to cover landscaping and maintenance costs of the District.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2019.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Operations Fees

The District charges an operations fee to homeowners to cover costs related to district management and maintenance of district property and facilities. Excess fees at year-end are reflected as committed fund balance.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets that are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of the net investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Parks and Recreation	30 Years
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Amortization

Original Issue Premium

In the government-wide financial statements, bond premiums are deferred and amortized over the life of the bonds, using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, cost of refunding, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 311,058
Cash and Investments - Restricted	<u>1,020,704</u>
Total Cash and Investments	<u><u>\$ 1,331,762</u></u>

Cash and investments as of December 31, 2019, consist of the following:

Deposits with Financial Institutions	\$ 72,609
Investments	<u>1,259,153</u>
Total	<u><u>\$ 1,331,762</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2019, the District had a bank and a carrying balance of \$72,609.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2019, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 1,259,153

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in property for the period ended December 31, 2019, follows:

	Balance - December 31, 2018	Additions	Deletions / Reclassifications	Balance - December 31, 2019
<u>Governmental Type Activities</u>				
Capital Assets Not Being Depreciated:				
<i>Public improvements to be conveyed and/or awaiting formal acceptance from other governmental entities</i>	\$ 12,344,699	\$ -	\$ 12,344,699	\$ -
Total Capital Assets, Not Being Depreciated	<u>\$ 12,344,699</u>	<u>\$ -</u>	<u>\$ 12,344,699</u>	<u>\$ -</u>
Capital Assets, Being Depreciated:				
Parks and Recreation	-	219,156	-	219,156
Total Capital Assets, Being Depreciated	-	219,156	-	219,156
Less Accumulated Depreciation for:				
Parks and Recreation	-	(3,653)	-	(3,653)
Total Accumulated Depreciation	-	(3,653)	-	(3,653)
Total Capital Assets, Being Depreciated	-	215,503	-	215,503
Governmental Activities Capital Assets, Net	<u>\$ 12,344,699</u>	<u>\$ 215,503</u>	<u>\$ 12,344,699</u>	<u>\$ 215,503</u>

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term obligations for the year ended December 31, 2019:

	Balance - December 31, 2018	Additions	Retirement of Long-Term Obligations	Balance - December 31, 2019	Due Within One Year
G.O. Bonds - Series 2017A	\$ 9,720,000	\$ -	\$ -	\$ 9,720,000	\$ 75,000
G.O. Bonds - Series 2017B	1,500,000	-	-	1,500,000	-
G.O. Bonds - Series 2017C	792,000	-	-	792,000	-
Bond Premium	118,318	-	5,715	112,603	-
Accrued and Unpaid Interest - 2017B	115,883	119,550	-	235,433	-
Accrued and Unpaid Interest - 2017C	99,741	107,375	-	207,116	-
Developer Advances - Operations	164,941	-	-	164,941	-
Developer Advances - Capital	4,408,618	-	-	4,408,618	-
Accrued Interest - Developer Advances - Operations	44,502	13,195	40,000	17,697	-
Accrued Interest - Developer Advances - Capital	1,244,730	352,689	-	1,597,419	-
Total	<u>\$ 18,208,733</u>	<u>\$ 592,809</u>	<u>\$ 45,715</u>	<u>\$ 18,755,827</u>	<u>\$ 75,000</u>

\$9,720,000 Series 2017A General Obligation Refunding Bonds, \$1,500,000 Series 2017B Subordinate Limited Tax General Obligation Improvement Bonds, \$792,000 Series 2017C Limited Tax Junior Lien Subordinate General Obligation Bonds

On December 14, 2017, the District issued its \$9,720,000 General Obligation Refunding Bonds, Series 2017A (2017A Bonds), its \$1,500,000 Subordinate Limited Tax General Obligation Improvement Bonds, Series 2017B (2017B Bonds) and its \$792,000 Limited Tax Junior Lien Subordinate General Obligation Bonds (2017C Bonds). The proceeds from the sale of the 2017A Bonds were applied to refunding the 2014 and 2016 Bonds of the District, paying the costs of issuing the 2017 Bonds and establishing a Reserve Fund in the amount of \$743,000. The proceeds from the sale of the 2017B Bonds were used to pay for public improvements within the boundaries of the District and paying the costs of issuing the 2017B Bonds. The proceeds from the sale of the 2017C Bonds were used to pay for public improvements within the boundaries of the District and paying certain costs of issuing the 2017C Bonds.

The 2017A Bonds bear interest at 4.625% to 5.000%, payable semi-annually on June 1 and December 1, beginning on June 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2020. The 2017A Bonds mature on December 1, 2032 and December 1, 2047. The maximum amount of the Senior Surplus Fund is \$972,000.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$9,720,000 Series 2017A General Obligation Refunding Bonds, \$1,500,000 Series 2017B Subordinate Limited Tax General Obligation Improvement Bonds, \$792,000 Series 2017C Limited Tax Junior Lien Subordinate General Obligation Bonds (Continued)

The 2017A Bonds are subject to redemption prior to maturity, at the option of the District, as follows:

Date of Redemption	Redemption Premium
December 1, 2022, to November 30, 2023	3.00%
December 1, 2023, to November 30, 2024	2.00
December 1, 2024, to November 30, 2025	1.00
December 1, 2025, and thereafter	0.00

The 2017A Bonds are secured by and payable from Senior Pledged Revenue, consisting of monies derived by the District from the following sources, net of any costs of collection: 1) all Senior Property Tax Revenues; 2) all Senior Specific Ownership Tax Revenues; and 3) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The 2017B Bonds bear interest at 7.375% per annum, are payable annually from Subordinate Pledged Revenue, if any, on December 15, beginning on December 15, 2018, and mature on December 15, 2047. The 2017B Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Unpaid interest on the 2017B Bonds compounds annually on each December 15. The 2017B Bonds mature on December 15, 2047 and discharge on December 15, 2055, regardless of the amount of principal and interest paid on the 2017B Bonds prior to such Subordinate Termination Date.

The 2017B Bonds are subject to redemption prior to maturity, at the option of the District, as follows:

Date of Redemption	Redemption Premium
December 15, 2022, to December 14, 2023	3.00%
December 15, 2023, to December 14, 2024	2.00
December 15, 2024, to December 14, 2025	1.00
December 15, 2025, and thereafter	0.00

The 2017C Bonds bear interest at the rate of 12.00% per annum, and are payable annually from Junior Subordinate Pledged Revenue, if any available, on each December 15, commencing on the first December 15 occurring after the 2017B Bonds have been paid in full or are no longer outstanding, and mature on December 15, 2049. The 2017C Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Unpaid interest on the 2017C Bonds compounds annually on each December 15. All of the 2017C Bonds and interest thereon will be deemed to be paid, satisfied, and discharged on December 15, 2055, regardless of the amount of principal and interest paid on the 2017C Bonds prior to such Termination Date.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$9,720,000 Series 2017A General Obligation Refunding Bonds, \$1,500,000 Series 2017B Subordinate Limited Tax General Obligation Improvement Bonds, \$792,000 Series 2017C Limited Tax Junior Lien Subordinate General Obligation Bonds (Continued)

The 2017C Bonds are subject to redemption prior to maturity, at the option of the District, as follows:

Date of Redemption	Redemption Premium
December 15, 2022, to December 14, 2023	3.00%
December 15, 2023, to December 14, 2024	2.00
December 15, 2024, to December 14, 2025	1.00
December 15, 2025, and thereafter	0.00

The District's long-term obligations for the 2017A Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 75,000	\$ 477,881	\$ 552,881
2021	100,000	474,413	574,413
2022	120,000	469,788	589,788
2023	125,000	464,238	589,238
2024-2028	820,000	2,222,906	3,042,906
2029-2033	1,195,000	1,999,750	3,194,750
2034-2038	1,700,000	1,662,750	3,362,750
2039-2043	2,355,000	1,175,750	3,530,750
2044-2047	3,230,000	468,500	3,698,500
Total	<u>\$ 9,720,000</u>	<u>\$ 9,415,976</u>	<u>\$ 19,135,976</u>

Debt Authorization

On November 3, 2009, the District's voters authorized total indebtedness of \$125,000,000 for public improvements, \$5,000,000 for operations and maintenance, \$20,000,000 each for intergovernmental and private agreements, and \$20,000,000 for refunding of debt. Pursuant to the Service Plan, the total debt that the District shall be permitted to issue shall not exceed \$20,000,000. Additionally, the maximum debt mill levy is 50.000 mills, as adjusted for changes in the assessment ratio, which resulted in an increase to 55.664 mills, which shall not be imposed for longer than 40 years from the first year the debt service mill levy is imposed unless a refunding of debt has been voted upon. The final year to impose a debt service mill levy is 2054.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization (Continued)

At December 31, 2019, the District had authorized but unissued general obligation indebtedness in the following amounts for the following purposes:

	Authorized November 3, 2009 Election	Authorization Used Series 2014	Authorization Used Series 2016	Authorization Used Series 2017	Remaining at December 31, 2019
Streets	\$ 20,000,000	\$ 3,192,000	\$ 736,000	\$ 1,071,000	\$ 15,001,000
Parks and Recreation	20,000,000	307,000	70,000	102,000	19,521,000
Water	20,000,000	643,000	148,000	215,000	18,994,000
Sanitation/Storm Sewer	20,000,000	2,693,000	621,000	904,000	15,782,000
Transportation	5,000,000	-	-	-	5,000,000
Mosquito Control	5,000,000	-	-	-	5,000,000
Safety Protection	20,000,000	-	-	-	20,000,000
Fire Protection	5,000,000	-	-	-	5,000,000
Television and Relay	5,000,000	-	-	-	5,000,000
Security	5,000,000	-	-	-	5,000,000
Operations and Maintenance	5,000,000	-	-	-	5,000,000
Refunding of Debt	20,000,000	-	-	9,720,000	10,280,000
Governmental IGA's	20,000,000	-	-	-	20,000,000
Private IGA's	20,000,000	-	-	-	20,000,000
Total	<u>\$ 190,000,000</u>	<u>\$ 6,835,000</u>	<u>\$ 1,575,000</u>	<u>\$ 12,012,000</u>	<u>\$ 169,578,000</u>

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2019, the District had net investment in capital assets calculated as follows:

	Governmental Activities
Capital Assets, Net	\$ 215,503
Outstanding Long-Term Debt Applicable to Capital Assets	(213,249)
Unspent Bond Proceeds Applicable to Capital Assets	22,094
Outstanding Developer Advances Related to Capital Assets	(78,266)
Net Investment in Capital Assets	<u>\$ (53,918)</u>

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 6 NET POSITION (CONTINUED)

The District's restricted net position as of December 31, 2019 is as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserve	\$ 10,300
Debt Service	230,871
Total	\$ 241,171

The District has a deficit in unrestricted net position. This deficit amount was a result of the District being responsible for the financing and repayment of debt obligations and advances for the construction of public improvements conveyed to other governmental entities.

NOTE 7 AGREEMENTS

Funding and Reimbursement Agreement

On November 28, 2012, the Funding and Reimbursement Agreement was entered into between Cundall Farms Metropolitan District (the District) and Cundall Farms, LLC (the Developer). The agreement provides that the Developer will advance to the District funds required by the District for the District's permitted purposes. The Developer agrees to loan to the District an amount that does not exceed the aggregate of \$100,000 per annum for five years, up to \$500,000. Developer advances will accrue simple interest at a rate of 8% per annum, from the date any such advance is made, to the earlier of the date the Reimbursement Obligation is issued to evidence such advance, or the date of repayment of such amount. The term for repayment of this obligation shall not extend beyond forty (40) years from the date of this agreement.

As of December 31, 2019, \$164,941 was outstanding with accrued interest of \$17,697.

Operations Shortfall Funding Agreement

On March 3, 2016, the District and KB Homes Colorado Inc. (the Homebuilder) entered into an Operations Shortfall Funding Agreement (the Operations Shortfall Funding Agreement). Pursuant to the Operations Shortfall Funding Agreement, the Homebuilder agrees to pay to the District, in the time and manner set forth in the Operations Shortfall Funding Agreement, amounts sufficient to pay the Operations Costs Shortfall (defined generally as the difference between the District's operations revenue available to pay operations costs and the actual operations costs) for calendar years 2015 through 2019. The Operations Shortfall Funding Agreement provides that all amounts funded by the Homebuilder to pay Operations Costs Shortfalls are deemed to be a contribution to the District by the Homebuilder, and there will be no obligation, present or future, of the District to pay or reimburse the Homebuilder. No amounts have been contributed by the Homebuilder as of December 31, 2019.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 7 AGREEMENTS (CONTINUED)

Infrastructure Acquisition and Reimbursement Agreement

On November 28, 2012, the Infrastructure Acquisition and Reimbursement Agreement was made and entered into between the District and the Developer. The Developer has incurred certain costs related to the Public Infrastructure for the benefit of the District, and expects to incur additional costs related thereto, on the condition that the District agrees to reimburse the Developer for all District Eligible Costs to the extent constituting Repayment Obligations, acquire any such Public Infrastructure constructed for the benefit of the District from the Developer that is not being dedicated to other governmental entities, and to pay all reasonable costs related thereto, and to reimburse the Developer for any costs incurred by the Developer for Public Infrastructure that is being dedicated to third parties. Repayment Obligation shall bear simple interest at a rate of 8% per annum from the date any such Repayment Obligation is incurred to the earlier of the date a Reimbursement Obligation is issued, or the date of payment of such amount in full.

As of December 31, 2019, \$4,408,618 was outstanding with accrued interest of \$1,597,419.

Intergovernmental Agreement with the City of Thornton

On June 7, 2012, the Intergovernmental Agreement (IGA) was made, and entered into, between the District and the City of Thornton. The IGA defines and clarifies the services that the District may provide, as well as those services that the District is prohibited from providing. The IGA defines and clarifies the limits on revenue sources for the District. Under the IGA, the District shall not exercise its City sales and use tax exemption.

NOTE 8 RELATED PARTIES

The Developer of the property that constitutes the District is Cundall Farms, LLC. As of December 31, 2019 certain members of the Board of Directors are employees, owners or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

The Homebuilder of the project is KB Homes Colorado Inc. and as of December 31, 2019, certain Board members are employees, owners, or otherwise associated with the Homebuilder, and may have conflicts of interest in dealing with the District.

NOTE 9 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 9 RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for liability, property, workers compensation, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds that the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 3, 2009, the District's voters approved for an annual increase in taxes of \$5,000,000 for general operations and maintenance without limitation of rate. This election question allowed the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**CUNDALL FARMS METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual	Variance - Positive (Negative)
REVENUES			
Property Taxes	\$ 595,128	\$ 595,128	\$ -
Specific Ownership Taxes	35,708	47,670	11,962
Interest Income	14,000	21,634	7,634
Total Revenues	<u>644,836</u>	<u>664,432</u>	<u>19,596</u>
EXPENDITURES			
Paying Agent Fees	3,000	8,000	(5,000)
County Treasurer's Fees	8,927	8,930	(3)
Bond Interest	477,881	477,881	-
Contingency	10,192	-	10,192
Total Expenditures	<u>500,000</u>	<u>494,811</u>	<u>5,189</u>
NET CHANGE IN FUND BALANCE	144,836	169,621	24,785
Fund Balance - Beginning of Year	<u>846,857</u>	<u>844,491</u>	<u>(2,366)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 991,693</u></u>	<u><u>\$ 1,014,112</u></u>	<u><u>\$ 22,419</u></u>

OTHER INFORMATION

**CUNDALL FARMS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2019**

<u>Bonds and Interest Maturing in the Year Ending December 31.</u>	\$9,720,000 General Obligation Bonds (Limited Tax Convertible to Unlimited Tax) Series 2017A, Dated December 14, 2017 \$2,165,000 4.625% Term Bonds Due December 1, 2032 \$7,555,000 5.000% Term Bonds Due December 1, 2047 Interest Due June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
2020	\$ 75,000	\$ 477,881	\$ 552,881
2021	100,000	474,413	574,413
2022	120,000	469,788	589,788
2023	125,000	464,238	589,238
2024	140,000	458,456	598,456
2025	145,000	451,981	596,981
2026	165,000	445,275	610,275
2027	175,000	437,644	612,644
2028	195,000	429,550	624,550
2029	205,000	420,531	625,531
2030	225,000	411,050	636,050
2031	235,000	400,644	635,644
2032	260,000	389,775	649,775
2033	270,000	377,750	647,750
2034	300,000	364,250	664,250
2035	310,000	349,250	659,250
2036	340,000	333,750	673,750
2037	360,000	316,750	676,750
2038	390,000	298,750	688,750
2039	410,000	279,250	689,250
2040	445,000	258,750	703,750
2041	465,000	236,500	701,500
2042	505,000	213,250	718,250
2043	530,000	188,000	718,000
2044	570,000	161,500	731,500
2045	600,000	133,000	733,000
2046	640,000	103,000	743,000
2047	1,420,000	71,000	1,491,000
Total	\$ 9,720,000	\$ 9,415,976	\$ 19,135,976

**CUNDALL FARMS METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2019**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		General	Debt Service	Levied	Collected	
2015	\$ 47,800	10.000	50.000	\$ 2,868	\$ 2,556	89.12%
2016	768,070	10.000	50.000	46,085	46,084	100.00
2017	2,926,660	10.000	50.000	175,600	175,600	100.00
2018	9,100,660	11.055	55.277	603,665	602,577	99.82
2019	10,766,290	11.055	55.277	714,149	714,149	100.00
Estimated for the Year Ending December 31, 2020	\$ 13,664,050	11.133	55.664	\$ 912,718		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.

CUNDALL FARMS METROPOLITAN DISTRICT CONTRACT

Name of Contractor/Provider/Consultant: Axe Whooping

Title of Agreement/Contract: Mobile Axe Throwing

Agreement/Contract Date: June 26, 2021

This Contract (“Agreement”) is made by and between Cundall Farms Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”) and the above-referenced contractor, provider, or other consultant (the “Contractor”).

Introduction. The District and the Contractor desire to enter into this Contract to be effective the date above.

1. Scope of Services. The Contractor shall perform the services set forth in **Exhibit A** (the “Services”): (a) in a first-class manner, to the satisfaction of the District, using the degree of skill and knowledge customarily employed by other professionals performing similar services; (b) within the time period specified in the Agreement; (c) in such a manner as to minimize any annoyance, interference or disruption to the residents, tenants, occupants and invitees within the District; and (d) in compliance with all applicable federal, state, county and local or municipal statutes, ordinances and regulations.

2. Compensation of Services. Compensation for the Services provided under this Agreement shall be provided in accordance with the compensation schedule attached hereto as **Exhibit A**. The Contractor shall be responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as provided herein, unless said reimbursement or compensation is approved in writing by the District in advance of incurring such expenses. Exhibit A may take any form. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in Exhibit A, the terms in the body of this Agreement shall govern.

3. Repairs/Claims. The Contractor shall notify the District immediately, in writing, of any and all incidents/accidents which result in injury or property damage. The Contractor will promptly repair or, at the District’s option, reimburse the District for the repair of any damage to District property caused by the Contractor or its employees, agents or equipment.

4. Independent Contractor. The Contractor is an independent contractor and nothing herein shall constitute or designate the Contractor or any of its employees or agents as employees or agents of the District. The Contractor is not entitled to workers’ compensation benefits or unemployment insurance benefits and the District will not provide any insurance coverage or employment benefits of any kind or type to or for the Contractor or its employees, sub-consultants, contractors, agents, or representatives. The Contractor shall have full power and authority to select the means, manner and method of performing its duties under this Agreement, without detailed control or direction from the District, and shall be responsible for supervising its own employees or subcontractors. The District is concerned only with the results to be obtained.

5. Prohibitions on Public Contracts for Services. The Contractor shall comply with the provisions of §§ 8-17.5-101, *et seq.*, C.R.S., and certifies that Contractor is in compliance with the provisions of this law as evidenced by Contractor’s signature below. Contractor’s violation of the requirements of §§ 8-17.5-101, *et seq.*, C.R.S. is grounds for termination of the Agreement and may subject the Contractor to actual and consequential damages.

The Contractor affirmatively makes the follow declarations:

a. The Contractor shall not knowingly employ or contract with an illegal alien who will perform work under the public contract for services contemplated in the Agreement and will participate in the E-

Verify Program or Department Program (as defined in §8-17.5-101, C.R.S.) in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services contemplated herein.

b. The Contractor shall not knowingly enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform the services contemplated in the Agreement.

c. The Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services through participation in either the E-Verify Program or the Department Program.

d. The Contractor is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is being performed.

e. If the Contractor obtains actual knowledge that a subcontractor performing the services under the Agreement knowingly employs or contracts with an illegal alien, the Contractor shall be required to:

i. Notify the subcontractor and the District within three (3) days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien.

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

f. The Contractor shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that such Department is undertaking pursuant to the authority established in §8-17.5-102, C.R.S.

6. Contractor's Insurance. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of the Agreement, the following insurance coverage: (i) Standard worker's compensation and employer's liability insurance covering all employees of Contractor involved with the performance of the services, with policy amounts and coverage in compliance with law; (ii) Commercial General Liability Insurance with minimum limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 general aggregate (iii) Comprehensive Automobile Liability Insurance covering all owned, non-owned and hired automobiles used in connection with the performance of the services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage, and (iv) any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the District may carry, and any insurance maintained by the District shall be considered excess. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the District as an additional insured. The Contractor's failure to purchase the required insurance shall not serve to release it from any obligations; nor shall the purchase of the required insurance serve to limit the Contractor's liability. The Contractor shall be responsible for the payment of any deductibles on issued policies.

7. Indemnification. The Contractor shall defend, indemnify and hold harmless the District and each of its directors, officers, contractors, employees, agents and consultants, from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses, including legal expenses and attorneys' fees, arising directly or indirectly out of the errors or omissions, negligence, willful misconduct, or

any criminal or tortious act or omission of the Contractor or any of its subcontractors, officers, agents or employees. The Contractor is not obligated to indemnify the District for the District's own negligence. This indemnification obligation will not be limited in any way by any limitation on the amount or types of damages, compensation or benefits payable by or for the Contractor under worker's compensation acts, disability acts or other employee benefit acts. Such indemnity shall survive the expiration or termination of this Agreement. To the extent the District is or may be obligated to indemnify, defend, or hold Contractor harmless under the terms of the Agreement, any such indemnification obligation shall arise only to the extent permitted by applicable law and shall be limited solely to sums lawfully appropriated for such purpose in accordance with this Agreement.

8. Termination. This Agreement may be terminated by either party for cause or for convenience upon ten (10) days prior written notice to the other party. If the Agreement is terminated, the Contractor shall be paid for all Services satisfactorily performed prior to the designated termination date, including reimbursable expenses due. Said payment shall be made in the normal course of business.

9. Governing Law / Disputes. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions shall be in the District Court in and for the county in which the District is located.

10. Subject to 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. The obligations of the District under this Agreement is subject to annual budgeting and appropriations, and the Contractor expressly understands and agrees that the decision whether or not to budget and appropriate funds is within the discretion of District's governing body, and the obligations of the District shall extend only to monies appropriated for the purposes of this Agreement and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. The District and Contractor understand and intend that the Districts' obligation to make payments and pay other amounts due under the Agreement shall constitute a current expense and shall not in any way be construed to be a debt in contravention of any applicable constitutional or statutory limitations or requirements.

11. Governmental Immunity. Nothing in this Agreement 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 §§ 24-10-101, *et seq.*, C.R.S.

12. Remedies. To the extent the Contractor's remedies for a District default under the Agreement include any right to accelerate amounts to become due under the Agreement, such acceleration shall be limited solely to sums lawfully appropriated for such purpose and shall further be limited to amounts to become due during the District's then current fiscal period.

13. Negotiated Provisions. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being acknowledged that each party has contributed substantially and materially to the preparation of this Agreement.

14. Severability. If any portion of this Agreement is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

15. Miscellaneous. This Agreement constitutes the entire agreement between the parties with respect to the matters addressed herein, and shall supersede all prior oral or written negotiations, understandings and commitments.

16. Counterpart Execution. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

District: By: _____ Name: _____ Title: _____	Contractor: By: <u>Axe Whooping</u> Name: <u>Curtis Roundtree</u> Title: <u>Owner</u>
--	---

15. Miscellaneous. This Agreement constitutes the entire agreement between the parties with respect to the matters addressed herein, and shall supersede all prior oral or written negotiations, understandings and commitments.

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By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

District: By: <u><i>David J. Scott</i></u> Name: <u>David Scott</u> Title: <u>President</u>	Contractor: By: _____ Name: _____ Title: _____
---	--

Exhibit A
Scope of Services/Compensation Schedule

Mobile Axe Throwing

Date: Jun 26, 2021 4:00 PM

\$599.99

Cancellation Policy: Due to limited availability, we request that you cancel at least 48 hours before a scheduled reservation. This gives us the opportunity to fill the axe throwing lane. You may cancel by phone or online here. If you have to cancel your reservation, we offer you a credit voucher if you cancel before the 48 hours, but do not offer refunds. You may use this voucher towards any future Axe Whooping reservation. However, if you do not cancel prior to the 48 hours, you will lose your deposit for the reservation, but we will still provide you with a voucher for any amount paid above the required deposit.

CUNDALL FARMS METROPOLITAN DISTRICT CONTRACT

Name of Contractor/Provider/Consultant: Lighting Mobile Electric
Title of Agreement/Contract: LED HID replacement lamps
Agreement/Contract Date: June 18, 2021

This Contract (“Agreement”) is made by and between Cundall Farms Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”) and the above-referenced contractor, provider, or other consultant (the “Contractor”).

Introduction. The District and the Contractor desire to enter into this Contract to be effective the date above.

1. Scope of Services. The Contractor shall perform the services set forth in **Exhibit A** (the “Services”): (a) in a first-class manner, to the satisfaction of the District, using the degree of skill and knowledge customarily employed by other professionals performing similar services; (b) within the time period specified in the Agreement; (c) in such a manner as to minimize any annoyance, interference or disruption to the residents, tenants, occupants and invitees within the District; and (d) in compliance with all applicable federal, state, county and local or municipal statutes, ordinances and regulations.

2. Compensation of Services. Compensation for the Services provided under this Agreement shall be provided in accordance with the compensation schedule attached hereto as **Exhibit A**. The Contractor shall be responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as provided herein, unless said reimbursement or compensation is approved in writing by the District in advance of incurring such expenses. Exhibit A may take any form. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in Exhibit A, the terms in the body of this Agreement shall govern.

3. Repairs/Claims. The Contractor shall notify the District immediately, in writing, of any and all incidents/accidents which result in injury or property damage. The Contractor will promptly repair or, at the District’s option, reimburse the District for the repair of any damage to District property caused by the Contractor or its employees, agents or equipment.

4. Independent Contractor. The Contractor is an independent contractor and nothing herein shall constitute or designate the Contractor or any of its employees or agents as employees or agents of the District. The Contractor is not entitled to workers’ compensation benefits or unemployment insurance benefits and the District will not provide any insurance coverage or employment benefits of any kind or type to or for the Contractor or its employees, sub-consultants, contractors, agents, or representatives. The Contractor shall have full power and authority to select the means, manner and method of performing its duties under this Agreement, without detailed control or direction from the District, and shall be responsible for supervising its own employees or subcontractors. The District is concerned only with the results to be obtained.

5. Prohibitions on Public Contracts for Services. The Contractor shall comply with the provisions of §§ 8-17.5-101, *et seq.*, C.R.S., and certifies that Contractor is in compliance with the provisions of this law as evidenced by Contractor’s signature below. Contractor’s violation of the requirements of §§ 8-17.5-101, *et seq.*, C.R.S. is grounds for termination of the Agreement and may subject the Contractor to actual and consequential damages.

The Contractor affirmatively makes the follow declarations:

a. The Contractor shall not knowingly employ or contract with an illegal alien who will perform work under the public contract for services contemplated in the Agreement and will participate in the E-Verify Program or Department Program (as defined in §8-17.5-101, C.R.S.) in order to confirm the employment

eligibility of all employees who are newly hired for employment to perform work under the public contract for services contemplated herein.

b. The Contractor shall not knowingly enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform the services contemplated in the Agreement.

c. The Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services through participation in either the E-Verify Program or the Department Program.

d. The Contractor is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is being performed.

e. If the Contractor obtains actual knowledge that a subcontractor performing the services under the Agreement knowingly employs or contracts with an illegal alien, the Contractor shall be required to:

i. Notify the subcontractor and the District within three (3) days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien.

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

f. The Contractor shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that such Department is undertaking pursuant to the authority established in §8-17.5-102, C.R.S.

6. Contractor's Insurance. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of the Agreement, the following insurance coverage: (i) Standard worker's compensation and employer's liability insurance covering all employees of Contractor involved with the performance of the services, with policy amounts and coverage in compliance with law; (ii) Commercial General Liability Insurance with minimum limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 general aggregate (iii) Comprehensive Automobile Liability Insurance covering all owned, non-owned and hired automobiles used in connection with the performance of the services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage, and (iv) any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the District may carry, and any insurance maintained by the District shall be considered excess. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the District as an additional insured. The Contractor's failure to purchase the required insurance shall not serve to release it from any obligations; nor shall the purchase of the required insurance serve to limit the Contractor's liability. The Contractor shall be responsible for the payment of any deductibles on issued policies.

7. Indemnification. The Contractor shall defend, indemnify and hold harmless the District and each of its directors, officers, contractors, employees, agents and consultants, from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses, including legal expenses and attorneys' fees, arising directly or indirectly out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Contractor or any of its subcontractors, officers, agents or

employees. The Contractor is not obligated to indemnify the District for the District's own negligence. This indemnification obligation will not be limited in any way by any limitation on the amount or types of damages, compensation or benefits payable by or for the Contractor under worker's compensation acts, disability acts or other employee benefit acts. Such indemnity shall survive the expiration or termination of this Agreement. To the extent the District is or may be obligated to indemnify, defend, or hold Contractor harmless under the terms of the Agreement, any such indemnification obligation shall arise only to the extent permitted by applicable law and shall be limited solely to sums lawfully appropriated for such purpose in accordance with this Agreement.

8. Termination. This Agreement may be terminated by either party for cause or for convenience upon ten (10) days prior written notice to the other party. If the Agreement is terminated, the Contractor shall be paid for all Services satisfactorily performed prior to the designated termination date, including reimbursable expenses due. Said payment shall be made in the normal course of business.

9. Governing Law / Disputes. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions shall be in the District Court in and for the county in which the District is located.

10. Subject to 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. The obligations of the District under this Agreement is subject to annual budgeting and appropriations, and the Contractor expressly understands and agrees that the decision whether or not to budget and appropriate funds is within the discretion of District's governing body, and the obligations of the District shall extend only to monies appropriated for the purposes of this Agreement and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. The District and Contractor understand and intend that the Districts' obligation to make payments and pay other amounts due under the Agreement shall constitute a current expense and shall not in any way be construed to be a debt in contravention of any applicable constitutional or statutory limitations or requirements.

11. Governmental Immunity. Nothing in this Agreement 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 §§ 24-10-101, *et seq.*, C.R.S.

12. Remedies. To the extent the Contractor's remedies for a District default under the Agreement include any right to accelerate amounts to become due under the Agreement, such acceleration shall be limited solely to sums lawfully appropriated for such purpose and shall further be limited to amounts to become due during the District's then current fiscal period.

13. Negotiated Provisions. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being acknowledged that each party has contributed substantially and materially to the preparation of this Agreement.

14. Severability. If any portion of this Agreement is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

15. Miscellaneous. This Agreement constitutes the entire agreement between the parties with respect to the matters addressed herein, and shall supersede all prior oral or written negotiations, understandings and commitments.

16. Counterpart Execution. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

District: By: <u><i>David J. Scott</i></u> Name: <u>David Scott</u> Title: <u>President</u>	Contractor: By: <u><i>Mark Bires</i></u> Name: <u>Mark Bires</u> Title: <u>Service Manager</u>
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Exhibit A
Scope of Services/Compensation Schedule



Customer: Trailside Community Park
Address: _____

Contact: Brad Nelson
Phone: _____
Email: Bnelsonco@gmail.com

Job Name: Trailside Community Park
Josephine St
Brighton, CO 80602
Quote No#: 1020
Quote Date: 6/15/2021
Quotes Expires: 8/14/2021

JOB DESCRIPTION

(8) Park Lights @ 15ft, bypass ballast install new LED HID replacement lamp.
 (11) Running Path Lights @ 25ft, bypass ballast install new LED HID replacement lamp, re-paint backshields black as needed.

TOTAL \$ 6,280.00

TERMS & CONDITIONS

Quote subject to change upon actual quantities. All rebates are estimated to be approved by rebate payer. Quote does not include sales tax and/or freight. Includes Lamp and Ballast recycle. All work has a 1 year quality and craftsmanship warranty.

Mark Bires, Lightning Mobile Electric, LLC

Please remit to:
 Lightning Mobile Electric, LLC
 260 East 54th Avenue
 Denver, CO 80216
 Phone: 303-595-9559
 Email: mark.bires@lme-co.com

SIGNATURES

David Scott

 Please Sign (Shows Approval)

 David Scott

 Please Print Above Name

6/29/2021

 Date

CUNDALL FARMS METROPOLITAN DISTRICT CONTRACT

Name of Contractor/Provider/Consultant: CO Smart Landscape

Title of Agreement/Contract: Tree watering

Agreement/Contract Date: June 18, 2021

This Contract (“Agreement”) is made by and between Cundall Farms Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”) and the above-referenced contractor, provider, or other consultant (the “Contractor”).

Introduction. The District and the Contractor desire to enter into this Contract to be effective the date above.

1. Scope of Services. The Contractor shall perform the services set forth in **Exhibit A** (the “Services”): (a) in a first-class manner, to the satisfaction of the District, using the degree of skill and knowledge customarily employed by other professionals performing similar services; (b) within the time period specified in the Agreement; (c) in such a manner as to minimize any annoyance, interference or disruption to the residents, tenants, occupants and invitees within the District; and (d) in compliance with all applicable federal, state, county and local or municipal statutes, ordinances and regulations.

2. Compensation of Services. Compensation for the Services provided under this Agreement shall be provided in accordance with the compensation schedule attached hereto as **Exhibit A**. The Contractor shall be responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as provided herein, unless said reimbursement or compensation is approved in writing by the District in advance of incurring such expenses. Exhibit A may take any form. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in Exhibit A, the terms in the body of this Agreement shall govern.

3. Repairs/Claims. The Contractor shall notify the District immediately, in writing, of any and all incidents/accidents which result in injury or property damage. The Contractor will promptly repair or, at the District’s option, reimburse the District for the repair of any damage to District property caused by the Contractor or its employees, agents or equipment.

4. Independent Contractor. The Contractor is an independent contractor and nothing herein shall constitute or designate the Contractor or any of its employees or agents as employees or agents of the District. The Contractor is not entitled to workers’ compensation benefits or unemployment insurance benefits and the District will not provide any insurance coverage or employment benefits of any kind or type to or for the Contractor or its employees, sub-consultants, contractors, agents, or representatives. The Contractor shall have full power and authority to select the means, manner and method of performing its duties under this Agreement, without detailed control or direction from the District, and shall be responsible for supervising its own employees or subcontractors. The District is concerned only with the results to be obtained.

5. Prohibitions on Public Contracts for Services. The Contractor shall comply with the provisions of §§ 8-17.5-101, *et seq.*, C.R.S., and certifies that Contractor is in compliance with the provisions of this law as evidenced by Contractor’s signature below. Contractor’s violation of the requirements of §§ 8-17.5-101, *et seq.*, C.R.S. is grounds for termination of the Agreement and may subject the Contractor to actual and consequential damages.

The Contractor affirmatively makes the follow declarations:

a. The Contractor shall not knowingly employ or contract with an illegal alien who will perform work under the public contract for services contemplated in the Agreement and will participate in the E-Verify Program or Department Program (as defined in §8-17.5-101, C.R.S.) in order to confirm the employment

eligibility of all employees who are newly hired for employment to perform work under the public contract for services contemplated herein.

b. The Contractor shall not knowingly enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform the services contemplated in the Agreement.

c. The Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services through participation in either the E-Verify Program or the Department Program.

d. The Contractor is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is being performed.

e. If the Contractor obtains actual knowledge that a subcontractor performing the services under the Agreement knowingly employs or contracts with an illegal alien, the Contractor shall be required to:

i. Notify the subcontractor and the District within three (3) days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien.

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

f. The Contractor shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that such Department is undertaking pursuant to the authority established in §8-17.5-102, C.R.S.

6. Contractor's Insurance. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of the Agreement, the following insurance coverage: (i) Standard worker's compensation and employer's liability insurance covering all employees of Contractor involved with the performance of the services, with policy amounts and coverage in compliance with law; (ii) Commercial General Liability Insurance with minimum limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 general aggregate (iii) Comprehensive Automobile Liability Insurance covering all owned, non-owned and hired automobiles used in connection with the performance of the services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage, and (iv) any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the District may carry, and any insurance maintained by the District shall be considered excess. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the District as an additional insured. The Contractor's failure to purchase the required insurance shall not serve to release it from any obligations; nor shall the purchase of the required insurance serve to limit the Contractor's liability. The Contractor shall be responsible for the payment of any deductibles on issued policies.

7. Indemnification. The Contractor shall defend, indemnify and hold harmless the District and each of its directors, officers, contractors, employees, agents and consultants, from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses, including legal expenses and attorneys' fees, arising directly or indirectly out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Contractor or any of its subcontractors, officers, agents or

employees. The Contractor is not obligated to indemnify the District for the District's own negligence. This indemnification obligation will not be limited in any way by any limitation on the amount or types of damages, compensation or benefits payable by or for the Contractor under worker's compensation acts, disability acts or other employee benefit acts. Such indemnity shall survive the expiration or termination of this Agreement. To the extent the District is or may be obligated to indemnify, defend, or hold Contractor harmless under the terms of the Agreement, any such indemnification obligation shall arise only to the extent permitted by applicable law and shall be limited solely to sums lawfully appropriated for such purpose in accordance with this Agreement.

8. Termination. This Agreement may be terminated by either party for cause or for convenience upon ten (10) days prior written notice to the other party. If the Agreement is terminated, the Contractor shall be paid for all Services satisfactorily performed prior to the designated termination date, including reimbursable expenses due. Said payment shall be made in the normal course of business.

9. Governing Law / Disputes. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions shall be in the District Court in and for the county in which the District is located.

10. Subject to 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. The obligations of the District under this Agreement is subject to annual budgeting and appropriations, and the Contractor expressly understands and agrees that the decision whether or not to budget and appropriate funds is within the discretion of District's governing body, and the obligations of the District shall extend only to monies appropriated for the purposes of this Agreement and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. The District and Contractor understand and intend that the Districts' obligation to make payments and pay other amounts due under the Agreement shall constitute a current expense and shall not in any way be construed to be a debt in contravention of any applicable constitutional or statutory limitations or requirements.

11. Governmental Immunity. Nothing in this Agreement 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 §§ 24-10-101, *et seq.*, C.R.S.

12. Remedies. To the extent the Contractor's remedies for a District default under the Agreement include any right to accelerate amounts to become due under the Agreement, such acceleration shall be limited solely to sums lawfully appropriated for such purpose and shall further be limited to amounts to become due during the District's then current fiscal period.

13. Negotiated Provisions. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being acknowledged that each party has contributed substantially and materially to the preparation of this Agreement.

14. Severability. If any portion of this Agreement is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

15. Miscellaneous. This Agreement constitutes the entire agreement between the parties with respect to the matters addressed herein, and shall supersede all prior oral or written negotiations, understandings and commitments.

16. Counterpart Execution. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

District: By: <u><i>David J. Scott</i></u> Name: <u>David Scott</u> Title: <u>President</u>	Contractor: By: _____ Name: _____ Title: _____
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15. Miscellaneous. This Agreement constitutes the entire agreement between the parties with respect to the matters addressed herein, and shall supersede all prior oral or written negotiations, understandings and commitments.

16. Counterpart Execution. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

District:	Contractor:
By: _____	By: <u>Luis Camilo</u>
Name: _____	Name: <u>Ce smart landscape</u>
Title: _____	Title: <u>owner</u>

Exhibit A
Scope of Services/Compensation Schedule

CO SMART LANDSCAPE PROPOSAL FOR SERVICES

720-323-7384 720-229-2433

NEEDS ASSESSMENT

- Need #1: Newly planted trees are not being properly irrigated and are dry
- Need #2: recommend hand watering until roots set in and high temperatures subside

ESTIMATE

The following table details the pricing for delivery of the services outlined in this proposal. This pricing is valid for 15 days from the date of this proposal:

Services Cost Category #1	Price
Water all newly planted trees and bushes in the common areas two times per month.	\$3000
Work to start June 14 th , 2021	
Proposal is month to month	
Irrigation supplies as needed will coordinate with Darren	TBD
Estimated Category #1 Costs	\$3000
Services Cost Category #2	
Total Services Category #2 Costs	
Total	

Disclaimer: The prices listed in the preceding table are an estimate for the services discussed. This summary is not a warranty of final price. Estimates are subject to change if project specifications are changed or costs for outsourced services change before a contract is executed.

CONCLUSION

We look forward to working with Cundell Farms Metro District.

If you have questions on this proposal, feel free to contact me at your convenience by email at Luispastores@gmail.com or by phone at 720-229-2433. We will be in touch with you next week to arrange a follow-up conversation on the proposal.

Thank you for your consideration, Cesar and Luis Principals

Cesar Ibarra 8-17
Luis Carrillo

CUNDALL FARMS METROPOLITAN DISTRICT CONTRACT

Name of Contractor/Provider/Consultant: CO Smart Landscape

Title of Agreement/Contract: Plant Trees, Bushes, and Grasses

Agreement/Contract Date: June 18, 2021

This Contract (“Agreement”) is made by and between Cundall Farms Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”) and the above-referenced contractor, provider, or other consultant (the “Contractor”).

Introduction. The District and the Contractor desire to enter into this Contract to be effective the date above.

1. Scope of Services. The Contractor shall perform the services set forth in **Exhibit A** (the “Services”): (a) in a first-class manner, to the satisfaction of the District, using the degree of skill and knowledge customarily employed by other professionals performing similar services; (b) within the time period specified in the Agreement; (c) in such a manner as to minimize any annoyance, interference or disruption to the residents, tenants, occupants and invitees within the District; and (d) in compliance with all applicable federal, state, county and local or municipal statutes, ordinances and regulations.

2. Compensation of Services. Compensation for the Services provided under this Agreement shall be provided in accordance with the compensation schedule attached hereto as **Exhibit A**. The Contractor shall be responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as provided herein, unless said reimbursement or compensation is approved in writing by the District in advance of incurring such expenses. Exhibit A may take any form. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in Exhibit A, the terms in the body of this Agreement shall govern.

3. Repairs/Claims. The Contractor shall notify the District immediately, in writing, of any and all incidents/accidents which result in injury or property damage. The Contractor will promptly repair or, at the District’s option, reimburse the District for the repair of any damage to District property caused by the Contractor or its employees, agents or equipment.

4. Independent Contractor. The Contractor is an independent contractor and nothing herein shall constitute or designate the Contractor or any of its employees or agents as employees or agents of the District. The Contractor is not entitled to workers’ compensation benefits or unemployment insurance benefits and the District will not provide any insurance coverage or employment benefits of any kind or type to or for the Contractor or its employees, sub-consultants, contractors, agents, or representatives. The Contractor shall have full power and authority to select the means, manner and method of performing its duties under this Agreement, without detailed control or direction from the District, and shall be responsible for supervising its own employees or subcontractors. The District is concerned only with the results to be obtained.

5. Prohibitions on Public Contracts for Services. The Contractor shall comply with the provisions of §§ 8-17.5-101, *et seq.*, C.R.S., and certifies that Contractor is in compliance with the provisions of this law as evidenced by Contractor’s signature below. Contractor’s violation of the requirements of §§ 8-17.5-101, *et seq.*, C.R.S. is grounds for termination of the Agreement and may subject the Contractor to actual and consequential damages.

The Contractor affirmatively makes the follow declarations:

a. The Contractor shall not knowingly employ or contract with an illegal alien who will perform work under the public contract for services contemplated in the Agreement and will participate in the E-Verify Program or Department Program (as defined in §8-17.5-101, C.R.S.) in order to confirm the employment

eligibility of all employees who are newly hired for employment to perform work under the public contract for services contemplated herein.

b. The Contractor shall not knowingly enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform the services contemplated in the Agreement.

c. The Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services through participation in either the E-Verify Program or the Department Program.

d. The Contractor is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is being performed.

e. If the Contractor obtains actual knowledge that a subcontractor performing the services under the Agreement knowingly employs or contracts with an illegal alien, the Contractor shall be required to:

i. Notify the subcontractor and the District within three (3) days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien.

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

f. The Contractor shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that such Department is undertaking pursuant to the authority established in §8-17.5-102, C.R.S.

6. Contractor's Insurance. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of the Agreement, the following insurance coverage: (i) Standard worker's compensation and employer's liability insurance covering all employees of Contractor involved with the performance of the services, with policy amounts and coverage in compliance with law; (ii) Commercial General Liability Insurance with minimum limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 general aggregate (iii) Comprehensive Automobile Liability Insurance covering all owned, non-owned and hired automobiles used in connection with the performance of the services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage, and (iv) any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the District may carry, and any insurance maintained by the District shall be considered excess. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the District as an additional insured. The Contractor's failure to purchase the required insurance shall not serve to release it from any obligations; nor shall the purchase of the required insurance serve to limit the Contractor's liability. The Contractor shall be responsible for the payment of any deductibles on issued policies.

7. Indemnification. The Contractor shall defend, indemnify and hold harmless the District and each of its directors, officers, contractors, employees, agents and consultants, from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses, including legal expenses and attorneys' fees, arising directly or indirectly out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Contractor or any of its subcontractors, officers, agents or

employees. The Contractor is not obligated to indemnify the District for the District's own negligence. This indemnification obligation will not be limited in any way by any limitation on the amount or types of damages, compensation or benefits payable by or for the Contractor under worker's compensation acts, disability acts or other employee benefit acts. Such indemnity shall survive the expiration or termination of this Agreement. To the extent the District is or may be obligated to indemnify, defend, or hold Contractor harmless under the terms of the Agreement, any such indemnification obligation shall arise only to the extent permitted by applicable law and shall be limited solely to sums lawfully appropriated for such purpose in accordance with this Agreement.

8. Termination. This Agreement may be terminated by either party for cause or for convenience upon ten (10) days prior written notice to the other party. If the Agreement is terminated, the Contractor shall be paid for all Services satisfactorily performed prior to the designated termination date, including reimbursable expenses due. Said payment shall be made in the normal course of business.

9. Governing Law / Disputes. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions shall be in the District Court in and for the county in which the District is located.

10. Subject to 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. The obligations of the District under this Agreement is subject to annual budgeting and appropriations, and the Contractor expressly understands and agrees that the decision whether or not to budget and appropriate funds is within the discretion of District's governing body, and the obligations of the District shall extend only to monies appropriated for the purposes of this Agreement and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. The District and Contractor understand and intend that the Districts' obligation to make payments and pay other amounts due under the Agreement shall constitute a current expense and shall not in any way be construed to be a debt in contravention of any applicable constitutional or statutory limitations or requirements.

11. Governmental Immunity. Nothing in this Agreement 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 §§ 24-10-101, *et seq.*, C.R.S.

12. Remedies. To the extent the Contractor's remedies for a District default under the Agreement include any right to accelerate amounts to become due under the Agreement, such acceleration shall be limited solely to sums lawfully appropriated for such purpose and shall further be limited to amounts to become due during the District's then current fiscal period.

13. Negotiated Provisions. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being acknowledged that each party has contributed substantially and materially to the preparation of this Agreement.

14. Severability. If any portion of this Agreement is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

15. Miscellaneous. This Agreement constitutes the entire agreement between the parties with respect to the matters addressed herein, and shall supersede all prior oral or written negotiations, understandings and commitments.

16. Counterpart Execution. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

District: By: <u><i>David J. Scott</i></u> Name: <u>David Scott</u> Title: <u>President</u>	Contractor: By: _____ Name: _____ Title: _____
---	--

15. Miscellaneous. This Agreement constitutes the entire agreement between the parties with respect to the matters addressed herein, and shall supersede all prior oral or written negotiations, understandings and commitments.

16. Counterpart Execution. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

District:	Contractor:
By: _____	By: <u>Luis Carrillo</u>
Name: _____	Name: <u>Co Smart landscape</u>
Title: _____	Title: <u>Owner</u>

Exhibit A
Scope of Services/Compensation Schedule

CO SMART LANDSCAPE PROPOSAL FOR SERVICES

720-323-7384 720-229-2433

NEEDS ASSESSMENT

- Need #1: Plant trees, bushes, and grasses
- Need #2:

ESTIMATE

The following table details the pricing for delivery of the services outlined in this proposal. This pricing is valid for 15 days from the date of this proposal:

Services Cost Category #1	Price
Plant trees \$150 each	\$14,250
Plant bushes and grasses \$50 each	\$1000
Topsoil tree mix, posts, wire, and straps cost plus 10%	TBD
Actual project billing will be invoiced upon completion and may be adjusted based on availability of product	TBD
Estimated Total Category #1 Costs	\$15,250
Services Cost Category #2	
Total Services Category #2 Costs	
Estimated Total	

Disclaimer: The prices listed in the preceding table are an estimate for the services discussed. This summary is not a warranty of final price. Estimates are subject to change if project specifications are changed or costs for outsourced services change before a contract is executed.

CONCLUSION

We look forward to working with Cundell Farms Metro District.

If you have questions on this proposal, feel free to contact me at your convenience by email at Luispastores@gmail.com or by phone at 720-229-2433. We will be in touch with you next week to arrange a follow-up conversation on the proposal.

Thank you for your consideration, Cesar and Luis Principals

Cesar Borrero 6-17

Luis Carrillo

**INDEPENDENT CONTRACTOR AGREEMENT
BASKETBALL COURT**

This INDEPENDENT CONTRACTOR AGREEMENT, including any and all exhibits attached hereto (the “**Agreement**”), is entered into as of the 14th day of June, 2021, by and between CUNDALL FARMS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and ALTITUDE ATHLETIC SURFACES, LLC, a Colorado limited liability company (the “**Contractor**”). The District and the Contractor are referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

WHEREAS, the District was organized pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S. for the purpose of constructing, financing, operating and maintaining certain public facilities and improvements for itself, its taxpayers, residents and users; and

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the District is empowered to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(i), C.R.S., the District is empowered to appoint, hire and retain agents, employees, engineers and attorneys; and

WHEREAS, the District desires to engage the Contractor to perform certain services as are needed by the District to serve the property within and without its boundaries; and

WHEREAS, the Contractor has represented that it has the professional experience, skill and resources to perform the services, as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and stipulations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

TERMS AND CONDITIONS

1. SCOPE OF SERVICES; PERFORMANCE STANDARDS. The Contractor shall perform the services described in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Services**”): (a) in a professional manner, to the satisfaction of the District, using the degree of skill and knowledge customarily employed by other professionals performing similar services; (b) within the time period and pursuant to the Scope of Services specified in said **Exhibit A**; and (c) using reasonable commercial efforts to minimize any annoyance, interference or disruption to the residents, tenants, occupants and invitees within the District. **Exhibit A** may take any form, including forms which may include price and payment terms. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in **Exhibit A**, the terms in the body of this Agreement shall govern. Contractor shall have no right or authority, express or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement (including

Exhibit A) or through other authorization expressly delegated to or authorized by the District through its Board of Directors.

2. TERM/RENEWAL. This Agreement shall be effective as of the dated date hereof and shall terminate on the earlier to occur of: (i) termination pursuant to Section 18 hereof; (ii) completion of the Services; or (iii) December 31, 2021.

3. ADDITIONAL SERVICES. The District may, in writing, request the Contractor provide additional services not set forth in **Exhibit A**. The terms and conditions of the provision of such services shall be subject to the mutual agreement of the Contractor and the District pursuant to a written service/work order executed by an authorized representative of the District and the Contractor or an addendum to this Agreement. Authorization to proceed with additional services shall not be given unless the District has appropriated funds sufficient to cover the additional compensable amount. To the extent additional services are provided pursuant to this Section 3, the terms and conditions of this Agreement relating to Services shall also apply to any additional services rendered.

4. REPAIRS/CLAIMS. The Contractor shall notify the District immediately of any and all damage caused by the Contractor to District property and that of third parties. The Contractor will promptly repair or, at the District's option, reimburse the District for the repair of any damage to property caused by the Contractor or its employees, agents or equipment. In addition, the Contractor shall promptly notify the District of all potential claims of which it becomes aware. The Contractor further agrees to take all reasonable steps to preserve all physical evidence and information which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to the District the opportunity to review and inspect such evidence, including the scene of any damage or accidents. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Services and shall provide all reasonable protection to prevent damage or injury to persons and property, including any material and equipment related to the Services, whether in storage on or off site, under the care, custody, or control of the Contractor or any of its subcontractors.

5. GENERAL PERFORMANCE STANDARDS.

a. The Contractor has by careful examination ascertained: (i) the nature and location of the Services; (ii) the configuration of the ground on which the Services are to be performed; (iii) the character, quality, and quantity of the labor, materials, equipment and facilities necessary to complete the Services; (iv) the general and local conditions pertaining to the Services; and (v) all other matters which in any way may affect the performance of the Services by the Contractor. Contractor enters into this Agreement solely because of the results of such examination and not because of any representations pertaining to the Services or the provision thereof made to it by the District or any agent of the District and not contained in this Agreement. The Contractor represents that it has or shall acquire the capacity and the professional experience and skill to perform the Services and that the Services shall be performed in accordance with the standards of care, skill and diligence provided by competent professionals who perform services of a similar nature to those specified in this Agreement. If competent professionals find that the Contractor's performance of the Services does not meet this standard, the Contractor shall, at the

District's request, re-perform the Services not meeting this standard without additional compensation.

b. The Contractor shall use reasonable commercial efforts to perform and complete the Services in a timely manner. If performance of the Services by the Contractor is delayed due to factors beyond the Contractor's reasonable control, or if conditions of the scope or type of services are expected to change, Contractor shall give prompt notice to the District of such a delay or change and receive an equitable adjustment of time and/or compensation, as negotiated between the Parties.

c. The Services provided under this Agreement shall be adequate and sufficient for the intended purposes and shall be completed in a good and workmanlike manner.

d. The Contractor agrees that it has and will continue to comply with all Laws while providing Services under this Agreement. "Laws" means: (i) federal, state, county and local or municipal body or agency laws, statutes, ordinances and regulations; (ii) any licensing bonding, and permit requirements; (iii) any laws relating to storage, use or disposal of hazardous wastes, substances or materials; (iv) rules, regulations, ordinances and/or similar directives regarding business permits, certificates and licenses; (v) regulations and orders affecting safety and health, including but not limited to the Occupational Safety and Health Act of 1970; (vi) Wage and Hour laws, Worker Compensation laws, and immigration laws.

e. The responsibilities and obligations of the Contractor under this Agreement shall not be relieved or affected in any respect by the presence of any agent, consultant, sub-consultant or employee of the District. Review, acceptance or approval by the District of the Services performed or any documents prepared by the Contractor shall not relieve the Contractor of any responsibility for deficiencies, omissions or errors in said Services or documents, nor shall it be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

6. MONTHLY STATUS REPORT. The Contractor shall provide to the District, at the District's request, on or before the 25th of each month, a narrative progress and status report describing work in progress and results achieved during the reporting period, including a description of the Services performed during the invoice period and the Services anticipated to be performed during the ensuing invoice period ("**Monthly Report**").

7. COMPENSATION AND INVOICES.

a. Compensation. Compensation for the Services provided under this Agreement shall be in accordance with the compensation schedule attached hereto as **Exhibit B**. The Contractor shall be responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as provided in **Exhibit B** of this Agreement, unless said reimbursement or compensation is approved in writing by the District in advance of incurring such expenses. Any direct reimbursable costs for materials will be reimbursable at the Contractor's actual cost, provided that the Contractor shall make a reasonable attempt to notify the District of the estimated amount of such reimbursable costs (or any material adjustments thereto subsequently identified) prior to commencing the requested

services. Concurrent with the execution of this Agreement, the Contractor shall provide the District with a current completed Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification) (“W-9”). No payments will be made to the Contractor until the completed W-9 is provided. The W-9 shall be attached hereto and incorporated herein as **Exhibit B-1**.

b. Invoices. Invoices for the Services shall be submitted monthly, by the 10th of each month, during the term of this Agreement and shall contain the following information:

- i. An itemized statement of the Services performed.
- ii. Any other reasonable information required by the District to process payment of the invoice, including project and/or cost codes as provided in any applicable written service/work order.

The District shall be charged only for the actual time and direct costs incurred for the performance of the Services. Invoices received by the District after the 10th of each month may be processed the following month.

c. Public Works Compensation Terms. Pursuant to § 24-91-103.6(2), C.R.S., the Parties hereby agree that the amount of money appropriated by the District for the Services is equal to the compensation amount and this Agreement shall not be modified to require the Contractor to perform additional compensable work unless the District has made lawful appropriations to cover the costs of the additional work.

8. TIME FOR PAYMENT. Payment for the Services shall be made by the District within thirty (30) days of receipt of: (i) a timely, satisfactory and detailed invoice in the form required by Section 7; and (ii) if applicable, a reasonably satisfactory and detailed Monthly Report, for that portion of the Services performed and not previously billed. The District may determine to waive or extend the deadline for filing the Monthly Report, or may make payment for Services to the Contractor notwithstanding a delay in filing the Monthly Report, upon reasonable request of the Contractor, if it is in the interest of the District to do so. In the event a Board meeting is not scheduled in time to review payment of an invoice, the Board hereby authorizes payment for Services, subject to the appropriation and budget requirements under Section 27 hereof, without the need for additional Board approval, so long as any payment required to be made does not exceed the amounts appropriated for such Services as set forth in the District’s approved budget. Such payment shall require review and approval of each Monthly Report and invoice by two officers of the District.

9. INDEPENDENT CONTRACTOR. The Contractor is an independent contractor and nothing in this Agreement shall constitute or designate the Contractor or any of its employees or agents as employees or agents of the District. The Contractor shall have full power and authority to select the means, manner and method of performing its duties under this Agreement, without detailed control or direction from the District, and shall be responsible for supervising its own employees or subcontractors. The District is concerned only with the results to be obtained. The District shall not be obligated to secure, and shall not provide, any insurance coverage or employment benefits of any kind or type to or for the Contractor or its employees, sub-consultants,

contractors, agents, or representatives, including coverage or benefits related but not limited to: local, state or federal income or other tax contributions, insurance contributions (e.g. FICA taxes), workers' compensation, disability, injury, health or life insurance, professional liability insurance, errors and omissions insurance, vacation or sick-time benefits, retirement account contributions, or any other form of taxes, benefits or insurance. The Contractor shall be responsible for its safety, and the safety of its employees, sub-contractors, agents, and representatives. All personnel furnished by the Contractor will be deemed employees or sub-contractors of the Contractor and will not for any purpose be considered employees or agents of the District. **The Contractor is not entitled to worker's compensation benefits or unemployment insurance benefits, unless unemployment compensation coverage is provided by the Contractor or some other entity other than the District, and the Contractor is obligated to pay federal and state income taxes on moneys by it earned pursuant to this Agreement.**

10. EQUAL OPPORTUNITY / EMPLOYMENT ELIGIBILITY. This Agreement is subject to all applicable laws and executive orders relating to equal opportunity and non-discrimination in employment and the Contractor represents and warrants that it will not discriminate in its employment practices in violation of any such applicable law or executive order.

The Contractor hereby states that it does not knowingly employ or contract with illegal aliens and that the Contractor has participated in or has attempted to participate in the E-Verify Program or Department Program (formerly known as the Basic Pilot Program) (as defined in §8-17.5-101, C.R.S.) in order to verify that it does not employ any illegal aliens. The Contractor affirmatively makes the follow declarations:

a. The Contractor shall not knowingly employ or contract with an illegal alien who will perform work under the public contract for services contemplated in this Agreement and will participate in the E-Verify Program or Department Program (as defined in §8-17.5-101, C.R.S.) in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for Services contemplated in this Agreement.

b. The Contractor shall not knowingly enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform the services contemplated in this Agreement.

c. The Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services through participation in either the E-Verify Program or the Department Program.

d. The Contractor is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while this Agreement is being performed.

e. If the Contractor obtains actual knowledge that a subcontractor performing the services under this Agreement knowingly employs or contracts with an illegal alien, the Contractor shall be required to:

i. Notify the subcontractor and the District within three (3) days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien.

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

f. The Contractor shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation involving matters under this Section 10 that such Department is undertaking pursuant to the authority established in § 8-17.5-102, C.R.S.

g. If the Contractor violates a provision of this Agreement pursuant to which § 8-17.5-102, C.R.S., applies the District may terminate this Agreement upon three (3) days written notice to the Contractor. If this Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the District.

11. CONTRACTOR'S INSURANCE.

a. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of this Agreement, insurance coverage in the minimum amounts set forth in **Exhibit C**, attached hereto and incorporated herein by this reference. A waiver of subrogation and rights of recovery against the District, its directors, officers, employees and agents is required for Commercial General Liability and Workers Compensation coverage. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the District as an additional insured. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the District may carry, and any insurance maintained by the District shall be considered excess. The District shall have the right to verify or confirm, at any time, all coverage, information or representations contained in this Agreement.

b. Prior to commencing any work under this Agreement, the Contractor shall provide the District with a certificate or certificates evidencing the policies required by this Agreement, as well as the amounts of coverage for the respective types of coverage, which certificate(s) shall be attached hereto as **Exhibit C-1**. If the Contractor subcontracts any portion(s) of the Services, said subcontractor(s) shall be required to furnish certificates evidencing statutory workers' compensation insurance, comprehensive general liability insurance and automobile liability insurance in amounts satisfactory to the District and the Contractor; provided, however, that sub-contractors of the Contractor shall not be required by the District to provide coverage in excess of that which is required hereunder of the Contractor. If the coverage required expires during the term of this Agreement, the Contractor or subcontractor shall provide replacement certificate(s) evidencing the continuation of the required policies.

c. The Contractor's failure to purchase the required insurance shall not serve to release it from any obligations contained in this Agreement; nor shall the purchase of the required insurance serve to limit the Contractor's liability under any provision in this Agreement. The Contractor shall be responsible for the payment of any deductibles on issued policies.

12. CONFIDENTIALITY AND CONFLICTS.

a. Confidentiality. Any information deemed confidential by the District and given to the Contractor by the District, or developed by the Contractor as a result of the performance of a particular task, shall remain confidential. In addition, the Contractor shall hold in strict confidence, and shall not use in competition, any information which the Contractor becomes aware of under or by virtue of this Agreement which the District deems confidential, or which the District has agreed to hold confidential, or which, if revealed to a third party, would reasonably be construed to be contrary to the interests of the District. Confidential information shall not include, however, any information which is: (i) generally known to the public at the time provided to the Contractor; (ii) provided to the Contractor by a person or entity not bound by confidentiality to the District; or (iii) independently developed by the Contractor without use of the District's confidential information. During the performance of this Agreement, if the Contractor is notified that certain information is to be considered confidential, the Contractor agrees to enter into a confidentiality agreement in a form reasonably acceptable to the District and the Contractor. The Contractor agrees that any of its employees, agents or subcontractors with access to any information designated thereunder as confidential information of the District shall agree to be bound by the terms of such confidentiality agreement.

b. Personal Identifying Information. During the performance of this Agreement, the District may disclose Personal Identifying Information to the Contractor. "**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., the Contractor agrees to implement and maintain reasonable security procedures and practices that are: (i) appropriate to the nature of the Personal Identifying Information disclosed to the Contractor; and (ii) reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.

c. Conflicts. Prior to the execution of, and during the performance of this Agreement and prior to the execution of future agreements with the District, the Contractor agrees to notify the District of conflicts known to the Contractor that impact the Contractor's provision of Services to the District.

13. OWNERSHIP OF DOCUMENTS. All documents produced by or on behalf of the Contractor pursuant to this Agreement, including, but not limited to, all maps, plans, drawings, specifications, reports, electronic files and other documents, in whatever form, shall remain the property of the District under all circumstances, upon payment to the Contractor of the invoices representing the work by which such materials were produced. At the District's request the Contractor will provide the District with all documents produced by or on behalf of the

Contractor pursuant to this Agreement. The Contractor shall maintain electronic and reproducible copies on file of any such instruments of service involved in the Services for a period of two (2) years after termination of this Agreement, shall make them available for the District's use and shall provide such copies to the District upon request at no cost.

14. LIENS AND ENCUMBRANCES. The Contractor shall not have any right or interest in any District assets, or any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated in this Agreement. The Contractor, for itself, hereby waives and releases any and all statutory or common law mechanic's, materialmen's or other such lien claims, or rights to place a lien upon the District's property or any improvements thereon in connection with any Services performed under or in connection with this Agreement, and the Contractor shall cause all permitted subcontractors, suppliers, materialmen, and others claiming by, through or under the Contractor to execute similar waivers prior to commencing any work or providing any materials in connection with the Services. The Contractor further agrees to execute a sworn affidavit respecting the payment and lien releases of all subcontractors, suppliers and materialmen, and release of lien respecting the Services at such time or times and in such form as may be reasonably requested by the District. The Contractor will provide indemnification against all such liens for labor performed, materials supplied or used by the Contractor and/or any other person in connection with the Services undertaken by the Contractor, in accordance with Section 15, below.

15. INDEMNIFICATION.

a. The Contractor shall defend, indemnify and hold harmless the District and each of its directors, officers, contractors, employees, agents and consultants (collectively, the "**District Indemnitees**"), from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses (the "**Claims**"), including reasonable legal expenses and attorneys' fees actually incurred, by the District Indemnitees arising directly or indirectly, in whole or in part, out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Contractor or any of its subcontractors, officers, agents or employees, in connection with this Agreement and/or the Contractor's performance of the Services or work pursuant to this Agreement. Notwithstanding anything else in this Agreement or otherwise to the contrary, the Contractor is not obligated to indemnify the District Indemnitees for the negligence of the District or the negligence of any other District Indemnitee, except the Contractor. Except as otherwise provided by applicable law, this indemnification obligation will not be limited in any way by any limitation on the amount or types of damages, compensation or benefits payable by or for the Contractor under workers' compensation acts, disability acts or other employee benefit acts, provided that in no event shall the Contractor be liable for special/consequential or punitive damages.

b. In the event the Contractor fails to assume the defense of any Claims under this Section 15 within fifteen (15) days after notice from the District of the existence of such Claim, the District may assume the defense of the Claim with counsel of its own selection, and the Contractor will pay all reasonable expenses of such counsel. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation.

c. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation. The Contractor shall obtain, at its own expense, any additional insurance that it deems necessary with respect to its obligations under this Agreement, including the indemnity obligations set forth in Section 15. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

16. ASSIGNMENT. The Contractor shall not assign this Agreement or parts thereof, or its respective duties, without the express written consent of the District. Any attempted assignment of this Agreement in whole or in part with respect to which the District has not consented, in writing, shall be null and void and of no effect whatsoever.

17. SUB-CONTRACTORS. The Contractor is solely and fully responsible to the District for the performance of all Services in accordance with the terms set forth in this Agreement, whether performed by the Contractor or a subcontractor engaged by the Contractor, and neither the District's approval of any subcontractor, suppliers, or materialman, nor the failure of performance thereof by such persons or entities, will relieve, release, or affect in any manner the Contractor's duties, liabilities or obligations under this Agreement. The Contractor shall not subcontract any Services without prior written approval by the District. The Contractor agrees that each and every agreement of the Contractor with any subcontractor to perform Services under this Agreement shall contain an indemnification provision identical to the one contained in this Agreement holding the District harmless for the acts of the subcontractor. Prior to commencing any Services, a subcontractor shall provide evidence of insurance coverage to the District in accordance with the requirements of this Agreement. The Contractor further agrees that all such subcontracts shall provide that they may be terminated immediately without cost or penalty upon termination of this Agreement, other than payment for services rendered prior to the date of any such termination.

18. TERMINATION. In addition to the termination provisions contained in Section 2, above, this Agreement may be terminated for convenience by the Contractor upon delivery of thirty (30) days prior written notice to the District and by the District by giving the Contractor thirty (30) days prior written notice. Each Party may terminate this Agreement for cause at any time upon written notice to the other Party setting forth the cause for termination and the notified Party's failure to cure the cause to the reasonable satisfaction of the Party given such notice within the cure period set forth in Section 19. If this Agreement is terminated, the Contractor shall be paid for all the Services satisfactorily performed prior to the designated termination date, including reimbursable expenses due. Said payment shall be made in the normal course of business. Should either Party to this Agreement be declared bankrupt, make a general assignment for the benefit of creditors or commit a substantial and material breach of this Agreement in the view of the other Party, said other Party shall be excused from rendering or accepting any further performance under this Agreement. In the event of termination of this Agreement, the Contractor shall cooperate with the District to ensure a timely and efficient transition of all work and work product to the District or its designees. All time, fees and costs associated with such transition shall not be billed by the Contractor to the District.

19. DEFAULT. If either Party fails to perform in accordance with the terms, covenants and conditions of this Agreement, or is otherwise in default of any of the terms of this Agreement,

the non-defaulting party shall deliver written notice to the defaulting party of the default, at the address specified in Section 20 below, and the defaulting party will have ten (10) days from and after receipt of the notice to cure the default. If the default is not of a type which can be cured within such ten (10)-day period and the defaulting party gives written notice to the non-defaulting party within such ten (10)-day period that it is actively and diligently pursuing a cure, the defaulting party will have a reasonable period of time given the nature of the default following the end of the ten (10)-day period to cure the default, provided that the defaulting party is at all times within the additional time period actively and diligently pursuing the cure. If any default under this Agreement is not cured as described above, the non-defaulting party will, in addition to any other legal or equitable remedy, have the right to terminate this Agreement and enforce the defaulting party's obligations pursuant to this Agreement by an action for injunction or specific performance.

20. NOTICES. Any notice or communication required under this Agreement must be in writing, and may be given personally, sent via nationally recognized overnight carrier service, or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same will be deemed to have been given and received on the first to occur of: (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent; or (ii) three days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered or sent via nationally recognized overnight carrier service, a notice will be deemed to have been given and received on the first to occur of: (i) one business day after being deposited with a nationally recognized overnight air courier service; or (ii) delivery to the party to whom it is addressed. Any party hereto may at any time, by giving written notice to the other party hereto as provided in this Section 20 of this Agreement, designate additional persons to whom notices or communications will be given, and designate any other address in substitution of the address to which such notice or communication will be given. Such notices or communications will be given to the parties at their addresses set forth below:

District: Cundall Farms Metropolitan District
c/o Advance HOA Management, Inc.
P.O. Box 370390
Denver, Colorado 80237
Attention: Melissa Sykes
Phone: (303) 482-2213
Email: melissa.sykes@advancehoa.com

With a Copy to: WHITE BEAR ANKELE TANAKA & WALDRON
2154 E. Commons Ave., Suite 2000
Centennial, CO 80122
Attention: Clint Waldron
Phone: (303) 858-1800
E-mail: cwaldron@wbapc.com

Contractor: Altitude Athletic Surfaces

4604 Fenwood Drive
Highlands Ranch, CO 80130
Attention: Kevin Leach
Phone: (303) 885-1315
Email: kevin@altitudesurfaces.com

21. AUDITS. The District shall have the right to audit, with reasonable notice, any of the Contractor's books and records solely as are necessary to substantiate any invoices and payments under this Agreement (including, but not limited to, receipts, time sheets, payroll and personnel records) and the Contractor agrees to maintain adequate books and records for such purposes during the term of this Agreement and for a period of two (2) years after termination of this Agreement and to make the same available to the District at all reasonable times and for so long thereafter as there may remain any unresolved question or dispute regarding any item pertaining thereto.

22. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Parties hereto relating to the Services, and sets forth the rights, duties, and obligations of each to the other as of this date, and hereby supersedes any and all prior negotiations, representations, agreements or arrangements of any kind with respect to the Services, whether written or oral. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be modified except by a writing executed by both the Contractor and the District.

23. BINDING AGREEMENT. This Agreement shall inure to and be binding on the heirs, executors, administrators, successors, and assigns of the Parties hereto.

24. NO WAIVER. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in this Agreement, nor shall the waiver of any default be deemed a waiver of any subsequent default.

25. GOVERNING LAW.

a. Venue. Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the District is located. The Parties expressly and irrevocably waive any objections or rights which may affect venue of any such action, including, but not limited to, *forum non-conveniens* or otherwise. At the District's request, the Contractor shall carry on its duties and obligations under this Agreement during any legal proceedings and the District shall continue to pay for the Services performed under this Agreement until and unless this Agreement is otherwise terminated.

b. Choice of Law. Colorado law shall apply to any dispute, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado.

c. Litigation. At the District's request, the Contractor will consent to being joined in litigation between the District and third parties, but such consent shall not be construed

as an admission of fault or liability. The Contractor shall not be responsible for delays in the performance of the Services caused by factors beyond its reasonable control including delays caused by Act of God, accidents, failure of any governmental or other regulatory authority to act in a timely manner or failure of the District to furnish timely information or to approve or disapprove of Contractor's Services in a timely manner.

26. GOOD FAITH OF PARTIES. In the performance of this Agreement, or in considering any requested approval, acceptance, consent, or extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously, or unreasonably withhold, condition, or delay any approval, acceptance, consent, or extension of time required or requested pursuant to this Agreement.

27. SUBJECT TO 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. The Contractor expressly understands and agrees that the District's obligations under this Agreement shall extend only to monies appropriated for the purposes of this Agreement by the Board 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 Agreement 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 Agreement shall be construed to pledge or to create a lien on any class or source of District funds. The District's obligations under this Agreement exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this Agreement.

28. GOVERNMENTAL IMMUNITY. Nothing in this Agreement 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.

29. NEGOTIATED PROVISIONS. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed to the preparation of this Agreement.

30. SEVERABILITY. If any portion of this Agreement is declared by any court of competent jurisdiction to be invalid, void or unenforceable, such decision shall not affect the validity of any other portion of this Agreement which shall remain in full force and effect, the intention being that such portions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

31. NO THIRD PARTY BENEFICIARIES. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

32. OPEN RECORDS. The Parties understand that all material provided or produced under this Agreement may be subject to the Colorado Open Records Act, §§ 24-72-202, *et seq.*, C.R.S.

33. WARRANTY AND PERMITS. The Contractor shall and does by this Agreement guarantee and warrant that all workmanship, materials, and equipment furnished, installed, or performed for the accomplishment of the Services (collectively, the “**Work**”) will be of good quality and new, unless otherwise required or permitted by this Agreement. The Contractor further warrants that the Work will conform to all requirements of this Agreement and the applicable building code and all other applicable laws, ordinances, codes, rules and regulations of any governmental authorities having jurisdiction over the Work. All materials are subject to the satisfaction and acceptance of the District, but payments for the completed Work will not constitute final acceptance nor discharge the obligation of the Contractor to correct defects at a later date. Such warranties set forth in this Agreement are in addition to, and not in lieu of, any other warranties prescribed by Colorado law.

a. The Contractor hereby warrants the Work for a period of one (1) year from the date of completion and initial acceptance of the Work. The Contractor will immediately correct or replace any Work that is defective or not conforming to this Agreement at its sole expense to the reasonable satisfaction of the District. The Contractor’s guarantees and warranties shall in all cases survive termination of this Agreement. This warranty shall be enforceable by the District, its successors and assigns.

b. Prior to final payment for any Services involving Work, and at any time thereafter but before the final inspection, as set forth below, the Contractor and the District shall, at the request of the District, conduct an inspection of the Work for the purpose of determining whether any Work is defective or otherwise not in conformance with this Agreement. The Contractor’s fees and costs associated with the inspection shall be included in the compensation schedule set forth in **Exhibit B** and shall not be billed separately to the District. In the event the Contractor neglects to include the fees and costs associated with the inspection in the compensation schedule set forth in **Exhibit B**, the Contractor is deemed to have waived these fees and costs. After completion of the inspection, the District will provide the Contractor with written notice of any Work requiring corrective action. The Contractor agrees to correct or replace the defective Work within a reasonable time, as agreed to by the Parties, but in no event later than thirty (30) calendar days from the date of notice from the District, unless otherwise agreed to by the District.

c. The Contractor agrees that if warranty issues appear before payment has been made under this Agreement, the District may withhold payment until such warranty issues are resolved to the District’s satisfaction. If repair or replacement of any warranty or defective Work is not made by the Contractor promptly upon request by the District as set forth in this

Agreement, in addition to any other remedy, the District may withhold any payment the District may owe to the Contractor, including payments under other contracts or agreements related or unrelated to the Work and Services.

d. The Contractor shall promptly notify the District of any Work, whether by the Contractor, its subcontractors or any third parties, which the Contractor believes to be defective or not conforming with this Agreement.

e. The Contractor shall, at its expense, obtain all permits, licenses and other consents required from all governmental authorities, utility companies and appropriate parties under any restrictive covenants in connection with the Work. The Contractor shall comply with all of the terms and conditions of all permits, licenses and consents.

f. At or around eleven (11) months, but no more than one (1) year, after the completion and acceptance of the Work, the Contractor and the District shall, at the request of the District, conduct a final inspection of the Work for the purpose of determining whether any Work is defective or otherwise not in conformance with this Agreement. The Contractor's fees and costs associated with the inspection shall be included in the compensation schedule set forth in **Exhibit B** and shall not be billed separately to the District. In the event the Contractor neglects to include the fees and costs associated with the inspection in the compensation schedule set forth in **Exhibit B**, the Contractor is deemed to have waived these fees and costs. After completion of the final inspection, the District will provide the Contractor with written notice of any Work requiring corrective action. In the event the Contractor does not correct or replace the defective Work within thirty (30) calendar days from the date of notice from the District, or within such other reasonable time as agreed to by the Parties, the District may correct or replace the defective Work and the Contractor shall reimburse the District for the related costs and fees.

34. TAX EXEMPT STATUS. The District is exempt from Colorado state sales and use taxes. Accordingly, taxes from which the District is exempt shall not be included in any invoices submitted to the District. The District shall, upon request, furnish Contractor with a copy of its certificate of tax exemption. Contractor and subcontractors shall apply to the Colorado Department of Revenue, Sales Tax Division, for an Exemption Certificate and purchase materials tax free. The Contractor and subcontractors shall be liable for exempt taxes paid due to failure to apply for Exemption Certificates or for failure to use said certificate.

35. COUNTERPART EXECUTION. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

[Signature pages follow].

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

DISTRICT:
CUNDALL FARMS METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado



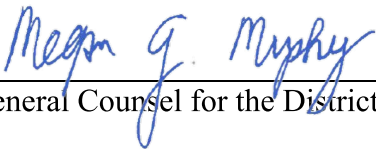
Officer of the District

ATTEST:

Darren Fresquez
Darren Fresquez (Jun 18, 2021 14:50 MDT)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel for the District

***District's Signature Page to Independent Contractor Agreement for Basketball Court Services
with Altitude Athletic Surfaces, LLC, dated June 14, 2021***

EXHIBIT A

SCOPE OF SERVICES

The Contractor hereby proposes to supply all labor, materials, equipment, supervision and insurance to remove existing asphalt tennis court and construct a 5" thick, post-tension concrete court measuring 50' x 84'. The scope of services shall consist of the following:

- Site Work
 - Existing 2 ½" asphalt base will be removed and hauled away.
 - Existing base material will be moved and hauled away as necessary to provide 0.83% slope for new basketball court construction.
 - A 12" x 12" perimeter beam will be dug around the perimeter of the pad.
 - Crooked basketball hoop will be removed and re-set to plumb.
- Concrete Slab
 - Court will be laid out and forms set for a new 50' x 84' post-tension slab.
 - A single layer of 10 mil vapor barrier will be installed over compacted road base.
 - Post-tension cables will be placed on a grid as directed by post-tension engineer. Stamped drawings will be provided to the District by the Contractor. #4 rebar will be installed on top of the cables around the perimeter of the slab.
 - A 5" thick, 4000 psi straight cement will be placed with a screed to achieve proper planarity.
 - Cables will be partially stressed 24-48 hours after concrete has been placed. Full tension will be stressed 7-10 days after concrete has been poured.
- Surfacing
 - No court surfacing is part of this proposal.
 - Basketball lines will be taped, primed and painted according to ASBA guidelines.
- Proposed Schedule
 - [REDACTED], 2021 completion of concrete pour
 - [REDACTED], 2021 completion of striping

ADDITIONAL TERMS AND CONDITIONS

- Mobilization
 - If additional mobilizations are required, by District request, other than which would ordinarily be required for the job, for an additional charge of \$350.00 per mobilization will be charged.
- Permits
 - If required, will be the responsibility of the District. If the Contractor is required to obtain permits, the District agrees to pay the cost of the permit and a change order will be issued.
- Guarantee

- The Contractor guarantees workmanship and material for two years form the date of completion unless specifically waived in a separate written agreement. The post-tension slab shall have a five year warranty.
- Access
 - The District shall provide suitable access to the site that will accommodate large concrete trucks and pumps. The Contractor will not be liable for any damages to the construction site and/or site restoration due to unsuitable access.
- Latent and Unforseen Conditions
 - The Scope of Work is based on observed conditions and/or information provided by the District unless otherwise noted. The Contractor cannot warrant against unknown conditions that may be present, such as excessive moisture under the court that may cause surface delamination, poor materials or workmanship from previous work, the appearance of vegetation or roots, etc. Acrylic surfaces can be applied in a finite number of to a point where the surface becomes sealed and large-scale delamination can occur, requiring the removal of the existing acrylic surface.
- Water
 - The District will provide potable water access to +/- 100 feet from the court area.

EXHIBIT B

COMPENSATION SCHEDULE

The Contractor shall be compensated a total of **\$58,500**.

- 30% deposit due upon execution of the Agreement.
- 60% due upon completion of concrete pour.
- 10% due upon completion of striping.

EXHIBIT B-1

CONTRACTOR'S COMPLETED W-9

EXHIBIT C

INSURANCE REQUIREMENTS

NOTE: All insurance required and provided hereunder shall also comply with the provisions of Section 11 of this Agreement.

1. Standard Worker's Compensation and Employer's Liability Insurance covering all employees of Contractor involved with the performance of the Services, with policy amounts and coverage in compliance with the laws of the jurisdiction in which the Services will be performed.
2. Commercial General Liability Insurance with minimum limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 designated location, general aggregate; and \$1,000,000 umbrella. Such insurance will include coverage for contractual liability, personal injury and broad form property damage, and shall include all major divisions of coverage and be on a comprehensive basis including, but not limited to:
 - a. premises operations;
 - b. personal injury liability without employment exclusion;
 - c. limited contractual;
 - d. broad form property damages, including completed operations;
 - e. medical payments;
 - f. products and completed operations;
 - g. independent consultants coverage;
 - h. coverage inclusive of construction means, methods, techniques, sequences, and procedures, employed in the capacity of a construction consultant; and

This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.

3. Comprehensive Automobile Liability Insurance covering all owned, non-owned and hired automobiles used in connection with the performance of the Services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage. **This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.**
4. If applicable: Contractor shall secure and maintain a third party fidelity bond in favor of the District covering the Contractor and its employees and agents who may provide or be responsible for the provision of Services where such activities contemplate the responsibility for money or property of the District. Such bond shall protect the District against any fraudulent or dishonest act which may result in the loss of money, securities,

or other property belonging to or in the possession of the District. Said bond shall be in an amount as determined by the District, from a surety acceptable to the District.

5. Any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement.
6. Professional liability insurance in the amount of \$2,000,000.00 each occurrence.

EXHIBIT C-1

CERTIFICATE(S) OF INSURANCE

EXHIBIT D

CERTIFICATE OF GOOD STANDING WITH COLORADO SECRETARY OF STATE

Cundall Farms Metropolitan District

Check List

All Bank Accounts

June 9, 2021 - July 2, 2021

Check Date	Payee	Amount
6/11/2021	1st Green Colorado LLC	\$ 1,747.20
6/24/2021	United Power	19.25
6/24/2021	United Power	22.47
6/24/2021	United Power	22.36
6/24/2021	United Power	23.66
6/24/2021	United Power	23.52
6/24/2021	United Power	29.52
6/24/2021	United Power	32.24
6/24/2021	United Power	36.82
6/24/2021	United Power	36.07
6/28/2021	Advance HOA Management, Inc.	1,500.00
6/28/2021	Advance HOA Management, Inc.	620.64
6/28/2021	City of Thornton	88.95
6/28/2021	City of Thornton	17.57
6/28/2021	City of Thornton	17.57
6/28/2021	City of Thornton	14.26
6/28/2021	City of Thornton	14.26
6/28/2021	City of Thornton	9.29
6/28/2021	CliftonLarsonAllen	2,500.00
6/28/2021	FunFlicks	1,131.45
6/28/2021	Schultz Industries Inc.	6,148.80
6/28/2021	Schultz Industries Inc.	5,894.50
6/28/2021	Schultz Industries Inc.	3,060.29
6/28/2021	Tanya Revoir	300.00
6/28/2021	White Bear Ankele Tanaka & Waldron	2,885.14
6/28/2021	White Bear Ankele Tanaka & Waldron	12.00
7/1/2021	The Tree Farm	72,000.00
7/2/2021	Paula Juhrs	116.37
7/2/2021	Tanya Revoir	103.60
7/2/2021	Terri Johnson	18.00
7/2/2021	CO Smart Landscape	18,250.00
		<u>\$ 116,695.80</u>

CUNDALL FARMS METRO DISTRICT
SCHEDULE OF CASH POSITION
April 30, 2021
Updated as of July 1, 2021

	General Fund	Operation Fees Fund	Debt Service Fund	Total
1stBank - Checking				
Balance as of 04/30/21	\$ 14,102.52	\$ 59,625.93	\$ -	\$ 73,728.45
Subsequent activities:				
05/04/21 Transfer from CSAFE (reserve for tree replacements)	-	97,061.79	-	97,061.79
05/04/21 Payment to 1st Green Colorado LLC	-	(10,226.40)	-	(10,226.40)
05/04/21 Payment to The Tree Farm	-	(86,835.39)	-	(86,835.39)
05/18/21 2021 Refunding/Loan Issuance Cost Fund	-	-	224,348.51	224,348.51
05/19/21 Transfer between Funds	18,859.46	-	(18,859.46)	-
05/19/21 Payments - Refunding/Loan Issuance Costs	-	-	(187,900.00)	(187,900.00)
05/20/21 Payments - Refunding/Loan Issuance Costs	-	-	(5,000.00)	(5,000.00)
05/24/21 Transfer from CSAFE	15,000.00	-	-	15,000.00
05/26/21 United Power	-	(253.79)	-	(253.79)
05/28/21 May Disbursements (Bill.com)	(8,958.89)	(17,187.94)	-	(26,146.83)
05/28/21 Payment to 1st Green Colorado LLC	-	(10,151.39)	-	(10,151.39)
05/28/21 Payment to James Nursery	-	(30,114.63)	-	(30,114.63)
06/01/21 Payments - Refunding/Loan Issuance Costs	-	-	(11,300.00)	(11,300.00)
06/11/21 Transfer from AdvanceHOA	-	45,000.00	-	45,000.00
06/11/21 Payment to The Tree Farm - Check #1222	-	(1,747.20)	-	(1,747.20)
06/26/21 United Power	-	(245.91)	-	(245.91)
06/28/21 June Disbursements (Bill.com)	(5,685.14)	(18,529.58)	-	(24,214.72)
07/01/21 Payment to The Tree Farm - Check #1222	-	(72,000.00)	-	(72,000.00)
07/02/21 Transfer from CSAFE (reserve for tree replacements)	-	114,013.22	-	114,013.22
07/02/21 July Disbursements (Bill.com)	-	(18,487.97)	-	(18,487.97)
Anticipated Balance	<u>33,317.95</u>	<u>49,920.74</u>	<u>1,289.05</u>	<u>84,527.74</u>
AdvanceHOA - Checking				
Balance as of 04/30/21	\$ -	\$ 36,455.20	\$ -	\$ 36,455.20
Subsequent activities:				
05/30/21 Operations Fees May	-	13,947.86	-	13,947.86
06/11/21 Transfer to 1stBank Checking	-	(45,000.00)	-	(45,000.00)
Anticipated Balance	<u>-</u>	<u>5,403.06</u>	<u>-</u>	<u>5,403.06</u>
CSAFE - Savings				
Balance as of 04/30/21	61,473.57	454,745.68	397,816.21	914,035.46
Subsequent activities:				
05/04/21 Transfer to Checking	-	(97,061.79)	-	(97,061.79)
05/10/21 April Property/SO Taxes	13,039.10	-	65,194.55	78,233.65
05/18/21 Refunding/Loan Closing - To UMB	-	-	(249,229.20)	(249,229.20)
05/18/21 Refunding/Loan Closing - To BBVA Loan Payment Fund	-	-	(202,736.82)	(202,736.82)
05/24/21 Transfer to Checking	(15,000.00)	-	-	(15,000.00)
05/31/21 Interest Income	1.52	11.25	9.84	22.61
06/10/21 May Property/SO Taxes	6,082.62	-	30,412.69	36,495.31
06/31/21 Interest Income	1.25	7.53	0.23	9.01
07/02/21 Transfer to Checking	-	(114,013.22)	-	(114,013.22)
Anticipated Balance	<u>65,598.06</u>	<u>243,689.45</u>	<u>41,467.50</u>	<u>350,755.01</u>
UMB - Bond Fund Series 2017A				
Balance as of 04/30/21	-	-	500,441.77	500,441.77
Subsequent activities:				
05/18/21 Interest to Date	-	-	3.36	3.36
05/18/21 Refunding	-	-	(500,445.13)	(500,445.13)
Anticipated Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UMB - Reserve Fund Series 2017A				
Balance as of 04/30/21	-	-	743,188.45	743,188.45
Subsequent activities:				
05/18/21 Interest to Date	-	-	4.96	4.96
05/18/21 Refunding	-	-	(743,193.41)	(743,193.41)
Anticipated Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BBVA Loan Payment Fund Series 2021A-1				
Balance as of 04/30/21	-	-	-	-
Subsequent activities:				
05/18/21 Transfer from CSAFE	-	-	202,736.82	202,736.82
Anticipated Balance	<u>-</u>	<u>-</u>	<u>202,736.82</u>	<u>202,736.82</u>
BBVA Reserve Fund Series 2021A-1				
Balance as of 04/30/21	-	-	-	-
Subsequent activities:				
05/18/21 2021 Loan Issuance	-	-	437,332.50	437,332.50
Anticipated Balance	<u>-</u>	<u>-</u>	<u>437,332.50</u>	<u>437,332.50</u>
Total Anticipated Balance	\$ 98,916.01	\$ 299,013.25	\$ 682,825.87	\$ 1,080,755.13

Reserve for Tree Replacements \$ 28,583.01

Yield Information at 04/30/21

CSAFE: 0.05%

MANAGEMENT REPORT

Report Date: **July, 2021**

Community: **Cundall Farms Metro District**

Community Website: <https://cfmd.co/>

<p>Meetings Schedule: Monthly – First Tuesday</p> <p>Operations Fee: \$47.00/month</p>	<p>Board term: 5 members</p> <p>Vice President Term Expires 5/2023: Reuben Maes: reuben.maes@cfmd.co</p> <p>Member at Large Term Expires 5/2023: Bradley Nelson bnelsonco158@gmail.com</p> <p>Secretary Term Expires 5/2022: Darren Fresquez darrendfresquez@msn.com</p> <p>Director at Large Term Expires 5/2022: Vacant</p> <p>President/Treasurer Term Expires 5/2022: David Scott david@cfmd.co</p>
<p>Insurance: Expires 12/31/2021</p>	<p>Total Units: 362</p>
<p>District Services: Trash, Common Area Landscape Maintenance, Snow Removal on common area sidewalks, Pet Stations</p>	<p>Dates to Note: Irrigation turn on: April 15, 2021</p>

Current Projects / Action Items

PROJECT	STATUS
<p>ARC Committee</p>	<p>Communication to Owner’s for the need for volunteers? No decision made as of yet.</p> <p>2/3: Request for volunteers to be made in the newsletter.</p> <p>5/13: Received statement of interest from one Owner for ARC committee.</p> <p>6/8: Reuben (BOD) and Judy Poor to be committee.</p>
<p>COMPLETED Detention Pond Violation</p>	<p>6/4: Received notice via email from City of Thornton to clean up detention pond area: construction debris was requested to be cleaned up by KB, Morris confirmed it would be completed this week; clean debris from landscape materials from drain was requested of Schultz Industries as part of maintenance. Melissa to follow up with KB and Schultz on 6/14 to provide update to City of Thornton.</p> <p>6/15: Completed.</p>
<p>Split Rail fence proposals</p>	<p>5/4: Board requested proposals for split rail to go along sidewalk on Districts side of bridge along sidewalk. Requested proposal from Schultz and Aspen Group.</p> <p>5/7: Received proposal from Schultz for fence.</p>

Grading in Open Space on East end of Saint Paul St homes	<p>5/13: Received email from owner at 15932 Saint Paul St about standing water in open space behind home. Sent to Schultz for review and repair advice.</p> <p>5/19: Received email from Schultz about open space. Needs civil plans.</p> <p>5/24: Sent plans to Schultz, needs regraded to comply with plans.</p> <p>7/2: To be discuss at July Board meeting.</p>
COMPLETED Reserve Study Proposals	<p>11/11: Reached out to Association Reserves and Aspen Reserves to inquire about obtaining a proposal for a reserve study for a Metropolitan District. Both provide reserve studies for Districts.</p> <p>11/16: Received Association Reserves proposal.</p> <p>11/30: Received Aspen Reserves proposal. Both proposals will be included in the January Board packet.</p> <p>12/28: Proposals sent to WBA for 1/5 Board meeting.</p> <p>1/5: Board selected Association Reserves, 8-week, full study. Melissa to provide necessary documents to Association Reserves. Megan Murphy to provide contract.</p> <p>1/28: ETA on completion is 3/24.</p> <p>3/24: Received email stating that reserve study is almost completed, pending information on irrigation controller clocks.</p> <p>4/5: Vendor reached out to Schultz with additional questions, Schultz responded.</p> <p>4/8: Received draft reserve study for review by Board. Sent documents to WBA to be added to May board meeting packet.</p>
Playground Inspection	<p>1/5: Need proposals for 2021 playground inspections.</p> <p>1/6: Megan Murphy provided contacts for Colorado Playground Inspections LLC and Playground Safety Solutions. Melissa requested proposals from Playground Inspections LLC, left VM for Playground Safety Solutions.</p> <p>1/13: Received call back from Playground Safety Solutions. Sent email with community park location information and community map for proposal. Proposal received.</p> <p>2/5: Playground Safety Solutions - Requested updated proposal for contract cost for 4 or more inspections per year, detailed information on what exactly is done for the inspection and what the current inspection standards are now. Second proposal request from Rocky Mountain Playground Services.</p> <p>2/24: RMPS provided email with addl info. and agreement.</p> <p>3/2: Playground Solutions can do impact testing, recommends 1 inspection per year.</p>
Irrigation	<p>Need to obtain proposals for irrigation audit?</p> <p>1/5: Melissa to meet with Schultz/DINS in Spring for necessary irrigation repairs needed due to concrete work that was completed.</p> <p>Megan Murphy with WBA to provide contacts to Melissa for irrigation smart system proposals.</p> <p>1/6: Megan provided contact information for ET Irrigation; proposal requested. Melissa requested recommendations from Schultz.</p> <p>2/4: Received proposal from ET Irrigation for irrigation assessment.</p> <p>2/23: Contacted Irv with Aqua Corp to discuss project. Sent maps/specs for his review.</p> <p>3/2: BOD approved assessment with ET Irrigation.</p> <p>3/8: Received proposal with signature line.</p> <p>4/27: Emailed ET Irrigation on status of report, not available for May meeting but will be for June.</p> <p>6/4: Irrigation report not yet provided by ET Irrigation.</p>

Electrical Outlet at Entry

2/22: The Social Committee has requested status of adding electrical outlets at the entry for additional holiday lighting: In the past it has been proposed to get electricity at the Trailside Sign on the corner of Hwy 7 and York, which would be used to decorate for the holidays. We are proud of our neighborhood and would like the opportunity like so many neighborhoods around us to decorate for the holidays. Can you let our committee know what the status of this request is?

3/2: Megan to provide Melissa with RFP from prior proposal to send out for new proposals.

4/23: Received prior proposal from Thunderbird Lighting from Megan. Reached out to Thunderbird Lighting, Radiant Lighting and Skyline Lighting & Electrical for park light repairs and monument entry outlet for holiday lighting.

5/4: Heard from Skyline Lighting to set up meeting for walk of community lights for proposal.

5/5: Met with Skyline Lighting for repair proposal.

5/13: Sent main park lighting plans to Skyline Electrical for review.

5/14: Requested pole lights at park and along path be fixed.

5/18: Requested COI and W9 for Skyline Lighting for repairs to park pole lights.

5/24: Received COI and W9 for Skyline.

5/25: Requested repairs of park and path pole lights from Skyline.

5/25: Heard back from Radiant Lighting: to provide estimate they need an NTE for investigation to locate source with suggestions to replace with LED.

6/8: Requested update on repairs from Skyline.

6/8: New vendor selected by BOD at meeting: Blue Star Energy.

6/15: Moved to Lightning Mobile Electric due to unavailability for Blue Star Electric.

6/23: Received signed contract from Lightning Mobile Electric. Requested timeline for completion.

7/2: Requested update on ETA for repairs. From Mark: *I received our bid from Alyssa to sign it digitally. We need to have that signed by one of your representatives and we can order materials.*

We will be sending a truck out early next week to verify the base of the lamps, (medium or mogul), that are currently installed as this is unknown as of now. Once we verify, we will order the materials and return once they arrive to install. I will make sure to keep you in the loop with lead time on materials once ordered. We can schedule within a couple of days after receiving the material.

<p>Tree Claim</p>	<p>9/10: Darren is working with insurance for claim to replace trees/shrubs that died in the early 2020 freeze. I have reached out to Metco and SavATree for proposals for the replacement – to take place in spring 2021. Metco will put together for \$85/hour.</p> <p>9/22: SavATree to provide cost for consulting fee by end of day 9/25.</p> <p>10/15: Darren continues to work with insurance as well as tree company.</p> <p>11/1: Darren sent Arborist report to Board.</p> <p>11/11: Darren provided cost totals to insurance for replacements.</p> <p>11/12: Insurance provides reply to Darren, 81% of trees in report showed freezing.</p> <p>1/5: CLA advised that insurance proceeds have been received. Melissa to reach out to arborists to obtain proposal for oversight of tree installation by Tree Farm in spring 2021. Reached out to Schultz for recommendations.</p> <p>1/6: Megan Murphy provided contact for Tree Analysis Group, LLC. Melissa requested proposal. Tree Analysis Group, LLC replied requesting additional information. Provided.</p> <p>1/7: Schultz advised that arborist rate is \$75/hr and Thornton requires 2.5” caliper trees for installation.</p> <p>1/12: Tree Analysis – clarified time frame of on-site supervision for project.</p> <p>1/13: Contacted Rocky Mtn Tree Care. Obtained email address to send scope for proposal.</p> <p>1/14: Received proposal from Tree Analysis. Received VM from Rocky Mountain Tree Care, returned call and had to leave a message.</p> <p>2/15: Sent Darren two proposals for oversight of the project.</p> <p>2/18: Received email from Steve G at SavATree, advised the scope of work requested is outside his wheelhouse and declined to provide proposal.</p> <p>4/6: Darren advised that he is also speaking to the City of Thornton about the project and requested the tax exempt cert for CFMD for the purchase of the trees.</p> <p>4/12: Darren requested maps of CFMD for a walk with the Tree Farm. Sent.</p> <p>4/13: Reached out to Darren asking the status on the oversight of the installation by an Arborist. Darren advised that the Tree Farm provides an arborist for the oversight of the project and this is included in the cost of the installation.</p> <p>4/28: Spoke with Darren regarding Tree Farm payment.</p> <p>4/29: Darren advised that City of Thornton approved locations of new trees.</p> <p>5/24: Received update from Darren for phase 1-3:</p> <p><u>Phase 1</u> 1st green Colorado to plant thirteen large pine trees, ranging from fifteen feet to eleven feet tall.</p> <p><u>Phase 2</u> Tree Farm, replacing 170 dead trees thought the subdivision.</p> <p><u>Phase 3</u> James's nursery, purchase will add an additional 95 trees and 20 grasses. Spices and size are contained in the order acknowledgement pricing attachment. Need to get payment issued to secure product. This is a wholesale purchase with whole sale pricing.</p> <p>5/25: Received phase three planting plan.</p> <p>6/3: Emailed Darren to ask about pile of dirt at well site, he is aware and has two options for Board review.</p> <p>7/2: Project continues to move forward. Next step is shrub replacements.</p>
<p>Landscape</p>	<p>2021 landscape season questions/comments/concerns from the Board/Owners: None yet.</p> <p>4/12: Schultz is going to activate irrigation for inspection and repairs on 4/15, weather permitting.</p>

Trailside Patio Homes HOA Board	<p>8/17: Reuben would like to close the communication gap between the Metro District and the Patio Home Board. I asked Adam Thompson to provide me with the contact information for the manager for the Patio homes as Metco maintains the landscaping, contact provided: Denise Haas@ 5150 Community Management; 720-961-5150; denise@5150cm.com</p> <p>10/8: David sent email to Board regarding conversation with Denise at 5150. I provided contact information for two Board members to Kathy.</p>
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Design Reviews: Reuben Maes (BOD) and Judy Poor (homeowner) will be reviewer with assistance of Advance as of 6/8/21.

KB Homes/City of Thornton concrete project contacts:
DINS Services – contractor: admin@dinsservices.com
PM – Andy Laycock: andy@ascentld.com; 970-556-5858
KB Homes - Morris Barbera: mbarbera@kbhome.com; 303-232-1130

Current Contracts

Service	Company	Rate	Expiration	Termination Clause
Audit / Tax Prep			annual engagement	n/a
Insurance	McGriff, Seibels & Williams, Inc.		12/31/2022	n/a
Landscaping	Schultz		12/31/2021	30 days
Pet Waste Removal	Schultz		12/31/2021	
Snow Removal	Schultz		05/31/2021	30 days
Trash Removal	City of Thornton	Billed to Homeowners through their utility billing	None	N/A
Legal Services	White Bear Ankele Tanka & Waldron			
Management	Advance HOA Management	\$1500 / month	Auto renew	30 days
Accounting	Clifton Larson Allen LLP			

Proposal

July 1, 2021

Submitted To: Cundall Farms
c/o Advance HOA
PO BOX 370390
Denver CO 80237

Project: Cundall Farms, Misc Improvements
15791 Josephine Cir lce West



Scope

We propose to furnish the following scope of work to complete the above mentioned project:

15613 Elizabeth, add rock <i>Add 1.5" river rock in bare dirt area along fence line.</i>	At a cost of	\$229.03	_____
15907 Clayton, fix grade <i>Raise grade around the backflow device so water will drain to the rock bed. The new grade will be a minimum of 2%</i>	At a cost of	\$507.96	_____
15927 Clayton, fix grade <i>Raise grade in turf area so water drains to the rock bed and sidewalk. The new grade will be a minimum of 2%.</i>	At a cost of	\$507.96	_____

Terms & Conditions

Proposal may be withdrawn if not accepted within 30 days of issue date

All plant installations come with a 1 year warranty, provided the maintenance is provided by Schultz Industries, Inc.

Unless specifically included in the above specs, all necessary irrigation work required with this task will be billed on a time and material basis at a rate of \$60.00 per hour or your current contract rate.

Upon acceptance, please initial desired services, sign and return this proposal

By: Joshua J. Schultz 7/1/2021 Accepted: _____
Schultz Industries, Inc. Date Cundall Farms Date



Pest Control Services

Prairie dog control
Meadow vole and ground squirrel control
Coyote, beaver and muskrat control
Rattlesnake control

Brett Boddicker

PO Box 550
Windsor CO 80550
Phone: 970-674-1619
Fax: 970-674-3383
E-mail: rmwildlife@skybeam.com

Wildlife Management Consulting

Trapper training programs
Predator calling programs
Animal damage control
Wildlife management planning

July 5, 2021

White Bear Ankele Tanaka & Waldron
Erin Stutz
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122

Re: Prairie dog control at Cundall Farms

To Whom It May Concern:

Scope: the far northeast corner of Cundall Farms currently has 25 to 35 active prairie dog burrows, with 1-5 of those being close enough to nearby homes to require the use of gas cartridges.

Unfortunately, the parcel that sits directly to the east is also full of prairie dogs as are many of the other lots in the area. Animals from the untreated portion of the colony are going to re-infest the burrows on Cundall Farms and periodic treatments may be necessary just to keep the infestation from expanding.

Cost: The cost for an initial single treatment of the burrows currently on Cundall Farms should fall between \$290.00 and \$335.00.

After the initial treatment, if the Metro District would prefer to set up a monthly maintenance visit, to regularly treat any burrows that are re-opened, the cost would be \$195.00 per month for the remaining four months of 2021 season, or a total of \$780.00. These visits typically run from April through November.

The cost for treatment of prairie dog burrows includes both trip charge and a fee for each burrow fumigated. The trip charge varies according to the distance from our office north of Windsor, CO. For the Thornton area, the trip charge is \$200.00. This fee covers a single fumigation visit to the site.

The fee per burrow varies, according to the ultimate number of burrows treated and the pesticide used. For aluminum phosphide (the standard treatment), the cost is as follows:

- 1-500 burrows - \$3.50 per burrow
- 501-2500 burrows - \$3.15 per burrow
- 2501+ burrows - \$3.05 per burrow

For any burrows that are within 100 feet of any occupied, or potentially occupied, buildings, gas cartridges must be used. For fumigation with gas cartridges, the cost is as follows:

- 1-99 burrows - \$6.00 per burrow
- 100+ burrows - \$5.00 per burrow

If carbon monoxide from a machine is desired, the cost is \$240.00 per hour the machine is running. That works out to about \$8.00 - \$10.00 per burrow.

If the metro district would prefer to use exhaust carbon monoxide to treat all of the burrows currently on site, the cost for treatment would be \$410.00 or less.

Service offered: For the cost of fumigation, Rocky Mountain Wildlife Services, Inc. will treat each active prairie dog burrow with aluminum phosphide or carbon monoxide.

For most burrows, aluminum phosphide tablets will be placed in each burrow and the burrow then sealed with paper and soil. Inside the burrow, the tablets react with moisture in the air and soil to release phosphine gas. Once inhaled, the gas causes a metabolic crisis and death from lack of oxygen typically follows shortly.

Although the gas is deadly inside the sealed burrows, it is considered safe for people, pets and other animals to be in the area. Despite this, we are required to post warning signs at the entrance to every fumigation site. The warning signs are to remain in place for two days after the fumigation is complete.

For any burrows that are within one hundred (100) feet of an occupied building, gas cartridges **must** be used for fumigation. For each burrow, a gas cartridge is set afire, placed inside the burrow and the burrow then sealed with paper and soil. Inside the burrow, the burning gas

cartridge creates a large but short-lived cloud of carbon monoxide, which, once inhaled, leads to death from lack of oxygen. Due to the visibility and odor of the smoke produced, the gas cartridges are considered safer when working next to occupied buildings. In the very rare case that a prairie dog burrow might contact the foundation of a building, the fumigant could enter the building through crack or hole in the foundation and the smoke from the gas cartridges will be more readily detectable.

Carbon monoxide can also be applied with the use of a PERC machine. A gasoline engine is used to generate exhaust gases which are cooled, stored then released down inside the burrows before the burrows are sealed with soil. The carbon monoxide ties up the hemoglobin in the animal's bloodstream preventing the transportation of oxygen and leading to death from lack of oxygen. Carbon monoxide leaves no toxic residue in the soil nor in the deceased animal so there is no risk of secondary poisoning and no posting is required.

Exhaust carbon monoxide fumigation is the most effective method we have available and is considered by some to be the most humane. However the treatment process takes much longer than other methods and so the cost is significantly higher.

Our service includes a single visit where all burrows are checked and any that show recent prairie dog activity are fumigated. With the single visit, we hope to remove 92% to 95% of the prairie dogs currently on the site, or 98% to 100% when using the PERC machine.

What to expect: There will be survivors and prairie dogs from other colonies in the region will re-infest the area over time. Future treatments will be necessary to keep the area under control and, where possible, to eventually eliminate the infestation. Any future treatments would be an additional expense.

Yearling prairie dogs move around in great numbers from mid-May through late October. This dispersal is the reason most prairie dog colonies expand and new colonies form and is likely the reason that you have a prairie dog problem now. As such, you may see new prairie dogs return to the treated area over the summer.

Recommendations: With neighboring lots also infested with prairie dogs, untreated animals will continue to run back and forth between the properties and keep the burrows on Cundall Farms active. In similar circumstances, we offer a monthly maintenance visit. These run from April through November and involve a single visit each month where all burrows are checked

and any that show recent activity are fumigated. This generally does not eliminate the problem on the property but does keep it from expanding.

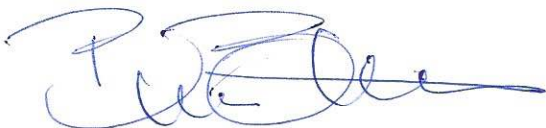
Once the fumigation is complete, any vegetation in the treatment area should be allowed to grow tall and to remain tall throughout the summer and fall months. Improving the vegetation on the site is important as a tall, thick stand of grass is the best way to discourage prairie dogs from re-infesting the site in future years. If you must mow or graze a treated area, it is best to wait until after November 1st to do so.

Fumigation can take place almost anytime during the year, as the effectiveness of the fumigant does not vary much from month to month. Other factors including soil moisture, growing seasons and the annual yearling dispersal do make certain times of the year better for treatment.

- Aluminum phosphide is more effective when temperatures are above 50°F.
- Soil moisture tends to be best in the springtime or after a significant rainfall.
- Treating between November 1st and late March removes prairie dogs before the growing season and allows the vegetation a chance to recover before the annual prairie dog dispersal season begins in mid-May.
- The dispersal season runs from Mid-May through October and accounts for most expansion of existing prairie dog colonies and the sprouting of new colonies; treating outside the dispersal season (November through April) results in fewer new animals moving in right after fumigation.
- If burrowing owls are a concern, fumigation should take place between October 15th and March 15th.

Hope this answers most of your questions. If you have further questions or concerns, please contact me.

Regards,



Brett Boddicker
Rocky Mountain Wildlife Services, Inc.