

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



Tuesday, July 18, 2023, at 5:30 PM (MST)

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

At 614 N Tejon St, Colorado Springs, CO 80903

- AND -

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. Approval of Agenda**
- 4. 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 May 23, 2023 (enclosure)
 - b. Ratification and approval of payables through the period ending July 18, 2023 (enclosure) in the amount of:

General Fund:	\$	33,119.53
Debt Service Fund:	\$	25,731.96
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TOTAL:	\$	58,851.49
 - c. Acceptance of Unaudited Financial Statements as of June 30, 2023, the schedule of cash position updated as of June 30, 2023, and bank statements (enclosure)
- 5. Consideration of items removed from the Consent Agenda**
- 6. Review and Consider approval of the 2022 Audit and Presentation (under separate cover)**
 - a. Discuss Possible Audit Extension

- 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
- 8. Legal Matters**
 - a. Review Proposals from Special Counsel for Collection Matters and Consider Engagement of Special Counsel for Collection Matters (enclosures)
 - b. Discuss 2023 Legislative Memorandum (enclosure)
 - c. Discuss Town Hall Meeting Date
- 9. Water Enterprise Revenue Refunding Bonds, Series 2023 Matters**
 - a. Discuss Bond Refunding
- 10. Public Comment (Items not on the Agenda Only. Comments are limited to 3 minutes per person and taken in the order in which they appear)**
- 11. Other Business**
- 12. Adjourn** – Next Regular Scheduled Meeting is October 24, 2023, at 5:30 pm



**MINUTES OF A REGULAR BOARD MEETING OF
THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD MAY 23, 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 23rd day of May 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
Rebecca Harris, WSDM District Managers

1. **Call to Order:** The meeting was called to order at 5:32 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. **Appointment of Officers (President, Vice President, Treasurer, Secretary, Assistant Secretary):** Director Borden moved to accept the officers as they currently are; seconded by Director Herr. Motion passed unanimously.
4. **Approval of Agenda:** Director Campbell moved to approve the agenda as written; seconded by Director Borden. Motion passed unanimously.
5. **Consent Agenda Items:**
 - a. Approval of Board Meeting Minutes from the regular meeting on February 15, 2023
 - b. Ratification and Approval of Payables through the period ending May 23, 2023 in the amount of:

General Fund:	\$3,229.85
Debt Service Fund:	<u>\$18,174.77</u>
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.

Director Herr confirmed he reconciled the accounts. The Board approved the Consent Agenda Items as presented.

6. Consideration of items removed from Consent Agenda: None.

7. Management Matters

- a. Discuss Status of Post-conversion Requirements: Director Borden discussed the post-conversion requirements. He is working with Andy Rose to get information from CSU about funds they may be requesting. President Soloyanis will reach out to Andy Rose for a firm number as this is needed for the refunding.
- b. Review of Payment Status and Collections: Ms. Harris provided an update on collections.
 - i. Current Billings & Collections: 17 new collection letters; 10 ongoing on hold until special counsel hired.
- c. Update on Disposition of Assets: Mr. Walker provided an update on the disposition of assets.
 - i. Remaining District owned parcels: There are two small parcels still owned by the District that Mr. Walker continues to work on. There is no new action on the tank site, waiting for property owner to take action.

8. Legal Matters

- a. Review Proposals from Special Counsel for Collection Matters and Consider Engagement of Special Counsel for Collection Matters: The Board reviewed the proposals for collection matters. The Board discussed that they would like to see proposals that just contain the costs of demand letters, notices of intent to file statement of liens, and filing of the liens for review at the next meeting.

9. Water Enterprise Revenue Refunding Bonds, Series 2023 Matters

- a. Discuss Engaging a Municipal Advisor: The Board discussed engaging a municipal advisor and decided not to seek proposals.
- b. Discuss and determine a date to review, hold a hearing and adopt a 2023 Budget Amendment: The Board discussed possible dates to hold a public hearing to amend the 2023 budget. The Board requested to schedule this at the same time the Refunding Resolution is approved.
- c. Review and consider approval for Special Disclosure of Costs for Legal Service in Connection with Bonds – White Bear Ankele Tanaka & Waldron: After review, Director Herr moved to approve the Special Disclosure of costs for legal service in connection with bonds; seconded by President Soloyanis. Motion passed unanimously.
- d. Review and consider for approval engagement of Bond and Disclosure Counsel: After review, Director Campbell moved to approve the engagement of bond and disclosure counsel; seconded by President Soloyanis. Motion passed unanimously.
- e. Review and consider engagement with Stifel, Nicolaus & Company, Inc: After review, Director Campbell moved to approve the engagement of the Underwriter (Stifel, Nicolaus & Company, Inc.); seconded by President Soloyanis. Motion passed unanimously.
- f. Discuss 45-Day Notice of Intent to Undertake Certain Actions: Ms. Hartung discussed the 45-day Notice of Intent to undertake certain actions that was published,

filed with the Court, and sent by certified mail to the El Paso County Board of County Commissioners. Bond counsel felt this was the best way to move forward regarding the service plan and refunding.

10. Financial Matters

a. Discuss Collection Matters: There was no additional discussion.

11. Public Comment: There was no public comment.

12. Other Business: There was no other business.

13. Adjournment: Next Regular Scheduled Meeting is July 18, 2023 - 2022 Audit review. The Board adjourned the meeting at 6:36 PM.

Respectfully submitted,

By: _____
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL MAY 23, 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
7/12/2023
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
Mailing Services Inc	18150	6/13/2023	253.20	
White Bear Ankele Tanaka & Waldron	28984	5/31/2023	9,287.87	
White Bear Ankele Tanaka & Waldron	29014	6/30/2023	26.50	
White Bear Ankele Tanaka & Waldron	29053	6/30/2023	20,071.38	
WSDM District Managers	7473	6/30/2023	3,480.58	
TOTAL			33,119.53	

BOND FUND ACCOUNT

Description	Date	Amount	Comments
UMB Bank - Series 2015A & 2015B Interest	6/10/2023	\$ 25,731.96	August
TOTAL		\$ 25,731.96	

TOTAL FOR ALL FUNDS

\$ 58,851.49

_____, President



Cascade Metropolitan District No. 1

Balance Sheet

As of June 30, 2023

07/13/23

Accrual Basis

	<u>Jun 30, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
1995 Checking	53,209.95
2002 Savings	162,126.14
2-1050 · UMB Interest 143222.1	72,004.83
2-1055 · UMB Reserve 143222.3	369,283.69
2-1060 · UMB Principal 143222.2	33,415.33
Total Checking/Savings	<u>690,039.94</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>705,179.50</u>
TOTAL ASSETS	<u>705,179.50</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	35,264.20
Total Accounts Payable	<u>35,264.20</u>
Other Current Liabilities	
1-320 · Prepaid Charges	6,358.16
Total Other Current Liabilities	<u>6,358.16</u>
Total Current Liabilities	<u>41,622.36</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>4,716,622.36</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	39,940.93
Total Equity	<u>-4,011,442.86</u>
TOTAL LIABILITIES & EQUITY	<u>705,179.50</u>

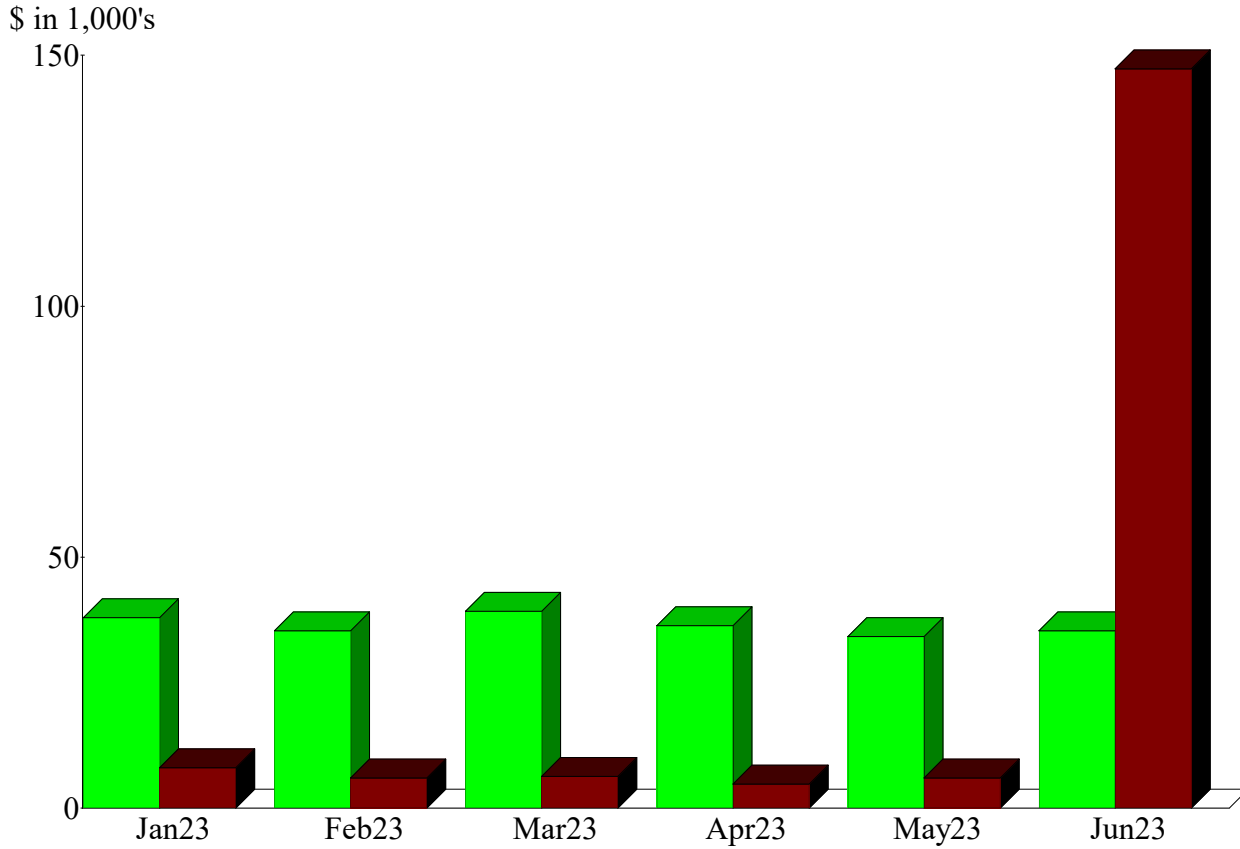
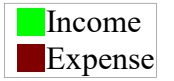
Cascade Metropolitan District No. 1

Profit & Loss Budget vs. Actual

January through June 2023

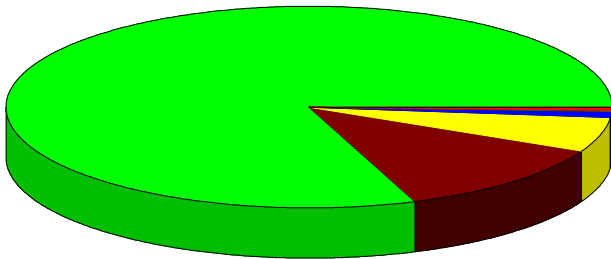
	TOTAL				
	Jun 23	Jan - Jun 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
1-506 · Operations Administrative Fee	2,978.95	26,579.55	42,000.00	-15,420.45	63.29%
1-509 · Revenue-Collection Charges	0.00	0.00	5,000.00	-5,000.00	0.0%
1-510 · Late Fees	553.94	2,112.81	2,500.00	-387.19	84.51%
1-560 · Interest Income	0.00	222.62	100.00	122.62	222.62%
2-510 · Debt Service Fee	29,819.51	176,555.34	382,000.00	-205,444.66	46.22%
2-530 · Malcom Restitution	80.43	485.95			
2-560 · Interest Income-Debt	1,938.88	12,508.88	3,000.00	9,508.88	416.96%
Total Income	35,371.71	218,465.15	434,600.00	-216,134.85	50.27%
Expense					
1-614 · Billing and Customer Service	1,800.00	10,800.00	24,000.00	-13,200.00	45.0%
1-615 · Audit	0.00	0.00	9,000.00	-9,000.00	0.0%
1-618 · Bank Fees	149.10	916.23	1,800.00	-883.77	50.9%
1-635 · Election	462.27	3,800.24	10,000.00	-6,199.76	38.0%
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	28,896.98	37,122.86	10,000.00	27,122.86	371.23%
1-680 · Management	550.00	3,300.00	4,000.00	-700.00	82.5%
1-683 · Accounting/ Bookkeeping	150.00	900.00	2,000.00	-1,100.00	45.0%
1-684 · Expense-Collection Charges	26.50	2,414.00	5,000.00	-2,586.00	48.28%
1-685 · Miscellaneous	0.00	1,704.00	10,000.00	-8,296.00	17.04%
1-729 · CSU Settlement	0.00	0.00	100,000.00	-100,000.00	0.0%
1-760 · Office Supplies/Postage	1,233.78	2,655.12	3,600.00	-944.88	73.75%
2-617 · Bank Fees - Debt Service	3,116.56	3,619.57	3,500.00	119.57	103.42%
2-900 · Interest Expense CMD A 2015	78,458.33	78,458.33	188,300.00	-109,841.67	41.67%
2-905 · Interest Expense CMD B 2015	32,427.08	32,427.08	77,824.00	-45,396.92	41.67%
Total Expense	147,270.60	178,524.22	451,974.00	-273,449.78	39.5%
Net Ordinary Income	-111,898.89	39,940.93	-17,374.00	57,314.93	-229.89%
Other Income/Expense					
Other Expense					
3-771 · Other Expense	0.00	0.00	10,000.00	-10,000.00	0.0%
Total Other Expense	0.00	0.00	10,000.00	-10,000.00	0.0%
Net Other Income	0.00	0.00	-10,000.00	10,000.00	0.0%
Net Income	-111,898.89	39,940.93	-27,374.00	67,314.93	-145.91%

Income and Expense by Month
January through June 2023



Income Summary
January through June 2023

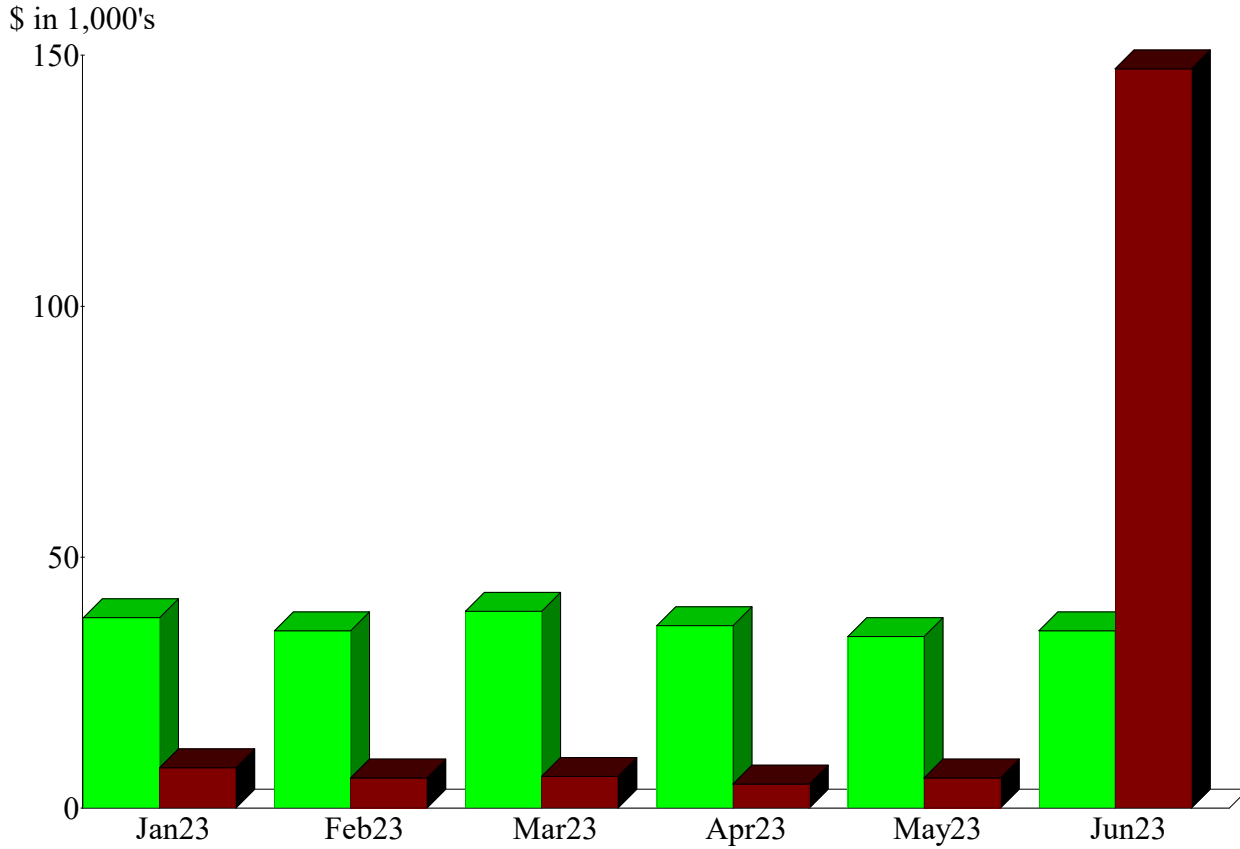
2-510 · Debt Service Fee	80.82%
1-506 · Operations Administrative Fee	12.17
2-560 · Interest Income-Debt	5.73
1-510 · Late Fees	0.97
2-530 · Malcom Restitution	0.22
1-560 · Interest Income	0.10
Total	\$218,465.15



By Account

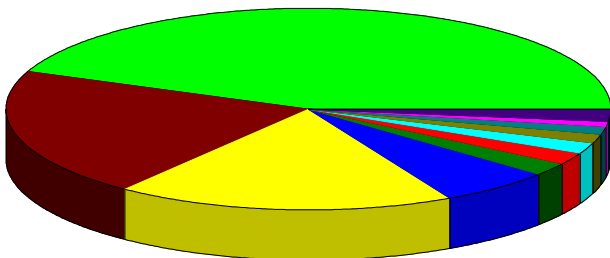
Income and Expense by Month
January through June 2023

Income
Expense



Expense Summary
January through June 2023

2-900 · Interest Expense CMD A 2015	43.95%
1-675 · Legal	20.79
2-905 · Interest Expense CMD B 2015	18.16
1-614 · Billing and Customer Service	6.05
1-635 · Election	2.13
2-617 · Bank Fees - Debt Service	2.03
1-680 · Management	1.85
1-760 · Office Supplies/Postage	1.49
1-684 · Expense-Collection Charges	1.35
1-685 · Miscellaneous	0.95
Other	1.25
Total	\$178,524.22



By Account





June 21, 2023

Via Email

Board of Directors
Cascade Metropolitan District No. 1
c/o 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 Cascade Metropolitan District No. 1

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 Cascade Metropolitan District No. 1, 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. 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. 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

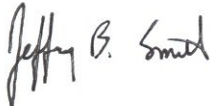
Board of Directors

Cascade Metropolitan District No. 1

June 22, 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 a distinct "S" at the end.

Jeffrey B. Smith
Altitude Community Law P.C.

JBS/ss

Enc.

07668285.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 and Colorado 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

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.

Metro 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
Collection Services for

**CASCADE
METROPOLITAN
DISTRICT NO. 1**

June 13, 2023



June 13, 2023

Via E-Mail (jwagner@wbapc.com)

Board of Directors
Cascade Metropolitan District No. 1
c/o Jon L. Wagner, White Bear Ankele Tanaka & Waldron
2154 East Commons Avenue, Suite 2000
Centennial, CO 80122

Re: *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 Cascade Metropolitan District No. 1 is seeking legal representation to conduct collection work. Based on this request, we are providing our proposal.

Legal Services

The firm's collection team provides the full range of legal remedies available under the law. The department is headed by attorney Hal Kyles. Mr. Kyles has over twenty years' experience in collection work throughout Colorado.

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

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.

Our hourly rates for 2023 for our principal attorneys range from \$355 - \$385 per hour, and the hourly paralegal rate is \$140.

We have included an engagement agreement with the description of applicable legal services. We welcome any questions regarding our services or the agreement. We look forward to the opportunity to assist Cascade Metropolitan District No. 1 with its collection needs.

Sincerely,



Hal R. Kyles
ORTEN CAVANAGH HOLMES & HUNT, LLC

HRK/sl
Encl.
01987585.DOCX

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, including cases involving unusual or complex nuances, as well as those involving acrimonious owners.

Collection Services

- Consultation with the board and/or management
- Document review and interpretation
- Collection policy preparation or revisions
- Credit reports or skip traces
- Demand letters
- Notices of lien – recorded against the owner’s real property
- Settlement stipulations - after demand letter
- Deed preparation and recording
- Eviction
- Monthly status reports (no charge)
- Other miscellaneous collection services

Demand Letters and Notice of Lien

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

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
- Entry of Default Judgment – \$180
- Contested Matters – Billed Hourly

Receiverships

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

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 Legal 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.

Exclusions

Declarant and builder past due accounts are excluded and are handled on an hourly basis or as separately agreed.

Limited Power of Attorney

The District grants a limited power of attorney to our Law Firm so that we may endorse and deposit checks received. A separate document may be required.

Prior Owner Collection Services

The District may forward new accounts to the Law Firm for collection under our Prior Owner Collection Services. These accounts are handled on contingency. There are no fees to the District for these services unless the Law Firm collects from the prior owner. The Law Firm fee is 50% of payments received after reimbursement of all costs.

The District's engagement is based on the enclosed Terms of Engagement for our foreclosure services. Terms and fees of the Law Firm may be updated upon written notice from the Law Firm.

Electronic Delivery of Statements: Monthly 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.

Billing Address	Mailing Address (if different)
Address, City, State and Zip Code	Address, City, State and Zip Code
Management Company (if applicable)	District Manager (if applicable)

This Agreement is effective upon receipt by the Law Firm.

Agreed to and accepted on _____
Date

CASCADE METROPOLITAN DISTRICT NO. 1

By: _____
Authorized Agent Title

How did you hear about us (select all that apply):

Search Engine (Google, Yahoo, etc.) Social Media Referred by _____ Other: _____

Thank you for selecting Orten Cavanagh Holmes & Hunt, LLC (the “Law Firm”) to provide lien foreclosure legal services as requested by the District. Requests for services may be made by the District’s manager or staff, the President, 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 services 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, 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 is to disclose fully and accurately all facts and keep our Law Firm apprised of all developments relating to matters referred. The parties agree that the Law Firm has the right to rely on 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.

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’s 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 a 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.



SpencerFane®

JACOB HOLLARS
DIRECT DIAL: 303-839-3707
jhollars@spencerfane.com

File No.

June 20, 2023

VIA EMAIL

Cascade Metropolitan District No. 1
c/o Jon Wagner
White Bear Ankele Tanaka & Waldron
2154 East Commons Ave., Suite 2000
Centennial, CO 80122

Re: Engagement for legal services – Cascade Metropolitan District No. 1

Dear:

I am pleased you have retained Spencer Fane LLP to act as special counsel for Cascade Metropolitan District No. 1. This letter and the enclosures confirm the scope of the services we will provide and the terms by which we will bill fees and expenses. If this arrangement requires supplementation to accommodate any additional matters not covered below, we will of course supplement.

As we have discussed, our client in this matter will be Cascade Metropolitan District No. 1. Cascade Metropolitan District No. 1 agrees that our representation of it in this matter does not give rise to a lawyer-client relationship between our firm and any of its affiliates or individual members. Accordingly, the firm's representation of Cascade Metropolitan District No. 1 in this matter will not give rise to a conflict of interest in the event the firm represents other clients adverse to the Cascade Metropolitan District No. 1 affiliates in other matters.

We have been engaged to serve solely as special counsel to Cascade Metropolitan District No. 1 with respect to collection of unpaid fees and assessments. We have agreed that our engagement is limited to performance of legal services related to this matter. We will not provide business, investment, tax, or accounting advice regarding the matter.

Jamie Cotter and Jacob Hollars will be your primary contacts at our firm regarding this matter. We may seek assistance from other attorneys in our firm as their expertise or assistance is warranted. Our bills for professional services are based on hourly billing rates. The rates charged on each collection matter placed with us are outlined in the following table:



Activity	Resource	Rate	Hours	high	Cost (low)	Cost (High)
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

Our professional fees reflect a number of factors, including the time spent on this matter, office and telephone conferences with you, and telephone and office conferences with others on your behalf. We also bill for expenses incurred on your behalf such as photocopying and fax charges. You will receive a monthly invoice showing a description of the services performed.

The goal of each of us at Spencer Fane is to provide the highest quality legal service timely and promptly. I trust you will find that we are not only available and responsive, but will spare no effort to meet your needs and deadlines. Accordingly, let me encourage you to contact any other person working on your matters, at any time.

We hope this explanation of the structure of our relationship will be helpful to you and invite you to discuss any matter with us at any time, including inquiring at any time about the fees or costs incurred. We will strive to keep you informed whenever we provide services to you. If this understanding of the terms of our engagement is acceptable, please sign, date the enclosed copy of this letter at the bottom, and scan it back to me.

Additional information regarding fees and other important matters appears in the enclosed Standard Terms of Representation, which are incorporated as part of this letter. Please review this letter and the Standard Terms of Representation carefully. Please contact me promptly if you have any questions about the Standard Terms or about this letter. If they meet with your approval, promptly sign the letter in the space below and return a copy to me so that we may begin work. Please call or email me if you have any questions.



SpencerFane®

June 20, 2023
Page 3

Sincerely,

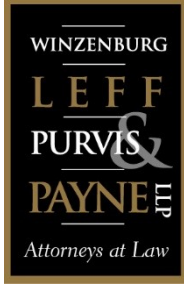
Jacob Hollars

Accepted By

Cascade Metropolitan District No. 1

Agreed to this ____ day of _____, 2023.

Officer of the Cascade Metropolitan District No. 1



LINDSAY S. SMITH
lsmith@wlpplaw.com
www.cohoalaw.com

June 12, 2023

Via e-mail to: jwagner@wbapc.com

Board of Directors
Cascade Metropolitan District No. 1
c/o Jon L. Wagner
White Bear Ankele Tanaka & Waldron
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122

Re: Proposal for Legal Services for Cascade Metropolitan District No. 1

Dear Members of the Board of Directors:

We are writing at Jon Wagner's request to provide information about the legal services that our firm can provide for the Cascade Metropolitan District No. 1. For 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 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 and collections, without having to learn at your expense
- represent the District's best interests



Focused on Communities

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



Winzenburg Leff Purvis & Payne, LLP

Cascade Metropolitan District No. 1

June 12, 2023

Page 2 of 2

- provide timely and effective representation
- provide sound, practical advice along with our legal advice
- 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 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. Matters that require a more variable time commitment are billed hourly at the following rates: from \$225 to \$375 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.

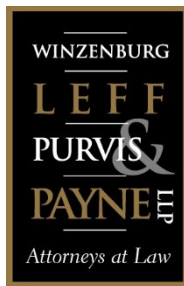
Very truly yours,

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.
\$150.00	Fixed Fee to prepare and e-record a Notice of Assessment Lien against the owner's property and to prepare and e-record a Release of Notice of Assessment Lien against owner's property.
\$35.00	Fixed Fee to prepare and send letter to owner with a copy of the recorded Notice of Assessment Lien.
\$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.
\$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 prepare and file Probate Claim.
Hourly rates apply	For additional services that are not provided for in the Fixed Fee rates set forth above.

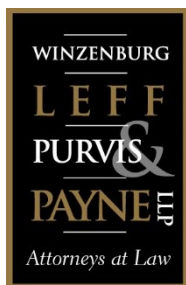


BANKRUPTCY FEE SCHEDULE	
All fees for bankruptcy services will be billed on a monthly basis at fixed fees or hourly rates as follows:	
FEE	SERVICE
\$175.00	Fixed Fee to prepare Entry of Appearance in a Chapter 7 bankruptcy case.
\$250.00	Fixed fee to prepare and file Entry of Appearance and a Proof of 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.

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
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



LINDSAY S. SMITH
lsmith@wlpplaw.com
www.cohoalaw.com

AGREEMENT FOR LEGAL SERVICES

CASCADE METROPOLITAN DISTRICT NO. 1 AND THE LAW FIRM OF WINZENBURG, LEFF, PURVIS & PAYNE, LLP, for valuable consideration, receipt of which is acknowledged, agree as follows:

1. **SERVICES.** We will serve as special legal counsel to the District; we do not represent the Board of Directors, the owners or the District's management company. We will provide legal services upon request with regard to matters or issues that might arise from time-to-time related to collection; we do not act as the District's general counsel with respect to matters such as elections, meetings, and budgeting. We will not provide any tax or securities advice or opinions for you. This Agreement will apply to all legal services performed for you. You authorize us to take all actions which we deem advisable on your behalf, and to disclose that which is reasonable in carrying out our services. We are not liable for any legal services provided by any attorney who was not an employee or partner of this firm when the services were rendered. If this matter involves or could result in litigation, you acknowledge that less-costly and less-adversarial methods often exist for resolving disputes, such as mediation and arbitration. We strongly recommend that you consider, and get information about, the advisability of proceeding through one of these alternative dispute resolution methods if a dispute arises.

2. **FEES.**

A. Unless other billing arrangements are made with us, you agree to pay us fees for legal services for the time expended on your behalf at the following hourly rates:

Marci M. Achenbach	\$240.00 per hour
Amanda M. Doherty	\$225.00 per hour
Zachary A. Goldberg	\$280.00 per hour
Molly Foley-Healy	\$375.00 per hour
Travis B. Keenan	\$350.00 per hour
Suzanne M. Leff	\$340.00 per hour
Kimberly A. Porter	\$350.00 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





We may increase rates and fees upon written notice to you. Legal services performed on an hourly basis are recorded in one-tenth hour increments, with a minimum charge of two-tenths of an hour.

Tasks for which time will be recorded include, but are not limited to: conferences and telephone conversations with you and others, legal research, factual investigation, preparation of opinions, correspondence and legal documents, reading and analyzing correspondence and legal documents, preparation for and appearances in court and other meetings and travel to and from court and meetings. Unless other arrangements are made, travel time is billed one-way.

B. Legal services for collection of delinquent fees are provided under our traditional fixed fee schedule.

C. Other enforcement services will be billed at our hourly rates, subject to a fixed fee being negotiated with us to undertake the requested action.

3. **DUTIES.** You or the District's management company will:

A. Cooperate with us in conjunction with the services requested. You will designate the representatives of the District who are authorized to communicate with us and who are authorized to incur fees on the District's behalf. Unless you notify us in writing to the contrary, the District's manager and its President will be deemed to be authorized to communicate with us and authorized to incur fees on the District's behalf. To enable us to effectively render the requested services, you agree to fully and accurately disclose to us all facts that may be relevant to the subject of our representation or that we may otherwise request, and to keep us apprised of developments relating to that subject. You also will assist and cooperate with us as appropriate in connection with our representation.

B. After an owner's delinquent account is turned over to us, contact us upon receipt of any and all payments from the owner, and refer all contact with the owner to us until the account is paid in full.

C. Apply all payments received on delinquent accounts in accordance with your policy that addresses collection of unpaid fees.

D. If you or the District's management company files a lien, you or they will be solely responsible for releasing each such recorded lien (*pursuant to C.R.S.38-35-124 and Spurious Liens C.R.S. 38-35-201 et seq.*).

E. Advise us whether to renew county court judgments within six years after the date of entry of the judgment (otherwise judgments are considered satisfied in full). We will do so only upon request, at our applicable hourly rates.



- F. Be responsible for any files turned over to collection agencies from the date they are turned over.
- G. Pay amounts invoiced to the District on a monthly basis. Failure to pay monthly invoices may result in service charges, retention of funds otherwise payable to you, and acceleration of amounts due under the deferred billing arrangement.
4. **EXPENSES.** In addition to the fees specified above, you will pay to us all costs and expenses related to the legal services provided, including (*but not limited to*) large volume photocopying charges, certified or registered mail postage, courier and special delivery charges and fees, filing fees, service of process fees, recording and filing fees, title reports, litigation guaranties, telephone conference charges provided by third party providers, depositions, court reporters, witness fees, appraisers, investigators, surveyors, other attorneys, special experts, and other similar charges.
5. **BILLING.** We bill fees and costs monthly. Bills are due and payable upon receipt unless other arrangements are made. A SERVICE CHARGE OF \$50.00 PER MONTH, OR 15% PER ANNUM, WHICHEVER IS GREATER, MAY BE APPLIED TO ANY UNPAID BALANCE OVER 60 DAYS PAST DUE. Disputes or questions about your bill must be delivered to us in writing within 15 days of receipt of the bill. If agreement cannot be reached, disputes will be submitted to the Legal Fee Arbitration Committee of the Colorado Bar Association for a binding arbitration award.
6. **TERMINATION.** This Agreement may be terminated at any time, by written notice, by either party. If permission for withdrawal is required by a court, we will promptly apply for permission and termination will coincide with the court order for withdrawal. We may terminate this Agreement if you misrepresent or fail to disclose material facts, fail to pay fees and expenses as agreed, for conduct making it unreasonably difficult or unethical to represent you, or for any other reason. If terminated, you will immediately pay our fees for services already rendered and expenses incurred, as well as fees, expenses and photocopy expenses incurred by us for transferring files to other legal counsel.
7. **COLLECTION OF FEES.** Collection of fees owed by you to us will be at your expense, and you will be required to pay us any attorneys' fees incurred by us for collecting those amounts, even if the attorneys' fees incurred are fees of an attorney who is our employee. We will be entitled to attorneys' fees incurred for collection, whether or not a lawsuit is filed. You agree that, upon collection of funds from a debtor or any third party owing funds to you, we are allowed to execute, endorse, negotiate and sign any checks, money orders or other forms of payment, and deposit the funds in our trust account (the "retained funds"). If you, at the time the retained funds are received and deposited in our trust account, are more than 90 days in arrears in the payment of our fees and costs, we may apply the retained funds to the unpaid balance owed to us by you. We will provide you with written notice of our intent to apply the retained funds to the outstanding balance at least 30 days before doing so. If you do not object in writing to the application of the retained funds to satisfy our fees and costs within the 30 day period, we will apply those retained funds against the outstanding amount and provide an accounting to you. If you object in writing to our application



of the retained funds within the 30 day period, you agree that the matter shall be submitted for binding and enforceable arbitration through the Colorado Bar Association Legal Fee Dispute Committee. If you fail to participate in the arbitration proceeding, you agree that the arbitrator will be required to enter an award against you. Our right to apply the retained funds is in addition to all other legal and equitable remedies available to us for enforcement of your agreement to pay our fees and costs, such as enforcement through charging or retaining liens.

8. **RECORDS.** You agree to retain in your custody all of your original documents, and will provide us with photocopies for our use. We are authorized to dispose of your file one year after the specific legal matter has been resolved or one year after the last work on the legal matter has been performed by us, whichever comes first. We are not required to give you notice prior to disposing of your file. If you wish to obtain such file, rather than have us dispose of the file, you will be required to notify us of your desire to obtain the file from us. Such notification must be made to us within one year of the time that the specific legal matter has been resolved or within one year after the last work has been performed on such matter by us, whichever comes first.

READ THIS AGREEMENT CAREFULLY, ASK ANY QUESTIONS BEFORE SIGNING, AND RETAIN A COPY. YOUR SIGNATURE ACKNOWLEDGES YOU UNDERSTAND THE AGREEMENT, BELIEVE IT IS FAIR AND REASONABLE, AND AGREE TO PAY. YOU ACKNOWLEDGE RECEIPT, REVIEW AND APPROVAL OF THIS AGREEMENT ON THE DATE INDICATED BELOW.

CLIENT:

Village East Metropolitan District No. 3

By: _____

Title: _____

Date: _____, 20__

Address: _____

Phone number: _____

E-mail: _____

FIRM:

Winzenburg, Leff, Purvis & Payne, LLP, a Limited Liability Partnership

By:  _____

Lindsay S. Smith, Esq.

Date: June 12, 2023





MEMORANDUM

FROM: White Bear Ankele Tanaka & Waldron
DATE: May 10, 2023
RE: Overview of 2023 Legislation Affecting Special Districts and Community Associations

This year's Legislative Session officially wrapped up on May 8, 2023. As in past years we are providing a summary of the pertinent legislation impacting special districts and community associations. Each law listed below is linked to the Colorado General Assembly website and can be accessed by clicking the individual bill titles. Updated information related to laws that have not been signed as of the date of this memorandum or which do not officially become effective until after the referendum period runs will be provided on our website at www.whitebearankele.com. If you would like more detailed information on any of the information contained herein or on bills which were introduced but not passed, please let us know.

SPECIAL DISTRICT LEGISLATION

[HB23-1023: Special District Construction Contracts](#)

The law increases the requirement to publicly bid contracts for construction, materials, or both from \$60,000 to \$120,000 or more, and requires the amount to be adjusted for inflation every five years.

The law was signed by the Governor on March 17, 2023, and takes effect 90 days after the end of the legislative session, August 7, 2023, unless a referendum is filed. If a referendum is filed, then it will be on the November 2024 ballot.

[HB23-1062: Metropolitan District Tax For Parks And Recreation](#)

The law allows a metropolitan district that is not located in an incorporated municipality to levy a sales tax to provide parks or recreational facilities or programs within the district in which the tax is levied.

The law was signed by the Governor on April 17, 2023, and takes effect 90 days after the end of the legislative session, August 7, 2023, unless a referendum is filed. If a referendum is filed, then it will be on the November 2024 ballot.

HB23-1105: Homeowners' Association And Metropolitan District Homeowners' Rights Task Forces

The law creates the HOA homeowners' rights task force (HOA task force) and the metropolitan district homeowners' rights task force (metro district task force) in the division of housing (division) in the department of local affairs.

Members of the metro district task force must be designated or appointed on or before November 1, 2023. The metro district task force is required to:

- Study issues confronting metropolitan district homeowners' rights, including metropolitan district boards' tax levying authority and practices, foreclosure practices, communications with homeowners, and governance policies; and
- Prepare a report regarding its findings and conclusions, publish the report on the division's website, and submit copies of the report to the legislative committees and the governor on or before June 15, 2024.

The law was passed on May 7, 2023, and will be sent to the Governor for signature. If signed by the Governor, the law takes effect immediately. If not signed by the Governor, the law takes effect 30 days after the end of the legislative session.

See below for description of HOA task force specific details.

HB23-1259: Open Meetings Law Executive Session Violations

The law creates a right for a local public body to cure a violation of the open meetings law with respect to an executive session if the local public body takes the corrective action at its next meeting after the meeting at which the violation occurred or at the local public body's next meeting that is held at least 14 days after receiving notice by a person who intends to challenge the violation. The law also addresses standing to challenge a violation of the open meetings law, and the payment of attorney fees. If a local public body in connection with an executive session commits a third violation of the same nature within a one-year period, the local public does not have a right to cure the violation.

The law was passed on May 4, 2023, and will be sent to the Governor for signature. If signed by the Governor, the law takes effect immediately. If not signed by the Governor, the law takes effect 30 days after the end of the legislative session.

SB23-108: Allowing Temporary Reductions in Property Tax Due

The law allows a local government to provide temporary property tax relief through temporary property tax credits or mill levy reductions and later eliminate the credits or restore the mill levy. A temporary reduction in property taxes must be annually renewed by the local government.

The law was passed on May 7, 2023, and will be sent to the Governor for signature. If signed by the Governor, the law takes effect 90 days after the end of the legislative session, August 7, 2023, unless a referendum is filed. If a referendum is filed, then it will be on the November 2024 ballot.

SB23-110: Transparency for Metropolitan Districts

This law has four main sections to increase transparency for metropolitan districts.

- For a proposed metropolitan district that submits a service plan on or after January 1, 2024, the law requires the service plan to include a cap on the maximum mill levy and a cap on the maximum debt that may be issued by the metropolitan district.
- Beginning in the 2023 calendar year, the law requires the board of a metropolitan district to hold an annual “town hall” meeting if the metropolitan district was organized after January 1, 2000, has residential units within its boundaries, and is not on inactive status. This meeting is an opportunity for members of the public to ask questions about the metropolitan district. No formal action may be taken at the meeting and must ensure that the annual meeting includes a presentation from the metropolitan district regarding the status of public infrastructure projects within the metropolitan district and outstanding bonds, if any, a review of unaudited financial statements showing the year-to-date revenue and expenditures of the metropolitan district in relation to its adopted budget for that calendar year. Further, metropolitan districts will be required to include a public comment period at their budget hearing meeting to provide further opportunity for the public to provide formal, public comment.
- The law specifies that prior to issuing debt to a director of a metropolitan district or to an entity with respect to which a director of a metropolitan district must make a disclosure pursuant to current law, the board is required to receive a statement of a registered municipal advisor certifying specified criteria regarding the interest rate of the debt.
- The law requires the seller of residential real property that is located within a metropolitan district organized after January 1, 2000, to provide the purchaser of the property with the official website established by the metropolitan district. The seller is required to provide the information on the Colorado real estate commission approved seller's property disclosure.

The law was signed by the Governor on April 3, 2023, and takes effect 90 days after the end of the legislative session, August 7, 2023, unless a referendum is filed. If a referendum is filed, then it will be on the November 2024 ballot.

SB23-111: Public Employees' Workplace Protection

The law grants certain public employees, including individuals employed by various entities including special districts the right to:

- Discuss or express views regarding public employee representation or workplace issues;
- Engage in protected, concerted activity for the purpose of mutual aid or protection;
- Fully participate in the political process while off duty and not in uniform, including speaking with members of the public employer's governing body on terms and conditions of employment and any matter of public concern and engaging in other

political activities in the same manner as other citizens of Colorado without discrimination, intimidation, or retaliation; and

- Organize, form, join, or assist an employee organization or refrain from organizing, forming, joining, or assisting an employee organization.

The law also prohibits certain public employers from discriminating against, coercing, intimidating, interfering with, or imposing reprisals against a public employee for engaging in any of the rights granted.

The Colorado department of labor and employment (Department) is charged with enforcing any alleged violation of these rights and is granted rule-making authority. A party may appeal the Department's final decision to the Colorado court of appeals. The law requires the court of appeals to give deference to the Department.

The law was sent to the Governor on May 8, 2023, for signature. If signed by the Governor, the law takes effect 90 days after the end of the legislative session, August 7, 2023, unless a referendum is filed. If a referendum is filed, then it will be on the November 2024 ballot.

[SB23-175: Financing of Downtown Development Authority Projects](#)

The law amends the downtown development authority authorization act to make reauthorization less cumbersome and allow downtown development authorities to continue facilitating development. Following an initial period of 30-years and the option for one 20-year extension of a tax increment financing (TIF) arrangement, the law would allow a downtown development authority the option for an additional 20-year extension. During the 20-year extension periods authorized in the law, the default split of the incremental revenues under current law is continued unless the municipality and all other governmental entities reach an alternative agreement.

The law was sent to the Governor on May 4, 2023, for signature. If signed by the Governor, the law takes effect 90 days after the end of the legislative session, August 7, 2023, unless a referendum is filed. If a referendum is filed, then it will be on the November 2024 ballot.

[SB23-286: Access to Government Records](#)

The law makes various changes to the "Colorado Open Records Act" (CORA).

- *Public records open to inspection.* The law prohibits, with certain specified exceptions, a custodian of public records from requiring a requester to provide any form of identification to request or inspect records pursuant to CORA.
- *Format of records for inspection.* The law repeals requirements regarding records that are available in a sortable format and specifies that if a record is available in digital format, the custodian is required to transmit the record in a digital format by electronic communication or by another mutually-agreed upon transmission method if the size of the record prevents transmission by electronic communication. In addition, the law prohibits a custodian from converting a digital record into a non-searchable or non-sortable format prior to transmission.

- *Records subject to inspection.* The law adds to the category of records that a custodian can deny a right to inspect based on such disclosure being contrary to public interest the telephone number or home address that a person provides to an elected official, agency, institution, or political subdivision of the state for the purpose of future communication with the elected official, agency, institution, or political subdivision of the state.
- The law specifies that records of sexual harassment complaints made against an elected official and the results or report of investigations regarding alleged sexual harassment by an elected official conducted by or for that official's government shall be made available for inspection if the investigation concludes that the elected official is culpable for any act of sexual harassment. The law specifies that the identity of any accuser, accused who is not an elected official, victim, or witness and any other information that would identify any such person must be redacted.
- *Electronic mail policy.* The law requires each member of the general assembly, the governor's office, each office of the governor, and each state agency and institution to submit, on or before January 1, 2024, a report to the staff of the legislative council of the general assembly outlining its respective electronic mail retention policy.
- *Transmission and per-page fees for records.* The law specifies that the custodian may not charge a per-page fee if records are provided in a digital or electronic format.
- *Electronic payments.* The law requires a custodian to allow records requesters to pay any fee or deposit associated with the request via a credit card or electronic payment if the custodian allows members of the public to pay for any other product or service provided by the custodian with a credit card or electronic payment.

The law was passed on May 7, 2023, and will be sent to the Governor for signature. If signed by the Governor, the law takes effect 90 days after the end of the legislative session, August 7, 2023, unless a referendum is filed. If a referendum is filed, then it will be on the November 2024 ballot.

SB32-303: Reduce Property Taxes and Voter-Approved Revenue Change

The law concerns a reduction in property taxes by several methods:

1. The law creates limits on annual property tax increases from the prior property tax year for certain local governments, including special districts, at inflation levels unless the local government takes specified actions to exceed the limitations.
2. The law temporarily reduces the valuation for assessment of certain residential and nonresidential property.

Nonresidential Property:

For lodging property, property listed under any improved commercial subclass code, and all other nonresidential property, excluding agricultural property and renewable energy production property, the assessment rate is reduced as follows:

- 27.9% to 27.85% for 2023 property tax year;
- 27.85% for the 2024 through 2026 property tax years;
- 27.65% for the 2027 and 2028 property tax years;
- 26.9% for the 2029 and 2030 property tax years; and
- 25.9% or 26.9% for the 2031 and 2032 property tax years, depending on the increase in the valuation in the 32 counties with the smallest increases from the 2030 to 2031 property tax years (revenue increases).

For agricultural property, excluding renewable energy agricultural land, and renewable energy property, the assessment rate is reduced as follows:

- 29% to 26.4% for the 2025 through 2030 property tax years; and
- 25.9% or 26.4% for the 2031 and 2032 property tax years, depending on the increase in the valuation in the 32 counties with the smallest revenue increases.

For renewable energy agricultural land, which is a newly created subclass of agricultural property, the assessment rate is reduced from 29% to 21.9% for the 2024 through 2032 property tax years.

Beginning with the 2033 property tax year, all temporary valuation reductions expire, and the valuation of all nonresidential real property is 29% of the actual value of the property.

Residential Property:

The law further reduces the valuation of residential real property as follows:

- *For the 2023 property tax year:* the valuation is reduced from 6.765% of the amount equal to the actual value minus the lesser of \$15,000 or the amount that causes the valuation to be \$1,000 (alternate amount) to 6.7% of the amount equal to the actual value minus the lesser of \$40,000 or the alternate amount.
- *For the 2024 property tax year:* the valuation is reduced as follows:
 - For multi-family residential real property, the valuation is reduced from 6.8% of the actual value to 6.7% of the amount equal to the actual value minus the lesser of \$40,000 or the alternate amount; and
 - For all other residential real property, the valuation is reduced from an estimate of 6.98% of the actual value to 6.7% of the amount equal to the actual value minus the lesser of \$40,000 or the alternate amount.
- *For the 2025 through 2032 property tax years:*
 - For multi-family residential real property and primary residence real property, including multi-family primary residence real property, the valuation is reduced from 7.15% of the actual value to 6.7% of the actual value minus the lesser of \$40,000 or the alternate amount;

- For qualified-senior primary residence real property, including multi-family qualified-senior primary residence real property, the valuation is reduced from 7.15% of the actual value to 6.7% of the amount equal to the actual value minus \$140,000 or the alternate amount; and
- For all other residential real property, the assessment rate is reduced from 7.15% to 6.7 %.

Beginning with the 2033 property tax year, all temporary valuation reductions expire and the valuation of all residential real property is 7.15% of the actual value of the property.

The law also establishes that all temporary reductions in valuation for residential and nonresidential property created in the law are contingent on the State's ability to retain and spend state surplus up to the proposition HH cap. If, for any reason, excluding a legislative enactment by the general assembly, the State is not permitted to retain and spend this money, then the temporary reductions in the law do not apply.

3. Creates new subclasses of residential property;
4. Permits the State to retain and spend revenue up to the proposition cap;
5. Requires the retained revenue to be used to reimburse certain local governments for lost property tax revenue and to be deposited in the State education fund to backfill the reduction in school district property tax revenue;
6. Transfers general fund money to the State public school fund and to a cash fund to also be used for the reimbursements;
7. Eliminates the cap on the amount of excess State revenues that may be used for the reimbursements for the 2023 property tax year; and
8. Refers a ballot issue to the voters at the November 2023 election that asks voters whether property taxes should be reduced and that seeks voter approval to retain and spend excess state revenues that will be used to backfill some of the reduced property tax revenue.

The law was passed on May 8, 2023, and will be sent to the Governor for signature. If signed, except as noted in the law, the majority of the law will take effect only if a majority of voters approve the ballot issued referred to in November 2023.

COMMUNITY ASSOCIATION LEGISLATION

[HB23-1105: Homeowners' Association And Metropolitan District Homeowners' Rights Task Forces](#)

The law creates the HOA homeowners' rights task force (HOA task force) and the metropolitan district homeowners' rights task force (metro district task force) in the division of housing (division) in the department of local affairs.

Members of the HOA task force must be designated or appointed on or before August 1, 2023. The HOA task force is required to:

- Study issues confronting HOA homeowners' rights, including homeowners' associations' fining authority and practices, foreclosure practices, communications with homeowners and the availability and method of making certain documents available to HOA homeowners in the association;
- Review HOA homeowners' complaints and relevant state and federal laws related to common interest communities;
- Prepare an interim report regarding its findings and conclusions, publish the interim report on the division's website, and submit copies of the report to the metro district task force on or before October 15, 2023; and
- Prepare a final report, publish the final report on the division's website, and submit copies of the final report to the metro district task force, the legislative committees with oversight of housing and local government issues (legislative committees), and the governor on or before April 15, 2024.

The law was passed on May 7, 2023, and will be sent to the Governor for signature. If signed by the Governor, the law takes effect immediately. If not signed by the Governor, the law takes effect 30 days after the end of the legislative session.

See above for description of metropolitan district task force specific details.

HB23-1233: Electrical Vehicle Charing and Parking Requirements

The law requires the state electrical board to adopt rules facilitating electric vehicle charging at multifamily buildings, limiting the ability of the state electrical board to prohibit the installation of electric vehicle charging stations, forbidding private prohibitions on electric vehicle charging and parking, requiring local governments to count certain spaces served by an electric vehicle charging station for minimum parking requirements, forbidding local governments from prohibiting the installation of electric vehicle charging stations, exempting electric vehicle chargers from business personal property tax, and authorizing electric vehicle charging systems along highway rights-of-way.

The law was passed on May 4, 2023, and will be sent to the Governor for signature. If signed by the Governor, the law takes effect immediately. If not signed by the Governor, the law takes effect 30 days after the end of the legislative session.

SB23-178: Water Wise Landscaping

Under current law, a unit owners' association (association) of a common interest community may not prohibit the use of xeriscape, nonvegetative turf grass, or drought-tolerant vegetative landscapes to provide ground covering to property for which a unit owner is responsible. There is, however, an exception authorizing an association to adopt and enforce design or aesthetic guidelines or rules that apply to nonvegetative turf grass and drought-tolerant vegetative landscapes or to regulate the type, number, and placement of drought-tolerant plantings and hardscapes that may be installed on a unit owner's property, on a limited common element, or on other property for which the unit owner is responsible.

The law states that an association's guidelines or rules must:

- Not prohibit the use of nonvegetative turf grass in the backyard of a unit owner's property;
- Not unreasonably require the use of hardscape on more than 20% of the landscaping area of a unit owner's property;
- Allow a unit owner an option that consists of at least 80% drought-tolerant plantings; and
- Not prohibit vegetable gardens in the front, back, or side yard of a unit owner's property.

The law also requires an association to permit the installation of at least 3 garden designs that are preapproved by the association for installation in front yards within the common interest community. To be preapproved, a garden design must adhere to the principles of water-wise landscaping or be part of a water conservation program operated by a local water provider.

The law allows a unit owner who is affected by an association's violation of the new requirements to bring a civil action to restrain further violation and to recover up to a maximum of \$500 or the unit owner's actual damages, whichever is greater. The law states that the new provisions apply only to a unit that is a single-family detached home and do not apply to:

- A unit that is a single-family attached home that shares one or more walls with another unit; or
- A condominium.

The law was sent to the Governor on May 5, 2023. If signed by the Governor, the law takes effect 90 days after the end of the legislative session, August 7, 2023, unless a referendum is filed. If a referendum is filed, then it will be on the November 2024 ballot.