

**CASCADE METROPOLITAN DISTRICT NO. 1
NOTICE OF REGULAR BOARD MEETING AND AGENDA**



Tuesday, May 23, 2023, at 5:30 PM (MST)

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

Please join meeting from your computer, tablet or smartphone.

<https://video.cloudoffice.avaya.com/join/591798670>

You can also dial in using your phone.

United States: [+1 \(213\) 463-4500](tel:+12134634500)

Access Code: 591-798-670

Public Invited to Attend

Board of Director	Title	Term Expiration
Susan Soloyanis	President	May 2027
Mike Herr	Secretary/ Treasurer	May 2027
Karole Campbell	Secretary	May 2027
James Borden	Assistant Secretary	May 2025
Erin Sullivan	Assistant Secretary	May 2025

AGENDA

- 1. Call to Order**
- 2. Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures**
- 3. Appointment of Officers (President, Vice President, Treasurer, Secretary, Assistant Secretary)**
- 4. Approval of Agenda**
- 5. Consent Agenda Items** (These items are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless requested, in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda)
 - a. Approval of Board Meeting Minutes from the regular meeting on February 15, 2023 (enclosure)
 - b. Ratification and approval of payables through the period ending May 23, 2023 (enclosure) in the amount of:

General Fund:	\$ 3,229.85
Debt Service Fund:	\$ 18,174.77
TOTAL:	\$ 21,404.62
 - c. Acceptance of Unaudited Financial Statements as of April 30, 2023, the schedule of cash position updated as of April 30, 2023, and bank statements (enclosure)
- 6. Consideration of items removed from the Consent Agenda**

- 7. Management Matters**
 - a. Discuss status of post-conversion requirements
 - b. Review of payment status and collection
 - i. Current billings & Collections
 - c. Update on Disposition of Assets
 - i. Remaining District owned parcels (enclosed map)
- 8. Legal Matters**
 - a. Review Proposals from Special Counsel for Collection Matters and Consider Engagement of Special Counsel for Collection Matters (enclosures)
- 9. Water Enterprise Revenue Refunding Bonds, Series 2023 Matters**
 - a. Discuss Engaging a Municipal Advisor
 - b. Discuss and determine a date to review, hold a hearing and adopt a 2023 Budget Amendment
 - c. Review and consider approval for Special Disclosure of Costs for Legal Service in Connection with Bonds – White Bear Ankele Tanaka & Waldron (enclosure)
 - d. Review and consider for approval engagement of Bond and Disclosure Counsel (enclosure)
 - e. Review and consider engagement with Stifel, Nicolaus & Company, Inc, (enclosure)
 - f. Discuss 45-Day Notice of Intent to Undertake Certain Actions (enclosure)
- 10. Financial Matters**
 - a. Discuss Collection matters
- 11. Public Comment (Items not on the Agenda Only. Comments limited to 3 minutes per person and taken in order in which they appear)**
- 12. Other Business**
- 13. Adjourn** – Next Regular Scheduled Meeting is July 18, 2023, - 2022 Audit review



**MINUTES OF A REGULAR BOARD MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD FEBRUARY 15, 2023**

A regular meeting of the Board of Directors (the “Board”) of the Cascade Metropolitan District No. 1 (the "District") was duly held on Tuesday, the 15th day of February 2023 at 5:30 p.m. The meeting was held via teleconference. The meeting was open to the public.

Directors in Attendance Were:

Susan Soloyanis
Jim Borden
Mike Herr
Erin Sullivan
Karole Campbell

Also in Attendance Were:

Heather Hartung, Esq., White Bear Ankele Hartung & Waldron, Attorneys at Law
Kevin Walker, WSDM District Managers
Stacy Mast, Stifel Public Finance (“Stifel”)

Luke Pastor, Resident

1. **Call to Order:** President Soloyanis called the meeting to order at 5:30 PM.
2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures:** Ms. Hartung confirmed a quorum of the Board was present and that each Director had confirmed their qualifications to serve. Ms. Hartung confirmed the Directors’ conflicts of interest were properly filed.
3. **Approval of Agenda:** The Board approved the agenda as written.
4. **Consent Agenda Items:**
 - a. Approval of Board Meeting Minutes from the regular meeting on October 26, 2022
 - b. Ratification and Approval of Payables through the period ending February 15, 2023 in the amount of:

General Fund: \$ 7,993.15
Debt Service Fund: \$18,174.77
Total \$26,167.92
 - c. Acceptance of Unaudited Financial Statements as of January 31, 2023, the schedule of cash position updated as of January 31, 2023, and bank statements
 - d. Approval of Resolution Designating Meeting Notice Posting Location

The Board approved the Consent Agenda Items as presented.

5. **Consideration of items removed from Consent Agenda:** None.

6. Management Matters

- a. Discuss Status of Post-conversion Requirements: President Soloyanis reviewed with the Board the remaining post-conversion requirements in relation to the transition of the water system to Colorado Springs Utilities. The District anticipates receiving a request from Colorado Springs Utilities regarding costs associated with the easements they obtained in relation to the water system conversion project.
- b. Review of Payment Status and Collections: Mr. Walker requested the Board table this item and noted he will send the collection status report by email.
 - i. Current Billings
 - ii. Collections
- c. Update on Disposition of Assets: Mr. Walker updated the Board on the disposition of assets. Mr. Walker reported he is working on two other properties that need to be conveyed out, and the City is in the process of finalizing the quitclaim deed.
 - i. Water Tank Shed: Mr. Walker informed the Board that the demolition of the water tank shed was completed.
 - ii. Storage Tank on Pyramid Mountain: There is no update on the storage tank.
- d. Discuss Annual Report on the Service Plan: Ms. Hartung noted that Ms. Harris is preparing the annual report on the service plan that is due February 28th. President Soloyanis noted she sent a query to DOLA regarding the future of the District and what changes can be made now that it no longer provides a service to the community other than servicing the bond debt, but a lot of money is spent on district requirements that may no longer apply. Mr. Walker offered assistance and will pursue a lead with the Treasurer's office regarding this issue.

7. Legal Matters

- a. Review and Consider Approval of Resolution Approving the Conveyance of Two Properties to El Paso County: Director Campbell moved to approve the Resolution Approving the Conveyance of Two Properties to El Paso County; seconded by Director Borden. Motion passed unanimously.
- b. Review and Ratification of approval of Quitclaim Deed to El Paso County for Hagerman Avenue and Portion of Forest Road: Director Herr moved to ratify the approval of Quitclaim Deed to El Paso County for Hagerman Avenue and Portion of Forest Road; seconded by Director Campbell. Motion passed unanimously.
- c. Review and consider approval of First Amendment to 2023 Annual Administrative Resolution: Director Herr moved to approve the First Amendment to 2023 Annual Administrative Resolution; seconded by Director Campbell. Motion passed unanimously.
- d. Discuss and Consider Engagement of Special Counsel for Collection Matters: The Board discussed the engagement of special counsel for collection matters since Ms. Hartung's firm no longer provides collection services moving forward. She noted that her firm will still provide collection services as it relates to certifications. Ms. Hartung recommended the Directors review the proposals individually and report back at the next meeting.
- e. Discuss Beisel Lawsuit and Notice of Dismissal Without Prejudice: The Board discussed the dismissal of the Beisel lawsuit. The plaintiff withdrew the case and dismissed it without prejudice meaning they can refile. Ms. Hartung noted that a stipulation has been prepared for when it is refiled.

- f. Discuss Letter from resident O’Laughlin: President Soloyanis discussed the response to the letter from resident O’Laughlin.
- g. Discuss May 2, 2023 Election: Ms. Hartung provided an update on the May 2, 2023 Election. The existing Directors have submitted Self-Nomination forms and they have been deemed sufficient.

8. Financial Matters

- a. Review Cascade Bond Rate Study: Stacy Mast with Stifel provided a presentation regarding refunding both series of bonds into one series. The 2015 bonds are non-rated, and changing the rating would expand the investor base and would achieve a lower interest rate. The earliest time for refunding is 90 days prior to December 1st, so pricing bonds in August is a possibility. The Board discussed that they are not ready for a special engagement letter yet, and requested this item be on the May agenda for further discussion.
- b. Discuss Late Fee Waiver for 4630 Fountain Ave: The Board discussed the late fee waiver request for 4630 Fountain Avenue. Mr. Walker explained the history of the property and that a closing statement and a change of service was requested in May 2022. Apparently, the closing did not occur in May, but the records were changed. WSDM did not have the new owner’s information from the closing that took place in August which resulted in a backlog of missed payments and late fees. Luke Pastor explained the first bill he received was forwarded to him in January and his realtor confirmed that the seller’s agent and title company never provided information about the district fee. He asked how long residents have been paying the district fee. The Board explained that the bonds were issued in 2015 and the fees have been collected since then. The Board explained that the title company and realtors are required to disclose the information to buyers. Ms. Hartung noted there are four Fee Resolutions that have been recorded with the County Clerk and Recorder that the title company should have discovered and disclosed. Mr. Walker confirmed the previous owner paid the district fees and was aware of them. Mr. Walker will bill the previous owner for the missed payments during the time between May and August 2022. Mr. Pastor thanked the Board and commented he will contact his realtor and title company regarding the new information.

9. Public Comment

- a. 4630 Fountain Avenue, Luke Pastor. Remove Late Fees 8/12/22 to Present: There was no additional discussion.

10. Other Business

- a. Next Meeting – Scheduled for May 23, 2023, at 5:30 PM.

11. Adjournment: The Board adjourned the meeting at 6:30 PM.

Respectfully submitted,

By: _____
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL FEBRUARY 15, 2023 MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE BOARD OF DIRECTORS SIGNING BELOW:

Mike Herr

James Borden

Susan Soloyanis

Erin Sullivan

Karole Campbell



Cascade Metropolitan District
PAYMENT REQUEST
5/17/2023
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
White Bear Ankele Tanaka & Waldron	28048	4/30/2023	716.47	
WSDM District Managers	7401	4/30/2023	2,513.38	
TOTAL			3,229.85	

BOND FUND ACCOUNT

Description	Date	Amount	Comments
UMB Bank - Series 2015A & 2015B Interest	6/10/2023	\$ 18,174.77	July
TOTAL		\$ 18,174.77	

TOTAL FOR ALL FUNDS

\$ 21,404.62

_____, President



Balance Sheet

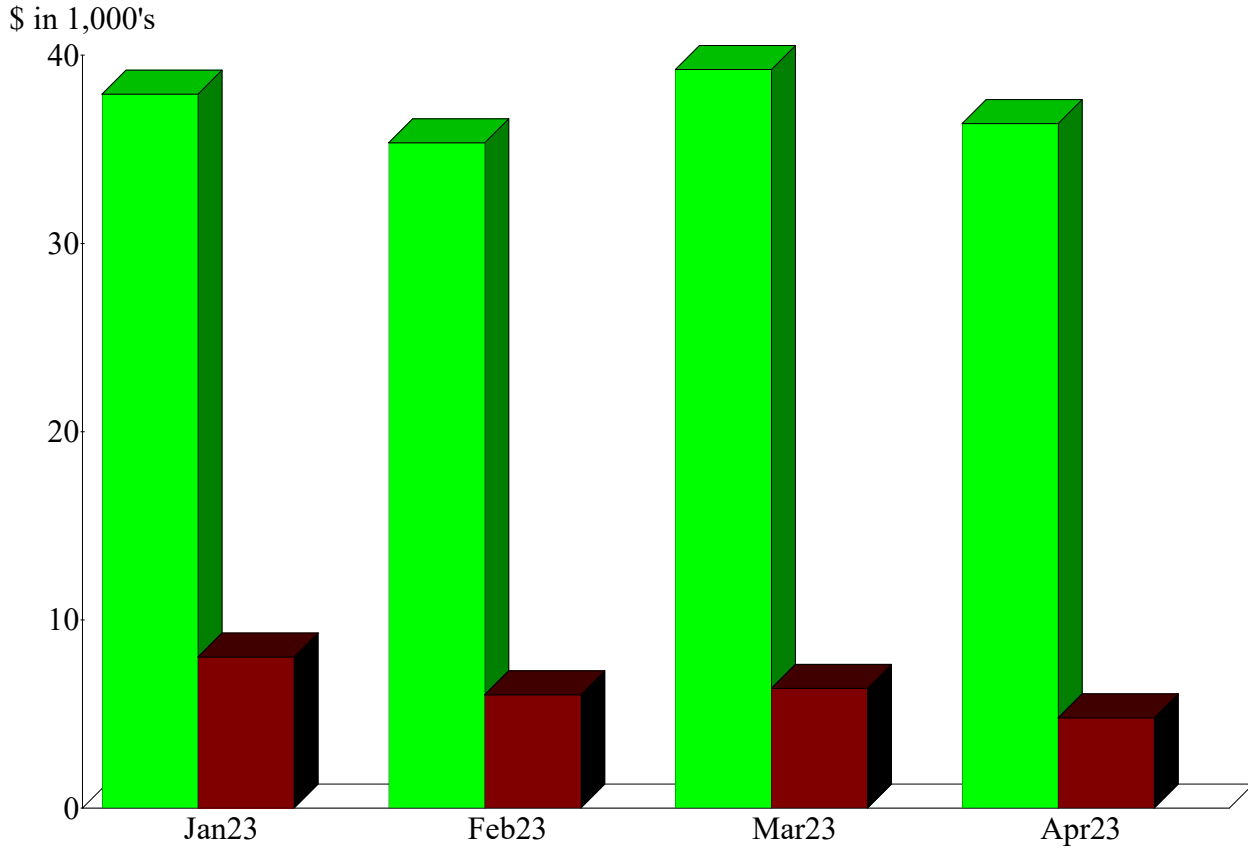
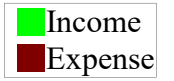
As of April 30, 2023

	<u>Apr 30, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
1995 Checking	56,093.70
2002 Savings	151,402.89
2-1050 · UMB Interest 143222.1	157,925.96
2-1055 · UMB Reserve 143222.3	378,833.12
2-1060 · UMB Principal 143222.2	22,796.79
Total Checking/Savings	<u>767,052.46</u>
Accounts Receivable	
1-1200 · Accounts Receivable	20,139.56
1-1210 · Allowance for Doubtful Accounts	-5,000.00
Total Accounts Receivable	<u>15,139.56</u>
Total Current Assets	<u>782,192.02</u>
TOTAL ASSETS	<u>782,192.02</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	6,378.32
Total Accounts Payable	<u>6,378.32</u>
Other Current Liabilities	
1-320 · Prepaid Charges	6,358.16
2-346 · Accrued Int 2015A	15,691.67
2-347 · Accrued Int 2015B	6,485.42
Total Other Current Liabilities	<u>28,535.25</u>
Total Current Liabilities	<u>34,913.57</u>
Long Term Liabilities	
Bonds Payable 2015A	3,260,000.00
Bonds Payable 2015B	1,415,000.00
Total Long Term Liabilities	<u>4,675,000.00</u>
Total Liabilities	<u>4,709,913.57</u>
Equity	
3-3200 · Invested in Capital Assets	-4,192,805.87
30000 · Opening Balance Equity	-180,464.08
32000 · Retained Earnings	321,886.16
Net Income	123,662.24
Total Equity	<u>-3,927,721.55</u>
TOTAL LIABILITIES & EQUITY	<u>782,192.02</u>

Cascade Metropolitan District No. 1
Profit & Loss Budget vs. Actual
January through April 2023

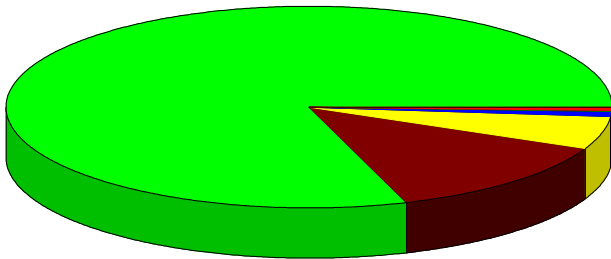
	TOTAL				
	Apr 23	Jan - Apr 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
1-506 · Operations Administrative Fee	4,358.51	19,470.23	42,000.00	-22,529.77	46.36%
1-509 · Revenue-Collection Charges	0.00	0.00	5,000.00	-5,000.00	0.0%
1-510 · Late Fees	205.34	1,317.30	2,500.00	-1,182.70	52.69%
1-560 · Interest Income	56.92	222.62	100.00	122.62	222.62%
2-510 · Debt Service Fee	29,580.56	119,593.22	382,000.00	-262,406.78	31.31%
2-530 · Malcom Restitution	80.43	325.09			
2-560 · Interest Income-Debt	2,082.85	7,976.14	3,000.00	4,976.14	265.87%
Total Income	<u>36,364.61</u>	<u>148,904.60</u>	<u>434,600.00</u>	<u>-285,695.40</u>	<u>34.26%</u>
Expense					
1-614 · Billing and Customer Service	1,800.00	7,200.00	24,000.00	-16,800.00	30.0%
1-615 · Audit	0.00	0.00	9,000.00	-9,000.00	0.0%
1-618 · Bank Fees	147.88	606.16	1,800.00	-1,193.84	33.68%
1-635 · Election	323.96	3,181.66	10,000.00	-6,818.34	31.82%
1-670 · Insurance/SDA Dues	0.00	-185.00	2,500.00	-2,685.00	-7.4%
1-672 · Dues, Fees & Subscriptions	0.00	591.79	450.00	141.79	131.51%
1-675 · Legal	710.51	5,427.11	10,000.00	-4,572.89	54.27%
1-680 · Management	550.00	2,200.00	4,000.00	-1,800.00	55.0%
1-683 · Accounting/ Bookkeeping	150.00	600.00	2,000.00	-1,400.00	30.0%
1-684 · Expense-Collection Charges	0.00	2,387.50	5,000.00	-2,612.50	47.75%
1-685 · Miscellaneous	750.00	750.00	10,000.00	-9,250.00	7.5%
1-729 · CSU Settlement	0.00	0.00	100,000.00	-100,000.00	0.0%
1-760 · Office Supplies/Postage	267.18	2,092.56	3,600.00	-1,507.44	58.13%
2-617 · Bank Fees - Debt Service	108.71	390.58	3,500.00	-3,109.42	11.16%
2-900 · Interest Expense CMD A 2015	0.00	0.00	188,300.00	-188,300.00	0.0%
2-905 · Interest Expense CMD B 2015	0.00	0.00	77,824.00	-77,824.00	0.0%
Total Expense	<u>4,808.24</u>	<u>25,242.36</u>	<u>451,974.00</u>	<u>-426,731.64</u>	<u>5.59%</u>
Net Ordinary Income	<u>31,556.37</u>	<u>123,662.24</u>	<u>-17,374.00</u>	<u>141,036.24</u>	<u>-711.77%</u>
Other Income/Expense					
Other Expense					
3-771 · Other Expense	0.00	0.00	10,000.00	-10,000.00	0.0%
Total Other Expense	<u>0.00</u>	<u>0.00</u>	<u>10,000.00</u>	<u>-10,000.00</u>	<u>0.0%</u>
Net Other Income	<u>0.00</u>	<u>0.00</u>	<u>-10,000.00</u>	<u>10,000.00</u>	<u>0.0%</u>
Net Income	<u><u>31,556.37</u></u>	<u><u>123,662.24</u></u>	<u><u>-27,374.00</u></u>	<u><u>151,036.24</u></u>	<u><u>-451.75%</u></u>

Income and Expense by Month
January through April 2023



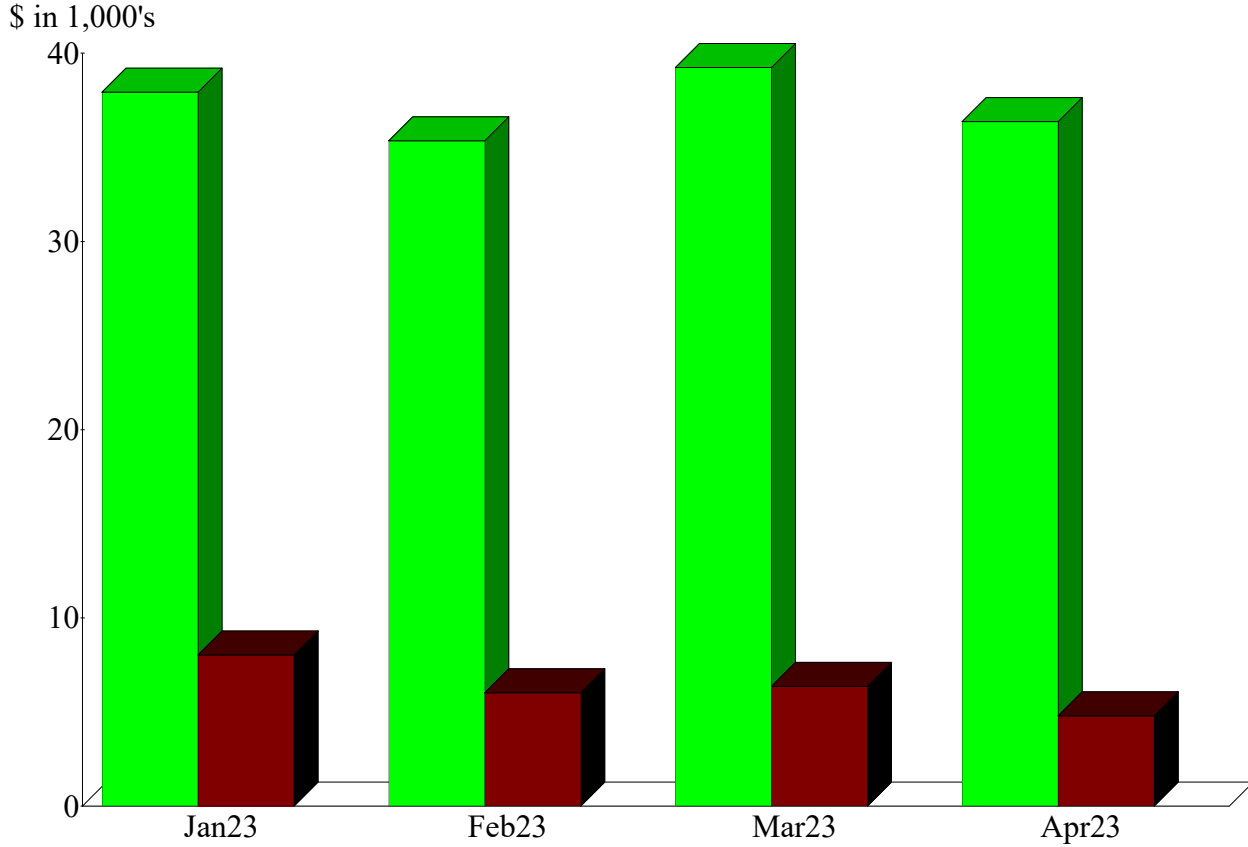
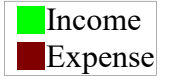
Income Summary
January through April 2023

2-510 · Debt Service Fee	80.32%
1-506 · Operations Administrative Fee	13.08
2-560 · Interest Income-Debt	5.36
1-510 · Late Fees	0.88
2-530 · Malcom Restitution	0.22
1-560 · Interest Income	0.15
Total	\$148,904.60



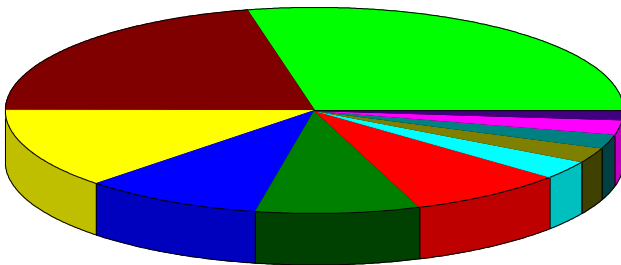
By Account

Income and Expense by Month
January through April 2023



Expense Summary
January through April 2023

1-614 · Billing and Customer Service	28.52%
1-675 · Legal	21.50
1-635 · Election	12.60
1-684 · Expense-Collection Charges	9.46
1-680 · Management	8.72
1-760 · Office Supplies/Postage	8.29
1-685 · Miscellaneous	2.97
1-618 · Bank Fees	2.40
1-683 · Accounting/ Bookkeeping	2.38
1-672 · Dues, Fees & Subscriptions	2.34
Other	0.81
Total	\$25,242.36



By Account



EL PASO COUNTY - COLORADO8323300111
PYRAMID MOUNTAIN RDTotal Market Value
\$200**OVERVIEW**

Owner:	CASCADE METRO DISTRICT NO. 1
Mailing Address:	20 BOULDER CRESCENT ST STE 200 COLORADO SPRINGS CO, 80903-3300
Location:	PYRAMID MOUNTAIN RD
Tax Status:	Exempt
Zoning:	R-T
Plat No:	-
Legal Description:	TR IN SW4 SEC 23-13-68 DES AS FOLS: BEG AT POI OF E/W C/L OF SD SEC 23 WITH SWLY R/W LN OF PYRAMID MOUNTAIN RD, TH SELY ALG SWLY LN THEREOF 24.48 FT, ANG R 123<09' WLY 31.22 FT, ANG R 89<20'08" NLY ALG A CUR TO L HAVING A RAD OF 1840.36 FT A C/A OF 00<39'41" AN ARC DIST OF 21.24 FT TO A PT ON E/W C/L OF SEC 25, ANG R 93<40'12" ELY 18.22 FT TO POB

MARKET & ASSESSMENT DETAILS

	Market Value	Assessed Value
Land	\$200	\$0
Improvement	\$0	\$0
Total	\$200	\$0

No buildings to show.

LAND DETAILS

Sequence Number	Land Use	Assessment Rate	Area	Market Value
1	POLITICAL SUBDIVISION	29.000	550 SQFT	\$200

SALES HISTORY

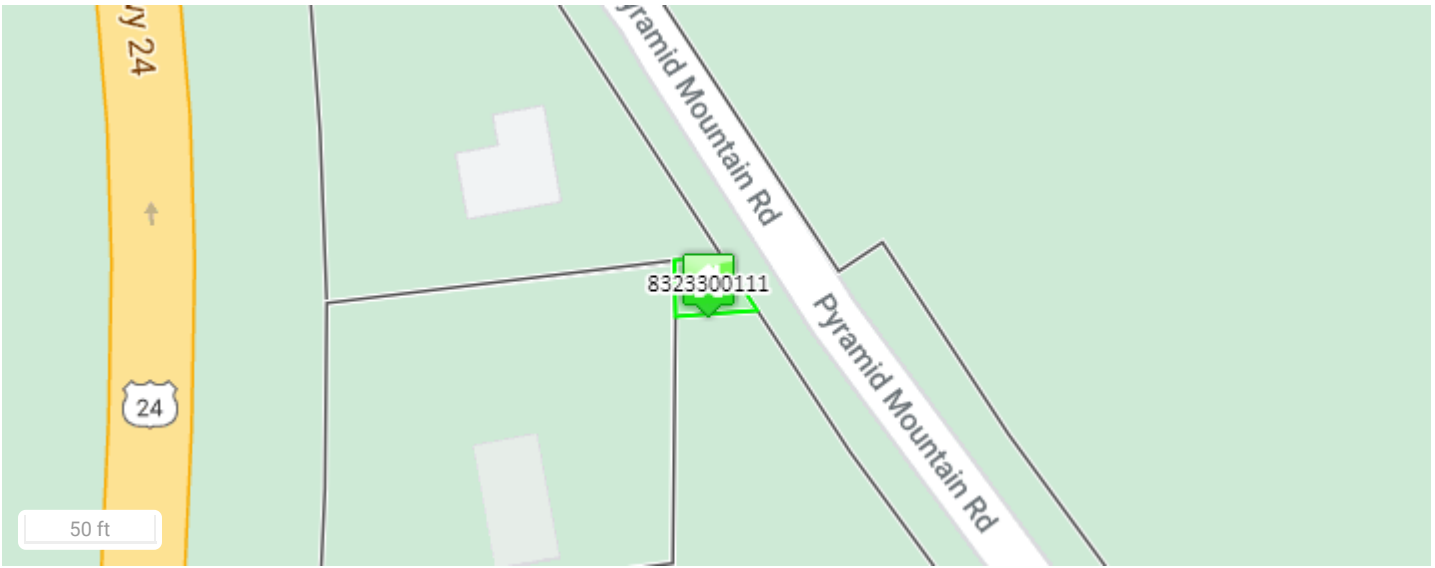
	Sale Date	Sale Price	Sale Type	Reception
+	09/10/2014	\$0	-	214082301
+	01/17/2013	\$0	-	213007685
+	11/15/2012	\$0	-	212136569
+	09/03/2004	\$0	-	204150690
+	09/03/2004	\$0	-	204150691

TAX ENTITY AND LEVY INFORMATION

County Treasurer Tax Information

Tax Area Code: **HBN** Levy Year: **2020** Mill Levy: **75.932**

Taxing Entity	Levy	Contact Name/Organization	Contact Phone
EL PASO COUNTY	7.755	FINANCIAL SERVICES	(719) 520-6400
EPC ROAD & BRIDGE (UNSHARED)	0.330	-	(719) 520-6498
MANITOU SPRINGS SCHOOL NO 14	53.144	SUZI THOMPSON	(719) 685-2011
PIKES PEAK LIBRARY	3.855	MIKE VARNET	(719) 531-6333
CASCADE FIRE PROTECTION	10.848	WALKER SCHOOLER DISTRICT MANAGERS	(719) 447-1777
CASCADE METROPOLITAN #1	0.000	WALKER SCHOOLER DISTRICT MANAGERS	(719) 447-1777



No Photo Available



Disclaimer

We have made a good-faith effort to provide you with the most recent and most accurate information available. However, if you need to use this information in any legal or official venue, you will need to obtain official copies from the Assessor's Office. Do be aware that this data is subject to change on a daily basis. If you believe that any of this information is incorrect, please call us at (719) 520-6600.

EL PASO COUNTY - COLORADO8323304007
PYRAMID MOUNTAIN RDTotal Market Value
\$900**OVERVIEW**

Owner:	CASCADE METRO DISTRICT NO. 1
Mailing Address:	20 BOULDER CRESCENT ST STE 200 COLORADO SPRINGS CO, 80903-3300
Location:	PYRAMID MOUNTAIN RD
Tax Status:	Exempt
Zoning:	R-T
Plat No:	-
Legal Description:	TRACT SW4 SEC 23-13-68, A POR OF LOT 7 BLK 7 CASCADE ADD NO 1 NOW VACATED - DESIGNATED AS TR 10 ON ASSESSORS MAP 83233

MARKET & ASSESSMENT DETAILS

	Market Value	Assessed Value
Land	\$900	\$0
Improvement	\$0	\$0
Total	\$900	\$0

No buildings to show.

LAND DETAILS

Sequence Number	Land Use	Assessment Rate	Area	Market Value
1	POLITICAL SUBDIVISION	29.000	2200 SQFT	\$900

SALES HISTORY

	Sale Date	Sale Price	Sale Type	Reception
+	09/10/2014	\$0	-	214082301
+	01/17/2013	\$0	-	213007685
+	11/15/2012	\$0	-	212136569
+	09/03/2004	\$0	-	204150691
+	12/17/2003	\$0	-	203289846

TAX ENTITY AND LEVY INFORMATION

County Treasurer Tax Information

Tax Area Code: **HBN** Levy Year: **2020** Mill Levy: **75.932**

Taxing Entity	Levy	Contact Name/Organization	Contact Phone
EL PASO COUNTY	7.755	FINANCIAL SERVICES	(719) 520-6400
EPC ROAD & BRIDGE (UNSHARED)	0.330	-	(719) 520-6498
MANITOU SPRINGS SCHOOL NO 14	53.144	SUZI THOMPSON	(719) 685-2011
PIKES PEAK LIBRARY	3.855	MIKE VARNET	(719) 531-6333
CASCADE FIRE PROTECTION	10.848	WALKER SCHOOLER DISTRICT MANAGERS	(719) 447-1777
CASCADE METROPOLITAN #1	0.000	WALKER SCHOOLER DISTRICT MANAGERS	(719) 447-1777



No Photo Available



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November 8, 2023

Via Email

White Bear Ankele Tanaka & Waldron
2154 E. Commons Ave., Suite 2000
Centennial, CO 80122

Denver Office

Jeffrey B. Smith

Direct 303.991.2066

jsmith@altitude.law

Re: Altitude Community Law P.C. Legal Services Proposal for Metropolitan District

Dear Members of the Board:

Thank you for your interest in the legal services we can provide for your district. Enclosed are materials describing our experience, philosophy, services and fees. We offer a variety of fee programs, including flat fees and retainers, to suit the needs of individual districts. To determine what fee program may best suit your district, please give me a call after you have had a chance to review the enclosed material.

How we will work with you. Our experience enables us to partner with your metro district and your team to provide tailored, creative solutions that best meet the metro district's unique needs. As the trusted leader in community association law in Colorado, we have over 200 years combined experience and have successfully represented more than 2,500 associations. As many of the legal issues and practices of associations overlap with metro districts, we will apply the same expertise to your metro district. We make every effort to understand your issues and constraints and will alert you when we see an opportunity or potential problem that is beyond the metro district's immediate need, while keeping your budget in mind.

Value-added benefits of partnering with Altitude Community Law P.C. We are committed to providing our clients with up-to-date information, education and tools to help you govern your metro district proactively and positively. We offer education programs designed exclusively for board and committee members. While primarily for community associations, many of the same practice pointers apply to district board members. The 2023 education schedule is available on our website, www.altitude.law/education.

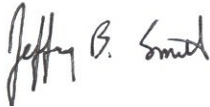
Next steps. If you desire to hire our firm, please complete and return the 2023 Legal Services and Fee Summary Agreement (starts on page 3). To take advantage of one of our retainer programs, check the appropriate retainer box on page 7.

Page 2

November 8, 2023

Primary Attorney. If you decide to move forward with Altitude Community Law P.C., I will be your assigned Primary Attorney. As your primary attorney, my goal is to make sure your relationship with Altitude is as successful as possible. Feel free to contact me with questions or comments after you've had a chance to review the enclosed materials. We would be happy to attend a board meeting to meet you, listen to your concerns and discuss how we can assist your district.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey B. Smith". The signature is written in a cursive style with a large initial "J" and "S".

Jeffrey B. Smith
Altitude Community Law P.C.

JBS/ss
Enc.
07592006.DOCX



2023 NOTICE OF LEGAL SERVICES AND FEE SUMMARY

The following is a summary of fees and charges for legal services being offered by Altitude Community Law for 2023. For more details, contact your Primary Attorney or email us today at hoalaw@altitude.law.

Our retainer programs reduce your district's legal expenditures and simplify the budgeting process by establishing a fixed monthly fee. This fee purchases the essential legal services your district requires, making us available to you as needed. We offer three retainer packages to better fit your needs.

RETAINER SERVICES AND BENEFITS

For a monthly fee of \$230, retainer clients receive the following legal services and benefits without further charges:

Phone Calls. We will engage in unlimited telephone consultations with a designated board member or district manager regarding legal and other questions and status of ongoing work we are performing for you, exclusive of litigation, foreclosure, covenant enforcement, and document amendments. Written consultations/communications such as emails, written correspondence, and calls with multiple board members at the same time will be billed at our reduced hourly rates, as will our time to review governing documents, correspondence, etc., if necessary to answer a question.

Reduced Hourly Rates. For legal services billed hourly beyond what is included in the retainer, we will provide those services at \$20 per hour less than our non-retainer rates for attorneys and \$10 per hour less than our non-retainer rates for paralegals. No rate change for legal assistants.

In-Office Consultation. We will meet with a designated board member and/or the district's manager in our office for 30 minutes on any new matter. If the meeting extends beyond the 30 minutes, you will be billed at our reduced hourly rates.

Attendance at Board Meeting. At your request, we will attend one board meeting per twelve-month period for up to one hour. As a retainer client, we will prioritize attending the board meeting of your choosing. If our attendance exceeds one hour, you will be billed at our reduced hourly rates.

Audit Response Letter. We will prepare a letter to your financial auditor in connection with your annual audit indicating pending or threatened litigation. We will also review your annual financial audit upon completion.

Periodic Report. We will prepare and file your periodic report with the Secretary of State if you have designated us as your registered agent.

DORA Renewal. We will prepare and file your renewal report with DORA if requested.

RETAINER PLUS SERVICES AND BENEFITS

For a monthly fee of \$300, we will provide the following legal services and benefits without further charges:

In addition to the services provided to Retainer clients, Retainer Plus clients will receive the following additional services:

Email Consultations. We will engage in 30 (thirty) minutes of email consultations every month with a designated board member and the district's manager regarding legal and other questions and the status of ongoing work that we are performing on your behalf, exclusive of litigation, foreclosure, covenant enforcement, and document amendment matters. Additional written consultations and communications will be billed at our reduced hourly rates. If it is necessary to review governing documents, correspondence, etc. to answer a question, you will be billed at our reduced hourly rates.

SB100 Policy Update. We will provide one free SB100 Policy update for your district.

Credit Card Payments. For Retainer Plus clients, we will accept homeowner payments via credit card.

PREMIUM RETAINER SERVICES AND BENEFITS

For a monthly fee of \$550, we will provide the following legal services and benefits without further charges:

In addition to the services provided to Retainer and Retainer Plus clients, Premium Retainer clients will receive the following additional services:

Email Exchanges. We will communicate with your designated board member and the district's manager via email up to 60 (sixty) additional minutes every month which includes minor research.

Attendance at One Additional Board Meeting per Year. At your request, we will attend a total of two board meetings per twelve-month period for up to one hour each. If our attendance exceeds one hour, you will be billed at our reduced hourly rates.

Other needed revisions to Policies required by new legislation reduced by \$100.

RETAINER SERVICES GENERALLY

Clients on retainer will remain on their chosen level of retainer until we are notified otherwise in writing.

FIXED FEE SERVICES

Altitude Community Law offers fixed fee services. The District will pay Altitude Community Law (the Firm) for performance of the services as outlined in a proposal for services, plus costs. The metro district understands that it is not entering into an hourly fee agreement for that specified service, except as otherwise set forth. This means the Firm will devote such time to the matter as is necessary, but the Firm's fee will not be increased or decreased based upon the number of hours spent.

NON-RETAINER SERVICES AND BILLING TERMS

If you desire representation on a non-retainer basis, you will be billed hourly for all work performed unless a fixed fee (such as collection matters or amendment of documents) has been agreed to in advance. Our hourly rates for 2023 non-retainer clients are \$115 - \$155 for legal assistants/paralegals, \$330 - \$350 for attorneys. Non-retainer clients are billed hourly for all phone calls. Our attendance at meetings will be billed hourly. Our travel time to and from the attorney's primary office location will also be billed hourly if in-person attendance is requested instead of remote or virtual attendance.

TERMINATION OF REPRESENTATION

You may terminate our representation at any time by notifying us in writing and we may resign from representation by notifying you in writing. In either case, you understand that court or administrative rules may require us to obtain a judicial or administrative order to permit our withdrawal. We agree that upon receipt of your termination notice, we will take such action as is necessary to withdraw from representing you, including requesting any necessary judicial or administrative order for withdrawal. However, whether you terminate our representation, we cease performing further work and/or withdraw from representing you, as allowed under the Colorado Rules of Professional Conduct or for your failure to comply with the terms of this Agreement, you understand and agree that you continue to be responsible to us for the payment of all fees and expenses due and owing and incurred in withdrawing from representing you, including any fees and expenses we incur to obtain, and/or during the time we are seeking to obtain, any necessary judicial or administrative order to approve our withdrawal.

If you so request, we will send to you your files in an electronic format as soon as a particular matter is concluded. If you do not request your files, the firm will keep the files for a minimum of ten (10) years, after which it may retain, destroy or otherwise dispose of them.

PRIVACY POLICY

Attorneys, like other professionals who provide certain financial services, are now required by federal and state laws to inform their clients of their policies regarding privacy of client information. Attorneys have been and continue to be bound by professional standards of confidentiality that are even more stringent than those required by this new law. Thus, we have always protected the privacy of your confidential information.

In the course of providing legal services, we sometimes receive significant nonpublic personal information from our clients. As a client of Altitude Community Law, you should know that all such information we receive from you is held in confidence. We do not disclose such information to anyone outside the firm except when required or authorized by applicable law or the applicable rules of professional conduct governing lawyers, or when authorized by you in writing.

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information, we maintain, physical, electronic and procedural safeguards that comply with our professional standards.

If you have any questions or would like more information about our privacy policies and practices, please let us know.

GENERAL TERMS FOR ALL CLIENTS

We represent the district as a corporate entity. We will take our direction for work as instructed by the manager or the board. We do not represent any individual board members or homeowners.

Clients are required to reimburse us for cost advances and other out-of-pocket expenses. Reimbursement is made at actual cost for outside charges such as court recording fees, filing fees, service of process charges, computerized legal research, expert witness fees, title searches, deposition reporting and transcription fees, outside photocopying, etc. Typically, we do not charge for internal photocopies, faxes, postage and long-distance telephone calls unless these charges are extraordinary. We provide monthly statements for services and expense incurred. Unless other arrangements are made and agreed upon in writing, all charges are due and payable upon your receipt of the statement. A finance charge of 12% per annum may be imposed upon any amount not paid within 30 days of becoming due. Fees may be modified upon 30 days prior written notice. If it becomes necessary to file suit to recover unpaid attorney fees, the prevailing party shall be entitled to receive its attorney fees.

In the event we have not been provided with, or our files do not contain, all of the recorded documents of the District, we retain the right to obtain any such recorded documents to supplement our file without the District's approval and at the District's cost. The District's cost will include, but not be limited to, hourly charges for procuring the documents and copying costs. In order to provide you with the most efficient and effective service we will, at all times, unless otherwise directed, work through your manager if appropriate.

Should you have any questions, please do not hesitate to call any of our attorneys. We are happy to answer any of your questions or meet with you at no charge to discuss our services and fees in greater detail.

RESPONSE REQUIRED

If you desire to engage our services, please indicate below which type of service you prefer by checking the appropriate box, execute the acceptance and return it to us via mail, e-mail or fax.

Legal Services: (select one)

- Retainer Services
- Retainer Plus Services
- Premium Retainer Services
- Non-Retainer

Collection Services:

Please see attached Fee Structure

Billing Preference: (select one)

- Paper and Mailed
- Electronic and Emailed

Email address: _____

(please note, only one email address per management company or self-managed district will be used)

Agreed to and accepted this ____ day of _____, 20 ____.

Print District Name

By: _____
President/Manager



**EXHIBIT A TO LEGAL SERVICES AND FEE SUMMARY AGREEMENT
FOR 2023 LEGAL COLLECTION SERVICES**

Fee Structure

This is a flat fee agreement for collection services. The District will pay Altitude Community Law (the Firm) for performance of the services described below, plus costs. The District understands that it is not entering into an hourly fee agreement for collection services, except as otherwise set forth below. This means the Firm will devote such time to the representation as is necessary, but the Firm's fee will not be increased or decreased based upon the number of hours spent.

The District has the right to terminate the representation at any time and for any reason, and the Firm may terminate the representation in accordance with Rule 1.16 of the Colorado Rules of Professional Conduct. In the event that the District terminates the representation without wrongful conduct by the Firm that would cause the Firm to forfeit any fee, or the Firm justifiably withdraws in accordance with Rule 1.16 from representing the District, the District shall pay, and the Firm shall be entitled to, the fee or part of the fee earned by the Firm as described in paragraph 1 above, up to the time of termination. If the representation is terminated between the completion of increments (if any), the District shall pay a fee based on our standard hourly rate set forth in our standard fee agreement. However, such fees shall not exceed the amount that would have been earned had the representation continued until the completion of the increment, and in any event all fees shall be reasonable. Once the work is performed, the Fee will be deemed earned and is due upon receipt of an invoice.

Case Intake, Review and Assessment - No charge

We do not charge you to review new collection cases and make recommendations. However, if we receive open collection files from another attorney, there will be a \$25 set-up and review fee per file. This fee will be waived if you are a retainer client.

At the rates set here in, upon receiving a new turnover, we will perform the following work for due diligence and to put the District in the best possible collection position: Assessment Lien Package (if a lien has not already been recorded), Demand Letter, Public Trustee Search, and Bankruptcy Search. Next steps after this work depends on the homeowner's response, balance due, history, information acquired, and other factors.

Demand Letter - \$155

Preparation of a demand letter includes reviewing the ledger or equivalent record to ascertain the amounts owed including interest, late charges, fines and charge backs, if relevant, and review prior notice given to owner to meet statutory requirements; drafting and mailing the demand letter to the homeowner; follow-up, including telephone calls with the management company and homeowner, negotiation of an acceptable payment plan; follow up letter (as needed) to confirm payment arrangements. All correspondence other than the initial demand and payment plan letter is \$50 per letter (e.g., follow up demand letter, breach of payment plan letter).

Super Lien Demand Letter - \$110

Preparation of a demand letter post foreclosure includes reviewing ledger to ascertain amounts owed; verifying party to whom demand should be sent; drafting and mailing demand letter: or if request is received from a lender for the super lien amount, drafting a response. All discussions with the owner or lender after the letter are billed hourly.

Assessment Lien Package - \$110

This charge includes preparing both the lien and the lien release. It also includes verification of ownership with either the assessor's office or title company.

Lawsuit: - \$455 plus costs

This charge includes preparing the summons and complaint, filing these papers with the court, appearing at the return date and obtaining default judgment. It also includes all negotiations and telephone conferences with the owners prior to an answer being filed with the court.

Lawsuit: Trial - Hourly rates apply

All preparation for trial and appearances in court are billed on an hourly basis. If the District prevails at trial, it can recover its attorney fees and costs from the delinquent owner.

Interrogatories - \$130

We prepare and file a motion with the court to request the court to order an owner to answer a series of questions from us about the owner's assets. We will use the answer to help satisfy any judgment obtained by the District. We will also arrange for service of the order on the client and monitor and evaluate answers received from the owner.

Contempt Citation - \$155

If an owner fails to answer the interrogatories as ordered by the court, we will prepare and file all the necessary paperwork to require the owner to appear before the judge to explain why the questions were not answered. Our fee also includes our appearance at court, subsequent appearance if the owner fails to appear initially and review and evaluation of the answers once received from the owner.

Garnishments - \$155 (each)

We will identify entities (usually banks, employers or tenants) which owe or have money of the owner and prepare documentation to be filed with the court to order the entity to release all or a portion of the money they hold for or are obligated to pay the owner to the district. We will arrange for service of the necessary documentation and will monitor for responses.

Payment Plans - \$125-\$225 (each)

We will charge a fee depending upon the length of the payment plan to prepare the necessary documentation, monitor and process payments and close the file. Unless we are instructed otherwise, we may agree to payment plans of up to 24 months with any homeowner. We request that interest and late fees not be added to the ledger during payment plans, as long as the homeowner pays as agreed. Monthly payments amounts are calculated based on no additional interest or late fees being incurred during the payment plan.

Motions - \$150-\$250

Occasionally, certain motions may be necessary in a case in order to get the court to issue a ruling without further legal action. These will be prepared, filed, monitored and argued before the court, if necessary.

Outbound Phone Calls - \$55

Once we obtain a phone number for an owner, we will make up to 3 outbound calls to an owner to secure payment. All other calls with an owner will be at no charge.

Payoff Calculations - \$130

It is important for your management company or treasurer to confirm all payoff amounts with us prior to issuing status letters or advising owners of balances so that all legal costs and fees can be included. We will also insure that all fees necessary to close or dismiss a file are included. Rush charges do apply.

Monitoring Lender Foreclosure - \$220 (one-time charge)

It is important to monitor lender foreclosure through the sale and redemption period. We obtain periodic ownership and encumbrance reports, if needed, and routinely verify the status of the foreclosure action. We advise you of the district's rights and options throughout the process. Once a sale is completed, we advise the district of the new owner and the district's rights.

Monitoring Bankruptcy - \$230 Chapter 7; \$360 Chapter 13 (one-time charge)

We prepare and file a Proof of Claim, if necessary, monitoring the bankruptcy through discharge. Our services include reviewing the plan (if Chapter 13) to make sure it includes provisions for payment of pre- and post-petition assessments, and checking with the trustee and debtor's attorney to determine if property has been abandoned. If it becomes necessary to file any motion with the court, we charge fixed fees as follows:

Motion to Dismiss: \$595

Motion for Relief from Stay: \$795

Objection to Plan: \$395

All preparation for and appearances in court are charged on an hourly basis.

Assessment Increase Notice - \$395

We prepare notice to the bankruptcy court of any increase in the ongoing debt owed to the district upon receipt of notice from you, including filing a proof of claim and letter to the bankruptcy attorney or debtor.

Public Trustee/Bankruptcy Search - \$30 (each)

Verifying whether a property is in foreclosure or subject to a bankruptcy before filing a lawsuit can save the district hundreds of dollars. So, we will search both the public trustee and bankruptcy records and then advise the district if different action is necessary.

Receiverships (County Court) - \$450 initial, then hourly. Court costs are approximately \$250

We will prepare pleadings and appear in court to obtain appointment of a receiver to collect rents where the property is abandoned or being rented by the owner. Once appointed, we supervise disbursement of the monies collected by the receiver at an hourly rate.

Lien/Judicial Foreclosures (District Court) - Hourly rates apply

We recommend that foreclosure be considered as a viable collection remedy in all problem cases. Our fee is based on the complexity of your circumstances and should reflect the value you will receive from the monetary result of the foreclosure.

Lien Sales - \$500

We list all liens that are potentially available for sale on our website at <https://Altitude.Law/general-topics/liens-for-sale/> at no cost. In the event a lien is sold we collect our fee from the purchaser of the lien. In order to handle quickly, within the legal time limits, we reserve the right to sell liens, without prior approval if the purchase price is equal to or more than the balance due.

Status Report - \$75/month (if not accessed electronically)

We provide online access to each district's collection status report. For more information please contact us. If your district chooses to have us prepare your status report, there will be a monthly fee.

Asset/Person Locations - \$25-100

From time to time we must locate debtors and/or their assets in order to secure payment for you. We will use various databases for which there is a cost to us, to secure possible leads. This information is then reviewed and analyzed to develop the best strategy for quickly and efficiently securing payments.



SERVING HOMEOWNERS ASSOCIATIONS

Altitude Community Law P.C. is the premier law firm which serves legal needs of community associations. More than 2,500 associations throughout Colorado have chosen us to guide them through the formation, transition and operation of their organizations. Our association clients include condominium, townhome and detached single family associations across the state. We also provide debt recovery and covenant enforcement services to districts.

Communities ranging in size from two units to more than 90,000 units have enjoyed the personal attention we provide, along with the depth and breadth of knowledge that only years of experience can yield. More than any law firm, we focus on homeowners associations and covenant controlled communities. We have prepared in excess of 500 sets of rules and architectural control guidelines and assisted over 500 associations in amending or restating their legal documents.

With several offices throughout Colorado, we are able to service our clients in a timely, efficient, and responsive manner.

OUR TEAM

Altitude Community Law was founded in 1988. Our attorneys work as a team to help you in the formation of a new community association, in running your existing association, or resolving disputes involving your association. Adding to the firm's 200 plus years of combined experience are attorneys Elina B. Gilbert, Melissa M. Garcia, David A. Firmin, David A. Closson, William H. Short, Debra J. Oppenheimer, Kiki N. Dillie, Jeffrey B. Smith, Maris S. Davies, Kate M. Leason, Amanda K. Ashley, Sheridan N. Classick, Jeremy B. Fletcher, Angela N. Hopkins, Arianne K. Gronowski and Callee G. Falcon.

CLIENT SERVICE - OUR NUMBER ONE PRIORITY

Each member of our firm is committed to providing you with the best legal representation in our field at competitive rates that fit your budget. We also understand that each client has different needs and expectations, and good client servicing is in the eyes of the client, not in the eyes of the firm.

That's why we're committed to getting to know the board

members of your association so that we can understand and meet your needs. By returning your calls promptly, communicating with you regularly, and offering various educational workshops annually, we are always looking for ways to better serve you and to exceed your expectations in a law firm.

By working with you, we can help you accomplish your goals on behalf of your association, and we can make your role as a board member easier by providing you with the tools you need to do your job effectively.

**PREVENTION -
THE BEST LEGAL
APPROACH**

The first and best legal solution is preventing disputes and other legal problems. With a strong emphasis on prevention, we draw from our experience to help you lay a proper foundation for the future and avoid costly and destructive pitfalls.

And, while we emphasize prevention, we are also fully prepared to fight for your cause if the need arises. We can represent you to resolve disputes through mediation, arbitration or litigation.

**COMMITMENT
TO
EDUCATION**

Education of both community managers and board members has been the backbone of the firm since its inception. At Altitude, we believe that education is the best way to avoid problems in communities and we continually strive to provide the best and most accessible education to not only our clients, but to any directors or managers that want to better understand the industry. Altitude Community Education (ACE) provides numerous lunch forums, webinars, classes, and other educational opportunities to ensure your community's success. For more information please refer to our Education Tab on the Altitude website.

**COUNSEL FOR
ASSOCIATIONS
AT ALL STAGES**

We advise associations at all stages of growth; from pre transition to the mature association. Many areas of law converge to govern community associations. We can help you address issues at all stages of a homeowner association's development. In addition to our experience, we have been an advocate for community associations at the Capitol. Our attorneys serve on the Legislative Action Committee for CAI and are aggressively involved in monitoring and testifying in the legislature concerning bills affecting community associations.

TRANSITION OF CONTROL

One of the most pivotal times for a community association is during its transition from developer to homeowner control. The developer controls a common interest community during its formation. As lots or units are sold, transition from developer to homeowner control begins, with owners bearing the responsibility for the association's operation. Ideally this is a process rather than an isolated event. Over time, owners gradually become involved in the governance of the association. Altitude Community Law has assisted hundreds of associations with this process making for a smooth and problem-free transition.

THE MATURE COMMUNITY ASSOCIATION

Mature associations function best when they provide services to owners (as set forth in the governing legal documents) and responsibly enforce their governing documents and anticipate changing needs.

REVIEWING, AMENDING AND INTERPRETING DOCUMENTS

By periodically reviewing, amending or revising your association's articles of incorporation, bylaws, covenants, and rules, Altitude Community Law can help you build a strong, legally-sound foundation for your community. We can assist you by understanding your goals and redrafting, writing or amending rules, architectural control guidelines and covenants that address your association's needs within the framework of local, state and federal laws. We can also aid you in the proper interpretation and clarification of your governing documents.

COVENANT ENFORCEMENT

Two principles apply when addressing enforcement of covenants and rules. Covenants and rules must be carefully written to be enforceable and must be enforced consistently to retain their strength. The same principles apply when dealing with architectural control or design enforcement.

At Altitude Community Law, we can assist you in these important areas through use of our alternate dispute resolution services, or if need be, through our litigation services.

CREATIVE PROBLEM SOLVING

We've handled a wide variety of covenant enforcement issues and achieved many successes for our association clients. From painting and landscaping, to pets and parking, we have experience with virtually every imaginable covenant violation. While our goal is to resolve disputes outside of court, when litigation is necessary, we're strong advocates for associations. Not only do we have years of courtroom experience, but we also have years of industry

experience-insight that enables us to utilize creative solutions, as well as anticipate the challenges of a covenant violation lawsuit.

**DEBT
RECOVERY**

Financial well-being hinges on timely collection of association assessments. In addition to traditional collections methods such as demand letters, liens, and personal lawsuits, we've developed successful alternatives to use when traditional methods fail, including the use of receiverships and foreclosures. In the last two years we've collected approximately \$9 million in delinquent assessments and fees for our clients. No other firm can claim this degree of success.

Every collection matter in our office is handled by an attorney, not the paralegal-driven model that many law firms use. This difference provides for better representation, higher quality work and better results for our clients.

We are also the first firm to provide clients with online status reports of their collection accounts. The information is real-time account history accessed through a secure online system.

**INSURANCE
AUDIT**

At every stage of an association's maturity, it is important that the association have adequate insurance not only for the structures and improvements, but also for the board of directors. We can review your current policies for adequate coverage and to determine if your coverage complies with the requirements in your governing documents.

An association that isn't properly insured for general liability and property coverage, director and officer coverage, fidelity insurance, and gap coverage may be susceptible to lawsuits filed by owners. Our insurance audit can assist your association not only by determining any weaknesses in your coverage, but by recommending a more comprehensive insurance plan that will meet your needs and budget.

**DISPUTE
RESOLUTION/
LITIGATION**

We emphasize prevention of legal problems through thoughtful and thorough advice and counsel given prior to taking action or entering into transactions. When a legal problem does arise, we will assist you in finding the most practical and cost-effective solution. Our trial attorneys are not only experienced, but also have a long track record of winning in the courtroom. Our goal is to resolve disputes

outside of court whenever possible, and all Altitude Community Law attorneys have had formal training in mediation and negotiation.

But when a resolution cannot be found, we bring our extensive litigation experience to bear on behalf of our clients. We assess with you the benefits of litigation and weigh them against the costs and risks.

A wide variety of problems and needs come up in the course of governing and operating a homeowners association. Often the solution is not obvious. We enjoy taking both a creative and proactive approach and working with you to find legal solutions that allow you to do what your association wants to do. Altitude Community Law has gained a reputation for using ground-breaking methods and solving old problems in refreshing new ways.

Pertinent examples of such creative problem solving include:

- Negotiated and closed the first bond financing in the country by a homeowners association of 15 million dollars for various capital improvements.
- Negotiated and drafted a favorable annexation agreement that provided for substantial payment to the association.
- Identified and implemented procedures to collect working capital contribution from developer for use by association in a build-out community.
- Amended legal documents for a condominium community to create and sell a unit out of the common elements, with the proceeds going to the Association.
- Consolidated two associations into one, eliminating duplicate costs and overhead.

FINANCIAL CONSIDERATIONS

From the beginning of our relationship with you, we welcome an open dialogue about the subject of fees and costs. We know how essential legal services are to your successful operation. We also know you must work within an established budget.

**HOW WE
CHARGE FOR
OUR
SERVICES**

We have made every effort to package our services in a meaningful way that reflects their value to you. We strongly urge all associations to elect to be on one of our popular retainer programs. The retainer programs are set at levels to be a maximum benefit to your community. They further simplify the budgeting process by establishing a fixed monthly fee for certain services.

Additionally, whether you are on one of our retainer programs or not, fees for specific work are frequently quoted on a flat or fixed fee basis. We will work with you to select from these convenient options, or to create an alternative arrangement tailored to suit your needs.

Altitude Community Law

Shareholder in Charge of Finance



David A. Firmin :: Shareholder

Education: University of Denver (B.A., 1991); University of Denver (J.D., 1998).

Member: Colorado Bar Association; Southwestern Colorado Bar Association; Community Associations Institute.

Practice Areas: Condominium and Homeowners' Association Law.

Shareholder in Charge of Practice



Elina B. Gilbert :: Shareholder

Education: University of Michigan, Ann Arbor, Michigan (B.A., 1993); University of Detroit Mercy School of Law (J.D., Cum Laude, 1997).

Member: American Bar Association; Michigan Bar Association; Community Associations Institute; College of Community Association Lawyers.

Practice Areas: Condominium and Homeowners' Association Law.

Debt Recovery



Kiki N. Dillie :: Shareholder - Debt Recovery Department Head

(she / her / hers)

Education: University of Colorado (B.A., 2002); University of Colorado School of Law (J.D., 2008).

Member: Colorado Bar Association; Colorado Creditor Bar Association; Community Associations Institute.

Practice Areas: Collections.



Sheridan N. Classick :: Attorney

Education: Metropolitan State University of Denver (B.A., 2015); Gonzaga School of Law (J.D., 2018).

Member: Colorado Bar Association; Denver Bar Association; Community Associations Institute.

Practice Areas: Collections.



Callee G. Falcon :: Attorney

Education: Oklahoma State University (B.A., 2015); University of Oklahoma College of Law (J.D., 2022).

Member: Oklahoma Bar Association.

Practice Areas: Collections.

Litigation/Foreclosure/Covenant Enforcement



Jeffrey B. Smith :: Shareholder - Litigation Department Head

Education: Providence College (B.A., 2005); University of Denver College of Law (J.D., 2008).

Member: Colorado Bar Association; Denver Bar Association; Community Associations Institute; Colorado Defense Lawyers Association.

Practice Areas: Covenant and Rule Enforcement Litigation; Insurance Defense; Civil Litigation; Contract Disputes; Fair Housing Law; Foreclosure.



William ("Bill") H. Short :: Partner

Education: University of Vermont (B.A., 1979); Emory University School of Law (J.D., 1982).

Member: Colorado Bar Association; Denver Bar Association; Community Associations Institute. Colorado Defense Lawyers Association.

Practice Areas: Insurance Defense; D&O Liability; Construction Law; Civil Litigation; Contract Disputes; Fair Housing Law; Covenant and Rule Enforcement Litigation.



Debra J. Oppenheimer :: Partner

Education: Metropolitan State College (B.S., 1986); University of Texas (J.D., 1989).

Member: Colorado Bar Association; El Paso Bar Association; Community Associations Institute.

Practice Areas: Covenant and Rule Enforcement Litigation; Insurance Defense; Civil Litigation; Contract Disputes; Fair Housing Law.

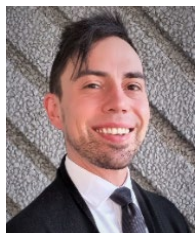


Kate M. Leason :: Attorney

Education: University of Central Florida (B.A., 1987); University of South Florida (M.L.S., 2003); Barry University, Dwayne O'Andreas School of Law (J.D., 2008).

Member: Colorado Bar Association; Denver Bar Association; Community Associations Institute; American Association of Law Libraries.

Practice Areas: Foreclosure.



Jeremy B. Fletcher :: Attorney

(he / him / theirs)

Education: Regis University (B.A., 2012); New England Law | Boston (J.D., 2017).

Member: Colorado Bar Association; Community Associations Institute.

Practice Areas: Covenant and Rule Enforcement Litigation.

Transactional



Melissa M. Garcia :: Shareholder - Business Development Department Head

(she / her / hers)

Education: University of Nevada, Reno (B.A., 1996); California Western School of Law (J.D., 1999).

Member: Community Associations Institute.

Practice Areas: Condominium and Homeowners' Association Law.



David A. Closson :: Shareholder - Business Law Group Department Head

Education: Colorado State University (B.A., 1995); University of Colorado (M.B.A., 2002); University of Colorado (J.D., 2002).

Member: Community Associations Institute.

Practice Areas: Business; Condominium and Homeowners' Association Law.



Maris S. Davies :: Partner - Transactional Department Head

Education: Ithaca College (B.S., 2001); University of Denver (J.D., 2009).

Member: Colorado Bar Association; Community Association Institute.

Practice Areas: Condominium and Homeowners' Association Law.



Amanda K. Ashley :: Partner

Education: Central Methodist University (B.A., 2000); Marquette University Law School (J.D., 2004).

Member: Colorado Bar Association; Adams County Bar Association; Southwest Colorado Bar Association; Community Associations Institute; Wisconsin Non Resident Lawyer Division; Wisconsin Law Foundation Fellow

Practice Areas: Condominium and Homeowners' Association Law.



Angela N. Hopkins :: Attorney

Education: Metropolitan State University of Denver (B.A., 2015); University of Denver Sturm College of Law (J.D. 2015).

Member: Colorado Bar Association - Real Estate Law Section;

Practice Areas: Condominium and Homeowners Association Law.



Arianne K. Gronowski :: Attorney

(she / her / hers)

Education: University of Colorado, Boulder (B.A., 2001); University of Denver (J.D. 2004).

Member: Colorado Creditor Bar Association

Practice Areas: Condominium and Homeowners Association Law.



BOARD OF DIRECTORS ROSTER

Please complete and email to hoalaw@altitude.law, fax to 303.991.2045 or mail to 555 Zang Street, Suite 100, Lakewood, CO 80228-1011. This information will be used for communication (correspondence, blogs, newsletters, etc.) between our firm and you. It will not be released outside of our firm.

Thank you.

District Name:	Date:
Website:	

PRESIDENT

Name		Phone Numbers(s)	
Mailing		(H)	(C)
City,		(W)	Fax:
Email			
I do not want to receive: E-newsletter <input type="checkbox"/> Blog <input type="checkbox"/> Periodic Client Alerts <input type="checkbox"/>		Term Expires (mo/yr):	

VICE PRESIDENT

Name		Phone Number(s)	
Mailing		(H)	(C)
City,		(W)	Fax:
Email			
I do not want to receive: E-newsletter <input type="checkbox"/> Blog <input type="checkbox"/> Periodic Client Alerts <input type="checkbox"/>		Term Expires (mo/yr):	

SECRETARY

Name		Phone Number(s)	
Mailing		(H)	(C)
City,		(W)	Fax:
Email			
I do not want to receive: E-newsletter <input type="checkbox"/> Blog <input type="checkbox"/> Periodic Client Alerts <input type="checkbox"/>		Term Expires (mo/yr):	

TREASURER

Name		Phone Number(s)	
Mailing		(H)	(C)
City,		(W)	Fax:
Email			
I do not want to receive: E-newsletter <input type="checkbox"/> Blog <input type="checkbox"/> Periodic Client Alerts <input type="checkbox"/>		Term Expires (mo/yr):	

MEMBER AT LARGE/ ADDITIONAL BOARD MEMBER

Name		Phone Number(s)	
Mailing		(H)	(C)
City,		(W)	Fax:
Email			
I do not want to receive: E-newsletter <input type="checkbox"/> Blog <input type="checkbox"/> Periodic Client Alerts <input type="checkbox"/>		Term Expires (mo/yr):	

Proposal for
Covenant Enforcement,
Foreclosure, and
Collection Services for

**CLIENTS OF WHITE BEAR
ANKELE TANAKA &
WALDRON**

November 10, 2022



November 10, 2022

Via E-mail (jwagner@wbapc.com)

Jon Wagner, Esq.
White Bear Ankele Tanaka & Waldron
2154 East Commons Avenue, Suite 2000
Centennial, CO 80122

Re: Covenant Enforcement, Foreclosure, and Collection Legal Services Proposal of Orten Cavanagh Holmes & Hunt, LLC

Dear Members of the Board:

Thank you for your interest in the legal services of Orten Cavanagh Holmes & Hunt, LLC. We understand that White Bear Ankele Tanaka & Waldron is seeking special counsel to conduct lien foreclosure, collection work, and prosecute covenant enforcement matters for its special district clientele (“Clients”). Based on this request, we are providing this proposal to share with your Clients.

Legal Services

Our firm has extensive experience in covenant and rule enforcement matters, from the demand letter stage through trial and appeal. We have a dedicated covenant enforcement department including a team of two attorneys and two paralegals. The department is headed by managing partner Jonah Hunt.

Our covenant enforcement team as well as our transactional attorneys regularly counsel clients on covenant matters even before the manager sends initial contact to the potential violator. We have found that these initial discussions help our clients identify potential roadblocks to enforcement so that they may be addressed proactively rather than as a defense in a litigation matter.

Our operating philosophy in these matters is to seek or induce voluntary compliance from the owner if at all possible. When voluntary compliance is not obtainable, we prosecute each case diligently to trial in order to obtain compliance.

Additionally, our firm’s collection team provides a full range of legal remedies available under the law. The department is headed by attorney Hal Kyles. Mr. Kyles has over twenty years’ experience doing plaintiff judicial foreclosure lien foreclosures and collection work throughout Colorado. He is well versed in Colorado foreclosure law including C.R.S. § 38-22-101, which is the enabling statute for special districts to foreclose their statutory liens.

Other services include judgment enforcement through wage and bank garnishment, writs of attachment, etc.

Our operating philosophy is to seek voluntary compliance and payment from the owner when possible. When not obtainable, we prosecute each case diligently to trial in order to recover all sums due to the district.

Engagement of our Law Firm

Foreclosure and collection services are provided on a fixed fee basis. A schedule of fees is included with this proposal. In the event a lawsuit is contested, hourly rates apply.

Covenant enforcement services are provided at an hourly rate. Our hourly rates for 2023 for our principal attorneys range from \$355 - \$385 per hour. The rates for associate attorneys range from \$250 - \$360, and the hourly paralegal rate is \$140.

We have included a general engagement agreement with the description of applicable legal services, but we are happy to provide tailored proposals and engagement agreements specifically for any of your Clients requesting foreclosure and collection services. We welcome any questions regarding our services or our proposed engagement agreement.

We look forward to the opportunity to assist any of White Bear Ankele Tanaka & Waldron's Clients with their covenant enforcement, foreclosure and collection needs.

Sincerely,

ORTEN CAVANAGH HOLMES & HUNT, LLC



Jonah G. Hunt
Managing Partner

Orten Cavanagh Holmes & Hunt recognizes that districts and their managers desire effective and expeditious resolution of covenant and rule violations.

Attorneys at our office have extensive experience in the covenant enforcement process. At every stage, our firm seeks compliance from the owner when possible. Sometimes, it only takes the act of handing the matter over to our attorneys to let the owner know that a district is taking the violation very seriously. A demand letter from our attorneys, which puts the owner on notice, frequently brings the matter to an early conclusion. Effective enforcement starts with communicating with the violator to try to get the violation corrected voluntarily.

Yet, a demand letter and/or notice of covenant violation is not always enough to accomplish compliance. At this stage we consult with the board and management on additional enforcement steps, including filing suit in either county or district court.

Our firm has an established track record of success in covenant enforcement lawsuits, including cases involving unusual or complex nuances, as well as those involving acrimonious owners.

We charge reasonable fees for preparation of demand letters, and when desired, to prepare and record notices of violation or to take the owner to court. We seek to collect attorney fees from the owner whenever possible, if appropriate given the context of the violation. However, compliance is first and foremost our main objective.

Covenant and Rule Enforcement Services

- Consultation with the board and/or management
- Document review and interpretation
- Covenant enforcement policy preparation or revisions
- Demand letters
- Notice of covenant violation – recorded against the owner’s real property
- Settlement stipulation - after demand letter
- County or District court lawsuits (typically injunctive in nature)
- Collection of monetary awards obtained in covenant enforcement litigation
- Credit reports or skip traces by the law firm
- Monthly status reports (no charge)
- Other miscellaneous covenant enforcement services

Orten Cavanagh Holmes & Hunt recognizes that districts and their managers desire effective and expeditious resolution of delinquency cases.

Our collection department has recovered over 5.1 million dollars in the preceding 18 months on behalf of our clients. This success is predicated on processes and procedures which have been refined over the years as well as a dedicated team of employees.

Our firm has an established track record of success in debt collection and foreclosure, including cases involving unusual or complex nuances, as well as those involving acrimonious owners.

Collection and Foreclosure Services

- Consultation with the board and/or management
- Document review and interpretation
- Collection policy preparation or revisions
- Demand letters
- Notice of lien – recorded against the owner’s real property
- Settlement stipulation - after demand letter
- District court foreclosure lawsuits
- Coordination and scheduling of foreclosure sales
- Deed preparation and recording
- Eviction
- Collection of monetary awards obtained
- Credit reports or skip traces
- Monthly status reports (no charge)
- Other miscellaneous collection services

Foreclosure of Lien

- Intent to Foreclose Letter – \$175
- Judicial Foreclosure Lawsuit & Lis Pendens - \$1,200
- Clerk’s Default/Dismissal - \$95 per Defendant
- Settlement Stipulation to Suspend Foreclosure - \$300
- Stipulated Motion Regarding Lien Priority - \$220
- Final Judgment and Decree - \$750
- Sheriff’s Sale Package - \$700
- Bid Letter - \$250
- Eviction Notice - \$110
- Eviction Lawsuit - \$460
- Deed Preparation - \$250
- Service by Publication - \$180
- Other Motions – Hourly
- Appearances – Hourly
- Cure Statement - \$200

Demand Letters and Notice of Lien

- Intake on Referrals – No Charge
- Review Title Report - \$50
- Notice of Lien - \$195
- Demand Letter - \$175
- Combined Demand Letter, Notice of Lien and Ownership & Encumbrance Report - \$380
- Follow Up, Reminder Letters or Default Notice - \$70
- Payment Plan - \$150 (Limited to term of 3 months)

Receiverships

- Receivership - \$500
- Court Ordered Case Status Report - \$130
- Monitor Receiver Compliance – Hourly

County Court Lawsuits

- Lawsuit – \$460
- Settlement Stipulation:
 - Term 12 Months or Less - \$250
 - Term Over 12 Months - \$350
- Combination Settlement Stipulation & Lawsuit - \$600
- Interrogatories or Contempt Citation - \$175
- Wage Garnishment - \$300
- Bank Garnishment - \$300
- Issuance of Bench Warrant - \$170
- Notice of Bench Warrant - \$100
- Obtaining Transcript of Judgment - \$50
- Appoint Military Counsel - \$170

Public Trustee Foreclosures by First Lien Lenders

- Monitor Lender Foreclosure - Hourly
- Bank as New Owner Notice Letter - \$70
- Intent to Redeem - \$250

Owner Bankruptcies

- Transfer of Claim - \$150
- Review of Bankruptcy and Ongoing Monitoring - \$300
- Proof of Claim - \$230
- Objection - \$230
- Relief from Automatic Stay - \$420
- Dismissal - \$320
- Appearances – Hourly

Miscellaneous Collection Services

- Lien Payoff - \$130
- Pending Sale Payoff - \$260
- Revised Payoff Letter - \$100
- Debt Verification Letter – No Charge
- Credit Reports or Skip Trace - \$75
- Response to a Fair Debt Collection Practices Act Dispute or DORA Dispute – Hourly
- Ledger Rebuilding – Hourly
- Release of Notices of Liens Filed by Others - \$80
- Entry of Appearance - \$110
- Monthly Status Reports – No Charge for Online Access
- Lien Assignments - \$500

Collection Costs

Costs are borne by the District.

TERMS

Thank you for selecting Orten Cavanagh Holmes & Hunt, LLC (the “Law Firm”) to provide legal services as requested by the District. Requests for services may be made by the District’s manager or staff, or a designated board member liaison. The following includes the District’s terms of engagement of the Law Firm. Please note that this agreement becomes effective when the Law Firm receives a duly signed copy of the agreement and the Law Firm is not required to provide professional until such receipt.

Representation of the District - The Law Firm represents the District. The Law Firm’s professional responsibilities, and those of its attorneys and paralegals, run to the District. The Law Firm does not represent the board of directors, any individual board members or officers, the manager, the management company, or owners within the District, unless expressly authorized by the District and agreed to by the Law Firm. It is agreed to that the Law Firm will also communicate with and liaise with the District’s general counsel law firm, White Bear Ankele Tanaka & Waldron, as needed or requested.

Law Firm Responsibilities - The Law Firm will provide legal counsel and assistance on matters referred to us. We will rely upon information and guidance the District provides. We will keep the District reasonably informed of progress and developments and respond to its inquiries.

District Responsibilities - In order to enable the Law Firm to provide legal services, the District agrees to disclose fully and accurately all facts and keep our Law Firm apprised of all developments relating to matters referred. The Law Firm has the right to rely on ledgers, information, and documents provided by the District or its agents. The District is responsible for any damages incurred that result from providing inaccurate information or documents.

The District agrees to cooperate fully as needed and to be available to attend meetings, conferences, hearings, and other proceedings on reasonable notice, and stay reasonably informed on all developments relating to matters referred.

Fees of the Law Firm- For services not covered by a specific flat fee, hourly rates apply. The hourly rates for the Law Firm’s professionals range from \$355 - \$385 for principals, \$250 - \$360 for associates, and \$140 for paralegals.

Costs - The District authorizes the Law Firm to advance costs and expenses on its behalf as the Law Firm deems advisable. These advanced costs will be billed to the District monthly for reimbursement. Example expenses may include court costs, fees, service of process costs, title company costs, recording fees, or other expenses. Photocopy costs for litigation services or extraordinary projects will be billed at \$.15 per copy. Mailing costs for extraordinary projects will be billed per item.

Travel - Travel time is billed at ½ the hourly rate from the Law Firm’s Denver or Colorado Springs office. In the event travel extends beyond Denver and Colorado Springs, mileage is charged at IRS rates.

Credit Card or Other Payment Charges - If assessment collections are referred, the District’s general file is billed the merchant charges for the cost and convenience of accepting payments from owners by credit card, ACH, or otherwise. These fees are not chargeable to the accounts of owners.

Billing and Payment - Our fees are not contingent unless the Law Firm is engaged under an agreement providing for contingent payment. If the Law Firm has not received any comment about a statement within 30 days of its receipt, it assumes the District found it acceptable.

Payment is due 30 days from the date of the statement. Services are billed based on hourly rates or specific fee agreements. Invoices for hourly services will show the time spent performing services billed in tenth-of-an-hour increments, with a minimum charge of one-tenth.

Interest, at the rate of 18% per annum, is payable after 60 days.

In the event the Law Firm files suit to recover unpaid legal fees, the prevailing party is entitled to its attorney fees.

Attorney-Client Communication - Our communications and statements generally contain information protected by the attorney-client privilege. As the privilege could be deemed to have been waived if someone other than the District, board members, officers and any manager or management company sees the privileged material, we recommend that you keep all such communications and statements in a separate file marked "Attorney-Client Privileged Materials" and keep the file in a secure place.

Estimates of Fees for Services - From time to time, the District may ask the Law Firm to make an estimate of the fees for completing all or part of a matter. Because it is often difficult to estimate how much time it will take to complete it, the Law Firm treats any estimate as an "educated guess" and not as an assurance that we will be able to do the work for the estimated price. When an estimate is given, we will advise the District when nearing the estimated price, and will also advise if we become aware that the estimate may be exceeded. At that time, the District may decide whether to terminate work on the matter, modify the referral, or proceed to completion with a different cost estimate.

Files at the Law Firm - The Law Firm maintains the District's files in electronic format. The District authorizes the Law Firm to digitize documentation received and destroy paper versions of any document if, at the discretion of the firm, they are no longer necessary to retain. The Law Firm will retain and will not destroy original documents specifically entrusted to us for continued retention as part of our services.

The District further agrees that the Law Firm may retain, destroy, or otherwise dispose of all or any portion of the files 10 years after services were provided on that matter without further notice, provided there are no pending or threatened legal proceedings known to the Law Firm's attorneys that relate to the matter, and its attorneys have not agreed to the contrary. If the District desires to have the electronic file returned to it, please notify the Law Firm of this request within 90 days of execution of this agreement.

Upon request, once all of the Law Firm's fees and costs are paid, the Law Firm will transfer files to another law firm or return files to the District.

No Guarantee - The Law Firm will perform professional services on the District's behalf to the best of its ability, but cannot make and have not made any guarantees regarding the outcome of the work. Any expressions by the Law Firm or its employees about the outcome are our best professional views only and are limited by our factual knowledge at the time they are expressed.

Completion of Matter - After a particular matter is completed, the Law Firm does not (unless the District specifically requests in writing that we do so) undertake to continue to review that matter and update the District concerning legal developments, such as changes in applicable laws or regulations. If the District does ask us to review a specific matter on which we have previously worked, we consider that to be a new representation. Thus, while we may, from time to time, call to your attention issues or legal developments that might be relevant, we are not undertaking to do so as a part of our representation.

Termination of the Law Firm - The District's engagement of the Law Firm may be terminated at any time, by either party. Upon termination, all amounts due and owing and incurred in withdrawing from representation of the District are to be paid upon receipt.

The Law Firm’s engagement is based on the above Terms of Engagement for our covenant enforcement, foreclosure, and collection services. Terms and fees may be updated upon written notice from Orten Cavanagh Holmes & Hunt.

Electronic Delivery of Statements: Monthly billing statements are delivered to the District electronically.

Billing email address: _____

Check here to opt out of electronic delivery. If opted out, statements will be mailed to the billing address.

District Billing Address	District Mailing Address (if different)
Address, City, State and Zip Code _____ _____	Address, City, State and Zip Code _____ _____

This Agreement is effective upon receipt by Orten Cavanagh Holmes & Hunt.

Agreed to and accepted on: _____
Date

DISTRICT (PLEASE PRINT FULL NAME)

By: _____ Title
District Authorized Agent

Spencer Fane Team

Covenant Enforcement Team



Jamie N. Cotter

Partner

Denver, CO
303.839.3826
jcotter@spencerfane.com

Law School:

University of Denver
Strum College of Law (2008)

Jamie is a co-leader of Spencer Fane's firmwide Litigation & Dispute Resolution practice. She focuses much of her practice helping municipal, special districts and other quasi-governmental entities that are facing litigation by advising them on how to pursue or defend against claims so that they can move through the litigation process as efficiently and successfully as possible. She has a keen understanding of the specific laws affecting these entities and represents them in the district court and appellate court level. Jamie has represented special districts with respect to covenant enforcement and foreclosure actions across Colorado.



Jacob Hollars

Associate

Denver, CO
303.839.3707
jhollars@spencerfane.com

Law School:

St. Louis University School of Law
(2014)

Jacob is a litigator specializing in real estate, special district, and commercial matters. Jacob represents his clients in commercial disputes, such as breach of contract and real estate matters, and assists them in protecting their business. In addition, Jacob has experience representing contractors in construction defect claims and insurers in coverage disputes involving bad faith claims. Jacob has represented special districts with respect to covenant enforcement and foreclosure actions across Colorado.



Lauren A. Taylor

Associate

Denver, CO
303.839.3711
ltaylor@spencerfane.com

Law School:

University of Iowa College of Law
(2018)

Lauren focuses her practice on helping clients navigate complex litigation, bringing specific experience in construction, intellectual property, and corporate matters. In addition, she has experience representing special districts in various matters throughout the state.



Jose A. Castro

Associate

Denver, CO
303.839.3717
jcastro@spencerfane.com

Law School:

University of Wisconsin (2019)

Jose is a full-service litigator who represents public, private, and corporate clients with all of their litigation needs. Jose focuses his practice on real estate, special district, and commercial matters, bringing experience handling cases in federal, state and administrative forums, and handling matters with a focus on efficiency and communicative client service.

Spencer Fane Team



Sarah Estlund

Paralegal

Kansas City, MO

816.292.8219

sestlund@spencerfane.com

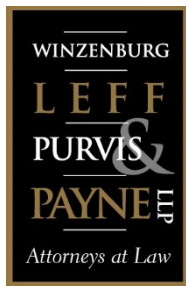
Education:

University of Iowa, BA (1999)

Sarah actively participates in all areas of real estate, commercial lending, financial services, and new market tax credit work, from initial structuring and drafting of loan documents, due diligence review, public records searches, maintaining closing checklists and participating in closing conference calls, facilitating the closing process and managing post-close items such as obtaining and reviewing recordable documents and loan policies. She creates entities, drafts initial formation and organizational documents, and regularly conducts UCC, litigation and bankruptcy searches, providing analysis and summary of the results. She prepares and files UCC financing statements, amendments and assignments with secretaries of state and county recorders of deeds nationwide. She assists attorneys representing banks, borrowers, developers, creditors, receiverships, and trustees.

Spencer Fane Proposal for Districition Collection, Covenant Enforcement and Litigation

Phase	Activity	Resource	Rate	Hours	high	Cost (low)	Cost (High)
Collection	Analyze district rules and regulations on collections	Attorney	No Charge				
	Enter deadlines and requirements into system	Paralegal					
	Receive file, establish settlement authority	Attorney	\$440	1.0	1.0	\$440	\$440
	Initial Demand letter	Paralegal	\$275	0.5	1.0	\$138	\$275
	Final Demand Letter	Paralegal	\$275	0.5	1.0	\$138	\$275
	Record statement of lien	Paralegal	\$275	0.5	1.0	\$138	\$275
	Negotiate Settlement/ document settlement plan	Attorney	\$440	1.0	3.0	\$440	\$1,320
	Tracking settlement plan adherence	Paralegal	\$275	1.0	3.0	\$275	\$825
Collection	Subtotal*					\$1,568	\$3,410
Covenant Enforcement	Review and analyze district rules and regulations on covenant enforcement	Attorney	No Charge				
	Enter deadlines and requirements into system	Paralegal					
	Fee Assessment	Attorney	\$460	0.5	1	\$230	\$460
	Review and analyze enforcement	Attorney	\$460	0.5	1	\$230	\$460
	Notice of violation	Para	\$275	0.5	1	\$138	\$275
	Information gathering	Para	\$275	0.5	1	\$138	\$275
	Initial Demand	Para	\$275	0.5	1	\$138	\$275
	Follow up demand	Para	\$275	0.5	1	\$138	\$275
	Internal Appeal process	Attorney	\$460	1	6	\$460	\$2,760
	Record of Statement of Lien	Para	\$275	0.5	1	\$138	\$275
	Complaint	Attorney	\$460	1	2	\$460	\$920
Covenant Enforcement	Subtotal*					\$2,068	\$5,975
Foreclosures	Title Work	Paralegal	\$275	0.5	1.0	\$138	\$275
	Preliminary Analysis	Attorney	\$440	1.0	1.0	\$440	\$440
	Complaint	Attorney	\$440	1.0	2.0	\$440	\$880
	File Complaint	Paralegal	\$275	0.5	1.0	\$138	\$275
	Serve Complaint	Paralegal	\$275	0.5	1.0	\$138	\$275
Litigation	Subtotal*					\$1,293	\$2,145
Contested Litigation	Litigation	Sr. Associate**	\$450	TBD			
	Litigation	Sr. Partner**	\$450				
	Litigation	Paralegal	\$275				
*Estimate for discussion purposes only; Spencer Fane will be willing to discuss flat fees or project caps based on expected volume and after establishing criteria for situations requiring carveouts.							
**Blended rates							



MARCI M. ACHENBACH
machenbach@wlpplaw.com
www.cohoalaw.com

November 23, 2022

Via e-mail to: jwagner@wbapc.com

Board of Directors
c/o Jon Wagner
White Bear Ankele Tanaka & Waldron
2154 E. Commons Avenue, #2000
Centennial, CO 80122

Re: Proposal for Legal Services

Dear Members of the Board of Directors:

For over 40 years Winzenburg, Leff, Purvis & Payne, LLP has specialized in representing community associations and metropolitan and special districts throughout the Denver metropolitan, and Colorado Front Range and mountain areas. We offer our proposal to undertake covenant enforcement and fee collection matters as special legal counsel to the District.

Why Choose Us?

We know that you have several options of law firms that provide legal services to your community. We believe the provision of legal services still requires, and best serves the client, when there is a professional relationship between the client and the lawyer and the lawyer is responsive to the needs of the client. That professional relationship develops over time, but is furthered when certain characteristics exist. Those characteristics include the following:

CLIENT SATISFACTION IS OUR TOP PRIORITY

At Winzenburg, Leff, Purvis & Payne, client satisfaction is our top priority. We promptly return all phone calls, work with you to determine deadlines and meet those deadlines, and provide timely status reports for collection accounts and covenant violation matters. Our attorneys are always available to speak to you concerning legal issues that matter to you.

TRUST

We strive to create a relationship with our clients based on trust. You can trust us to:

- know the law relating to communities, covenant enforcement, and collections, without having to learn at your expense
- represent the District's best interests
- provide timely and effective representation
- provide sound, practical advice along with our legal advice



Focused on Communities

8020 Shaffer Parkway, Suite 300
Littleton, Colorado 80127
303.863.1870
Fax 303.863.1872



Winzenburg Leff Purvis & Payne, LLP

Districts

November 23, 2022

Page 2 of 2

- not sell you unnecessary services

SUPERIOR EXPERIENCE

We have substantial experience in representing common interest communities throughout Colorado in collecting delinquent assessments, dues, fees and other charges, as well as enforcing their restrictive covenants and rules and regulations. Because you already have general counsel for matters such as budgeting, meetings, and governance, our proposed services are limited to covenant enforcement and fee collection matters working in concert with your general counsel.

AFFORDABLE COST

We are committed to providing the highest level of personal attention to our clients in the most economically efficient manner. We will work with you to determine your specific needs and devise a plan to meet these needs within your budget. Our general fee collection schedule includes numerous fixed fees, as you can see in the attachment. Covenant and rule enforcement matters require a more variable time commitment, and our fees for such matters are billed hourly at the following rates: from \$225 to \$360 per hour for our attorneys, \$140 per hour for law clerks (when available), and \$110 per hour for our paralegals.

Please do not hesitate to call if you have any questions regarding our fees, services, or any other specific issues. We welcome the opportunity to serve the District.

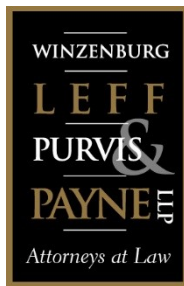
Very truly yours,

WINZENBURG, LEFF, PURVIS & PAYNE, LLP

LSS/kw

Encl.

P.S. This proposal and the enclosures, including our fee schedules, contain proprietary and confidential information to be shared only with the Board of Directors and manager.



2023 TRADITIONAL FEE SCHEDULE DISTRICT CLIENTS

COUNTY COURT COLLECTION FEE SCHEDULE	
County court services will be billed on a monthly basis at fixed fees or hourly rates as they are incurred as follows:	
FEE	SERVICE
No charge	Open and prepare collection file.
No charge	Prepare, update and send monthly status reports to the District.
\$150.00	Fixed fee to review owner account documents, calculate balance due, and prepare and send a demand letter to owner. A \$50.00 additional fee if owner is foreclosing lender.
\$100.00	Fixed Fee to prepare and send debt verification letter to owner after the demand letter expiration date.
\$60.00	Fixed Fee to prepare and send payment reminder letter to owner.
\$175.00	Fixed Fee to prepare and send payment plan agreement to owner prior to initiation of a lawsuit. A monitoring fee of \$15.00 per month will be charged to monitor payments due under the payment plan.
\$75.00	Fixed Fee to prepare and send notice of default letter to owner in the event owner does not comply with the provisions of pre-lawsuit payment plan agreement.
\$425.00	Fixed Fee to: <ul style="list-style-type: none"> • Review file upon expiration of demand letter; • Communicate with District in obtaining ledger; • Reconcile account balance; • Prepare initial County Court Summons and Complaint and Exhibits (“lawsuit”); • Send lawsuit to process server and follow up communications with process server; • E-file lawsuit with Court; • Review file and reconcile account in preparation for Court return date; • Complete docket sheet and appear and travel to/from Court if required; • Review Colorado Courts E-Docket to ascertain if Answer filed by owner; Review Colorado Courts E-Docket to confirm accuracy of judgment entered.
\$75.00	Fixed fee to prepare and file Affidavit of Attorneys’ Fees and Costs with Court for Court return date.
\$125.00	Fixed Fee to prepare and e-file Motion for Default Judgment against owner and to prepare and e-file Affidavit of Attorneys’ Fees and Costs and other supporting documents in support of Motion.
\$250.00	Fixed Fee to negotiate and prepare Settlement Stipulation after the initiation of the lawsuit and prior to an Answer being filed. Fixed Fee includes preparation and filing of Certificates of Mailing and Motion to Dismiss upon compliance with Settlement Stipulation. A



	monitoring fee of \$15.00 per month will be charged to monitor the payments due under the Settlement Stipulation.
\$100.00	Fixed Fee to prepare and send owner Notice of Default in Settlement Stipulation.
\$125.00	Fixed Fee to reconcile the account balance and to prepare and file Motion for Entry of Judgment upon default under the Settlement Stipulation, Affidavit of Fees and Costs and Proposed Order.
\$75.00	Fixed Fee to prepare and send notice of judgment letter to owner.
\$125.00 per owner	Fixed Fee to prepare and file post-judgment interrogatories. Fixed fee includes arranging service on owner and monitoring for an Answer within the deadline provided.
\$125.00	Fixed Fee to prepare and file Motion for Contempt Citation, Proposed Citation and Proposed Order.
\$200.00	Fixed Fee to prepare and file Writ of Garnishment. Fixed fee includes arranging service on the Garnishee, monitoring for an Answer within the deadline provided, monitoring for payments due under the Garnishment, forwarding payments to the District and preparing Notice of Release of Garnishment.
\$175.00	Fixed Fee to negotiate and prepare post-judgment payment plan agreement. A monitoring fee of \$15.00 per month will be charged to monitor payments due under the agreement.
\$225.00	Fixed fee to prepare letter to court requesting transcript of judgment, e-record transcript of judgment in county records, to prepare letter to court requesting certificate of satisfaction of judgment, prepare and e-file satisfaction of judgment with court, prepare and e-record certificate of satisfaction of judgment in county records.
\$100.00	Fixed Fee to reconcile account ledger, calculate balance owed after judgment has been satisfied and to prepare and send letter to owner regarding account balance following Satisfaction of Judgment.
\$100.00 each	Fixed Fee for computerized skip tracing and investigation, credit report and analysis or box breaker.
\$150.00	Fixed Fee to prepare payoff calculation letter (a rush fee of \$75.00 is added if the payoff is required within 48 hours of request).
\$30.00	Fixed Fee to review ownership and encumbrance report.
\$50.00	Fixed Fee to review the accuracy of assessment lien not prepared by our office.
\$30.00 each	Fixed Fee to conduct foreclosure, military or bankruptcy search in preparation for lawsuit.
\$195.00	Fixed Fee to review ledger and calculate super lien, and to prepare and send super lien demand letter to first deed of trust holder. Fixed fee includes monitoring of public trustee foreclosures up to nine months. Monitoring of public trustee foreclosures over nine months will be charged at our hourly rates.
\$600.00	Fixed Fee to obtain and review ledger, calculate balance and prepare and file Notice of Intent to Redeem with supporting documents.
\$150.00	Fixed Fee to review, analyze, and outline recommendations for possible judicial foreclosure.
\$150.00	Fixed Fee to prepare and file Probate Claim.
Hourly rates apply	For additional services that are not provided for in the Fixed Fee rates set forth above.



BANKRUPTCY FEE SCHEDULE	
All fees for bankruptcy services will be billed on a monthly basis at fixed fees or hourly rates as follows:	
FEE	SERVICE
\$175.00	Fixed Fee to prepare Entry of Appearance in a Chapter 7 bankruptcy case.
\$250.00	Fixed fee to prepare and file Entry of Appearance and a Proof of Claim in a Chapter 13 bankruptcy case.
\$350.00	Fixed Fee to prepare and file Motion to Dismiss a Chapter 13 bankruptcy case with supporting documents for owner's failure to make plan payments.
\$375.00	Fixed Fee to prepare and file Motion for Relief from Bankruptcy Stay with supporting documents.
Hourly rates apply	For additional services that are not provided for in the Fixed Fee rates set forth above.

DISTRICT COURT JUDICIAL FORECLOSURE FEE SCHEDULE	
All fees for foreclosures will be billed on a monthly basis at fixed fees or hourly rates as follows:	
FEE	SERVICE
\$2,000.00	Fixed Fee to initiate foreclosure which includes ordering a Litigation Guarantee from a title company, reviewing title to the property, preparing and filing a Summons, Complaint in Foreclosure and Lis Pendens, preparing instructions for service of process on all appropriate parties and verifying service of process.
\$300.00	Fixed Fee for preparation and filing of Motion for service of process by publication per party with supporting documents.
\$100.00	Fixed Fee for preparation and filing of a Motion for Clerk's Default.
\$650.00	Fixed Fee for preparation and filing of Motion for Judgment with supporting documents.
\$225.00	Fixed Fee to negotiate and prepare a Settlement Stipulation. A monitoring fee of \$15.00 per month will be charged to monitor the payments due the Settlement Stipulation.
\$125.00	Fixed Fee to prepare and send a notice of default letter for failing to comply with the Settlement Stipulation.
\$195.00	Fixed fee to prepare letter to court requesting transcript of judgment, e-record transcript of judgment in county records, and to prepare letter to court requesting certificate of satisfaction of judgment, prepare and e-file satisfaction of judgment with court, prepare and e-record certificate of satisfaction of judgment in county records.
\$650.00	Fixed Fee for preparation of all pleadings and documents to commence Sheriff's Sale.
\$400.00	Fixed Fee for preparation of bid and supporting documents to complete Sheriff's Sale.
\$350.00	Fixed Fee for preparation of cure statement for Sheriff's Sale.
\$250.00	Fixed Fee for preparation and filing of pleadings for dismissal of district court lawsuit and request for discharge of Lis Pendens in judicial foreclosure.
\$500.00	Fixed Fee for foreclosure related negotiations with investors and preparation of Assignment of Lien.
Hourly rates apply	For additional services that are not provided for in the Fixed Fee rates set forth above.



RECEIVERSHIP FEE SCHEDULE	
All fees for receiverships will be billed on a monthly basis at fixed fees or hourly rates as follows:	
FEE	SERVICE
\$1,100.00	Fixed Fee for preparation of all pleadings for the appointment of a receiver, review of Order approving receivership and initial follow-up with receiver.
\$300.00	Fixed Fee for preparation and filing of Motion for service of process by publication per party with supporting documents.
\$500.00	Fixed Fee for preparation and filing of Motion for Judgment with supporting documents.
\$100.00	Fixed Fee for preparation and filing of a Motion for Clerk's Default.
\$195.00	Fixed Fee to negotiate and prepare a Settlement Stipulation. A monitoring fee of \$15.00 per month will be charged to monitor the payments due under the Settlement Stipulation.
\$125.00	Fixed Fee to prepare and send owner notice of default letter for failing to comply with the Settlement Stipulation.
\$195.00	Fixed fee to prepare letter to court requesting transcript of judgment, e-record transcript of judgment in county records, and to prepare letter to court requesting certificate of satisfaction of judgment, prepare and e-file satisfaction of judgment with court, prepare and e-record certificate of satisfaction of judgment in county records.
\$250.00	Fixed Fee for preparation and filing of pleadings for dismissal of lawsuit and request for discharge of receiver.
Hourly rates apply	For additional services that are not provided for in the Fixed Fee rates set forth above.

Costs (e.g. ownership and encumbrance reports, service of process charges, court filings, document recording fees, etc.) are billed on a monthly basis and due and payable upon receipt of the invoice. There is no charge on general collection matters for photocopies, postage, long distance phone calls, incoming or outgoing faxes, and preparation of monthly status reports.

The following are our **2023 hourly rates**:

Marci M. Achenbach	\$240.00 per hour
Amanda M. Doherty	\$225.00 per hour
Molly Foley-Healy	\$375.00 per hour
Zachary A. Goldberg	\$280.00 per hour
Travis B. Keenan	\$350.00 per hour
Suzanne M. Leff	\$340.00 per hour
Kimberly A. Porter	\$350.00 per hour
Brianna L. Schaefer	\$325.00 per hour
Lindsay S. Smith	\$340.00 per hour
Wendy E. Weigler	\$340.00 per hour
Law Clerk (if available)	\$140.00 per hour
Paralegals	\$110.00 per hour





April 20, 2023

Via Email Only

Cascade Metropolitan District No. 1
C/o Schooler & Associates, Inc.
614 N Tejon Street
Colorado Springs CO 80903

Re: Special Disclosure of Costs for Legal Services in Connection with Bonds

Dear Board of Directors,

White Bear Ankele Tanaka & Waldron (“**WBA**”) currently serves as general counsel to Cascade Metropolitan District No. 1 (the “**District**”) pursuant to an engagement letter dated November 27, 2018 that defines the scope of WBA’s engagement for general counsel legal services (the “**Engagement**”). The Engagement states that fees for our services are paid monthly based on hours of service provided and other factors set forth in the Engagement. The purpose of this letter is to confirm the terms of a special fee arrangement regarding WBA’s work in connection with the expected issuance by the District of its Water Enterprise Revenue Refunding Bonds, Series 2023, in the estimated principal aggregate amount of up to \$4,665,000 (the “**Series 2023 Bonds**” and/or the “**Transaction**”). This letter is also intended to describe the roles of WBA and various other professionals expected to be involved in the Transaction. Due to the nature of this type of Transaction, fees for all professionals are usually paid at closing; however, our Engagement provides for monthly billing and payment, followed, typically, by reimbursement to the District for our fees from closing proceeds. This letter discloses a special billing arrangement for our fees to provide a measure of certainty to the District regarding the costs of the Transaction. Other than as specifically noted herein, this letter is not intended to alter any of the provisions of the Engagement.

The effort to close the Transaction may involve the work of several professionals outside the Firm including: (i) an investment banker (the “**Underwriter/Placement Agent**”) who will be engaged by the District to structure and then market the Transaction and (ii) a bond lawyer who will be engaged by the District to assist with structuring the Transaction and issue various opinions necessary to close the Transaction, including a tax exempt opinion (“**Bond Counsel**”). Please note that it is also our recommendation that the District engage an independent municipal advisor to provide advice with respect to the Transaction, specifically including advice regarding structure, timing, financial terms, and other similar matters. These professional firms are generally referred to herein as the “**Professionals**”. Our role as general counsel will be to participate with the

Professionals in documenting the Transaction as to which we will render a general counsel opinion to various parties regarding the status of the District and other matters surrounding the Transaction.

All of the Professionals will be paid out of proceeds of the Transaction on terms set forth in their individual engagements, which means they are paid by the District. Their duties to the District will be set forth in their individual engagement agreements and will run directly to the District and not to WBA. The Underwriter/Placement Agent may choose to engage its own counsel whose duties will run to the Underwriter/Placement Agent only, but whose fees are generally paid by the District as a cost of the Transaction at closing.

In connection with these Professional engagements, it is important to understand that WBA's role in the Transaction is limited to matters specifically set forth in our legal opinion, the anticipated form of which is attached hereto (the "**Opinion**"). If the risk or structure of the Transaction changes materially from what we anticipate at this time, resulting in changes to our Opinion which may increase the scope of our services or risk, we will advise the District and it may be necessary for us to increase our fees (as set forth below) for these services.

It is also important for the District to understand, and agree, that WBA is not engaged to oversee the efforts, work product, advice or opinions of the other Professionals. We will perform the work necessary to render our Opinion and will be sufficiently involved in the Transaction to keep the Board of Directors apprised of the status of the efforts of the other Professionals. We read their work to assure our familiarity with their documents but we do not review their work for completeness or accuracy. They are engaged because their services fall outside the scope of our expertise. Accordingly, by proceeding with the Transaction, the District acknowledges that it will rely solely on such Professionals as to the advice they render to the District and the content of their written materials, and the District further acknowledges that WBA is not the guarantor of their work. Should the District have any questions or concerns regarding the work of other Professionals, those questions should be directed to us so we can make sure they are addressed by the correct party.

As compensation for WBA's services as general counsel in connection with the approval, issuance and closing of the Transaction, the District shall pay the Firm a fee of \$75,000.00 for the Transaction from closing proceeds to compensate us for our time and expertise in connection with attempting to achieve a closing of the Transaction and for risks we incur in connection with the issuance of our Opinion. Accordingly, we will NOT include time and materials billings to the District as part of our routine monthly general counsel invoices; rather, a "**Bond Transaction Legal Services Invoice**" will be provided to the District at or near the closing of the Transaction and shall be due at the time of closing. In addition to these fees, there shall be due and payable upon closing of the Transaction the out of pocket expenses, including travel, telephone and telefax, staff overtime and copying expenses, and all other items and expenses incurred or paid by the Firm on behalf of the District in connection with the Transaction. Please note that if the District directs that work on the Transaction cease prior to closing, or in the event the Transaction does not close for any reason within 90 days of the date of this letter, we may opt to provide a standard invoice to you for actual time and expenses incurred, which will be due in accordance with our standard Engagement, in lieu of the Bond Transaction Legal Services Invoice referenced above.

Cascade Metropolitan District No. 1

April 20, 2023

Page 3

We appreciate the opportunity to continue to provide legal services to the District. Should you have any questions regarding this matter, please do not hesitate to call us.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON

White Bear Ankele Tanaka & Waldron

ACCEPTED:

CASCADE METROPOLITAN DISTRICT NO. 1

BY: _____

Printed Name: _____

Title: _____

Date: _____



Form of General Counsel Opinion

_____, 2023

District
Address
Address
Address

Addressee (1)
Address
Address
Address

Addressee (3)
Address
Address
Address

Addressee (4)
Address
Address
Address

\$ _____
_____ DISTRICT [in the City of _____]
(_____ COUNTY, COLORADO)
NAME OF ISSUANCE, SERIES ____ (the "Loan") OR (the "Bonds")

Ladies and Gentlemen:

We have acted as general counsel to the _____ District, [City/Town of _____,] _____ County, Colorado (the "District") in connection with the issuance by the District of the Loan/Bonds. We are not counsel for individual directors of the District [see FN1 below for language to insert for pledge agreement opinions]¹. The opinions stated herein are given in our limited capacity as legal counsel to the District for general matters. Further, neither our firm nor any of its attorneys or employees have been employed, contracted, or otherwise retained as a "municipal advisor" to the District as such term is defined in 15 U.S.C. 78o-4(e)(4), as amended by the Dodd/Frank Act (the "Act"), or any rules promulgated by the

¹ For pledge agreement opinions in multi-district structures, add [, and we have not represented the Districts in negotiating the terms or substance of the Agreement]. Make sure to delete this FN from the opinion.

Securities and Exchange Commission under the Act. Any comments or advice provided by our firm regarding the issuance of securities by the District have been solely of a “traditional legal nature”, as recognized under the Act.

As to questions of fact material to our opinion, we have relied specifically upon the certified proceedings of the District relating to the authorization, issuance and delivery of the Loan/Bonds and certifications or other representations of public officials and other persons furnished to us without undertaking to verify the same by independent investigation. Whenever our opinion with respect to the existence or absence of facts is indicated to be based on our knowledge, it shall mean that, during the course of our representation as described above, no information has come to our attention which has given us actual knowledge contrary to the existence or absence of such facts. We have not undertaken any independent investigation to determine the existence or absence of such facts, nor have we undertaken any such investigation with respect to facts certified by anyone, and no inference as to our knowledge of the existence or absence of such facts may be drawn from our representation of the District.

In connection herewith, we have assumed, without independent verification or investigation as to the same: (a) the genuineness and authenticity of all documents submitted to us as originals; (b) the conformity of the originals to all photocopies provided to us in connection with rendering this opinion; (c) that the signatures of persons signing all documents in connection with which this opinion is rendered are genuine and are authorized by the entity on whose behalf such persons have signed; provided, however, that no such assumptions as to genuineness and authorization are made as to signatures on behalf of the District; (d) that all parties to the documents reviewed by us have full power and authority and have obtained all consents and/or approvals necessary to execute, deliver and perform thereunder, provided however that no such assumptions are made as to the District regarding necessary consents and/or approvals in connection with execution, delivery, and performance of the Financing Documents, as defined below; and (e) that all such documents have been duly authorized by all necessary corporate officers, have been duly executed by such parties, and have been duly delivered by such parties; provided, however, that no such assumptions are made as to the District’s execution and delivery of any Financing Documents.

The Loan/Bonds is/are being issued pursuant to a Resolution INSERT FULL NAME OF RESOLUTION UNLESS INFEASIBLE DUE TO LENGTH adopted by the Board of Directors of the District (the “**Board**”) at a regular/special meeting held on _____, 20__ (the “**Authorizing Resolution**”). Capitalized words and phrases not otherwise defined herein shall have the meanings assigned in the Authorizing Resolution.

As general counsel to the District, we have reviewed the following documents:

A. The [Consolidated/Amended and Restated] Service Plan of the District, approved by the Town/City/County on _____, [as amended by a First Amendment to Service Plan, dated _____] ([collectively,] the “**Service Plan**”);

B. USE THIS PARAGRAPH IF THERE IS AN OFFERING DOCUMENT: [Those portions of the [Preliminary Disclosure Document Name] dated _____, 202__ and the [Final

Disclosure Document Name] dated _____, 202_ (collectively, the “**Disclosure Document**”) titled: [“THE DISTRICT—INTRODUCTION”, “THE DISTRICT” and “LEGAL MATTERS”];

C. The Authorizing Resolution;

USE THIS LANGUAGE FOR LOAN DOCUMENTS, ADDING AND DELETING REFERENCES TO DOCUMENTS, AS NECESSARY:

D. The Loan Agreement between the District and _____, dated as of _____, 20__;

E. The [insert year] Promissory Note issued pursuant to the Loan Agreement, dated as of the date of issuance;

F. The Custodial Agreement between the District, _____, as custodian, and _____, as lender, dated _____, 20__;

G. The Placement Agent Agreement between the District and _____, as placement agent, dated _____, 20__.

USE THIS LANGUAGE FOR BOND DOCUMENTS, ADDING AND DELETING REFERENCES TO DOCUMENTS, AS NECESSARY:

D. [The Indenture of Trust between the District and _____, as trustee, dated as of _____, 20__];

E. The Bond Purchase Agreement between the District and _____, dated as of _____, 20__;

F. The [insert year] Bonds, dated as of the closing date; and

G. The Continuing Disclosure Agreement, dated as of _____, 20__.

The documents described in paragraphs [C if there is an offering document; or B if there is not an offering document] through [], above, are hereafter referred to as the “**Financing Documents**.”

Based on the foregoing, and except as otherwise qualified and limited herein and expressly qualified by paragraphs 10 [11] through 13 [14], inclusive, we are of the opinion that:

1. The District is a duly organized and existing quasi-municipal corporation and political subdivision of the State of Colorado.

2. We have not received any notice from the State Division of Local Government (the “**Division**”) concerning the intent by the Division to certify the District dissolved pursuant to § 32-1-710, C.R.S., and the officers or directors of the District have not advised us of receipt of same. Nothing has come to our attention which would lead us to believe that there are any grounds for dissolution of the District under such statute.

3. The District is not required by law to amend the Service Plan to effectuate the execution and performance of its obligations under the Financing Documents.

4. To the best of our knowledge, based upon the oral representations and affirmations provided to us by individuals serving on the Board, and without any other independent investigation or inquiry by us, for the period from the date of adoption and approval of the Authorizing Resolution to and including the date hereof, such individuals are qualified to serve as directors and officers of the District and have been duly elected or appointed.

5. The District has taken the procedural steps necessary to adopt the Authorizing Resolution in material compliance with the procedural rules of the District and the requirements of Colorado law, and the Authorizing Resolution remains in full force and effect as the date hereof.

6. The Financing Documents have been duly authorized, executed, and delivered on behalf of the District.

7. To the best of our knowledge, [and except as otherwise set forth in the Disclosure Document,] there is no action, suit, or proceeding pending in which the District is a party, nor is there any inquiry or investigation pending against the District by any governmental agency, public agency, or authority which, if determined adversely to the District, would have a material adverse effect upon the District's ability to comply with its obligations under the Financing Documents.

8. To the best of our knowledge, the issuance, execution, and delivery of the Loan/Bonds by the District, and the execution and delivery of the Financing Documents and the performance by the District of its obligations with respect thereto, will not result in a violation of any applicable judgment, order or decree of any authority of the State of Colorado, and will not result in a breach of, or constitute a default under, any agreement or instrument to which the District is a party or by which the District is bound.

9. To the best of our knowledge, no additional or further approval, consent, or authorization of any governmental, public agency, or authority not already obtained is required by the District in connection with the issuance of the Loan/Bonds, or entering into and performing its obligations under the Financing Documents.

10. [USE THIS PARAGRAPH AS APPLICABLE: We assisted the District in the review of portions of the Disclosure Document. We have not been engaged as disclosure counsel by the District in connection with preparation of the Disclosure Document nor by any other participant involved with the issuance of the Loan/Bonds, and have not undertaken to provide counsel in regard to the contents of the Disclosure Document and/or the disclosure or nondisclosure of matters addressed therein except as set forth in the sections of the Disclosure Document entitled: "THE DISTRICT--INTRODUCTION", "THE DISTRICT", and "LEGAL MATTERS-Litigation"² (together, the "Covered Sections"). We have generally reviewed the

² It is critical that the firm maintain a consistent position on which sections are covered in its 10(b)(5) opinion. Specifically, the firm does not cover all Legal Matters (e.g., sovereign immunity or other general recitations of state

Covered Sections and participated in meetings and discussions with representatives of the District, Bond Counsel and the Underwriter but have not reviewed sections of the Disclosure Document other than the Covered Sections. In the course of these activities, and without further independent investigation, we are not aware that the Covered Sections of the Disclosure Document (except for the financial statements, projections and other financial and statistical information included in the Covered Sections, as to which we express no opinion) contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.]]

This letter contains opinions of our firm which are, in their entirety, subject to and qualified generally as set forth therein, and are expressly qualified by the following paragraphs 10 [11] through 13 [14]:

10. [11]. The obligations of the District with respect to the Loan/Bonds, Financing Documents, and other documents and agreements referred to or contained therein or herein may all be affected in the future by:

(a) Provisions of bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally;

(b) Compliance or non-compliance by the directors of the District with laws contained in § 18-8-308, C.R.S., and under §§24-18-101, *et seq.*, C.R.S., regarding disclosure of potential conflicts of interest; provided, however, that we have advised the directors of the requirements of such laws and we are aware that each of the directors of the District have filed potential conflict of interest disclosure forms, if applicable, in connection with the transactions and agreements contemplated herein;

(c) Rights to indemnification and contribution which may be limited by applicable law and equitable principles;

(d) The unenforceability under certain circumstances of provisions imposing penalties, forfeiture, late payment charges or an increase in interest rate upon delinquency in payment or the occurrence of an event of default;

(e) General principles of equity now or hereafter in effect, including, without limitation, concepts of mutuality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief, regardless of whether such enforceability is considered in a proceeding in equity or at law;

(f) The exercise by the United States of America of the powers delegated to it by the federal constitution;

law), but rather the smaller subset of litigation. When the BPA is received, review as early as possible to confirm consistency with the firm's form, and, to the extent necessary, make BPA revision comments to bring the BPA's definitions of Covered Sections into conformance with the firm's form. Make sure to delete this FN from the opinion.

(g) The reasonable and necessary exercise in certain exceptional situations of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving an important public purpose; and

(h) The exercise of judicial discretion and interpretation.

11. [12]. We do not practice law in the areas of federal or state income taxation. Accordingly, we express no opinion as to the federal or state tax consequences associated with the issuance of the Loan/Bonds or with regard to execution and delivery of any of the Financing Documents.

12. [13]. The opinions expressed herein are based solely upon Colorado and applicable federal law as of the date hereof. In providing this opinion, we expressly rely on §1-1-105.5, C.R.S. and §32-1-808, C.R.S.

13. [14]. We express no opinion as to: (a) the financial ability of the District to perform its obligations under the Financing Documents; (b) the validity or enforceability of the Loan/Bonds or the Financing Documents; (c) the accuracy of any TABOR allocation made in connection with the issuance; or (d) the financial condition of the District or the sufficiency of the security provided for payment of the debt service on the Loan/Bonds.

Our only client in the transaction to which this opinion relates is the District. None of the other addressees to this letter have been or are currently clients of our firm. The inclusion of the additional addressees to this opinion shall not establish an attorney-client relationship between such addressee and our firm.

This letter and the opinions expressed herein are limited to the use of the addressees as set forth above, and may not be relied upon by other parties, and may be relied upon only as stated herein. The opinions set forth herein supersede any and all previous understandings, representations, statements, opinions, etc., provided by our firm, whether oral or written, and whether such previous understandings, representations, statements, or opinions were made to the addressees herein, or otherwise, in relation to the Loan/Bonds. We express no opinion as to matters not specifically set forth herein and no opinion may be inferred or implied beyond the matters expressly stated in this letter, subject to all assumptions, limitations, exceptions and qualifications contained herein. Further, the opinions expressed herein are based only on the laws in effect and the facts in existence as of the date hereof and in all respects are subject to and may be limited by future legislation, developing case law, and any change in facts occurring after the date of this letter. We expressly undertake no responsibility or duty to inform any party, whether addressees hereof or not, as to any change in fact, circumstance or law occurring after the date hereof which may affect or alter any of the opinions, statements or information set forth above. This letter and the opinions expressed herein may not be quoted, reproduced, circulated or referred to in whole or in part without our express written consent except in the transcript of proceedings prepared in connection with issuance of the Loan/Bonds.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON





May 8, 2023

Board of Directors
Cascade Metropolitan District No. 1, acting by and through
its Water Activity Enterprise
El Paso County, Colorado

Re: Engagement as Bond Counsel and Special Disclosure Counsel in
connection with the issuance by the Issuer of its Water Enterprise
Revenue Refunding Bonds, Series 2023

Members of the Board:

You have asked Kline Alvarado Veio, P.C., to serve as Bond Counsel and Special Disclosure Counsel to Cascade Metropolitan District No. 1, El Paso County, Colorado (the “District”), acting by and through its Water Activity Enterprise (the “Issuer”) in connection with the proposed issuance by the Issuer of the captioned bonds (the “Bonds”). The purpose of this engagement letter is to set forth certain matters concerning the services that we will perform as Bond Counsel and Special Disclosure Counsel and to agree in general terms upon our fees for such services. We understand that the Bonds will be issued for the purpose of refunding the Issuer’s outstanding Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A and Series 2015B, and to pay related costs of issuing the Bonds.

The Bonds will be authorized and issued pursuant to a resolution (the “Authorizing Resolution”) to be adopted by the Board of Directors of the Issuer (the “Board”), will be payable from and secured by a pledge of certain revenues of the Issuer, and are expected to be rated by a nationally recognized municipal bond rating agency. We further understand that the Bonds will be publicly offered for and on behalf of the Issuer by Stifel, Nicolaus & Company, Incorporated, Denver, Colorado (the “Underwriter”), in an approximate aggregate principal amount of \$5 million.

Scope of Engagement and Duties to be Performed

As Bond Counsel, our chief function is to render an objective legal opinion with respect to the authorization and issuance of the Bonds. Assuming that no legal impediments to the issuance of the Bonds become apparent, we contemplate furnishing to the Issuer and the Underwriter our approving opinion (“Bond Opinion”) as to the validity and binding effect of the Bonds, the source of payment and security for the Bonds and the excludibility of the interest on the Bonds from gross income for federal and Colorado income tax purposes, which opinion will be executed and delivered by us in written form on the date the Bonds are exchanged for their purchase price (the “Closing”). Upon delivery of the Bond Opinion, our responsibilities as Bond Counsel will be concluded with respect to the Bonds.

The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent

investigation. We will also assume continuing compliance by the Issuer with applicable laws relating to the Bonds. During the course of this engagement, we will rely on the Issuer to provide us with complete, accurate and timely information pertaining to the Bonds and their security. We understand that in this regard we will have full and timely cooperation of the members of the Board, Issuer officers and staff, other appropriate public officials, the Issuer's accountants and auditors and the Issuer's general counsel. Our Bond Opinion will be based on the facts and law existing as of the date of Closing as well as information that the Issuer provides. In rendering our Bond Opinion, we may also expressly rely upon the general counsel to the Issuer and other parties to the transaction, such as the Underwriter and its counsel, if any, as to certain matters where appropriate.

In addition to rendering our Bond Opinion, we expect to perform the following duties:

- Prepare and review all legal documents required for authorization, securing, issuance and a public offering of the Bonds. These documents will include the Authorizing Resolution, a Refunding Escrow Agreement, a Paying Agency Agreement, and all related Issuer proceedings, resolutions and documents that might be required, including all necessary filings with the Internal Revenue Service subject to the limitations contained in this engagement letter.
- Review enabling legislation and legal issues relating to the structure of the bond issue and the authorization and issuance of the Bonds.
- Prepare or furnish the closing documents and various certificates to be signed by the Issuer and other participants in the transaction.
- Consult with the Issuer and the Issuer's general counsel, if necessary, concerning Colorado law matters pertaining to the Issuer and the Bonds.
- Assist the Issuer, upon request, in seeking from other governmental authorities such approvals, permissions and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance and delivery of the Bonds.

As Special Disclosure Counsel to the Issuer, we expect to perform the following duties:

- Assist the Issuer in preparing an offering document relating to the Bonds and, subject to satisfactory completion of our review, provide to the Issuer written advice that, in the course of our participation in the preparation of such document no information has come to our attention which leads us to believe that such document, as of its date (except for customary exceptions and limitations) contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements in such offering document in the light of the circumstances under which they were made, not misleading.
- Prepare a continuing disclosure undertaking pursuant to Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Our duties as Bond Counsel and Special Disclosure Counsel in this engagement are limited to those expressly set forth above. Among other things, our duties as Bond Counsel or Special Disclosure Counsel will not include the following:

- Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.
- Preparing Blue Sky or investment surveys with respect to the Bonds.
- Drafting state constitutional or legislative amendments.
- Pursuing test cases or other litigation, such as contested validation proceedings.
- Representing the Issuer in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.
- After Closing, providing continuing advice to the Issuer or any other party concerning any actions necessary to assure (1) that interest paid on the Bonds will continue to be excludible from gross income for federal income tax purposes (*e.g.*, our engagement does not include rebate calculations for the Bonds, although we will perform such calculations pursuant to a separate engagement) or (2) compliance with any continuing disclosure undertaking related to the Bonds; provided, however, that from time to time the Issuer may require advice or other legal services in connection with municipal finance matters that do not result in the issuance of Bonds, and it is intended that this engagement shall cover any such additional representation to the extent reasonably requested by the Issuer.
- Addressing any other matter not specifically set forth above that is not required to render our Bond Opinion.

Although we ordinarily draft suggested forms for authorizing and closing documents, we do not assume responsibility for verifying the truth or completeness of facts certified as true and complete by others, nor, except as necessary to our Bond Opinion, do we assume responsibility for examining legal questions on which other participating lawyers are asked to opine. We do not review the financial condition of the Issuer or the adequacy of the security provided for the Bonds.

As noted above, our chief function as Bond Counsel is to render an objective legal opinion with respect to the authorization and issuance of the Bonds. We customarily do not negotiate the terms of the transaction on behalf of the Issuer but will advise the Issuer as to the impact of such terms on our ability to render our Bond Opinion. We assume that other parties to the financing will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction.

We assume that we will have the full cooperation of appropriate officials of the Issuer, the Issuer's general counsel, the Underwriter and any others necessary to successfully complete this financing. We cannot, of course, guarantee the timing or outcome of legislative or judicial processes or other actions necessary to complete the financing.

Under present law and regulations and our current understanding of the structure of the financing, we anticipate that the Bonds will be exempt from registration pursuant to the Securities

Act of 1933, as amended, and that the Authorizing Resolution will be exempt from qualification under the Trust Indenture Act of 1939, as amended. Thus, no filings with the Securities and Exchange Commission will be necessary. However, the Bonds may be subject to registration or qualification in certain states. Our Bond Opinion will not make reference to any state law registration or qualification requirements for any jurisdiction in which the Bonds are to be sold, and we will undertake no Blue Sky survey or investment survey with respect to the Bonds in issuing our Bond Opinion and other opinions that may be required at Closing.

Compensation and Reimbursement

Based upon our current understanding of the proposed terms, structure, size and schedule of the financing, the duties and responsibilities that we propose to undertake with respect thereto as outlined herein and the time that we anticipate will be required to carry out such duties and responsibilities, our fee for our services as Bond Counsel as described in this letter will be \$50,000, and our fee for our services as Special Disclosure Counsel as described in this letter will be \$40,000 (for a combined fee of \$90,000 for our services as Bond Counsel and Special Disclosure Counsel). These fee estimates are based on preliminary information concerning the proposed terms of the issue and ultimately will be determined by the final size and structure of the financing and upon consultation and agreement with the Issuer.

In addition to fees for providing legal services, we are customarily reimbursed for certain extraordinary out-of-pocket expenses associated with the financing, including, for example, courier services, express delivery services, cost of reports provided by governmental entities such as the County Assessor's office, regulatory filing fees, travel outside of the Denver metropolitan area and transcript preparation charges. We estimate that such out-of-pocket expenses will not exceed \$1,500.

We understand and agree that payment of our fees is contingent upon and payable at Closing, and that if the Bonds are not issued, for whatever reason, such fees will not be paid.

Conflicts

As you are aware, our firm represents many political subdivisions, companies and individuals. It is possible that during the time that we are representing the Issuer, one or more of our present or future clients will have transactions with the Issuer. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Bonds. We do not believe such representation, if it occurs, will adversely affect our ability to represent you as provided in this engagement letter, either because such matters will not be sufficiently different from the issuance of the Bonds so as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Bonds. Execution of this engagement letter will signify the Issuer's consent to our representation of others consistent with the circumstances described in this paragraph.

Miscellaneous

Our willingness to undertake the functions described herein with respect to the Bonds will be based upon the facts available to us at that time. We will commence our function with respect to the

Bonds after determining that nothing has come to our attention at that time which would lead us to conclude that there are any legal obstacles to delivery of the Bonds. We will proceed with the understanding that should anything come to our attention prior to the issuance of the Bonds that would, in our opinion, cast doubt upon the legality of the transaction, we will not be obligated to render our Bond Opinion.

At your request, papers and property furnished by you will be returned promptly. Our own files, including lawyer work product, pertaining to the transaction will be retained by us. We will not dispose of any documents or materials without first notifying the Issuer of our intent to so dispose and allowing the Issuer to retrieve the records if desired.

As previously stated, representation during Internal Revenue Service random and directed audits or Securities and Exchange Commission investigations regarding the Bonds is beyond the scope of this engagement letter. However, in the event of a random or directed audit of the Bonds by the Internal Revenue Service or questions raised regarding the Bonds by the Securities and Exchange Commission, assuming the absence of any conflict of interest, we would represent you, if you request, during the audit or investigation, subject to a supplemental engagement letter and at our standard hourly rates. You would also have the option to retain separate counsel to represent you during such an audit or investigation; assistance we might be called upon to render to such separate counsel would also be charged at our standard hourly rates.

Upon execution of this engagement letter, the Issuer will be our client and an attorney-client relationship will exist between us. We assume that all other parties will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. We further assume that all other parties understand that in this transaction we represent only the Issuer, we are not counsel to any other party and we are not acting as an intermediary among the parties. Our services as Bond Counsel and Special Disclosure Counsel are limited to those contracted for in this letter, and the execution of this engagement letter by the Issuer will constitute an acknowledgment of those limitations. However, our representation of the Issuer will not affect our responsibility to render an objective Bond Opinion.

Our representation of the Issuer, and the attorney-client relationship created by this engagement letter, will be concluded upon issuance of the Bonds. Nevertheless, subsequent to Closing, we will mail the appropriate Internal Revenue Service Form 8038-G and prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the Bonds.

Cascade Metropolitan District No. 1, acting by and through
its Water Activity Enterprise
May 8, 2023
Page 6

If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by an authorized officer, retaining the original for your files. We look forward to working with you on this matter.

KLINE ALVARADO VEIO, P.C.

Kent C. Veio

By: _____
Kent C. Veio

This Engagement Letter is accepted and approved as of _____, 2023.

**CASCADE METROPOLITAN DISTRICT NO. 1,
EL PASO COUNTY, COLORADO, ACTING BY AND THROUGH
ITS WATER ACTIVITY ENTERPRISE**

By: _____

Name: _____

Title: _____



UNDERWRITER ENGAGEMENT AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 2023, by and among the Cascade Metropolitan District No. 1 (the "Issuer") and Stifel, Nicolaus & Company, Incorporated, (the "Underwriter" or "Stifel"), with reference to the following facts:

RECITALS

WHEREAS, the Issuer plans to issue Water Enterprise Revenue Refunding Bonds (the "Bonds") to finance the refunding of the Issuer's Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A and Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015B (the "Project"); and

WHEREAS, the Issuer desires and is authorized by law to retain the services of the Underwriter in connection with the issuance of the Bonds; and

WHEREAS, the Underwriter agrees to be retained by the Issuer and to provide to the Issuer the services described herein; and

WHEREAS, Stifel agrees to act as underwriter, subject to the conditions set forth herein;

NOW therefore, for and in consideration of the mutual promises, covenants, and conditions herein contained, the parties hereto agree as follows:

Scope of Services

The Issuer has engaged the Underwriter to perform various services related to the issuance of the Bonds, which are to be performed within the framework of all relevant rules and regulations. All services are provided on an arm's length, commercial basis and may or may not be provided in conjunction with services provided by advisors to the Issuer, such as, but not limited to, a financial advisor or a municipal advisor.

With this understanding, the Underwriter may provide the following services and perform the following functions with respect to the Bonds:

A. Structuring the Financing

1. The Underwriter will work with the Issuer, its bond counsel, financial advisor, disclosure counsel, and other members of the Issuer's financing team in evaluating specific terms and conditions affecting the Bonds with the purposes of meeting the Issuer's financing objectives and assuring appropriate credit quality;
2. The Underwriter will work with the Issuer to create a feasible and efficient structure for the Bonds in order to enhance the Bonds' marketability; and
3. In cooperation with Issuer, the Underwriter will assist in the preparation of and/or review of all documents necessary to implement the issuance of the Bonds, including, but not limited to, authorizing resolutions, bond purchase agreement, and preliminary and final official statements distributed to potential investors, as required.

B. Marketing the Securities

1. The Underwriter will provide information and material as needed to support presentations for rating agencies and/or bond insurance companies; if requested;
2. The Underwriter will coordinate printing and distribution of the preliminary and final official statements;
3. Together with the Issuer and other appropriate parties, the Underwriter will provide market information on the timing of the sale of the Bonds in relation to the market conditions and financing needs;
4. The Underwriter will arrange for distribution of the final official statements in accordance with Section 240.15c2-12 of Title 17 of the Code of Federal Regulations; and
5. The Underwriter will serve as sole managing underwriter of the Bonds, which obligation is conditioned upon the execution of a mutually satisfactory bond purchase agreement and other customary documentation, and coordinate with all parties so as to consummate the sale and delivery of the Bonds in a timely manner.

Regulatory Disclosure

The Issuer is aware of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Securities and Exchange Commission's adopted rule commonly known as the "Municipal Advisor Rule" (SEC Rule 15Ba1-1 to 15Ba1-8 - "the Rule") and the underwriter exclusion from the definition of "municipal advisor" for a firm serving as an underwriter for a particular issuance of municipal securities. Some of the services that Stifel will be called upon to perform, such as providing advice with respect to the sizing, structure, timing and terms of the Bond issuance, are services that are also commonly provided by financial advisory firms.

However, in providing such services for the Bonds, the parties understand and agree that Stifel is serving as an underwriter for this transaction and is permitted to give advice and recommendations under the "underwriter exclusion" provision of the Rule. Issuer agrees that Stifel will not be serving as the Issuer's financial advisor or acting as an agent or fiduciary for the Issuer and that the Issuer will be consulting with its own legal, financial and other advisors. This Agreement and relationship shall be either executed, approved or acknowledged by the governing board of Issuer (the "Governing Board").

Disclosures Required by MSRB Rule G-17 Concerning the Role of the Underwriter

The Issuer confirms and acknowledges the following disclosures, as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2019-20 (Nov. 8, 2019)¹:

The following G-17 conflict of interest disclosures are broken down into three types, including: 1) dealer-specific conflicts of interest disclosures (if applicable); 2) transaction-specific disclosures (if applicable); and 3) standard disclosures. You may receive additional separate disclosure letters pursuant to Rule G-17 from the co-managing underwriters or other syndicate members for the Bonds if they have their own dealer-specific or transaction-specific disclosures.

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

1. **Dealer-Specific Conflicts of Interest Disclosures**

Stifel has not identified any actual or potential² material conflicts of interest.

2. **Transaction-Specific Disclosures: Disclosures Concerning Complex Municipal Securities Financing:**

Since we have not recommended a “complex municipal securities financing” to the Issuer or Obligor, additional disclosures regarding the financing structure for the Bonds are not required under MSRB Rule G-17.

3. **Standard Disclosures**

- **Disclosures Concerning the Underwriters’ Role:**
 - MSRB Rule G-17 requires an underwriter to deal fairly at all times with both issuers and investors.
 - The underwriters’ primary role is to purchase the securities with a view to distribution in an arm’s-length commercial transaction with the Issuer. The underwriters have financial and other interests that differ from those of the Issuer.
 - Unlike a municipal advisor, an underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
 - The Issuer may choose to engage the services of a municipal advisor with a fiduciary obligation to represent the Issuer’s interest in this transaction.
 - The underwriters have a duty to purchase the securities from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the securities to investors at prices that are fair and reasonable.
 - The underwriters will review the official statement for the securities, if any, in accordance with, and a part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.³

- **Disclosures Concerning the Underwriters’ Compensation:**

² When we refer to *potential* material conflicts throughout this letter, we refer to ones that are reasonably likely to mature into *actual* material conflicts during the course of the transaction, which is the standard required by MSRB Rule G-17.

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

- o The underwriters will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriters may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Limitation of Duties

The Issuer acknowledges and agrees that Stifel is not making a commitment to extend credit, make a loan or otherwise fund the Project beyond the obligations contained in a mutually satisfactory bond purchase agreement. The Issuer acknowledges that the services provided under this Agreement involve professional judgment by Stifel and that the results cannot be, and are not, guaranteed.

As addressed above, among the services that Stifel will perform under this Agreement is assistance in preparation of, and/or review of the preliminary and final official statements for the Bonds. We note, however, that under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. Our assistance with respect to, and/or review of the official statement will be solely for purposes of satisfying our obligations as underwriter under the federal securities laws and such assistance and/or review should not be construed by the Issuer as a guarantee of the accuracy or completeness of the information in the official statement.

Expenses

The Issuer, from the Bond proceeds, will pay the Underwriter's costs incurred in the performance of this Agreement, including costs of its legal counsel, if any, communication, preparation of the official statements, and overhead expenses.

The Issuer, from the Bond proceeds or other lawfully available funds, will pay for legal fees, including disclosure counsel; rating agency and credit enhancement fees including all related travel (if any); the cost of appraisal, fiscal consultant, statistical, computer, and graphics services (if any), cost of printing and distribution of the official statements and expense of publication, advertising, and informational meetings; and the costs of fiscal agent or bond trustee and registrar.

Compensation

The Underwriter agrees to prepare and coordinate all aspects of the sale of the Bonds. Stifel will be paid only when the Bonds are sold. The fee for Stifel's preparation and coordination of the sale of the Bonds shall be \$10.00 per \$1,000.00 of Bonds sold. The underwriting fee is contingent on a successful sale of the Bonds and is payable from the proceeds of the Bonds.

Term of Agreement

This Agreement is to continue until the Project is financed or until the Governing Board formally abandons the Project, unless previously terminated by mutual written consent of the parties hereto.

This Agreement may be terminated at any time by the Issuer, upon five business days' prior notice to such effect to the Underwriter, or by the Underwriter upon five business days' prior notice to such effect to the Issuer. Any such termination, however, shall not affect the obligations of the Issuer under the Expenses section hereof.

Severability of Provisions

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby if such remainder would then continue to conform to the terms and requirements of applicable law.

Governing Law

This Agreement, and the rights and obligations of the parties hereto, shall be construed, interpreted and enforced pursuant to the laws of the Colorado, and exclusive venue in any and all actions existing under this Agreement shall be laid in the action or proceeding which Issuer or Underwriter may be required to prosecute to enforce its respective rights within this Agreement. The unsuccessful party therein agrees to pay all costs incurred by the prevailing party therein, including reasonable interest and attorney's fees, to be fixed by court, and said costs, interest, and attorneys' fees shall be made a part of the judgment in said action. Prior to the commencement of any litigation concerning this Agreement, the Issuer and the Underwriter agree to first submit any disagreements to mediation. This mediation requirement is intended to reduce the costs of dispute resolution for both parties.

Subcontractors

The Underwriter shall, with the prior written approval of the Issuer, use such subcontractors as are necessary in the fulfillment of this Agreement.

Miscellaneous

Nothing contained herein shall preclude the Underwriter from carrying on its customary and usual business activities. The Underwriter specifically reserves the right, but is not obligated, to bid for and maintain secondary markets on any Issuer outstanding bonds subject to appropriate information barriers. Services provided by the Underwriter in connection with this Agreement shall not limit the Underwriter from providing services for the Issuer in conjunction with other services requested by the Issuer except as limited by rule of law or regulation.

Stifel certifies that it and its parent company, wholly or majority-owned subsidiaries, and other affiliates, are not currently engaged in, or for the duration of this Agreement will not engage in, a boycott of goods or services from the State of Israel; companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel. Stifel

understands that “boycott” includes, but is not limited to, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.

In connection with services agreed to herein, it is understood that the Underwriter will render professional services as an independent contractor. Neither the Underwriter nor any of its agents or employees shall be deemed an employee of the Issuer for any purpose.

The Underwriter shall not assign or otherwise transfer any interest in this Agreement without the prior written consent of the Issuer.

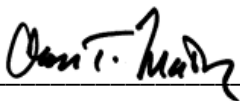
The Issuer acknowledges and recognizes Stifel as Underwriter with respect to the municipal securities referenced for purposes of MSRB Rule G-23 and Securities and Exchange Commission Rule 17 CFR (Registration of Municipal Advisors) and acknowledges receipt of the G-17 disclosures included herein. It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

This Agreement constitutes the entire agreement between the parties relating to the subject matter thereof and supersedes any prior understandings or representations. The Agreement may be amended or modified only by a writing signed by both parties. It is solely for the benefit of the Issuer and Stifel, and no other person.

This Agreement is submitted in duplicate originals. The acceptance of this Agreement by the Issuer will occur upon the return of one original executed by an authorized Issuer representative, and the Issuer hereby represents that the signatory below is so authorized.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

Stifel, Nicolaus & Company, Incorporated

By 

Name: Alan Matlosz

Title: Managing Director

Date: April 18, 2023