

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 · 800-741-3254
Fax: 303-987-2032

NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Gregg A. Bradbury	President	2020/May 2020
Jeffrey L. Nading	Treasurer	2022/May 2022
Charles Church McKay	Assistant Secretary	2020/May 2020
Brandon Dooling	Assistant Secretary	2020/May 2020
Steve Nading	Assistant Secretary	2022/May 2020
David Solin		

DATE: **October 23, 2018 (Tuesday)**

TIME: 8:30 A.M.

PLACE: 141 Union Boulevard, Suite 150
Lakewood, Colorado

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda, confirm location of the meeting and posting of meeting notices.

C. Acknowledge resignation of Steve Beck as Secretary to the Board of Directors and consider appointment of David Solin as Secretary to the Board.

D. Review and approve minutes the July 24, 2018 Special Meeting (enclosure).

E. Consider regular meeting dates and location for 2019. Review and consider adoption of Resolution No. 2018-11-01; Resolution Establishing 2019 Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices (enclosure).

II. FINANCIAL MATTERS

- A. Review and ratify the approval of the payment of claims as follows (enclosures):

	Period Ending Aug. 16, 2018	Period Ending Sept. 25, 2018
General Fund	\$ 2,266.41	\$ 8,457.49
Debt Fund	\$ 5,500.00	\$ -0-
Capital Fund	\$ -0-	\$ -0-
Total Claims:	\$ 7,766.41	\$ 8,457.49

- B. Review and consider approval of the payment of claims through the period ending October 23, 2018, as follows: (enclosure)

General Fund	\$	1,576.98
Capital Improvements Fund	\$	<u>-0-</u>
Total Claims:	\$	<u>1,576.98</u>

- C. Review and accept unaudited financial statements for the period ending September 30, 2018 (to be distributed).

- D. Consider engagement of Simmons & Wheeler, P.C. to perform the 2018 Audit for an amount not to exceed \$4,000 (enclosure).

- E. Conduct Public Hearing to consider Amendment to 2018 Budget and (if necessary) consider adoption of Resolution to Amend the 2018 Budget and appropriate expenditures.

- F. Conduct Public Hearing on the proposed 2019 Budget and consider adoption of Resolutions to Adopt the 2019 Budget and Appropriate Sums of Money and Set Mill Levies (for General Fund _____, Debt Service Fund _____ and Other Fund(s) _____ for a total mill levy of _____) (enclosures – preliminary assessed valuation, resolutions and draft Budget).

- G. Consider authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

III. LEGAL MATTERS

A. Discuss status of construction.

B. Review and consider approval of Service Agreement for Project Management Services between the District and Papillon, LLC (enclosure).

IV. OTHER BUSINESS

A. Discuss Section 32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2019 (SDA website).

V. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
NOVEMBER 27, 2018**

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2 HELD JULY 24, 2018

A Special Meeting of the Board of Directors of the Great Western Park Metropolitan District No. 2 (referred to hereafter as "Board") was convened on Tuesday, the 24th day of July, 2018, at 8:30 AM, at the offices of the District, 141 Union Boulevard, Suite 150, Lakewood, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Charles Church McKay
Gregg Bradbury
Jeffrey L. Nading
Brandon Dooling

Also In Attendance Were:

Steve Beck; Special District Management Services, Inc.

Emily Murphy, Esq.; McGeady Becher P.C.

Brandon Collins and Elesha Carbaugh-Gonzales; Independent District Engineering Services, LLC (for a portion of the meeting)

Steve Nading; Board Candidate

DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST

The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

Attorney Murphy noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Murphy noted that the Directors' Disclosure Statements for all of the Directors have been filed, and no additional conflicts were disclosed at the meeting.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: The Board reviewed the proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Jeff Nading, seconded by Director Bradbury and, upon vote, unanimously carried, the Agenda was approved, as amended.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director Jeff Nading, seconded by Director Bradbury and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

Cancellation of May 8, 2018 Regular Election: Mr. Beck noted for the Board that the May 8, 2018 Directors' Election was cancelled, as allowed under Colorado law, by the Designated Election Official because there were no more candidates than positions available on the Board of Directors. It was noted that Director Jeff Nading was deemed elected to a 4-year term ending May 2022 and Director Dooling was deemed elected to a 2-year term ending May 2020.

Appointment of Director: The Board discussed the qualification of Steve Nading to fill the vacant Director position.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Board appointed Steve Nading to fill the vacant term until the next regular meeting. The Oath of Director was administered.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Nading and, upon vote, unanimously carried, the following slate of officers was appointed:

RECORD OF PROCEEDINGS

President	Gregg Bradbury
Treasurer	Jeff Nading
Secretary	Steve Beck
Assistant Secretary	Charles McKay
Assistant Secretary	Brandon Dooling
Assistant Secretary	Steve Nading

Minutes: The Board reviewed the Minutes from the December 6, 2017 Special Meeting.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director McKay and, upon vote, unanimously carried, the Minutes from the December 6, 2017 Special Meeting were approved.

FINANCIAL MATTERS

Claims: The Board considered ratifying approval of the payment of claims as follows:

FUND	Period Ending Jan. 26, 2018	Period Ending Feb. 20, 2018	Period Ending March 22, 2018
General	\$ 6,884.65	\$ 1,277.83	\$ 1,052.19
Capital Fund	\$ 0.00	\$ 0.00	\$ 0.00
Total Claims	\$ 6,884.65	\$ 1,277.83	\$ 1,052.19

FUND	Period Ending April 25, 2018	Period Ending May 31, 2018	Period Ending June 21, 2018
General	\$ 1,297.59	\$ 545.64	\$ 9,151.84
Capital Fund	\$ 0.00	\$ 0.00	\$ 0.00
Total Claims	\$ 1,297.59	\$ 545.64	\$ 9,151.84

Following discussion, upon motion duly made by Director Jeff Nading, seconded by Director Bradbury and, upon vote, unanimously carried, the Board ratified the approval of the payment of claims as presented, subject to the adjustment of the overstated Special District Management Services, Inc. invoices.

The Board considered the approval of the payment of claims for the period ending July 18, 2018 as follows:

General Fund	\$ 2,370.26
Capital Improvements Fund	\$ -0-
Total Claims:	<u>\$ 2,370.26</u>

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending July 18, 2018.

Unaudited Financial Statements: Mr. Beck reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers for the period ending June 30, 2018.

Following review, upon motion duly made by Director Bradbury, seconded by Director Jeff Nading and, upon vote, unanimously carried, the unaudited financial statements for the period ending June 30, 2018 were accepted.

2017 Audit: Mr. Beck discussed the 2017 Audit and Representations Letter with the Board.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Jeff Nading and, upon vote, unanimously carried, Board approved the 2017 Audit and authorized the execution of the Representations Letter, subject to final review by Legal Counsel.

2019 Budget Preparation: Mr. Beck reported that Fiscal Focus Partners would not be providing continuing accounting services and that all accounting services were being transitioned back to SDMSI including the preparations of budgets. The Board discussed the preparation of the 2019 Budget.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Nading and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2019 Budget.

LEGAL MATTERS

Status of Payment of Costs Under Agreement Regarding Allocation of Development Costs (Lantana): Attorney Murphy discussed with the Board the settlement with Taylor Morrison Homes, noting that payment is complete.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Jeff Nading, seconded by Director McKay and, upon vote, unanimously carried, the meeting was adjourned.

RECORD OF PROCEEDINGS

Respectfully submitted,

By _____
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL JULY 24, 2018 MINUTES
OF THE GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2 BY THE
BOARD OF DIRECTORS SIGNING BELOW:

Gregg A. Bradbury

Jeffrey L. Nading

Charles Church McKay

Brandon Dooling

Steve Nading

RESOLUTION NO. 2018-10-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2
ESTABLISHING REGULAR MEETING DATES, TIME AND LOCATION, AND
DESIGNATING LOCATIONS FOR POSTING OF 72-HOUR AND 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903, C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 24-6-402(2)(c), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the place at which notice will be posted at least 24 hours prior to each meeting.

C. Pursuant to Section 32-1-903, C.R.S., special districts are required to post notices of regular and special meetings at three (3) public places within the district and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting.

D. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

E. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Great Western Park Metropolitan District No. 2 of the City and County of Broomfield, Colorado:

1. That the provisions of Section 32-1-903(1), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the "**District Board**") has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), C.R.S., would be inconvenient and costly for the Directors and consultants of the District in that they live and/or work outside the twenty (20) mile radius requirement.

3. That regular meetings of the District Board of the Great Western Park Metropolitan District No. 2 for the year 2019 shall be held on fourth Tuesday in June and November at 8:30 a.m., at the offices of Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado in Jefferson County, Colorado.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each Director.

5. That, until circumstances change and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s), location(s) and any such objections shall be considered by the District Board in setting future meetings.

7. Notice of Meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location:

(a) Light pole on Median at Skystone Pkwy & W. Montane Drive

8. Notices of regular and special meetings required to be posted at three (3) public places within the District and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting shall be made pursuant to Section 32-1-903, C.R.S., at the following locations:

- (a) Light pole on Median at Skystone Pkwy & W. Montane Drive
- (b) Light pole on Southeast Corner of Graphite Street & Meadowlark Lane
- (c) Light pole on Corner of Red Fox Way & Meadowlark Lane

9. Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado, or his/her designee, is hereby appointed to post the above-referenced notices.

RESOLUTION APPROVED AND ADOPTED on October 23, 2018.

**GREAT WESTERN PARK
METROPOLITAN DISTRICT NO. 2**

By: _____
President

Attest:

Secretary

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
2209						
08/16/2018	McGeady Becher P.C.	937B 7/18	Legal	1-675	52.91	52.91
Total 2209:						52.91
2210						
08/16/2018	Special Dist Mgmt Services	36756	Management	1-680	727.00	727.00
08/16/2018	Special Dist Mgmt Services	36756	Accounting	1-612	1,082.30	1,082.30
08/16/2018	Special Dist Mgmt Services	36756	Election	1-635	13.70	13.70
08/16/2018	Special Dist Mgmt Services	36756	Miscellaneous	1-685	109.20	109.20
Total 2210:						1,932.20
2211						
08/16/2018	UMB Bank, N.A.	577238	Paying Agent/Trustee Fe	2-668	2,300.00	2,300.00
08/16/2018	UMB Bank, N.A.	577239	Paying Agent/Trustee Fe	2-668	3,200.00	3,200.00
Total 2211:						5,500.00
2212						
08/16/2018	UNCC	218070454	Miscellaneous	1-685	281.30	281.30
Total 2212:						281.30
Grand Totals:						7,766.41

Great Western Park Metropolitan District No.2
August-18

	General	Debt	Capital	Totals
Disbursements	\$ 2,266.41	\$ 5,500.00	-	\$ 7,766.41
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Total Disbursements	\$ 2,266.41	\$ 5,500.00	\$ -	\$ 7,766.41

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
2213						
09/25/2018	McGeady Becher P.C.	937B 8/18	Legal	1-675	2,460.90	2,460.90
Total 2213:						2,460.90
2214						
09/25/2018	Prairie Mountain Media	1447985	Election	1-635	49.72	49.72
Total 2214:						49.72
2215						
09/25/2018	Simmons & Wheeler, P.C.	22975	Audit	1-615	4,000.00	4,000.00
Total 2215:						4,000.00
2216						
09/25/2018	Special Dist Mgmt Services	37561	Management	1-680	465.80	465.80
09/25/2018	Special Dist Mgmt Services	37561	Accounting	1-612	1,164.50	1,164.50
09/25/2018	Special Dist Mgmt Services	37561	Audit	1-615	27.40	27.40
09/25/2018	Special Dist Mgmt Services	37561	Miscellaneous	1-685	15.12	15.12
Total 2216:						1,672.82
2217						
09/25/2018	UNCC	218080452	Miscellaneous	1-685	274.05	274.05
Total 2217:						274.05
Grand Totals:						8,457.49

Great Western Park Metropolitan District No.2
September-18

	General		Debt		Capital		Totals
Disbursements	\$ 8,457.49	\$	-			\$	8,457.49
			-		-		-
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Total Disbursements	\$ 8,457.49	\$	-	\$	-	\$	8,457.49

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
2218						
10/23/2018	Colorado Special Districts P&L	19W60155-2535	Prepaid Expenses	1-142	350.00	350.00
Total 2218:						350.00
2219						
10/23/2018	McGeady Becher P.C.	937B 9/18	Legal	1-675	112.54	112.54
Total 2219:						112.54
2220						
10/23/2018	Prairie Mountain Media	BUDGET 2019 PUB	Miscellaneous	1-685	13.64	13.64
Total 2220:						13.64
2221						
10/23/2018	Special Dist Mgmt Services	39952	Management	1-680	424.70	424.70
10/23/2018	Special Dist Mgmt Services	39952	Accounting	1-612	369.90	369.90
10/23/2018	Special Dist Mgmt Services	39952	Miscellaneous	1-685	10.40	10.40
Total 2221:						805.00
2222						
10/23/2018	UNCC	218090452	Miscellaneous	1-685	295.80	295.80
Total 2222:						295.80
Grand Totals:						1,576.98

Great Western Park Metropolitan District No.2
October-18

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 1,576.98	\$ -	-	\$ 1,576.98
		-	-	-
<u>Total Disbursements</u>	<u>\$ 1,576.98</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,576.98</u>

October 17, 2018

Board of Directors
Great Western Park Metropolitan District No. 2
c/o Special District Management
141 Union Boulevard, Suite #150
Lakewood, CO 80228

We are pleased to confirm our understanding of the services we are to provide Great Western Park Metropolitan District No. 2 for the year ended December 31, 2018. We will audit the financial statements of the governmental activities, the business-type activities (if applicable), each major fund and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Great Western Park Metropolitan District No. 2 as of and for the year ended December 31, 2018.

The document will also include management's discussion and analysis (as prepared by management) if applicable. We will apply certain limited procedures, which will consist principally of inquiries of management regarding methods of measurement and presentation, to management's discussion and analysis. However, we will not audit management's discussion and analysis and will express no opinion on it.

If applicable, we have also been engaged to report on supplementary information other than RSI that accompanies Great Western Park Metropolitan District No. 2's financial statements. We will subject the supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements.

If applicable, the document will include other information accompanying the financial statements that will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

Audit Objective

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You agree to assume all management responsibilities for any nonattest services we provide; oversee the services by designating an individual with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Great Western Park Metropolitan District No. 2 and the respective changes in financial position and where applicable, cash flows, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct or material effect on the financial statements. However, we will inform you of any material errors, any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Great Western Park Metropolitan District No. 2's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

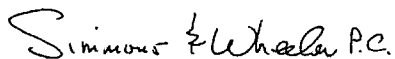
Audit Administration, Fees and Other

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$ 4,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. We will contact you to schedule an appropriate time to commence our field work.

We certify that we will comply with the provisions of C.R.S. §8-17.5-101, *et seq.* We will not knowingly employ or contract with an illegal alien to perform work under this contract. We represent, warrant, and agree that we have verified that we do not employ any illegal aliens, through participation in the Electronic Employment Verification Program administered by the Social Security Administration and the Department of Homeland Security. We have not used the Electronic Employment Verification Program to undertake pre-employment screening of job applicants. We shall use no subcontractor in the performance of our services under this engagement letter. We will comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation the department is undertaking pursuant to the law. If we violate any provision of C.R.S. §8-17.5-101, *et seq.* the District may terminate this contract for breach of contract and we shall be liable for actual and consequential damages to the District.

We appreciate the opportunity to be of service to Great Western Park Metropolitan District No. 2 and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Simmons & Wheeler, P.C.

RESPONSE

This letter correctly sets forth the understanding of Great Western Park Metropolitan District No. 2:

By _____

Title _____

Date _____

CERTIFICATION OF VALUES

Name of Jurisdiction: GREAT WESTERN PARK METRO 2 GEN

New District:

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

In accordance with 39-5-121(2)(a) and 39-5-128(1), C.R.S. The total Assessed Valuations for taxable year 2018
 in City and County of Broomfield On 08/21/2018 Are:

Previous Year's Net Total Assessed Valuation:	\$9,552,510
Current Year's Gross Total Assessed Valuation:	\$13,416,141
(-) Less TIF district increment, if any:	\$0
Current Year's Net Total Assessed Valuation:	\$13,416,141
New Construction*:	\$2,731,890
Increased Production of Producing Mines**:	\$0
ANNEXATIONS/INCLUSIONS:	\$0
Previously Exempt Federal Property**:	\$0
New Primary Oil or Gas production from any Oil and Gas leasehold or land (29-1-301(1)(b) C.R.S.)***:	\$0
Taxes Received last year on omitted property as of August 1 (29-1-301(1)(a) C.R.S.) Includes all revenue collected on valuation not previously certified:	\$0.00
Taxes Abated or Refunded as of August 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$26.10

This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution
 * New Construction is defined as: Taxable real property structures and the personal property connected with the structure.
 ** Jurisdiction must submit to the Division of Local Government respective Certification of Impact in order for a value to be treated as growth in the limit calculation; use forms (DLG52 & 52A).
 *** Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use forms (DLG 52B).

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

In accordance with the Art. X, Sec. 20, Colorado Constitution and 39-5-121(2)(b), C.R.S. The Actual Valuations for the taxable year 2018
 in City and County of Broomfield On 08/21/2018 Are:

Current Year's Total Actual Value of All Real Property*:	\$154,433,170
ADDITIONS TO TAXABLE REAL PROPERTY:	
Construction of taxable real property improvements**:	\$37,942,630
ANNEXATIONS/INCLUSIONS:	\$0
Increased Mining Production***:	\$0
Previously exempt property:	\$0
Oil or Gas production from a new well:	\$0
Taxable real property omitted from the previous year's tax warrant. (Only the most current year value can be reported):	\$0
DELETIONS FROM TAXABLE REAL PROPERTY:	
Destruction of taxable property improvements.	\$0
Disconnections/Exclusions:	\$0
Previously Taxable Property:	(\$2,100)

* This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.
 ** Construction is defined as newly constructed taxable real property structures.
 *** Includes production from a new mine and increases in production of a producing mine.

NOTE: All levies must be certified to the Board of County Commissioners no later than December 15, 2018

CERTIFICATION OF VALUES

Name of Jurisdiction: GREAT WESTERN PARK METRO 2 BOND

New District:

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

In accordance with 39-5-121(2)(a) and 39-5-128(1), C.R.S. The total Assessed Valuations for taxable year 2018
 In City and County of Broomfield On 08/21/2018 Are:

Previous Year's Net Total Assessed Valuation:	\$9,552,510
Current Year's Gross Total Assessed Valuation:	\$13,416,141
(-) Less TIF district increment, if any:	\$0
Current Year's Net Total Assessed Valuation:	\$13,416,141
New Construction*:	\$2,731,890
Increased Production of Producing Mines**:	\$0
ANNEXATIONS/INCLUSIONS:	\$0
Previously Exempt Federal Property**:	\$0
New Primary Oil or Gas production from any Oil and Gas leasehold or land (29-1-301(1)(b) C.R.S.)***:	\$0
Taxes Received last year on omitted property as of August 1 (29-1-301(1)(a) C.R.S.) Includes all revenue collected on valuation not previously certified:	\$0.00
Taxes Abated or Refunded as of August 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$223.56

This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution
 * New Construction is defined as: Taxable real property structures and the personal property connected with the structure.
 ** Jurisdiction must submit to the Division of Local Government respective Certification of Impact in order for a value to be treated as growth in the limit calculation; use forms (DLG52 & 52A).
 *** Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use forms (DLG 52B).

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

In accordance with the Art. X, Sec. 20, Colorado Constitution and 39-5-121(2)(b), C.R.S. The Actual Valuations for the taxable year 2018
 In City and County of Broomfield On 08/21/2018 Are:

Current Year's Total Actual Value of All Real Property*:	\$154,433,170
ADDITIONS TO TAXABLE REAL PROPERTY:	
Construction of taxable real property improvements**:	\$37,942,630
ANNEXATIONS/INCLUSIONS:	\$0
Increased Mining Production***:	\$0
Previously exempt property:	\$0
Oil or Gas production from a new well:	\$0
Taxable real property omitted from the previous year's tax warrant. (Only the most current year value can be reported):	\$0
DELETIONS FROM TAXABLE REAL PROPERTY:	
Destruction of taxable property improvements.	\$0
Disconnections/Exclusions:	\$0
Previously Taxable Property:	(\$2,100)

* This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.
 ** Construction is defined as newly constructed taxable real property structures.
 *** Includes production from a new mine and increases in production of a producing mine.

NOTE: All levies must be certified to the Board of County Commissioners no later than December 15, 2018

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2
Assessed Value, Property Tax and Mill Levy Information

	2017 Actual	2018 Adopted Budget	2019 Preliminary Budget
Assessed Valuation	\$ 5,702,080	\$ 9,553,490	\$ 13,416,141
Mill Levy			
General Fund	5.000	5.392	5.392
Debt Service Fund	42.827	42.827	46.185
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
Total Mill Levy	<u>47.827</u>	<u>48.219</u>	<u>51.577</u>
Property Taxes			
General Fund	\$ 28,510	\$ 51,512	\$ 72,340
Debt Service Fund	244,203	409,147	619,624
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
Actual/Budgeted Property Taxes	<u>\$ 272,713</u>	<u>\$ 460,659</u>	<u>\$ 691,964</u>

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2

GENERAL FUND

2019 Preliminary Budget

with 2017 Actual, 2018 Adopted Budget, and 2018 Estimated

	2017 Actual	01/18-06/18 YTD Actual	2018 Adopted Budget	2018 Estimated	2019 Preliminary Budget
1-501 BEGINNING FUND BALANCE \$	-	\$ 5,813	\$ 11,030	\$ 5,813	\$ 16,967
REVENUE					
1-510 Property Tax Revenue	28,484	38,559	51,507	51,507	72,340
1-515 Specific Ownership Taxes	1,870	1,265	1,850	1,850	1,850
1-550 Developer Advance	1,949	-	-	-	-
1-560 Interest Income	222	266	30	300	400
Total Revenue	32,525	40,090	53,387	53,657	74,590
Total Funds Available	32,525	45,903	64,417	59,470	91,557
EXPENDITURES					
1-612 Accounting	4,092	2,809	7,500	7,500	7,500
1-615 Audit	4,388	27	5,500	5,500	5,500
1-635 Election	-	663	1,000	663	-
1-670 Insurance/SDA Dues	3,113	3,028	3,500	3,028	3,500
1-675 Legal	10,850	2,755	11,000	11,000	11,000
1-680 Management	3,136	1,282	10,500	10,500	10,500
1-685 Miscellaneous	705	1,937	1,500	1,937	1,500
1-700 Treasurer's Fees	427	578	773	773	1,085
Total Expenditures	26,712	13,079	41,273	40,901	40,585
Transfers and Other (Uses)					
1-797 Transfer to District No. 1	-	-	-	-	-
1-895 Emergency Reserve	-	-	1,602	1,602	2,238
Total Expenditures Requiring Appropriation	26,712	13,079	42,875	42,503	42,823
ENDING FUND BALANCE	\$ 5,813	\$ 32,824	\$ 21,542	\$ 16,967	\$ 48,735

2019 Preliminary Budget
with 2017 Actual, 2018 Adopted Budget, and 2018 Estimated

	2017 Actual	01/18-06/18 YTD Actual	2018 Adopted Budget	2018 Estimated	2019 Preliminary Budget
2-501 BEGINNING FUND BALANCE	\$ 1,992,377	\$ 1,726,466	\$ 1,687,704	\$ 1,726,466	\$ 1,551,694
REVENUE					
2-510 Property Tax Revenue	243,980	330,274	441,183	441,183	619,624
2-515 Specific Ownership Taxes	16,016	10,839	28,500	28,500	28,500
2-560 Interest Income	21,105	16,889	10,000	21,000	25,000
2-580 Transfer from Capital Projects	-	-	-	-	-
2-581 Transfer from District 1	-	-	-	-	-
Total Revenue	281,101	358,003	479,683	490,683	673,124
Total Funds Available	2,273,478	2,084,469	2,167,387	2,217,149	2,224,818
EXPENDITURES					
2-606 2016 A Interest	540,600	270,300	540,600	540,600	540,600
2016 B Interest	-	-	112,738	112,738	112,738
2-668 Paying Agent/Trustee Fees	2,750	2,750	5,500	5,500	5,500
2-700 Treasurer's Fees	3,661	4,955	6,618	6,618	9,294
2-797 Transfer to District No. 1	-	-	-	-	-
Total Expenditures	547,011	278,005	665,456	665,456	668,132
Total Expenditures Requiring Appropriation					
	547,011	278,005	665,456	665,456	668,132
ENDING FUND BALANCE	\$ 1,726,466	\$ 1,806,464	\$ 1,501,931	\$ 1,551,694	\$ 1,556,686

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2

**CAPITAL PROJECTS FUND
2019 Preliminary Budget**

with 2017 Actual, 2018 Adopted Budget, and 2018 Estimated

	2017 Actual	01/18-06/18 YTD Actual	2018 Adopted Budget	2018 Estimated	2019 Preliminary Budget
3-501 BEGINNING FUND BALANCE	\$ 2,050,575	\$ 2,071,108	\$ 2,066,590	\$ 2,071,108	\$ 19,518
REVENUE					
3-550 Developer Advance	-	-	-	-	-
3-560 Interest Income	21,552	16,525	10,000	25,000	500
3523 Bond Proceeds	-	-	-	-	-
3524 Bond Premium	-	-	-	-	-
Total Revenue	21,552	16,525	10,000	25,000	500
Total Funds Available	2,072,127	2,087,634	2,076,590	2,096,108	20,018
EXPENDITURES					
3-612 Accounting	658	-	-	-	-
3-618 Bond Issuance Costs	-	-	-	-	-
3-620 Bond Discount	-	-	-	-	-
3-675 Legal	260	-	-	-	-
3-680 Management	100	-	-	-	-
3-760 Capital Outlay	-	347,322	2,076,590	2,076,590	-
3-761 Developer Reimbursement	-	-	-	-	-
3-894 Transfer to District No. 1	-	-	-	-	-
Total Expenditures	1,018	347,322	2,076,590	2,076,590	-
Transfers and Other (Uses)					
Transfer to Debt Service	-	-	-	-	-
Total Expenditures Requiring Appropriation	1,018	347,322	2,076,590	2,076,590	-
ENDING FUND BALANCE	\$ 2,071,108	\$ 1,740,311	\$ -	\$ 19,518	\$ 20,018

RESOLUTION NO. 2018 - 10 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2
TO ADOPT THE 2019 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Great Western Park Metropolitan District No. 2 ("District") has appointed the District Accountant to prepare and submit a proposed 2019 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2018, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 23, 2018, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; 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.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Great Western Park Metropolitan District No. 2:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Great Western Park Metropolitan District No. 2 for the 2019 fiscal year.

2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 23rd day of October, 2018.

Secretary

(SEAL)

EXHIBIT A
(Budget)

I, David Solin, hereby certify that I am the duly appointed Secretary of the Great Western Park Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2019, duly adopted at a meeting of the Board of Directors of the Great Western Park Metropolitan District No. 2 held on October 23, 2018.

By: _____
Secretary

RESOLUTION NO. 2018 - 10-____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Great Western Park Metropolitan District No. 2 (“District”) has adopted the 2019 annual budget in accordance with the Local Government Budget Law on October 23, 2018; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2019 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Great Western Park Metropolitan District No. 2:

1. That for the purposes of meeting all general fund expenses of the District during the 2019 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2019 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of The City and County of Broomfield, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 23rd day of October, 2018.

Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)

**SERVICE AGREEMENT FOR
PROJECT MANAGEMENT SERVICES**

THIS SERVICE AGREEMENT FOR PROJECT MANAGEMENT SERVICES (“**Agreement**”) is entered into and effective as of the _____ day of _____, 2018, by and between **GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **PAPILLON, LLC**, a Colorado limited liability company (the “**Consultant**”) (each a “**Party**” and, collectively, the “**Parties**”).

RECITALS

A. The District was organized on December 17, 2008 and, pursuant to the authority granted to the District by its Service Plan, as approved by the City Council for the City and County of Broomfield on September 9, 2008 (as it may be amended from time to time, the “**Service Plan**”), the District intends to provide for the design, acquisition, construction, installation and financing of certain water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation, mosquito control and limited fire protection improvements and services generally described in the Service Plan (together with other public improvements to be acquired by the District, the “**Improvements**,” as more specifically listed in **Exhibit A**).

B. The District has or may construct the Improvements, for which it has expended, or may expend funds for the design, testing, engineering and construction of the Improvements, together with the related consultant and management fees associated with the design and construction of the Improvements (the “**District Costs**”).

C. Pursuant to Section 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.

D. The District and Great Western Park, LLC (“**GWP**”) entered into a Facilities Funding and Acquisition Agreement dated July 1, 2016 (as may be amended from time to time, the “**FFAA**”).

E. Pursuant to the FFAA, GWP has or may design and/or construct certain Improvements for which GWP has expended, or may in the future expend funds for the design, testing, engineering and construction of Improvements, together with the related consultant and management fees and the Original FFAA Funded/Acquired Amount (as defined in the FFAA) associated with the design and construction of Improvements, such funds to be verified in accordance with the FFAA (the “**Verified Costs**”).

F. The District has agreed to reimburse GWP for the Verified Costs upon the acquisition of those Improvements designed and/or constructed by GWP.

G. The Consultant has experience in providing the services, as set forth in **Exhibit A** hereto, attached and incorporated herein (the “**Services**”), and is willing to provide such Services

to the District for reasonable consideration to be calculated at a reasonable percentage of the District Costs and Verified Costs.

H. The District issued its \$11,045,000 General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2016A (the “**Series 2016A Bonds**”) and \$1,555,000 Subordinate General Obligation Limited Tax Bonds, Series 2016B (the “**Series 2016B Bonds**”) and with the Series 2016A Bonds, the “**Bonds**”) for the purpose of generating sufficient net proceeds to finance and/or reimburse District Costs and Verified Costs incurred in connection with the design and construction of the Improvements.

I. The Parties desire to enter into this Agreement to establish the terms by which the Consultant will provide the Services to the District.

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

ARTICLE I CONSULTANT DUTIES AND AUTHORITY

1.1 Duties of Consultant. The Consultant shall:

(a) Perform the Services, safely and in accordance with the highest standard of care, skill, and diligence provided by a professional consultant in performance of work similar to the Services.

(b) Be properly qualified to perform the Services. The Consultant does hereby warrant that the quality of the Services shall be as specified in this Agreement, shall conform in all respects to the requirements of this Agreement and shall be free of defects and deficiencies.

(c) Take all precautions necessary for safely and prudently conducting the Services required by this Agreement, including maintaining insurance as required under Section 4.2 hereof.

(d) Advise the District of the status of the Services required by this Agreement on a regular basis and work in coordination with the District’s consultants to assure that the District has the most complete information available for the exercise of the District’s powers and discretionary authority.

(e) Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by the Consultant shall be obligations of the Consultant and the Consultant shall hold the District harmless therefrom.

1.2 Limitations on Authority.

(a) The Consultant shall have no right or authority, expressed 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 specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District board meetings. The Consultant shall at all times conform to the stated policies established and approved by the District.

(b) Independent Contractor Status. The Consultant is an independent contractor, as provided in Section 8-40-202(2)(b)(I)-(IV), C.R.S., as amended, and nothing herein contained shall constitute or designate the Consultant or any of its employees, agents, subcontractors or suppliers as employees of the District. The Services to be performed by the Consultant shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, except the payments to be made by the District to the Consultant for the Services performed as provided herein. The District shall not be responsible for the Consultant's means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto. **The Consultant is not entitled to workers' compensation benefits and the Consultant is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

1.3 Compliance with Applicable Law. The Consultant shall provide the Services set forth herein in full compliance with all applicable laws, rules, and regulations of any federal, state, county, or municipal body or agency thereof having jurisdiction over the activities of the District.

1.4 No Right or Interest in District Assets. The Consultant shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein.

1.5 Certification of Compliance with Illegal Alien Statute. By its execution hereof, the Consultant confirms and ratifies all of the certifications, statements, representations and warranties set forth in **Exhibit B** attached hereto and made a part hereof by this reference.

1.6 Work Product. "**Work Product**" shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain reproducible copies of any test results and logs which it obtains and shall make them available for the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Consultant agrees all right, title and interest in the Work Product is and shall remain the property of the District. If requested by the District, Consultant shall execute and deliver such documents as shall be necessary in the District's sole discretion, to assign, transfer and convey all rights in the Work Product to the District or its assignee. If Consultant fails to execute any documents required under this Section 1.6, then Consultant hereby irrevocably appoints the District its attorney-in-fact for the purpose of executing any required transfers of ownership or interests and any other documents necessary to effectuate this

Section 1.6. Further, all Work Product, whether in paper or electronic form, reproductions thereof, or any information or instruments derived therefrom, shall be provided to the District immediately upon termination of this Agreement.

ARTICLE II COMPENSATION

2.1 Compensation. The Consultant shall be paid a fee for the Services of the following: _____ percent (____%) of the District Costs and Verified Costs, but not in excess of _____ percent (____%) of the par amount of the Bonds (“**Maximum Fee Amount**”). Any modifications to the Maximum Fee Amount must be approved in advance by the District through a written change order in form substantially as attached hereto as Exhibit C (“**Change Order**”).

2.2 Monthly Invoices and Payments. The Consultant shall submit to the District a monthly invoice, in a form acceptable to the District. Invoices shall be submitted and paid no more frequently than once a month.

2.3 Expenses. The Consultant is responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as set forth in Section 2.1 hereof, unless otherwise approved in advance by the District in writing.

2.4 Subject to Annual Budget and Appropriation; District Debt. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds is subject to annual budgeting and appropriation. Nothing herein constitutes or creates an indebtedness or debt of the District within the meaning of any Colorado constitutional provision or statutory limitation.

ARTICLE III TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on the date set forth above, and shall expire on satisfactory completion of the Services. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination. The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Consultant at least thirty (30) days prior to the effective date of such termination. The Consultant may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least thirty (30) days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

The District shall pay the Consultant for all Services satisfactorily performed through the termination date.

**ARTICLE IV
INDEMNIFICATION AND INSURANCE**

4.1 Indemnification. The Consultant hereby agrees to indemnify, defend and hold the District and its affiliated entities or other persons or entities designated by the District, and their respective directors, trustees, officers, members, managers, agents and employees (collectively, the “**Indemnitees**”), harmless from any and all liability for damage, including, but not limited to, the reimbursement of attorneys’ fees and costs, arising out of death or bodily injury to persons or damage to property, in such amount that is represented by the degree or percentage of negligence or fault attributable to the Consultant and/or its agents, representatives, subcontractors, or suppliers.

4.2 Insurance Requirements. The Consultant shall procure, at its sole cost and expense, the insurance coverages set forth below, which insurance shall be placed with insurance companies rated at least “A:XIII” by A.M. Best Company. The Consultant shall give notice to the District at least thirty (30) days prior to the cancellation or nonrenewal of such policies. The Consultant shall give notice to the District within five (5) business days, or as soon as practicable, of any modification of any such policies. Consultant’s cost of maintaining the insurances required hereunder shall not be considered a reimbursable expense of the Consultant. The Consultant shall, upon request, promptly furnish the District with copies of policies obtained pursuant to this Section 4.2. Prior to commencing the Services, the Consultant shall furnish the District with certificates evidencing such insurance and provided further, however, with respect to the Workers’ Compensation Insurance required below, the Consultant must furnish to the District, prior to the commencement of any Services, duly executed and validated forms as prescribed by the state authority having jurisdiction evidencing that such insurance is in full force and effect. The District shall not pay any invoices until Consultant provides the certificates evidencing such insurance and Workers’ Compensation coverage.

(a) Liability Insurance Coverage.

(i) Workers’ Compensation Insurance. A Workers’ Compensation Insurance Policy in form and substance reasonably acceptable to the District and in an amount not less than the statutory benefits, including Employer’s Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident; (ii) \$500,000 for bodily injury by disease, each employee; and (iii) \$500,000 aggregate liability for disease. The Workers’ Compensation Insurance Policy, or an endorsement to such policy, must include a waiver of subrogation in favor of the District.

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the insurance policy or policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property Damage Liability; Contractual Liability supporting the Consultant’s indemnification

agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

(iii) Automobile Liability Insurance. An Automobile Liability Insurance Policy written on a per accident basis, in form and substance reasonably acceptable to the District. The Automobile Liability Insurance Policy must provide coverage for all owned, hired, rented and nonowned automobiles, and must include uninsured motorist coverages. The Automobile Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each accident for bodily injury and/or property damage.

(iv) Excess Liability Insurance. An Excess Liability Insurance Policy written in excess of the coverages provided by the insurance policies described in the preceding Subsections 4.2(a)(i) - (iii), in form and substance reasonably acceptable to the District, which policy will include the District as additional insured. The Excess Liability Insurance Policy must be written with a combined single limit of not less than \$1,000,000 for each occurrence of bodily injury/or property damage and annual aggregate.

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Consultant fails to furnish and maintain insurance as required by this Section 4.2, the District may purchase such insurance on behalf of the Consultant and deduct the cost of such insurance premium(s) from the compensation otherwise owed to the Consultant, and the Consultant shall furnish to the District any information needed to obtain such insurance. Except as otherwise expressly provided herein, all insurance policies required by the terms of this section shall be kept in full force and effect until the date of final payment to the Consultant for the Services specified in this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the foregoing insurance requirements are in no way intended to, and will not in any manner, limit or qualify the liabilities and/or indemnities assumed by the Consultant under or pursuant to this Agreement.

(c) Effect of Approval or Acceptance of Insurance. District acceptance and/or approval of any or all of the insurances required hereunder does not and shall not be construed to relieve Consultant from any obligations, responsibilities or liabilities under this Agreement.

ARTICLE V MISCELLANEOUS

5.1 Assignment. The Consultant shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and of no effect.

5.2 Modification; Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto; provided, however, that no amendment, modification,

or alteration of the terms or provisions hereof shall be binding upon the District or the Consultant unless the same is in writing and duly executed by the Parties.

5.3 Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

5.4 Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

5.5 Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the State District Court in and for the City and County of Broomfield, Colorado.

5.6 Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

5.7 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 District and the Consultant 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 District and the Consultant shall be for the sole and exclusive benefit of the District and the Consultant.

5.8 Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via Federal Express or other nationally recognized overnight air courier service, by electronically-confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To District: Great Western Park Metropolitan District No. 2
c/o Special District Management Services, Inc.
141 Union Blvd., Suite 150
Lakewood, CO 80228
Phone: (303) 987-0835
Email: dsolin@sdmsi.com
Attn: David Solin

With a Copy To: McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203
Phone: (303) 592-4380
Email: mbecher@specialdistrictlaw.com
Attn: Megan Becher

To Consultant: Papillon, LLC
10050 Wadsworth Blvd.
Westminster, CO 80021
Phone: (303) 469-1873
Email: gbradbury@churchranch.com
Attn: Gregg A. Bradbury

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service, upon electronic confirmation of email transmission, or three (3) business days after deposit in the United States mail. By giving the other Party hereto at least ten (10) days' written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

5.9 Default/Remedies. If either Party fails to perform any of its responsibilities, obligations or agreements to be performed in accordance with the provisions of this Agreement, and if such failure of performance continues for a period of thirty (30) days following written notice of default from the other Party (or such additional period of time as may reasonably be required to cure such default; provided that the curative action is commenced within such thirty (30) day period and is diligently and continuously pursued to completion), then the non-defaulting Party, at its option, may elect (i) to treat this Agreement as remaining in full force and effect; or (ii) terminate this Agreement as of any specified date. The non-defaulting Party shall additionally be entitled to exercise all remedies available at law or in equity. In the event of any litigation or other proceeding to enforce the terms, covenants or conditions hereof, the non-defaulting Party in any such litigation or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

5.10 Instruments of Further Assurance. Each Party covenants it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

5.11 Compliance with Law. 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. The Consultant declares it has complied and will comply with all federal, state and local laws regarding business permits, certificates and licenses required to perform the Services.

5.12 Non-Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision 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. Notwithstanding any provision to the contrary in this Agreement, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of any of the immunities, rights, benefits or protection provided to the District under the Colorado Governmental Immunity Act.

5.13 Inurement. This Agreement shall inure to and be binding on the heirs, executors, administrator, successors, and permitted assigns of the Parties hereto.

5.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

5.15 Conflicts. If any term or provision(s) in any Exhibit attached as part of this Agreement conflicts with any term or provision(s) in the body of this Agreement, the term or provision(s) contained in the body of this Agreement shall control.

[SIGNATURE PAGE FOLLOWS]

EXHIBIT A SCOPE OF SERVICES

The Consultant is responsible for assisting the Board of Directors of the District (the “**Board**”) with planning and refining the short and long-term development plans for the District and for the oversight of the design teams, consultants, Independent District Engineering Services, LLC (the “**Construction Manager**”) and construction activities for the Improvements.

Services of the Consultant will include, but not be limited to, the following:

1. Assist the Construction Manager to identify scopes of work and responsibilities for bid packages.
2. Review and approve the bids for recommendation to the Board and the design team and consultant selections.
3. Review and approve the bids for recommendation to the Board on the outside services and other improvement costs related to the Improvements.
4. Review required easements and costs for recommendation to the Board.
5. Meet with City and County of Broomfield staff and consultants to determine scope of Improvements and timing and follow through to completion and acceptance.
6. Review and approve the bids for recommendation to the Board on the contractor selections.
7. Review and approve the pay applications prepared by the Construction Manager for recommendation to the Board.
8. Review and approve the invoices for design, consultants and outside services for recommendation to the Board.
9. Coordinate bond issues of the District to pay for Improvements as determined by the Board.

EXHIBIT B
CERTIFICATION OF CONSULTANT

1. Pursuant to the requirements of Section 8-17.5-102(1), C.R.S., the Consultant hereby certifies to the District that the Consultant does not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that it will participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of the Consultant who are newly hired to perform work under the Agreement.

2. In accordance with Section 8-17.5-102(2)(a), C.R.S., the Consultant shall not:

(a) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or

(b) Enter into a contract with a subcontractor that fails to certify to the Consultant that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

3. The Consultant represents and warrants it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

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

5. If the Consultant obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, the Consultant shall:

(a) Notify the subcontractor and the District within three (3) days that the Consultant has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(b) Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that the Consultant 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 an illegal alien.

6. The Consultant shall comply with any reasonable request by the Colorado Department of Labor and Employment (“**Department**”) made in the course of an investigation that the Department is undertaking, pursuant to the law.

7. If the Consultant violates any provision of Section 8-17.5-102(1), C.R.S., the District may terminate the Agreement immediately and the Consultant shall be liable to the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by the Consultant to the Colorado Secretary of State, as required by law.

**EXHIBIT C
FORM OF CHANGE ORDER**

Change Order No:	Date Issued:
Name of Agreement:	
Date of Agreement:	District(s):
Other Party/Parties:	

CHANGE IN SCOPE OF SERVICES (describe):
--

CHANGE IN AGREEMENT PRICE:	CHANGE IN TERM OF AGREEMENT:
Original Price: \$ _____	Original Term: Expires _____, 20____
Increase of this Change Order: \$ _____	New Term: Expires _____, 20____
Price with all Approved Change Orders: \$ _____	Agreement Time with all Approved Change Orders: _____

APPROVED:	
By:	_____
District	_____

APPROVED:	
By:	_____
Consultant	_____