

**HEADWATERS METROPOLITAN DISTRICT
SPECIAL MEETING NOTICE AND AGENDA**

DATE: December 9, 2021
TIME: 8:00 AM

The Meeting will be conducted as a virtual meeting, as follows:

Join Zoom Meeting

<https://zoom.us/j/97165479403?pwd=dIJ5TDkxSS9jTVc5KzBOa3B3eXpzd09>
Meeting ID: 971 6547 9403, Passcode: 603386, Telephone: 1 669 900 9128 US

I. Call to Order and Declaration of Quorum:

II. Disclosure of Potential Conflicts of Interest:

III. Approval of Agenda:

IV. Public Comment (3 minute limit per person) Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes per person. As a general practice, the Board will not discuss/debate these items, nor will the Board make any decisions on items presented during this time. Prior to addressing the Board, please provide your name, address of principal residence, and interest in the District.

V. Consent Agenda: The items listed below are a group of items to be acted on with a single motion and vote by the Board(s). An item may be removed from the consent agenda to the regular agenda upon request of any Board member. Items on the consent agenda are then voted on by a single motion, second, and vote by the Board.

- A. 2022 Annual Administrative Resolution (enclosure)
 - B. Resolution Calling May 3, 2022, Election (enclosure)
 - C. Renewal of 2022 Insurance Coverage (enclosure)
 - D. 2022 Funding Agreement (Administrative, Operations and Maintenance)
 - E. Other
-

VI. Financial Matters:

A. Conduct Public Hearing to Adopt 2022 Budget

1. Consider Adoption of 2022 Budget Resolution, including certification of mill levies and appropriation of 2022 expenditures (enclosure)

VII. Attorney's Items:

VIII. Manager's Items:

IX. Director's Items:

X Adjournment:

**HEADWATERS METROPOLITAN DISTRICT
ANNUAL ADMINISTRATIVE RESOLUTION
(2022)**

WHEREAS, Headwaters Metropolitan District (the “**District**”), was organized as a special district pursuant to an Order and Decree of the District Court in and for the County of Grand, Colorado (the “**County**”) and is located entirely within the Town of Granby, Colorado; and

WHEREAS, the Board of Directors (the “**Board**”) of the District, has a duty to perform certain obligations in order to assure the efficient operation of the District and hereby directs its consultants to take the following actions.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. The Board directs Community Resource Services of Colorado, LLC (the “**District Administrator**”) to cause an accurate map of the District’s boundaries to be prepared in accordance with the standards specified by the Division of Local Government (“**Division**”) and to be filed in accordance with § 32-1-306, C.R.S.

2. The Board directs the District Administrator to notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of any municipality in which the District is located, and the Division of the name of the chairman of the Board, the contact person, telephone number and business address of the District, as required by § 32-1-104(2), C.R.S.

3. The Board directs the District Administrator to prepare and file with the Division, within thirty (30) days of a written request from the Division, an informational listing of all contracts in effect with other political subdivisions, in accordance with § 29-1-205, C.R.S.

4. The Board directs the District’s accountant to cause the preparation of and to file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year, as required by §§ 11-58-101, *et seq.*, C.R.S.

5. The Board directs the District’s accountant to: 1) obtain proposals for auditors to be presented to the Board; 2) to cause an audit of the annual financial statements of the District to be prepared and submitted to the Board on or before June 30; and 3) to cause the audit to be filed with the State Auditor by July 31st, or by the filing deadline permitted under any extension thereof, all in accordance with §§ 29-1-603(1) and 29-1-606, C.R.S. Alternatively, if warranted by § 29-1-604, C.R.S., the Board directs the District’s accountant to apply for and obtain an audit exemption from the State Auditor on or before March 31st in accordance with § 29-1-604, C.R.S.

6. The Board directs the District Administrator, if the District has authorized but unissued general obligation debt as of the end of the fiscal year, to cause to be submitted to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District, the District’s audit report or a copy of its application for exemption from audit in accordance with § 29-1-606(7), C.R.S.

7. The Board directs the District's accountant to submit a proposed budget to the Board by October 15th, to prepare the final budget and budget message, including any amendments thereto, if necessary, and directs the District Administrator to schedule a public hearing on the proposed budget and/or amendments, and to post or publish notices thereof, to prepare all budget resolutions and to file the budget, budget resolution and budget message with the Division on or before January 30th, all in accordance with §§ 29-1-101, *et seq.*, C.R.S.

8. The Board directs the District's accountant to monitor expenditures and contracted expenditures and, if necessary, to notify the District Administrator, legal counsel and the Board when expenditures or contracted expenditures are expected to exceed appropriated amounts, and directs the District Administrator to prepare all budget amendment resolutions and directs the District Administrator to schedule a public hearing on a proposed budget amendment and to post or publish notices thereof and to file the amended budget with the Division on or before the date of making such expenditure or contracting for such expenditure, all in accordance with §§ 29-1-101, *et seq.*, C.R.S.

9. The Board directs legal counsel to cause the preparation of the Unclaimed Property Act report and submission of the same to the State Treasurer by November 1st if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with § 38-13-110, C.R.S.

10. The Board directs the District's accountant to prepare the mill levy certification form and directs the District's accountant to file the mill levy certification form with the Board of County Commissioners on or before December 15th, in accordance with § 39-5-128, C.R.S.

11. The Board directs that all legal notices shall be published in accordance with § 32-1-103(15), C.R.S.

12. The Board determines that each director shall not receive compensation for their services as directors subject to the limitations set forth in §§ 32-1-902(3)(a)(I) & (II), C.R.S.

13. The District hereby acknowledges, in accordance with § 32-1-902, C.R.S., the following officers for the District:

Assistant Secretary:	Scot Johnson
Assistant Secretary:	Susan Johnson
Director:	Vacant
Director:	Vacant
Director:	Vacant
Recording Secretary:	District Administrator

14. The Board hereby determines that each member of the Board shall, for any potential or actual conflicts of interest, complete conflicts of interest disclosures and directs legal counsel to file the conflicts of interest disclosures with the Board and with the Colorado Secretary of State at least seventy-two (72) hours prior to every regular and special meeting of the Board, in

accordance with §§ 32-1-902(3)(b) and 18-8-308, C.R.S. Written disclosures provided by Board members required to be filed with the governing body in accordance with § 18-8-308, C.R.S. shall be deemed filed with the Board when filed with the Secretary of State. Additionally, at the beginning of each year, each Board member shall submit information to legal counsel regarding any actual or potential conflicts of interest and, throughout the year, each Board member shall provide legal counsel with any revisions, additions, corrections or deletions to said conflicts of interest disclosures.

15. The Board confirms its obligations under § 24-10-110(1), C.R.S., with regards to the defense and indemnification of its public employees, which, by definition, includes elected and appointed officers.

16. The Board hereby appoints the District Administrator as the official custodian for the maintenance, care and keeping of all public records of the District, in accordance with §§ 24-72-202, *et seq.*, C.R.S. The Board hereby directs its legal counsel, accountant, manager and all other consultants to adhere to the Colorado Special District Records Retention Schedule as adopted by the District.

17. The Board directs [the District Administrator to post notice of all regular and special meetings in accordance with § 32-1-903(2) and § 24-6-402(2)(c), C.R.S. The Board hereby designates <https://headwatersmd.colorado.gov> as the District's website for the posting of its regular and special meeting notices. The Board also hereby designates, unless otherwise designated by the Board, the kiosk at the intersection of County Road 894 and Ten Mile Road as the location the District will post notices of meetings in the event of exigent or emergency circumstances which prevent the District from posting notice of the meeting on the District's website. The Board directs the District Administrator to provide the website address set forth above to the Department of Local Affairs for inclusion in the inventory maintained pursuant to § 24-32-116, C.R.S.

18. The Board determines to hold regular meetings on June 15 and October 15, 2021, at 9:00 a.m. by telephone, electronic, or other means not including physical presence. All notices of meetings shall designate whether such meeting will be held by electronic means, at a physical location, or both, and shall designate how members of the public may attend such meeting, including the conference number or link by which members of the public can attend the meeting electronically, if applicable.

19. In the event of an emergency, the Board may conduct a meeting outside of the limitations prescribed in § 24-6-402(2)(c), C.R.S., provided that any actions taken at such emergency meeting are ratified at the next regular meeting of the Board or at a special meeting conducted after proper notice has been given to the public.

20. For the convenience of the electors of the District, and pursuant to its authority set forth in § 1-13.5-1101, C.R.S., the Board hereby deems that all regular and special elections of the District shall be conducted as independent mail ballot elections in accordance with §§ 1-13.5-1101, *et seq.*, C.R.S., unless otherwise deemed necessary and expressed in a separate election resolution adopted by the Board.

21. Pursuant to the authority set forth in § 1-1-111, C.R.S., the Board hereby appoints the District Administrator Sue Blair, of Community Resource Service of Colorado, LLC as the Designated Election Official (the “DEO”) of the District for any elections called by the Board, or called on behalf of the Board by the DEO, and hereby authorizes and directs the DEO to take all actions necessary for the proper conduct of the election, including, if applicable, cancellation of the election in accordance with § 1-13.5-513, C.R.S.

22. In accordance with § 1-11-103(3), C.R.S., the Board hereby directs the DEO to certify to the Division the results of any elections held by the District and, pursuant to § 32-1-1101.5(1), C.R.S., to certify results of any ballot issue election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the district and file a copy of such certification with the Division of Securities.

23. The Board directs legal counsel to cause a notice of authorization of or notice to incur general obligation debt to be recorded with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness, in accordance with § 32-1-1604, C.R.S.

24. Pursuant to the authority set forth in § 24-12-103, C.R.S., the Board hereby designates, in addition to any officer of the District, Sue Blair, of Community Resource Service of Colorado, LLC as a person with the power to administer all oaths or affirmations of office and other oaths or affirmations required to be taken by any person upon any lawful occasion.

25. The Board directs the District Administrator to cause the preparation of and filing with the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District, if requested, the application for quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.

26. The Board directs the District Administrator to cause the preparation of and the filing with the Board of County Commissioners or the governing body of any municipality in which the District is located, the Division, the State Auditor, the County Clerk and Recorder and any interested parties entitled to notice pursuant to § 32-1-204(1), C.R.S., an annual report, if requested, in accordance with § 32-1-207(3)(c), C.R.S.

27. The Board directs the District Administrator to obtain proposals and/or renewals for insurance, as applicable, to insure the District against all or any part of the District’s liability, in accordance with §§ 24-10-115, *et seq.*, C.R.S. The Board directs the District’s accountant to pay the annual SDA membership dues, agency fees and insurance premiums, as applicable, in a timely manner. The Board appoints the District Administrator to designate the proxy for the SDA Annual meeting for voting and quorum purposes.

28. The Board hereby opts to include elected or appointed officials as employees within the meaning of § 8-40-202(1)(a)(I)(A), C.R.S., and hereby directs the District Administrator to obtain workers’ compensation coverage for the District.

29. The Board hereby directs the District Administrator to prepare the disclosure notice required by § 32-1-809, C.R.S., and to disseminate the information to the electors of the District

accordingly. Further, the Board hereby designates the following website as the District's official website for the purposes thereof: <https://headwatersmd.colorado.gov>.

30. The Board hereby directs the District Administrator to prepare and record with the County Clerk and Recorder updates to the disclosure statement notice and map required by § 32-1-104.8, C.R.S., if additional property is included within the District's boundaries.

31. In accordance with § 38-35-109.5(2), C.R.S, the District hereby designates the President of the Board as the official who shall record any instrument conveying title of real property to the District within 30 days of any such conveyance.

32. The Board directs the District's accountant to prepare and submit the documentation required by any continuing disclosure obligation signed in conjunction with the issuance of debt by the District.

33. The Board directs legal counsel to monitor, and inform the Board of, any legislative changes that may occur throughout the year.

[Remainder of page intentionally left blank, signature page follows.]

ADOPTED this 9th day of December, 2021.

**HEADWATERS
DISTRICT**

METROPOLITAN

By: _____
Officer of the District

Attest:

By: _____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

CERTIFICATION OF RESOLUTION

I hereby certify that the foregoing constitutes a true and correct copy of the resolution of the Board adopted at a meeting held on December 9, 2021, or via teleconference.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 9th day of December, 2021.

Signature

Printed Name

RESOLUTION OF THE BOARD OF DIRECTORS OF
HEADWATERS METROPOLITAN DISTRICT
CALLING AN ELECTION FOR MAY 3, 2022

WHEREAS, Headwaters Metropolitan District (the “District”) was created pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, elections may be held pursuant to the Special District Act, §§ 32-1-801, *et seq.*, C.R.S. (the “Act”), and the Uniform Election Code of 1992, §§ 1-1-101, *et seq.*, and 1-13.5, 101, *et seq.*, C.R.S. (collectively, the “Code”), for the purpose of: (1) electing members of the Board of Directors of the District (the “Board”); (2) presenting certain ballot issues to the eligible electors of the District as required by Article X Section 20 of the Colorado Constitution; and (3) presenting certain ballot issues and questions to the eligible electors of the District; and

WHEREAS, the terms of office of Directors Scott Johnson and Susie Johnson are due to expire after their successors are elected at the next regular election for the District, which is scheduled to be held on May 3, 2022 (the “Election”). There are currently three vacancies on the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HEADWATERS METROPOLITAN DISTRICT AS FOLLOWS:

1. The Election of the eligible electors of the District shall be held on May 3, 2022, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to the Act and the Code and any other applicable laws. The Election shall be conducted as a mail ballot election in accordance with all relevant provisions of the Act and the Code. All mail ballots shall be returned to the office of the Designated Election Official (as defined below in Section 2).

2. Sue Blair of Community Resource Services of Colorado, LLC, is hereby appointed as the “Designated Election Official” of the Board for the Election. The Board hereby grants all powers and authority for the proper conduct of the Election required pursuant to the Act and the Code to the Designated Election Official, including, but not limited to, appointing election judges, appointing a canvass board and cancellation, if applicable, of the Election.

3. If the only matter before the electors is the election of directors of the District and if, by 3:00 P.M. on the 63rd day before the Election, which date is March 1, 2022, or any time thereafter, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent to be a write-in candidate, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with C.R.S. § 1-13.5-513(6), as amended.

4. In the event that legislation is passed and enacted into law that impacts or changes the methods or procedures for elections conducted by the District, the Board hereby directs its legal counsel and the Designated Election Official, without any further action taken by the Board unless otherwise required by applicable law, to take all actions necessary and appropriate to

conduct the Election in compliance with any applicable laws including, but not limited to, coordinating the Election with any political subdivision with appropriate jurisdiction over the District and adjusting any Election-related deadlines.

5. If any part or provision of this Resolution is adjudicated to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provision or provisions of this Resolution, it being the intent of the Board that the various provisions are severable.

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

APPROVED AND ADOPTED ON DECEMBER 9, 2021.

HEADWATERS METROPOLITAN DISTRICT

President

ATTEST:

Secretary

Workers' Compensation Coverage Invoice

District: Headwaters Metropolitan District
c/o Community Resource Services of Colorado, LLC
7995 E. Prentice Avenue, Suite 103E
Greenwood Village, CO 80111

Broker: T. Charles Wilson Insurance Service
384 Inverness Parkway
Suite 170
Englewood, CO 80112

Coverage No.		Entity ID		Effective Date		Expiration Date		Invoice Date	
POL-0007687		60398		1/1/2022		EOD 12/31/2022		9/8/2021	
Class Code	Description	No. of Employees		No. of Volunteers	2022 Rate	2022 Estimated Employee Payroll	2022 Estimated Volunteer Payroll	Estimated Manual Contribution	
		FT	PT						
8811	Board Member Coverage	0	0	5	0.75		\$6,000	\$ 45.00	

Manual Contribution:		\$ 45.00
Experience Modification:	×	1.00
Modified Contribution:	=	\$ 45.00
Minimum Contribution:		\$ 450.00
Contribution Volume Credit:	-	\$ 0.00
Designated Provider Discount:	-	\$ 0.00
Cost Containment Credit:	×	1.00
Manual Adjustment:	×	
Multi-Program Discount:	×	1.00
Estimated Annual Contribution:	=	\$ 450.00
Pro Rata Factor:	×	1.00
Total Estimated Contribution:	=	\$ 450.00

Total Amount Due: **\$ 450.00**

Estimated payroll is subject to yearend audit.
Commission (9% first year and 6% thereafter) is paid to the broker reflected above.

Payment evidences "acceptance" of this coverage. The terms of the Intergovernmental Agreement (IGA) require timely payment to prevent automatic cancellation of coverage. Please return this invoice and reference the coverage number on your check to help us apply your payment correctly. Only prior notice to the board of directors of the Colorado Special Districts Property and Liability Pool and subsequent approval may extend cancellation provision.

Please remit to: Colorado Special Districts Property and Liability Pool
c/o McGriff Insurance Services, Inc.
PO Box 1539
Portland, OR 97207-1539

Wire transfer available upon request.
Billing questions:
billing@csdpool.org
800-318-8870 ext. 3

Workers' Compensation and Employer's Liability Declarations Page

Coverage Number: POL-0007687
Coverage Period: 1/1/2022 — EOD 12/31/2022

FEIN: 51-0495959
Entity ID: 60398

Named Member:
Headwaters Metropolitan District
c/o Community Resource Services of Colorado, LLC
7995 E. Prentice Avenue, Suite 103E
Greenwood Village, CO 80111

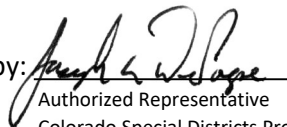
Broker of Record:
T. Charles Wilson Insurance Service
384 Inverness Parkway
Suite 170
Englewood, CO 80112

Coverage is provided for only those coverages and classifications indicated below.

State: Colorado
Limits of Liability: Coverage A Workers' Compensation Statutory
Coverage B Employer's Liability \$2,000,000
Annual Contribution: \$ 450.00

Class	Description	2022 Estimated Employee Payroll	2022 Estimated Volunteer Payroll
8811	Board Member Coverage		\$ 6,000

This Declarations page is made and is mutually accepted by the Pool and Named Member subject to all terms that are made a part of the Workers' Compensation Coverage Document. This Declarations page represents only a brief summary of coverages. Please refer to the Coverage Document at csdpool.org for actual coverages, terms, conditions, and exclusions. Named Member must be a member of the Special District Association of Colorado and must adopt the Pool's Intergovernmental Agreement.

Countersigned by: 
Authorized Representative
Colorado Special Districts Property and Liability Pool

Date: 9/8/2021



Payment Instructions

The annual contribution for this coverage has been rounded to the nearest whole dollar. The annual contribution for coverage with the Pool is due upon receipt of this invoice. To make a payment, please mail your check and a copy of your invoice to:

Colorado Special Districts Property and Liability Pool
c/o McGriff Insurance Services, Inc.
PO Box 1539
Portland, OR 97207

For express or overnight mail services, please use the address below:

Colorado Special Districts Property and Liability Pool
c/o McGriff Insurance Services, Inc.
1800 SW 1st Ave, Suite 400
Portland, OR 97201

To ensure that your payment is accurately applied, please always include a copy of the invoice.

The Pool does not accept credit card payment at this time; however, if you would like to make payment via wire transfer, please let us know and we will be happy to provide you with wiring instructions.

Finally, all members of the Pool must be members in good standing with the Special District Association of Colorado (SDA). Please visit the SDA website at sdaco.org for member information.

Please contact us at billing@csdpool.org or 800-318-8870 ext. 3 for billing questions.

Renewal Documents and Invoice

1/1/2022 to EOD 12/31/2022

Acceptance of this coverage is evidenced only by payment of the enclosed invoice by January 1, 2022. Please review the attached Coverage Contribution instructions for details about your payment.

The following renewal documents are enclosed where applicable:

1. Invoice: Payment is due upon receipt. Please return a copy of the invoice with your payment to ensure that it is applied correctly.
2. Coverage Declaration Pages: Informational page summarizing the key points about the coverage provided including limits and deductible descriptions for all coverage provided. Full coverage forms will be available at csdpool.org/documents on January 1, 2022.
3. Schedules: Lists of exposures and values.
4. Certificates of coverage: Originals are mailed directly to the Certificate Holders.
5. Automobile identification cards: Hard copies will be mailed.
6. Quote for Excess Liability limits: Limits of up to \$8 million, in excess of the primary \$2 million Liability limit, are available. Although the primary \$2 million Liability limit is sufficient to cover the CGIA tort cap, we do recommend that you consider purchasing higher limits primarily due to special districts' unlimited liability to federal civil rights, discrimination, harassment, whistle blowing, and other employment-related practices claims.
7. Net loss ratio comparison report by line of coverage: A comparison of losses over the last two years.

Renewal Notice

The annual contribution for your coverage with the Pool is due upon receipt of the invoice. To make a payment, please mail your check to

Colorado Special Districts Property & Liability Pool
PO Box 1539
Portland, OR 97207

For express or overnight mail services, please use the address below:

McGriff Insurance Services, Inc.
1800 SW 1st Ave, Suite 400
Portland, OR 97201

Please include a copy of the invoice with your payment to ensure that it is accurately applied.

The Pool does not accept credit card payments; however, if you would like to make payment via wire transfer, please let us know and we will be happy to provide you with the wiring instructions.

Please be advised that in accordance with the Intergovernmental Agreement (IGA), automatic expulsion will occur on the 60th day should your account not be current. If you wish to reinstate your district's coverage after cancellation has occurred, a \$100 reinstatement fee will apply.

If your district requires a payment extension, please submit a request in writing by December 1, 2021 for consideration by the CSD Pool Board of Directors.

Another requirement for maintaining coverage with the Pool is adoption of the IGA and Resolution by each District's Board of Directors. The signed and executed agreements must be on file with the Pool Administrator within 60 days of initial binding of coverage with the Pool. This document is not required each year at renewal.

Finally, all members in the Pool must be members in good standing with the Special District Association of Colorado (SDA). The CSD Pool will non-renew coverage if the SDA determines that your membership dues are not current.

For billing questions, please email us at billing@csdpool.org or call us at 800-318-8870, ext. 3.

**Named Member:**

Headwaters Metropolitan District
Community Resource Services of Colorado, LLC
7995 E. Prentice Avenue, Suite 103E
Greenwood Village, CO 80111

Broker of Record:

TCW Risk Management
384 Inverness Parkway
Suite 170
Englewood, CO 80112

Coverage No.	Entity ID	Effective Date	Expiration Date	Invoice Date
POL-0009686	60398	1/1/2022	EOD 12/31/2022	9/26/2021

Coverage	Contribution
General Liability	\$ 520.00
Crime	\$ 135.00
Non-Owned Auto Liability	\$ 132.00
Hired Auto Physical Damage	\$ 65.00
No-Fault Water Intrusion & Sewer Backup	\$ 21.00
Public Officials Liability	\$1,163.00
Excess	\$1,750.00
Pollution	\$ 0.00
Total Contribution	\$3,786

Please note: where included above, Hired Auto Physical Damage, Non-Owned Auto Liability, and No-Fault Water Intrusion & Sewer Backup are mandatory coverages and may not be removed.

The following discounts are applied (Not applicable to minimum contributions):

7.70% Continuity Credit Discount

10% Direct Discount

8% Multi Program Discount for WC Program Participation

Please include a copy of the invoice with your check.

Please Remit Payment to:

Colorado Special Districts Property and Liability Pool
c/o McGriff Insurance Services, Inc.
PO Box 1539
Portland, OR 97207-1539

Payment Due Upon Receipt

Payment evidences acceptance of this coverage. NOTE: Terms of the Intergovernmental Agreement require timely payment to prevent automatic cancellation of coverage. Only the Colorado Special Districts Property and Liability Pool Board of Directors can extend the cancellation provision.



Public Entity Liability and Auto Physical Damage Certificate Holder Declaration

Master Coverage Document Number: CSD Pool CTC 01 01 22 and CSD Pool PEL 01 01 22

Certificate Number: POL-0009686

Coverage Period: 1/1/2022 to EOD 12/31/2022

Named Member:

Headwaters Metropolitan District
Community Resource Services of Colorado, LLC
7995 E. Prentice Avenue, Suite 103E
Greenwood Village, CO 80111

Broker of Record:

TCW Risk Management
384 Inverness Parkway
Suite 170
Englewood, CO 80112

Coverage is provided only for those coverages indicated below for which a contribution is shown.

Coverage	Per Occurrence Limit	Annual Aggregate Limit	Deductible	Contribution
Public Entity Liability Coverage including:	\$2,000,000	None		
General Liability	Included	None	None	\$520
Medical Payments - Premises	\$10,000	None	None	Included
Employee Benefits Liability	Included	None	None	Included
Public Officials Liability	Included	None	\$1,000	\$1,163
Employment Practices Liability	Included	None	*\$100,000	Included
Pre Loss Legal Assistance	\$3,500	\$7,000	None	Included
No-Fault Water Intrusion & Sewer Backup	\$200,000 limited to \$10,000 Any One Premises	***\$1,000,000	\$500	\$21
Cyber	\$200,000	**\$200,000	\$1,000	Included
Fiduciary Liability	\$200,000	**\$200,000	\$1,000	Included
Excess Liability - Coverage agreements A,B,C,D	\$7,000,000	None	None	\$1,750
Auto Liability	No Coverage	No Coverage	N/A	No
Medical Payments – Auto	No Coverage	No Coverage	N/A	No
Non-Owned and Hired Auto Liability	Included	None	None	\$132
Uninsured/Underinsured Motorists Liability	No Coverage	No Coverage	N/A	No
Auto Physical Damage	No Coverage	No Coverage	N/A	No
Hired Auto Physical Damage	\$50,000	N/A	\$500/\$500	\$65
Auto Physical Damage - Employee Deductible Reimbursement	\$2,500	N/A	None	Included

Total Contribution 3,651.00

*Employment Practices Liability Deductible: 50% of loss including Indemnity and Legal Expenses subject to a maximum deductible of \$100,000 each occurrence.

**A \$5,000,000 All Member Annual Aggregate Limit shall apply to Cyber.

**A \$1,000,000 All Member Annual Aggregate Limit shall apply to Fiduciary Liability.

***No-Fault Water Intrusion & Sewer Backup has \$1,000,000 All Member Annual Aggregate Limit.

Additional Endorsements applicable to Member:

This Certificate Holder Declaration is made and is mutually accepted by the CSD Pool and the Named Member subject to all terms which are made a part of the Public Entity Liability Coverage Document. This Certificate represents only a brief summary of coverages. Please refer to the Master Coverage Document for actual coverage, terms, conditions, and exclusions.

Countersigned by: _____

Authorized Representative

Date: 9/26/2021

Crime Certificate Holder Declaration

Master Coverage Document Number: J05931794
Certificate Number: POL-0009686

Insurer: Federal Insurance Company (Chubb)
Coverage Period: 1/1/2022 to EOD 12/31/2022

Named Member:

Headwaters Metropolitan District
Community Resource Services of Colorado, LLC
7995 E. Prentice Avenue, Suite 103E
Greenwood Village, CO 80111

Broker of Record:

TCW Risk Management
384 Inverness Parkway
Suite 170
Englewood, CO 80112

Covered Designated Agent(s):

Coverages and Limits:

Employee Theft:	\$5,000
<ul style="list-style-type: none"> Limit is maximum for each loss Employee includes executives, full-time, part-time, seasonal, leased and temporary employee(s), interns or non-compensated volunteer. Includes funds from a sponsored benefit plan. 	
Public Official Faithful Performance of Duty:	\$5,000
Client Theft:	\$5,000
Forgery or Alteration:	\$5,000
On Premises:	\$5,000
In Transit:	\$5,000
Computer System Fraud:	\$5,000
Funds Transfer Fraud:	\$5,000
Debit, Credit or Charge Card Fraud:	\$5,000
Money Orders and Counterfeit Paper Currency Fraud:	\$5,000
Social Engineering Fraud:	\$5,000

Deductible(s):

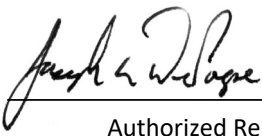
All Crime except Social Engineer Fraud:	\$100
Social Engineering Fraud:	20% of Social Engineering Fraud Limit

Contribution: \$135

Policy Forms:

PF-52815 (04/20)	The Chubb Primary SM Commercial Crime Insurance
PF-52853 (04/20)	Governmental Entity (Colorado Special Districts Pool) Endorsement
PF-53127 (04/20)	Colorado Amendatory Endorsement
PF-52851 (04/20)	Add Corporate Credit Card Coverage

This Certificate Holder Declaration is made and is mutually accepted by the CSD Pool and the Named Member subject to all terms which are made a part of the Master Crime Policy. This Certificate represents only a brief summary of coverages. Please refer to the Master Policy Documents for actual coverage, terms, conditions, and exclusions.

Countersigned by:  _____
Authorized Representative

Identity Recovery Certificate Holder Declaration

Master Coverage Policy Number:
CSD Pool IDR Form 01 01 21

Insurer:
The Hartford Steam Boiler Inspection
and Insurance Company

Certificate Number: POL-0009686

Coverage Period: 1/1/2022 to EOD 12/31/2022

Named Member:

Headwaters Metropolitan District
Community Resource Services of Colorado, LLC
7995 E. Prentice Avenue, Suite 103E
Greenwood Village, CO 80111

Broker of Record:

TCW Risk Management
384 Inverness Parkway
Suite 170
Englewood, CO 80112

Member:

All permanent employees and District Board members participating in the Colorado Special Districts Property and Liability Pool; Special District Association of Colorado staff and Board of Directors.

Coverage:

Reimbursement coverage for expenses arising from a defined "Identity Theft" event. Including: legal fees for answer of civil judgments and defense of criminal charges; phone, postage, shipping fees; notary and filing fees; credit bureau reports; lost wages; child/elder care and mental health counseling.

This coverage does not reimburse the member for monies stolen or fraudulently charged to the member, and excludes loss arising from the member's fraudulent, dishonest or criminal act.

Annual Aggregate Limit per Member: \$35,000

Case Management Service Expenses - does not reduce the limit available

Legal Costs - reduces the limit available

Sub Limits:

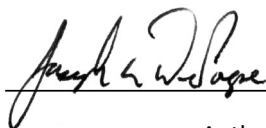
\$5,000	Lost Wages and Child/Elder Care
\$1,000	Mental Health Counseling
\$1,000	Miscellaneous Expenses

Coverage Trigger: Coverage is provided on a discovery basis with a 60-day reporting requirement

Claims: For Recovery Assistance and Counseling, please call 1-800-945-4617

This Certificate Holder Declaration is made and is mutually accepted by the CSD Pool and the Named Member subject to all terms which are made a part of the Identity Recovery Coverage Policy. This Certificate represents only a brief summary of coverages. Please refer to the Master Coverage document for actual coverage, terms, conditions, and exclusions.

Countersigned by:



Authorized Representative

General Liability Schedule Metropolitan District

Policy Number: POL-0009686
Named Member: Headwaters Metropolitan District

Coverage Period: 1/1/2022 – EOD 12/31/2022
Broker: TCW Risk Management

Code	Description	Unit	Amount	Effective Date	Expiration Date
1	1-Number of Skate Board Parks	Total		1/1/2022	12/31/2022
2	2-Number of Diving Boards	Total		1/1/2022	12/31/2022
3	3-Number of Water Slides	Total		1/1/2022	12/31/2022
4	4-Maximum Bond Issued	Dollars		1/1/2022	12/31/2022
5	5-Number of Bonds Issued	Total		1/1/2022	12/31/2022
20	20-Day Care Operations - Total Annual Payroll	Dollars	0.00	1/1/2022	12/31/2022
30	30-Number of EMT Personnel	Total		1/1/2022	12/31/2022
32	32-Paid Firefighters - (Not EMT)	Total		1/1/2022	12/31/2022
37	37-Pipe Line - Under Drain	Miles	0.00	1/1/2022	12/31/2022
39	39-Pipe Line	Miles		1/1/2022	12/31/2022
43	43-Pipe Line - Sewer / Storm Drainage Combined	Miles		1/1/2022	12/31/2022
50	50-Number of Teachers	Total		1/1/2022	12/31/2022
70	70-Number of Golf Courses	Total		1/1/2022	12/31/2022
80	80-Number of Go Cart Tracks	Total	0.00	1/1/2022	12/31/2022
98	98-Additional First Named Members	Total	0.00	1/1/2022	12/31/2022
105	105-Total Operating Expenses - Any other	Dollars	85,900.00	1/1/2022	12/31/2022
130	130-Total Operating Expenses - Park & Recreation	Dollars		1/1/2022	12/31/2022
131	131-Total Operating Expenses - Cemetery	Dollars		1/1/2022	12/31/2022
132	132-Total Operating Expenses - Soil & Water Conse	Dollars		1/1/2022	12/31/2022

133	133-Total Operating Expenses - Pest Control	Dollars		1/1/2022	12/31/2022
134	134-Total Operating Expenses - Hospital / Health	Dollars		1/1/2022	12/31/2022
135	135-Total Operating Expenses - Drainage	Dollars		1/1/2022	12/31/2022
136	136-Total Operating Expenses - Library	Dollars		1/1/2022	12/31/2022
137	137-Total Operating Expenses - Water Control	Dollars		1/1/2022	12/31/2022
138	138-Total Operating Expenses - Fire / Ambulance	Dollars		1/1/2022	12/31/2022
139	139-Total Operating Expenses - Water	Dollars		1/1/2022	12/31/2022
140	140-Total Operating Expenses - Irrigation	Dollars		1/1/2022	12/31/2022
141	141-Total Operating Expenses - Sanitation	Dollars		1/1/2022	12/31/2022
142	142-Total Operating Expenses - Transit	Dollars		1/1/2022	12/31/2022
143	143-Total Operating Expenses - Improvement	Dollars		1/1/2022	12/31/2022
151	151-Total Operating Expenses - Sanitation MW Discounted	Dollars	0.00	1/1/2022	12/31/2022
215	215-Buildings & Premises Occupied by District	Sq. Ft.		1/1/2022	12/31/2022
250	250-Number of Homes – Covenant Enforcement/Design Review Services under District Authority	Total		1/1/2022	12/31/2022
270	270-Number of Aboveground Storage Tanks (excluding water tanks)	Total	0.00	1/1/2022	12/31/2022
331	331-Number of Paid Firefighters - Full-Time	Total		1/1/2022	12/31/2022
332	332-Number of Paid Firefighters - Part-Time	Total		1/1/2022	12/31/2022
333	333-Number of Volunteer Firefighters	Total		1/1/2022	12/31/2022
334	334-Number of Paid EMT - Full-Time	Total	0.00	1/1/2022	12/31/2022
335	335-Number of Paid EMT - Part-Time	Total	0.00	1/1/2022	12/31/2022
341	341-Club/Recreation/Camp Volunteers	Total	0.00	1/1/2022	12/31/2022
342	342-Day Care Volunteers	Total	0.00	1/1/2022	12/31/2022
344	344-Event Organizer Volunteers	Total	0.00	1/1/2022	12/31/2022
345	345-General Volunteers	Total	0.00	1/1/2022	12/31/2022

348	348-Number of Board Members	Total	4.00	1/1/2022	12/31/2022
350	350-Number of Permanent Employees - Full-Time	Total		1/1/2022	12/31/2022
351	351-Number of Permanent Employees - Part-Time	Total	0.00	1/1/2022	12/31/2022
366	366-Total Payroll	Dollars	0.00	1/1/2022	12/31/2022
400	400-Class 1 Boats - Under 26'	Total		1/1/2022	12/31/2022
411	411-Total Water Delivered Annually - Millions of Gallons	MGAL		1/1/2022	12/31/2022
414	414-Playground/parks (Area)	Acres		1/1/2022	12/31/2022
415	415-Number of Grandstands/Stadiums	Total		1/1/2022	12/31/2022
420	420-Vacant Land	Acres		1/1/2022	12/31/2022
450	450-Miles of Road Maintained	Miles	0.00	1/1/2022	12/31/2022
522	522-Number of Ponds, Lakes & Reservoirs	Total		1/1/2022	12/31/2022
550	550-Fire Department Area Served	Sq Miles		1/1/2022	12/31/2022
671	671-Number of Parks	Total		1/1/2022	12/31/2022
710	710-Dams - Class 1 - Low Hazard - Total Acre-Feet	Acre Ft.	0.00	1/1/2022	12/31/2022
712	712-Dams - Class 1 - Low Hazard - Number of Dams	Count	0.00	1/1/2022	12/31/2022
720	720-Dams - Class 2 - Med Hazard - Total Acre-Feet	Acre Ft.	0.00	1/1/2022	12/31/2022
722	722-Dams - Class 2 - Med Hazard - Number of Dams	Count	0.00	1/1/2022	12/31/2022
730	730-Dams - Class 3 - High Hazard - Total Acre-Feet	Acre Ft.	0.00	1/1/2022	12/31/2022
732	732-Dams - Class 3 - High Hazard - Number of Dams	Count	0.00	1/1/2022	12/31/2022
811	811-Number of Spillways	Total		1/1/2022	12/31/2022
900	900-Services Contracted out to Others	Dollars	71,500.00	1/1/2022	12/31/2022
924	924-Revenue from use of Swimming Pools	Dollars		1/1/2022	12/31/2022
925	925-Number of Swimming Pools	Total		1/1/2022	12/31/2022
945	945-Number of Sewage Taps	Total		1/1/2022	12/31/2022
946	946-Number of Water Mains or Connections	Total		1/1/2022	12/31/2022

947	947-Sewer and/or Sanitation Line Maintenance (budget)	Dollars		1/1/2022	12/31/2022
948	948-Water Line Maintenance (budget)	Dollars		1/1/2022	12/31/2022
997	997-Number of district sponsored Events/Fundraisers - No Alcohol Served	Total		1/1/2022	12/31/2022
998	998-Number of District sponsored Events/Fundraisers – With Alcohol Served	Total		1/1/2022	12/31/2022
999	999-Prior Acts Coverage Under a Previous “Claims Made” Policy	Premium		1/1/2022	12/31/2022

If your district has exposures not listed on the General Liability schedule above, such as airplanes, security staff, bridges, drones, etc., please furnish details. Certain activities may be excluded or restricted.

Annual Comparison of 2022 and 2021 contributions.
Loss Ratios based on participation years from 2014 to 2021

Headwaters Metropolitan District

Year	Contribution
2022	\$3,786.00
2021	\$3,786.00
Difference	
% Difference	

General Liability	Contribution	TOE
Yr. 2022	\$520.00	\$85,900.00
Yr. 2021	\$520.00	\$85,900.00
Difference		\$0.00
% Difference		0.00%
Loss Ratio		7.54%

Equipment Breakdown	Contribution
Yr. 2022	\$0.00
Yr. 2021	\$0.00
<hr/>	
Difference	\$0.00
% Difference	0.00%
Loss Ratio	0.00%

Auto Liability	Contribution	Auto Count
Yr. 2022	\$132.00	0
Yr. 2021	\$132.00	0
Difference		0
% Difference		0.00%
Loss Ratio		0.00%

Crime	Contribution
Yr. 2022	\$135.00
Yr. 2021	\$135.00
<hr/>	
Difference	\$0.00
% Difference	0.00%
Loss Ratio	0.00%

Auto Physical Damage	Contribution	TIV
Yr. 2022	\$65.00	\$0.00
Yr. 2021	\$65.00	\$0.00
Difference		\$0.00
% Difference		0.00%
Loss Ratio		0.00%

Public Officials Liability	Contribution	EE Count
Yr. 2022	\$1,163.00	0
Yr. 2021	\$1,163.00	0
Difference		0
% Difference		0.00%
Loss Ratio		63.47%

Property/Inland Marine	Contribution	TIV
Yr. 2022	\$0.00	\$0.00
Yr. 2021	\$0.00	\$0.00
Difference		\$0.00
% Difference		0.00%
Loss Ratio		0.00%

Excess Liability	Contribution
Yr. 2022	\$1,750.00
Yr. 2021	\$1,750.00
<hr/>	
Difference	\$0.00
% Difference	0.00%
Loss Ratio	0.00%

Earthquake	Contribution
Yr. 2022	\$0.00
Yr. 2021	\$0.00
<hr/>	
Difference	\$0.00
% Difference	0.00%
Loss Ratio	0.00%

Flood	Contribution
Yr. 2022	\$0.00
Yr. 2021	\$0.00
<hr/>	
Difference	\$0.00
% Difference	0.00%
Loss Ratio	0.00%

No Fault	Contribution
Yr. 2022	\$21.00
Yr. 2021	\$21.00
<hr/>	
Difference	\$0.00
% Difference	0.00%
Loss Ratio	0.00%

Excess Liability Options Proposal For 2022

This Proposal Does Not Bind Coverage

This report demonstrates what it would cost your district to increase coverage from your current limit of liability to a higher limit.

Named Member: Headwaters Metropolitan District

Certificate Number: POL-0009686

<u>Excess Limit</u>	<u>Annual Excess Contribution</u>	<u>Change in Contribution</u>
\$1,000,000	\$330	-\$1,420
\$2,000,000	\$570	-\$1,180
\$3,000,000	\$810	-\$940
\$4,000,000	\$1,020	-\$730
\$5,000,000	\$1,250	-\$500
\$6,000,000	\$1,500	-\$250
\$7,000,000*	\$1,750	\$0
\$8,000,000	\$2,000	\$250

* This is your current excess limit.

Note: This is not your Coverage Document. It was created solely for informational purposes.

Sunday, September 26, 2021

FUNDING AGREEMENT
(Administrative, Operations and Maintenance)

This **FUNDING AGREEMENT** (the “**Agreement**”) is made and entered into as of December 9, 2021, by and between **HEADWATERS METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **GRCO LLC**, limited liability company (“**GRCO**”). The District and GRCO are collectively referred to herein as the “**Parties**”.

RECITALS

WHEREAS, the District has been duly and validly organized as a quasi-municipal corporation and political subdivision of the State of Colorado, in accordance with the provisions of Article 1, Title 32, Colorado Revised Statutes (the “**Special District Act**”), with the power to provide certain public infrastructure, improvements, facilities and services (collectively, the “**Public Improvements**”), as described in the Special District Act, and as authorized in the Service Plan for the District (the “**Service Plan**”); and

WHEREAS, in accordance with the Special District Act and the Service Plan, the District has the power to manage, control, and supervise the affairs of the District, including the acquisition, financing, construction, and installation of the Public Improvements, and to perform all other necessary and appropriate functions in furtherance of the Special District Act and Service Plan; and

WHEREAS, the District was organized to coordinate the acquisition, financing, construction, and installation of the Public Improvements in connection with development within the boundaries of the Granby Ranch project (the “**Project**”); and

WHEREAS, the District has incurred and will incur costs in furtherance of the District’s permitted purposes, including but not limited to: costs in the nature of general operating, administrative and maintenance costs, such as attorney, engineering, architectural, surveying, district management, accounting, auditing, insurance, and other costs necessary to continued good standing under applicable law (the “**Costs**”); and

WHEREAS, the District does not presently have financial resources to provide funding for payment of Costs that are projected to be incurred prior to the anticipated availability of funds; and

WHEREAS, GRCO owns real property within the District and benefits from its operations; and

WHEREAS, GRCO is willing to provide funds to the District, from time to time, in accordance with the terms set forth in this Agreement; and

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

WHEREAS, the Board of Directors of the District (the “**Board**”) has determined that the best interests of the District will be served by entering into this Agreement for the funding of the Costs; and

WHEREAS, the Board has authorized its officers to execute this Agreement and to take all other actions necessary and desirable to effectuate the purposes of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises expressed herein, the Parties hereby agree as follows:

COVENANTS AND AGREEMENTS

1. Funding Amount and Term. GRCO agrees to provide funding to the District in an amount not to exceed \$150,000 on account of obligations incurred and to be incurred by the District through December 31, 2022 (the “**Termination Date**”). GRCO may agree to provide additional funding to the District and extend the Termination Date, all as may be agreed to from time to time by the Parties.

2. Use of Funds. The District agrees that it shall apply all funds provided by GRCO under this Agreement in accordance with its 2022 budget (the “**Funding Budget**”) adopted by the District, which Funding Budget shall authorize use of the funding provided by GRCO to the District to pay Costs of the District as set forth from time to time in the Funding Budget, and pursuant to any contracts entered into with third parties to perform functions for the District under such adopted budget. GRCO will be provided a monthly accounting of the expenditures made by the District, within fifteen days after the end of each month, and otherwise may request specific information concerning such expenditures at reasonable times and upon reasonable notice to the District.

3. Manner for Requesting Funding. The District shall from time to time determine the amount of funding required to fund budgeted expenditures of the District, but such determination shall be made not more often than monthly. Each determination shall be made based upon the expenditures contained in the adopted budget for the District and upon the rate of expenditures estimated for the next succeeding month and such other factors as the Board and District accountant may consider relevant to the projection of future financial needs. Not less than fifteen (15) days before the beginning of each month, the District shall notify GRCO of the requested funding for the next month, and GRCO shall deposit such amount with the District on or before the beginning of that month, provided that GRCO shall have no obligation to advance amounts in excess of the Funding Budget. The Parties may vary from this schedule upon mutual agreement.

4. No Debt/Funding Deemed Contribution. This Agreement shall not constitute a debt or indebtedness of the District within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple-fiscal-year financial obligation. The Parties hereby agree and acknowledge that all amounts paid to the District under this Agreement shall be deemed a contribution to the District by GRCO and there shall be no obligation of the District to pay or

reimburse GRCO with respect to such amounts, and any obligation of the District to reimburse GRCO for amounts provided under this Agreement, including accrued interest, is forgiven in its entirety, generally and unconditionally released, waived, acquitted and forever discharged.

5. Termination. GRCO's obligation to provide funding to the District in accordance with this Agreement shall terminate on the Termination Date, except to the extent advance requests have been made to GRCO that are pending by the Termination Date, in which case said pending request(s) will be honored notwithstanding the passage of the Termination Date. Notwithstanding the foregoing, either party may terminate this Agreement for any reason upon ten days written notice to the other party and GRCO's obligation to provide funding to the District shall terminate at the end of such ten days except to the extent advance requests have been made to GRCO that are pending by such date; in which case said pending requests will be honored.

6. Time Is of the Essence. Time is of the essence hereof; provided, however, that if the last day permitted or otherwise determined for the performance of any required act under this Agreement falls on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding business day, unless otherwise expressly stated.

7. Notices and Place for Payments. All notices, demands and communications (collectively, "**Notices**") under this Agreement shall be delivered or sent, addressed to the address of the intended recipient set forth below or such other address as a party may designate by notice pursuant to this Section, by: (a) first class, registered or certified mail, postage prepaid, return receipt requested, (b) nationally recognized overnight carrier, or (c) sent by confirmed facsimile transmission or email. Notices shall be deemed given either one business day after delivery to the overnight carrier, three days after being mailed as provided in clause (a) or (b) above, or upon confirmed delivery as provided in clause (c) above.

To the District: Headwaters Metropolitan District
 c/o CRS of Colorado
 7995 East Prentice Avenue, Suite 103E
 Greenwood Village, CO 80111

With a copy to:

WHITE BEAR ANKELE TANAKA & WALDRON
2154 East Commons Avenue, Suite 2000
Centennial, CO 80122
Attn: Clint C. Waldron
cwaldron@wbapc.com
(303) 858-1800 (phone)
(303) 858-1801 (fax)

To GRCO: 1701 Macklind Avenue
St. Louis, MO 63110

With a copy to: Husch Blackwell LLP
David G. Richardson
190 Carondelet Plaza, Suite 600
St. Louis, MO 63105

8. Amendments. This Agreement may only be amended or modified by a writing executed by the Parties.

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

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

11. Assignment. This Agreement may not be assigned by either party without the written consent of the other party. Such consent to be granted or withheld at such party's sole and absolute discretion.

12. Authority. By execution hereof, the District and GRCO represent and warrant that their respective representatives signing hereunder have full power and authority to execute this Agreement and to bind the respective party to the terms hereof.

13. Entire Agreement. This Agreement constitutes and represents the entire, integrated agreement between the Parties with respect to the matters set forth herein, and hereby supersedes any and all prior negotiations, representations, agreements or arrangements of any kind with respect to those matters, whether written or oral. This Agreement shall become effective upon the date set forth above.

14. Inurement. The terms of this Agreement shall be binding upon, and inure to the benefit of the Parties as well as their respective successors and permitted assigns.

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

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

17. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the Parties any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the Parties shall be for the sole and exclusive benefit of the Parties, it being expressly understood and agreed to by the Parties that there are no third party beneficiaries to this Agreement.

18. Counterpart Execution. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto.

[Signature Page Follows.]

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

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

By: _____
Officer of the District

Attest:

By: _____
Secretary

GRCO:
GRCO LLC, a Missouri limited liability company

By: Swiss LLC, its Manager

By: _____
Robert B. Glarner, Jr., Manager

BUDGET RESOLUTION

(2022)

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF GRAND)

At the special meeting of the Board of Directors of Headwaters Metropolitan District, Town of Granby, County of Grand, Colorado, held at 8:00 AM on Thursday, December 9, 2021, via virtual Zoom meeting. The following Board members were present:

Scott Johnson
Susanne Johnson

Also present were:

Clint Waldron and Blair Dickhoner; White Bear Ankele Tanaka and Waldron
David Richardson and Katie Jenner; Husch Blackwell
Marcos Pacheco; Community Resource Services of Colorado

District Counsel reported that, prior to the meeting, legal counsel had notified each of the directors of the date, time and place of this meeting and the purpose for which it was called. District Counsel further reported that this is a special meeting of the Board of Directors of the District and that a notice of the meeting was posted on the District's website , and to the best of their knowledge, remains posted to the date of this meeting.

Thereupon, Director _____ introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, CERTIFYING MILL LEVIES AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HEADWATERS METROPOLITAN DISTRICT, TOWN OF GRANBY, GRAND COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2022 AND ENDING ON THE LAST DAY OF DECEMBER, 2022.

WHEREAS, the Board of Directors (the “Board”) of the Headwaters Metropolitan District (the “District”) has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2021; and

WHEREAS, the proposed 2022 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on December 2, 2021, in the Middle Park Times, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 8:00 AM on Thursday, December 9, 2021, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HEADWATERS METROPOLITAN DISTRICT, GRAND COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2022 Revenues and 2022 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2022, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2022.

Section 3. 2022 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$-0-, and that the 2021 valuation for assessment, as certified by the Grand County Assessor, is \$ 64,210. That for the purposes of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a tax of zero mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2022.

Section 4. Certification to Board of County Commissioners. No mill levies were certified to the Grand County Board of County Commissioners

Section 5. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 7. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director _____ .

THIS RESOLUTION WAS APPROVED AND ADOPTED ON DECEMBER 9, 2021.

HEADWATERS METROPOLITAN DISTRICT

By: _____
President

ATTEST:

Sue Blair, Secretary

DRAFT

STATE OF COLORADO
COUNTY OF GRAND
HEADWATERS METROPOLITAN DISTRICT

I, Sue Blair, hereby certify that I am a qualified Secretary of Headwaters Metropolitan District (the “District”), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 8:00 AM on Thursday, December 9, 2021, via a virtual Zoom meeting, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2022; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name on December 9, 2021.

Sue Blair, Secretary

EXHIBIT A
2022 BUDGET DOCUMENT & BUDGET MESSAGE FOR
HEADWATERS METROPOLITAN DISTRICT

DRAFT

**HEADWATERS METROPOLITAN DISTRICT
GENERAL FUND
2022 PROPOSED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2020 ACTUAL, 2021 PROPOSED, 2021 YTD ACTUAL & 2021 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2020 Actual	2021 Proposed	Actual 9/30/2021	2021 Estimated	2022 Proposed
REVENUES					
Amenities rental fee	\$ 7,239	\$ -	\$ -	\$ -	\$ -
Interest	123	25	15	25	25
Allocation from road maintenance fund	284	1,000	425	1,000	1,000
Developer contributions	-	260,000	192,976	260,000	150,000
Miscellaneous	25	-	-	-	-
Total revenues	<u>7,671</u>	<u>261,025</u>	<u>193,416</u>	<u>261,025</u>	<u>151,025</u>
EXPENDITURES					
Audit	5,200	-	-	-	-
District management and accounting	44,874	60,000	44,645	60,000	50,000
Election	13,068	-	-	-	5,000
Insurance and SDA dues	5,050	6,500	4,730	6,500	6,500
Legal	64,928	225,000	177,927	225,000	100,000
Miscellaneous	2,061	2,500	572	2,500	2,500
Emergency reserve contribution (3%)	-	7,800	-	7,800	4,500
Total expenditures	<u>135,181</u>	<u>301,800</u>	<u>227,874</u>	<u>301,800</u>	<u>168,500</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>(127,510)</u>	<u>(40,775)</u>	<u>(34,458)</u>	<u>(40,775)</u>	<u>(17,475)</u>
OTHER FINANCING SOURCES (USES)					
Developer advances	167,378	-	-	-	-
Transfer to golf course fund	-	(536)	(536)	(536)	-
Transfer from lease purchase fund	-	1,082	1,082	1,082	-
Total other financing sources (uses)	<u>167,378</u>	<u>546</u>	<u>546</u>	<u>546</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	39,868	<u>\$ (40,229)</u>	(33,912)	(40,229)	(17,475)
BEGINNING FUND BALANCE	<u>10,010</u>		<u>49,878</u>	<u>49,878</u>	<u>9,649</u>
ENDING FUND BALANCE	<u>\$ 49,878</u>		<u>\$ 15,966</u>	<u>\$ 9,649</u>	<u>\$ (7,826)</u>

**HEADWATERS METROPOLITAN DISTRICT
GOLF COURSE OPERATIONS FUND
2022 PROPOSED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2020 ACTUAL, 2021 PROPOSED, 2021 YTD ACTUAL & 2021 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2020 Actual	2021 Proposed	Actual 9/30/2021	2021 Estimated	2022 Proposed
REVENUES					
Golf course revenue	\$ 341,713	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	3,000	2,973	2,973	-
Total revenues	<u>341,713</u>	<u>3,000</u>	<u>2,973</u>	<u>2,973</u>	<u>-</u>
EXPENDITURES					
Golf course operations	338,490	-	-	-	-
Miscellaneous	-	6,750	6,732	6,732	-
Total expenditures	<u>338,490</u>	<u>6,750</u>	<u>6,732</u>	<u>6,732</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,223</u>	<u>(3,750)</u>	<u>(3,759)</u>	<u>(3,759)</u>	<u>-</u>
OTHER FINANCING SOURCES					
Transfer from general fund	-	527	536	536	-
Total other financing sources	<u>-</u>	<u>527</u>	<u>536</u>	<u>536</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	3,223	<u>\$ (3,223)</u>	(3,223)	(3,223)	-
BEGINNING FUND BALANCE	<u>-</u>		<u>3,223</u>	<u>3,223</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 3,223</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HEADWATERS METROPOLITAN DISTRICT
CAPITAL IMPROVEMENTS FUND
2022 PROPOSED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2020 ACTUAL, 2021 PROPOSED, 2021 YTD ACTUAL & 2021 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2020 Actual	2021 Proposed	Actual 9/30/2021	2021 Estimated	2022 Proposed
REVENUES					
Interest	\$ 11			\$ -	\$ -
Total revenues	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES					
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	11	<u>\$ -</u>	-	-	-
BEGINNING FUND BALANCE	<u>1,050</u>		<u>-</u>	<u>1,061</u>	<u>1,061</u>
ENDING FUND BALANCE	<u>\$ 1,061</u>		<u>\$ -</u>	<u>\$ 1,061</u>	<u>\$ 1,061</u>

HEADWATERS METROPOLITAN DISTRICT
LEASE PURCHASE AGREEMENT (LPA) SPECIAL REVENUE FUND
2022 PROPOSED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2020 ACTUAL, 2021 PROPOSED, 2021 YTD ACTUAL & 2021 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,

	2020 Actual	2021 Proposed	Actual 9/30/2021	2021 Estimated	2022 Proposed
REVENUES					
Amenity fee	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Interest	2	-	-	-	-
Total revenues	<u>10,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Lease-purchase payments	10,000	-	-	-	-
Total expenditures	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses					
Transfer to general fund	-	(1,082)	(1,082)	(1,082)	-
Total other financing uses	<u>-</u>	<u>(1,082)</u>	<u>(1,082)</u>	<u>(1,082)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2	<u><u>\$ (1,082)</u></u>	(1,082)	(1,082)	-
BEGINNING FUND BALANCE	<u>1,080</u>		<u>1,082</u>	<u>1,082</u>	<u>-</u>
ENDING FUND BALANCE	<u><u>\$ 1,082</u></u>		<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**HEADWATERS METROPOLITAN DISTRICT
ROAD MAINTENANCE FUND
2022 PROPOSED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2020 ACTUAL, 2021 PROPOSED, 2021 YTD ACTUAL & 2021 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2020 Actual	2021 Proposed	Actual 9/30/2021	2021 Estimated	2022 Proposed
REVENUES					
KMHD	\$ 5,969	\$ 11,000	\$ 6,425	\$ 11,000	\$ 11,000
Total revenues	<u>5,969</u>	<u>11,000</u>	<u>6,425</u>	<u>11,000</u>	<u>11,000</u>
EXPENDITURES					
KMHD snow removal	5,685	10,000	4,027	10,000	10,000
Facilities management fee	-	500	150	500	500
Allocated overhead	284	500	275	500	500
Total expenditures	<u>5,969</u>	<u>11,000</u>	<u>4,452</u>	<u>11,000</u>	<u>11,000</u>
NET CHANGE IN FUND BALANCE	-	<u>\$ -</u>	1,973	-	-
BEGINNING FUND BALANCE	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>		<u>\$ 1,973</u>	<u>\$ -</u>	<u>\$ -</u>

**HEADWATERS METROPOLITAN DISTRICT
ASSESSED VALUATION - GRAND COUNTY**

	2019	2020	2021
Assessed Valuation	\$ 78,290	\$ 58,210	\$ 58,210
MILL LEVY			
General Fund	0.000	0.000	0.000
Capital Expenditures	0.000	0.000	0.000
Total Mill Levy	0.000	0.000	0.000
PROPERTY TAXES			
General Fund	\$ -	\$ -	\$ -
Capital Expenditures	-	-	-
Total Property Taxes	\$ -	\$ -	\$ -