

GREENSPIRE METROPOLITAN DISTRICT NO. 2

**-REGULAR MEETING-
Wednesday, July 27, 2022**

**Windsor Community Recreation Center
250 N 11th Street
Windsor, CO 80550
6:00 p.m.**

<u>Board of Directors</u>	<u>Term Expiration</u>
James M. Hogue – President	5/2025
Doug Hoffman – Secretary/Treasurer	5/2023
John Hall- Assistant Secretary	5/2025
Dave Carlson-Assistant Secretary	5/2023
Vacancy	5/2025

AGENDA

1. Call to Order
2. Declaration of Quorum/Disclosure Matters
3. Approval of Meeting Minutes – April 27, 2022 Regular Meeting
4. Public Comment
5. Financial Matters
 - a. Final Report/Payment of Claims
 - b. Discussion re: Water Billing Status
 - c. Other
6. District Manager Report
 - a. Consider Approval of District Management Services Agreement with Kellison LLC, and Associated Fees
 - b. Other
7. Legal Matters
8. Other Matters
 - a. Discussion regarding Maintenance Activities
 - b. Other
9. Adjourn

NEXT REGULAR MEETING: Wednesday, October 26, 2022 at 6:00 p.m.

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE GREENSPIRE METROPOLITAN DISTRICT NO. 2

Held: Wednesday, April 27, 2022, at 6:00 p.m., at Windsor Community Recreation Center, 250 N. 11th Street, Windsor, Colorado 80550.

Attendance

A regular meeting of the Board of Directors of the Greenspire Metropolitan District No. 2 was held and the following Directors, having confirmed their continued qualification to serve on the Board, were in attendance:

James Hogue, President
Doug Hoffman, Secretary/Treasurer
John Hall, Assistant Secretary
Dave Carlson, Assistant Secretary

Absent: None.

Also, in attendance were: Colin B. Mielke, Seter & Vander Wall, P.C.; Nik Wagner, Centennial Consulting Group; and various members of the public.

Call to Order and Declaration of Quorum

The meeting was opened and it was noted that a quorum of the Board was in attendance.

Disclosure Matters

The Board had been previously advised that pursuant to Colorado law, certain disclosures by the Board members might be required prior to taking official action at the meeting. The Board then reviewed the agenda for the meeting, following which each Board member affirmed their conflicts of interest, which had been disclosed and filed with the Colorado Secretary of State, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. The Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

Approval of Minutes

The Board reviewed the minutes from the February 23, 2022 board meeting. Upon motion made, seconded and unanimously carried, the Board approved the minutes as presented.

RECORD OF PROCEEDINGS

Public Comment

The meeting was opened for public comment.

Bruce Laymon addressed the Board regarding the alleyway next to his property at 64 Turnberry Drive and asked what entity is responsible for maintenance. The Board stated its belief that the District is responsible for maintenance of that tract.

Gene Sullivan addressed the Board regarding a damaged light pole near his property at 712 Moonglow. The Board noted that Xcel Energy owns the light pole and that Mr. Sullivan will need to contact Xcel Energy to notify them of a needed repair. Mr. Sullivan also asked about the speed limits within the community, and the Board noted that the City has sole authority to determine the speed limits within the community.

Larry Jokerst addressed the Board regarding poor lighting near the mailboxes and the need for more consistent snow removal in that area. The Board stated that it would coordinate with the District's management company to review those matters. It was noted by another member of the public that the masonry near the mailboxes also needs to be repaired, and the District's manager noted he will get pricing for the masonry repair.

Mark Tweitmeyer asked for an update on future development within the District. Director Hall informed Mr. Tweitmeyer of the status of the duplex project on property west of the mailboxes. A small neighborhood grocery store is planned on the commercial tract south of the detention pond.

There being no further public comment, the public comment period was closed.

Financial Matters

The Board noted its receipt of the unaudited financial report dated March 31, 2022 and upon motion made, seconded and unanimously carried, the Board accepted the financials as presented.

Consider Adoption of 2022 Irrigation Water Fees

The Board was presented with a 2022 Water Rate Recommendation report by Centennial Consulting Group. The Board considered the recommendations in the report. The Board also discussed the alternative of charging the same amount charged to the Districts by the Town of Windsor per 1,000 gallons of water. Mr. Mielke noted the additional costs to operate and maintain the system, and the Board determined

RECORD OF PROCEEDINGS

to revisit the fees in future years depending on the Districts' experience during the 2022 watering season. The Board stated its request that District No. 1 consider adoption of the water fee proposal as discussed at its meeting the following day. The Board further requested that the District's manager work with the District's accountant to determine the most efficient way to invoice for water services during 2022.

The Board further discussed invoicing for water during 2021 and stated its request for District No. 1 not to charge for 2021 water usage.

The Board asked the District's manager to confirm the open space watering schedule during 2022 to ensure the open space areas are not overwatered.

District Manager Report

Mr. Wagner updated the Board on management activities within the Districts. The Board and Mr. Wagner discussed adding lighting at the south entrance of the community. The Board discussed the lack of electricity connections at that entrance. Mr. Wagner confirmed he will research pricing for solar lighting at the south entrance.

Mr. Wagner stated he will obtain estimates for dog waste station installation and maintenance for the District No. 1 board meeting.

Legal Report

Mr. Mielke updated the Board on the status of the May 2022 election and noted that there remains one vacancy on the board of directors.

Additional Public Comment

Upon request from a member the public, the District re-opened the public comment period. Various members of the public present stated they were very pleased with the Districts' decision to meter water usage, and requested that the Districts deliver some form of communication to the community to inform them of metering going forward.

Adjournment

There being no other business to come before the Board, the meeting was adjourned at approximately 7:10 p.m.

Secretary for the Meeting

Greenspire Metropolitan District No. 1
Statement of Net Position
June 30, 2022

(unaudited)

Tentative and Preliminary and Subject to Material Change

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 1,356,803
Accounts receivable-non-potable	16,189
Accounts receivable property taxes	160
Accounts receivable - other	10,003
Capital assets, net of accumulated depreciation	730,078
Capital assets not being depreciated	1,117,939
Total assets	3,231,171
 Liabilities	
Accounts payable	\$ 55,712
Due to developer, including accrued interest	2,219,730
Non-current liabilities	
Due within one year	-
Due in more than one year	5,785,000
	8,060,442.02
 Deferred inflows of resources	 -
Total liabilities and deferred inflows of resources	8,060,442
 Net Position (Deficit)	
Net investment in capital assets	1,848,017
Restricted for:	
Debt service	(6,649,628)
Capital projects	-
Unrestricted (deficit)	(27,659)
Total net position	\$ (4,829,271)

Greenspire Metropolitan District No. 1
Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds
For the Six Months Ended June 30, 2022

(unaudited)

Tentative and Preliminary and Subject to Material Change

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Property taxes	\$ 63	\$ 96	\$ -	\$ 160
Specific ownership taxes	2	2	-	4
Non-potable water	375	-	-	375
Interest	-	86	-	86
Tap fee	100,000	-	-	100,000
Total revenues	<u>100,440</u>	<u>184</u>	<u>-</u>	<u>100,624</u>
Expenditures				
Current				
Legal	13,991	-	-	13,991
Accounting	1,125	-	-	1,125
Audit	-	-	-	-
Insurance	4,988	-	-	4,988
Management fee	6,001	-	-	6,001
Utilities-electric	879	-	-	879
Utilities-water	17,250	-	-	17,250
Water meters	40,519	-	-	40,519
Landscape maintenance	19,580	-	-	19,580
Repairs and maintenance	(13)	-	-	(13)
Treasurer's fees	1	1	-	2
Meeting space	200	-	-	200
Miscellaneous	15	-	-	15
Debt issuance costs	-	334,392	-	334,392
Interest	-	101,222	-	101,222
Total expenditures	<u>104,536</u>	<u>435,615</u>	<u>-</u>	<u>540,151</u>
Excess of revenues under expenditures	<u>(4,096)</u>	<u>(435,431)</u>	<u>-</u>	<u>(439,526)</u>
Other financing sources				
Interfund transfers	-	-	-	-
2022 bonds	-	5,785,000	-	5,785,000
2005-2010 bonds	-	(3,464,833)	-	(3,464,833)
Total other financing	<u>-</u>	<u>2,320,167</u>	<u>-</u>	<u>2,320,167</u>
Net change in fund balances	(4,096)	1,884,736	-	1,880,640
Fund balances (deficit) - beginning of year	<u>(23,564)</u>	<u>(529,634)</u>	<u>-</u>	<u>(180,856)</u>
Fund balances (deficit) - end of year	<u>\$ (27,659)</u>	<u>\$ 1,355,102</u>	<u>\$ -</u>	<u>\$ (303,107)</u>

Greenspire Metropolitan District No. 1
 General Fund - Statement of Revenues, Expenditures and Changes in
 Fund Balances - Budget and Actual
 For the Six Months Ended June 30, 2022

(unaudited)

Tentative and Preliminary and Subject to Material Change

	General Actual	General Budget	Variance
Revenues			
Property taxes	\$ 63	\$ 64	\$ (1)
Specific ownership taxes	2	5	(3)
Non-potable water	375	100,021	(99,646)
Tap fee	100,000	175,000	(75,000)
Total revenues	<u>100,440</u>	<u>275,090</u>	<u>(174,650)</u>
Expenditures			
Current			
Legal	13,991	70,000	56,009
Accounting	1,125	12,500	11,375
Insurance	4,988	13,000	8,012
Management fee	6,001	17,400	11,399
Utilities-electric	879	1,000	121
Utilities-water	17,250	110,000	92,750
Water meters	40,519	125,000	84,481
Landscape maintenance	19,580	60,000	40,420
Repairs and maintenance	(13)	22,500	22,513
Treasurer's fees	1	1	0
Meeting space	200		
Miscellaneous	15	1,025	1,010
Total expenditures	<u>104,536</u>	<u>432,426</u>	<u>(327,890)</u>
Excess of revenues under expenditures	<u>(4,096)</u>	<u>(157,336)</u>	<u>153,240</u>
Other financing sources			
Developer advance	-	106,442	(106,442)
Interfund transfers	-	(223,602)	223,602
Transfers from District No. 2	-	266,360	(266,360)
Transfers from District No. 3	-	8,136	(8,136)
Total other financing	<u>-</u>	<u>157,336</u>	<u>(157,336)</u>
Net change in fund balances	(4,096)	-	(4,096)
Fund balances (deficit) - beginning of year	<u>(23,564)</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) - end of year	<u>\$ (27,659)</u>	<u>\$ -</u>	<u>\$ (4,096)</u>

Greenspire Metropolitan District No. 2
Statement of Net Position
June 30, 2022

(unaudited)

Tentative and Preliminary and Subject to Material Change

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 100
Accounts receivable other	5,153
Accounts receivable taxes	263,285
Total assets	\$ 268,538
Liabilities	
Deferred inflows of resources	-
	(0)
Total liabilities and deferred inflows of resources	(0)
Net Position (Deficit)	
Net investment in capital assets	-
Restricted for:	
Emergency reserves	-
Debt service	161,965
Capital projects	-
Unrestricted (deficit)	106,573
Total net position	\$ 268,539

Greenspire Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds
For the Six Months Ended June 30, 2022

(unaudited)

Tentative and Preliminary and Subject to Material Change

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Property taxes	\$ 104,429	\$ 158,856	\$ -	\$ 263,286
Specific ownership taxes	2,987	4,544	-	7,530
Interest	-	-	-	-
Other	13	20	-	32
Total revenues	<u>107,429</u>	<u>163,419</u>	<u>-</u>	<u>270,849</u>
Expenditures				
Current				
Miscellaneous	-	-	-	-
Treasurer's fees	1,567	2,383	-	3,950
Total expenditures	<u>1,567</u>	<u>2,383</u>	<u>-</u>	<u>3,950</u>
Excess of revenues under expenditures	<u>105,862</u>	<u>161,036</u>	<u>-</u>	<u>266,899</u>
Net change in fund balances	105,862	161,036	-	266,899
Fund balances (deficit) - beginning of year	<u>711</u>	<u>929</u>	<u>-</u>	<u>1,640</u>
Fund balances (deficit) - end of year	<u><u>106,573</u></u>	<u><u>161,965</u></u>	<u><u>-</u></u>	<u><u>268,539</u></u>

Greenspire Metropolitan District No. 3
Statement of Net Position
June 30, 2022

(unaudited)

Tentative and Preliminary and Subject to Material Change

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 100
Accounts receivables-property taxes	5,745
Accounts receivables-other	286
Total assets	\$ 6,131
Liabilities	\$ -
Deferred inflows of resources	4,547
Total liabilities and deferred inflows of resources	4,547
Net Position (Deficit)	
Net investment in capital assets	-
Restricted for:	
Emergency reserves	-
Debt service	2,258
Capital projects	-
Unrestricted (deficit)	1,584
Total net position	\$ 3,842

Greenspire Metropolitan District No. 3
Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds
For the Six Months Ended June 30, 2022

(unaudited)

Tentative and Preliminary and Subject to Material Change

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Property taxes	\$ 1,354	\$ 2,059	\$ -	\$ 3,413
Specific ownership taxes	70	107	-	178
Total revenues	<u>1,424</u>	<u>2,166</u>	<u>-</u>	<u>3,591</u>
Expenditures				
Current				
Miscellaneous	-	-	-	-
Treasurer's fees	20	31	-	51
Total expenditures	<u>20</u>	<u>31</u>	<u>-</u>	<u>51</u>
Excess of revenues under expenditures	<u>1,404</u>	<u>2,136</u>	<u>-</u>	<u>3,539</u>
Net change in fund balances	1,404	2,136	-	3,539
Fund balances (deficit) - beginning of year	<u>180</u>	<u>122</u>	<u>-</u>	<u>302</u>
Fund balances (deficit) - end of year	<u>\$ 1,584</u>	<u>\$ 2,258</u>	<u>\$ -</u>	<u>\$ 3,842</u>

Greenspire Metropolitan District No. 1
Checks May 31, 2022 through July 1, 2022

Date	Check number	Name	Amount
05/31/2022	3211	Above All Plumbing	9,780.00
05/31/2022	3209	Carters Lawn Service	5,492.25
05/31/2022	3210	Centennial Consulting Group	1,500.00
05/31/2022	3211	Diversified Underground, Inc	1,535.00
05/31/2022	3023	Xcel Energy	135.12
07/01/2022	3212	Badger Meters	1,350.00
07/01/2022	3213	Carters Lawn Service	7,424.25
07/01/2022	3214	Dana Kemper	10,311.14
07/01/2022	3215	Seter & Vander Wall PC	5,881.90
07/01/2022	3216	UNCC	48.10
07/01/2022	3024	Xcel Energy	69.02
			43,526.78

DISTRICT MANAGEMENT SERVICES AGREEMENT

THIS DISTRICT MANAGEMENT SERVICES AGREEMENT (the “**Agreement**”) is made effective as of the 28th day of June, 2022, by and between **GREENSPIRE METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado located in the City of Windsor, State of Colorado (“**District**”), and **KELLISON, LLC dba KELLISON CORP.**, a Colorado limited liability company (the “**Contractor**”).

RECITALS

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

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

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

WHEREAS, it is in the best interest of the residents, taxpayers and users of such public facilities to have the management and coordination of the District’s activities integrated in one entity as the District Manager, subject to the overall management, control and supervision of the Board of the District (“**Board**”), pursuant to § 32-1-1001(1)(h), C.R.S.; and

WHEREAS, the District desires to engage the Contractor to perform certain services as defined herein to effectively operate and manage the District and serve the residents and property within and without its boundaries; and

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

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

TERMS AND CONDITIONS

1. APPOINTMENT AS MANAGER. The District hereby retains and appoints Contractor as the District Manager and the Contractor agrees to perform the services of District Manager as further set forth herein.

2. SCOPE OF SERVICES. The Contractor shall perform the services described in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Services**”): (a) in a first-

class manner, to the satisfaction of the District, using the degree of skill and knowledge customarily employed by other professionals performing similar services in the geographic area of the District; (b) within the time period and pursuant to the Scope of Services specified in said **Exhibit A**; (c) in such a manner to minimize any annoyance, interference or disruption to the residents, tenants, occupants and invitees within the District; and (d) in compliance with all applicable federal, state, county and local or municipal body or agency statutes, ordinances and regulations, including, without limitation, any licensing, bonding, and permit requirements, and including without limitation, any such laws relating to storage, use or disposal of hazardous wastes, substances or materials. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in **Exhibit A**, the terms in the body of this Agreement shall govern.

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

4. **COMPENSATION AND PAYMENT.**

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

b. **Invoices.** Invoices for the Services shall be submitted monthly to the District's accountant, by the 10th of each month, during the term of the Agreement and shall contain the following information:

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

Invoices received by the District after the 10th of each month may be processed the following month.

c. **Time for payment.** Payment for the Services shall be made by the District within thirty (30) days of receipt of (i) a timely, satisfactory and detailed invoice for that portion

of the Services performed and not previously billed and (ii) if required, a satisfactory and detailed Monthly Report containing a narrative progress and status report of Services performed during the prior month period and Services expected to be performed in the following month. The District may determine to waive or extend the deadline for filing the Monthly Report, or may make payment for Services to the Contractor notwithstanding a delay in filing the Monthly Report, upon reasonable request of the Contractor, at the discretion of the District. In the event the Board does not meet to allow for timely approval of Contractor's monthly invoice, at its discretion, Contractor may submit its invoice for processing of payment, subject to Board review and ratification of such invoice at the next available District meeting. Such payment shall require review and approval of each Monthly Report and invoice by the District's accountant or an officer of the District, for compliance with the terms of this Agreement as a condition to release of District funds for payment.

5. TERM AND RENEWAL. This Agreement shall be effective as of August 1, 2022 and shall terminate at midnight on December 31, 2022, unless otherwise earlier terminated as provided herein. Notwithstanding the foregoing, this Agreement shall automatically renew on January 1st of each succeeding year for an additional one-year term unless: 1) terminated pursuant to this Agreement; 2) failure by the District to budget and appropriate funds for the succeeding year.

6. TERMINATION.

a. In addition to any other rights provided herein, either party shall have the right to terminate, not for cause, in whole or in part, this Agreement and the further performance of their respective obligations. The District may terminate this Agreement upon at least 30 days written notice to Contractor specifying the extent of termination and the effective date of termination. Contractor may terminate this Agreement upon at least 30 days written notice to the District specifying the extent of termination and the effective date of termination. In the event of termination under this provision, Contractor shall be paid for all Services satisfactorily performed through the effective date of the termination.

b. Upon expiration of this Agreement or termination by either party, Contractor shall turn over to the District all records of the District in its possession, including but not limited to, copies of all tax returns; copies of all District documents;; copies of all financial statements not previously provided; all legal records of the District; any and all records and information pertaining to the District; provide the District with electronic copies of all files or documents in the agent's possession. Contractor shall not bill any time, fees and costs for transition of the District's records as part of the expiration or termination of this Agreement.

7. GENERAL PERFORMANCE STANDARDS.

a. The Contractor has, by careful examination, ascertained (i) the nature and location of the Services; (ii) the configuration of the ground on which the Services are to be performed; (iii) the character, quality, and quantity of the labor, materials, equipment and facilities necessary to complete the Services; (iv) the general and local conditions pertaining to the Services; and (v) all other matters which in any way may affect the performance of the Services by the Contractor. Contractor enters into this Agreement solely because of the results of such examination

and not because of any representations pertaining to the Services or the provision thereof made to it by the District or any agent of the District and not contained in this Agreement. If competent professionals find that the Contractor's performance of the Services does not meet this standard, the Contractor shall, at the District's request, re-perform the Services not meeting this standard without additional compensation.

b. The Services of the Contractor shall be undertaken and completed to assure their expeditious completion in light of the purposes of this Agreement. If performance of the Services by the Contractor is delayed due to factors beyond the Contractor's reasonable control, or if conditions of the scope or type of services are expected to change, Contractor shall give timely notice to the District of such a delay or change and may request an equitable adjustment of time and/or compensation, as negotiated between the Parties.

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

d. Contractor shall comply with all Federal, State and local laws, rules, regulations, ordinances and/or similar directives applicable to providing the Services under this Agreement.

e. The responsibilities and obligations of the Contractor under this Agreement shall not be relieved or affected in any respect by the presence of any agent, consultant, sub-consultant or employee of the District. Acceptance of the Services or any documents performed or prepared by the Contractor by the District shall not relieve the Contractor of any responsibility for deficiencies, omissions or errors in said Services or documents.

8. OWNERSHIP OF DOCUMENTS. All documents produced by or on behalf of the Contractor prepared pursuant to this Agreement, including, but not limited to, all maps, plans, drawings, specifications, reports, electronic files and other documents, in whatever form, shall remain the property of the District under all circumstances, upon payment to the Contractor of the invoices representing the work by which such materials were produced. The Contractor shall maintain electronic and reproducible copies on file of any such instruments of service involved in the Services, shall make them available for the District's use and shall provide such copies to the District upon request at no cost.

9. OPEN RECORDS ACT. Contractor acknowledges the District, as a political subdivision of the State of Colorado, is subject to the requirements of the Colorado Open Records Act, §§ 24-72-200.1 *et seq.*, C.R.S. ("CORA"). Consultant acknowledges and agrees that all documents or records in the District's possession, including documents, information, and records submitted to District by the Consultant, are subject to CORA, and the Consultant acknowledges that the District must abide by CORA, including honoring all proper public records request thereunder.

10. AUDITS. The District shall have the right to audit, with reasonable notice, any of the Contractor's books and records which may be necessary to substantiate any invoices and payments under this Agreement (including, but not limited to, receipts, time sheets, payroll and personnel records) and the Contractor agrees to maintain adequate books and records for the time

periods specified in the Special Districts Records Management Manual put forth by the Colorado State Archivist and adopted by the District.

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

12. AUTHORITY. Contractor shall have no right or authority, express or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or as expressly delegated by the District through Board action or written agreement.

13. INSURANCE.

a. Contractor shall acquire and maintain during the term of this Agreement, including any extensions, statutory workers' compensation insurance coverage, comprehensive general liability insurance coverage and automobile liability insurance coverage in the minimum amounts set forth in **Exhibit C** attached hereto. The District shall be named as an additional insured on Contractor's comprehensive commercial general liability insurance and automobile liability insurance. Any policy obtained to comply with this Section shall provide that the District shall receive thirty (30) days written notice prior to cancellation or non-renewal.

b. Prior to commencing any work under this Agreement, Contractor shall provide the District with a certificate or certificates evidencing the coverage required by this Section. If the coverage required under this Section expires during the term of this Agreement, Contractor shall provide replacement certificate(s) evidencing the continuation of the required coverage within 10 days.

14. INDEPENDENT CONTRACTOR. Contractor hereby declares itself to be an independent Contractor and nothing herein contained shall constitute or designate Contractor or any of its employees or agents as an employee or agent of the District. The Contractor shall have full power and authority to select the means, manner and method of performing its duties under this Agreement, without detailed control or direction from the District, and shall be responsible for supervising its own employees or subcontractors. The District is concerned only with the results to be obtained. **Pursuant to the Workers' Compensation Act Section 8-40-202(2)(b)(IV), C.R.S., the Contractor understands that it and its employees and agents are not entitled to workers' compensation benefits from the District. The Contractor further understands that**

it is solely obligated for the payment of federal and state income taxes on any moneys earned pursuant to this Agreement.

15. EMPLOYMENT OF WORKERS WITHOUT AUTHORIZATION. Pursuant to the requirements established by §§ 8-17.5-101, *et seq.*, C.R.S.:

a. Contractor acknowledges that, prior to executing the Agreement, Contractor has certified that it does not knowingly employ or contract with any worker without authorization to perform work under the Agreement and that Contractor has participated in the E-Verify Program (formerly known as the Basic Pilot Program¹) (the “E-Verify Program”) or the Colorado Department of Labor and Employment (the “Department”) program established by § 8-17.5-102(5)(c), C.R.S. (the “Department Program”) in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement.

b. Contractor shall not:

i. Knowingly employ or contract with a worker without authorization to perform work under the Agreement; or

ii. Enter into a contract with a subcontractor who fails to certify to Contractor that the subcontractor shall not knowingly employ or contract with a worker without authorization to perform work under the Agreement.

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

i. In the event Contractor uses the Department Program for the employment verification described herein, Contractor shall comply with the requirements mandated by § 8-17.5-102(5)(c), C.R.S. including:

1) Contractor shall comply with the provisions of § 8-17.5-102(5)(c), C.R.S.; and

2) Contractor shall notify the District of its determination to participate in the Department Program, and

3) Contractor must, within twenty days after hiring an employee who is newly hired to perform work under the Agreement, affirm that Contractor has examined the legal work status of the employee, retained file copies of the documents required by 8 U.S.C. § 1324a and not altered or falsified the identification documents for the employee, and Contractor must provide a written, notarized copy of the affirmation of compliance with § 8-17.5-102(5)(c), C.R.S. to the District.

¹ “Basic Pilot Program” is described in § 8-17.5-101(1), C.R.S., as amended, and further defined as the Basic Pilot Employment Verification Program created in Public Law 208, 104th Congress, as amended, and expanded in Public Law 156, 108th Congress, as amended, that is administered by the United States Department of Homeland Security.

4) Contractor shall indemnify and hold harmless the District, its directors, officials, agents and employees, from and against any and all claims, demands, suits, actions, proceedings, judgments, losses, damages, injuries, penalties, costs, expenses (including attorney's fees) and liabilities of, by or with respect to third parties, arising from Contractor's failure to comply with the provisions of the Department Program and §§ 8-17.5-102(5)(c), C.R.S., arising under this provision or in any way related to performance hereof. The obligations of this indemnification shall survive the termination or expiration of this Section and the Agreement.

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

e. If Contractor obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with a worker without authorization, Contractor shall:

i. Notify the subcontractor and the District within three days that Contractor has actual knowledge that the subcontractor is employing or contracting with a worker without authorization; and

ii. Terminate the subcontract with the subcontractor if within three days of receiving the notice the subcontractor does not stop employing or contracting with the worker without authorization; except that Contractor shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with a worker without authorization.

f. Contractor shall comply with any reasonable request by the Department made in the course of an investigation that the Department is undertaking, pursuant to the law.

g. If Contractor violates any of the provisions under this Section, the District may terminate the Agreement for breach of contract. Contractor shall be liable for actual and consequential damages to the District.

h. In the case of any conflict between the Agreement and this Section 15, the provision of this Section shall control.

16. CONFLICTS. Prior to the execution of and during the performance of this Agreement, and prior to the execution of any future agreements with the District, the Contractor agrees to notify the District of any conflict that may impact the provision of the Services to the District.

17. LIENS AND ENCUMBRANCES. The Contractor shall not have any right or interest in any District assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the services contemplated herein. The Contractor, for itself, hereby waives and releases any and all statutory or common law mechanic's, materialmen's or other such lien claims, or rights to place a lien upon the District's property or any improvements thereon in connection with any Services performed under or in connection with this Agreement.

18. INDEMNIFICATION. Contractor indemnifies and holds harmless the District, its officers, directors and employees, from and against claims, demands, losses, liabilities, actions, lawsuits, and expenses (including attorneys' fees), to the extent that they are caused by or arise from the negligent acts or omissions of Contractor or anyone for whom Contractor is legally liable in connection with this Agreement or work hereunder. The provisions of this Section shall survive termination of this Agreement.

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

20. SUB-CONTRACTORS. The Contractor is solely and fully responsible to the District for the performance of all Services under this Agreement, whether performed by the Contractor or a subcontractor engaged by the Contractor. The Contractor shall not subcontract any Services without prior written approval by the District. The Contractor agrees that each and every agreement of the Contractor with any subcontractor to perform Services under this Agreement shall contain an indemnification provision identical to the one contained herein holding the District harmless for the acts of the subcontractor. The Contractor further agrees that any such subcontract shall be terminable for cause or convenience and that, unless directed otherwise by the District, the Contractor shall immediately terminate all such subcontracts immediately upon termination of this Agreement. Prior to commencing any Services, a subcontractor shall provide evidence of insurance coverage to the District in the minimum amounts set forth in **Exhibit C** of this Agreement. The Contractor further agrees that all such subcontracts shall provide that they may be terminated immediately without further cost upon termination of this Agreement. Neither the District's approval of any subcontractors, suppliers or materialmen, nor the failure of performance thereof by such parties, will relieve, release or affect in any manner any of the Contractor's duties, liabilities or obligations under this Agreement, and the Contractor will at all times be and remain fully liable. The Contractor agrees that each of its employees, and any subcontractors, suppliers and materialmen will be properly qualified and will use reasonable care in the performance of their duties.

21. TAX EXEMPT STATUS. The District is exempt from Colorado State sales and use taxes for purchases made in its governmental capacity. Accordingly, taxes from which the District is exempt shall not be included in any invoices submitted to the District. The District shall, upon request, furnish Contractor with a copy of its certificate of tax exemption. Contractor and subcontractors shall apply to the Colorado Department of Revenue, Sales Tax Division, for an Exemption Certificate and assist with the District purchase of materials tax free as permitted. Pursuant to Subsection 39-26-114(l)(a)(XIX)(A), C.R.S., Contractor and subcontractors shall be liable for exempt taxes paid due to failure to apply for Exemption Certificates or for failure to use said certificate when applicable.

22. AMENDMENT. This Agreement is subject to amendment only by a writing executed by both Parties.

23. 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, Title 24, Article 10, Part 1 of the Colorado Revised Statutes.

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

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

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

27. NOTICES. All notices, requests, demands, consents and other communications hereunder shall be transmitted in writing and shall be deemed to have been duly given when hand delivered or, in the case of mailed notices, when deposited in the United States mail, first-class postage prepared, addressed to the parties as follows:

To the District:

GREENSPIRE METROPOLITAN DISTRICT NO. 1
c/o Seter & Vander Wall, P.C.
Attn: Colin Mielke, Esq.
7400 E. Orchard Rd., Suite 3300
Greenwood Village, CO 80111
cmielke@svwpc.com
T: 303-770-2700
F: 303-770-2701

To Contractor:

Kellison Corp.
201 E. 4th St # 130
Loveland, CO 80537
Attention: Luke McFetridge
luke@kellisoncorp.ne
T: 970-692-1310

28. SEVERABILITY. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and regulations of the

jurisdiction in which the Agreement is performed. If any provision of the Agreement or application thereof to any person or circumstance shall for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected hereby, but rather shall be enforced to the greatest extent permitted by law.

29. NON-WAIVER. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed to be a waiver of any subsequent default hereunder.

30. 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 for Weld County, Colorado.

31. DISPUTES.

a. In the event of a legal dispute between the Parties concerning the Services terms of this Agreement and at the District's request, the Contractor shall carry on its duties and obligations under this Agreement during any legal proceedings and the District shall continue to pay for the Services performed under this Agreement until and unless this Agreement is otherwise terminated as provided herein.

b. In the event of any litigation between the District and the Contractor to enforce any provision of this Agreement or any right of either Party hereto, each party shall pay its own legal costs and fees.

c. At the District's request, the Contractor will consent to being joined in litigation between the District and third parties, but such consent shall not be construed as an admission of fault or liability.

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

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

33. DISCLOSURE OF FINANCIAL INTERESTS. The Contractor hereby discloses to the District that it has no financial interests or ownership interests in companies with which the

District presently does business or which the Contractor does business, and which will provide the District with certain goods and/or services.

34. CAPTIONS AND HEADINGS. The headings throughout this Agreement are for convenience and reference only, and shall in no way be deemed to define, limit, or add to the meaning of any provisions of this Agreement.

35. INTEGRATION. This Agreement embodies the entire agreement and understanding between the parties and supersedes all prior agreements and understandings, if any, between the parties relating to the subject matter herein.

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

**GREENSPIRE METROPOLITAN DISTRICT
NO. 1**

President, Board of Directors

ATTEST:

Secretary / Assistant Secretary

KELLISON CORP.:

DocuSigned by:
LUKE MCFETRIDGE
9F5971512AB34C6...

Name: LUKE MCFETRIDGE

Title: Principal

EXHIBIT A
Scope of Services

Kellison Corp. (“Kellison”) shall, under general supervision of the Board of Directors (“Board”), perform the following services and duties:

GENERAL OPERATIONS

1. Recruit, hire, train, supervise and discharge all personnel required to maintain and operate the District and effectuate the terms of this Agreement;

2. Make documented physical inspections of the District and District owned improvements including landscaping, irrigation, streets and sidewalks not less than once each month. Any observed issues will be reported to the Board;

3. Cause to be maintained the District’s general community appearance in accordance with the standards specified by the Board;

4. Coordinate with contractors for all routine repairs and maintenance work to District owned improvements consistent with the approved budget and as approved, authorized or directed by the Board;

a. Unless otherwise provided in the approved budget, or applicable state law the expenses incurred for any one item of repair or replacement shall not exceed the sum of \$2,500.00, without prior authorization by an officer of the District. However, the Contractor may cause to be made emergency repairs involving danger to life and property, repairs immediately necessary for the preservation and safety of the District or for the safety of the occupants, or expenditures required to avoid the suspension of any necessary service to the District. Contractor shall make reasonable efforts to obtain the approval of at least one Director of the District prior to incurring any expense on behalf of the District in this circumstance.

5. Oversee bidding and presentation to the Board of ongoing or one-time contracts for services, maintenance and/or repair of District owned improvements including snow removal, landscaping, irrigation, trails, gates, and fencing systems.

6. In conjunction with any other District consultant, supervise and coordinate ongoing and one-time contractor activities and ensure the contracted scope of work is completed by any contractor. Advise the Board and District legal counsel of any issues with contract completion.

7. Provide and manage a GREENSPIRE METROPOLITAN DISTRICT NO. 1 website where basic information about the District, including the District service plan, meeting minutes, maps, audit and other annual filings or relevant information will be publicly available.

8. Review periodically all forms of insurance carried by the District, assist with ensuring all District property is included on the property schedule, and cooperate with legal counsel to maintain in force and effect required and recommended insurance coverage for the District.

9. Assist in processing insurance claims for all property losses, regardless of cause.

10. Establish and maintain date reminders for renewals of insurance policies related to the District.

ADMINISTRATIVE SERVICES

1. Prepare, copy and distribute notices of meetings, agendas, meeting materials and other documents in conjunction with District legal counsel and as directed by the Board. All costs of reproduction and distribution shall be at the expense of the District.

2. Arrange for and schedule places, dates and times for conducting meetings called by the Board.

3. Attend regular and special meetings of the Board as requested.

4. Record changes of ownership upon receipt of advice of Owners with supporting documentation. Resale certificates, title statements, lending institution questionnaires, assessment payment information, and other items shall be processed by Kellison in accordance with the fees set forth in **Exhibit B**.

5. Maintain files for all correspondence, letters, and memorandums relating to the District and its members. All expenses involved in the storage of previous historical records shall be the responsibility of the District.

6. Provide reproduction and distribution services for periodic newsletters, flyers, announcements or other notices covering specific topics of interest to residents of the District at the direction of the Board at the expense of the District.

7. Prepare and distribute to the Board monthly operational reports of a routine nature as required by the Governing Documents. Special reports, not included in the Routine Reports, will be an additional fee to be mutually agreed upon by the Board and Kellison.

8. Provide a repository of District's records, including ongoing maintenance of an accessible, secure, organized and complete filing system for District records.

9. Provide a seven day-a-week, 24 hour-a-day telephone answering and paging.

10. Kellison shall inform all the materials suppliers of the tax-exempt status of the District, shall provide them with an exemption certificate and inform them that the District no be responsible for paying sales or use tax.

NON-POTABLE WATER SYSTEM MANAGEMENT SERVICES

The Manager shall be responsible for managing the non-potable water operations of the District, including:

1. Communicate with residents, Town of Windsor, builders, and developers regarding repair downtime, startup and winterizing operations;
2. Communicate with Town of Windsor, consultants, and vendors regarding pump house and irrigation system operations and maintenance;
3. Coordinate District pump station activities and contracts;
4. Assist the District in coordinating work to be performed;
5. Conduct regular site visits to ensure operations are being performed according to vendor agreements; and
6. Coordinate schedules with landscapers and irrigation technicians when needed.

Unless directed otherwise, Contractor shall not be responsible for the repair or maintenance of the non-potable water system. Any such necessary repairs will be reported to the Board. Any failure or malfunction of the water system equipment, which Contractor becomes aware of, shall be reported to the Board. Contractor shall have no responsibility to perform repairs. However, Contractor shall procure or cause to be performed such repairs using other contractors once directed to do so by the Board or immediately when required to protect the health, safety, and welfare of the District, its customers, residents, and property owners.

EXHIBIT B
Schedule of Compensation for Services Performed

Kellison shall be entitled to receive the following compensation (plus any applicable taxes) and fees for its services performed under the District Management Services Agreement between Kellison and the District effective August 1, 2022.

BASE MANAGEMENT FEE

Monthly Fee: \$650.00 per month

WEBSITE SERVICES

Kellison will provide, manage, update and maintain a website for the District. Kellison will invoice the District for reimbursement of the costs associated with the provision of the website. Website service costs shall be included in the adopted budget.

DISCLOSURE SERVICES / FEES

As part of this Agreement, the District hereby adopts a fee in the amount of \$500 for District disclosure-related services and hereby delegates performance of these services to Kellison. From time to time a title company, lender, or property owner may request the District to perform the disclosure services in connection with the transfer of, foreclosure on, or loan against property within the District. In the performance of such services, Kellison shall invoice the District's fee, and collect from the title company, lender, prospective purchaser or other person the District's fee and shall be authorized to retain the District's fee in consideration of Kellison's disclosure-related services on behalf of the District.

EXHIBIT C
Required Insurance Coverages

1. Workers' compensation insurance in accordance with applicable law.
2. Comprehensive commercial general liability insurance in the amount of \$1,000,000.00 combined single limit bodily injury and property damage, each occurrence; \$2,000,000.00 general aggregate.
3. Automobile liability insurance in the amount of \$1,000,000.00 combined single limit bodily injury and property damage, each accident.