

SKY RANCH METROPOLITAN DISTRICT NO. 3

("DISTRICT")

370 Interlocken Boulevard, Suite 500
Broomfield, Colorado 80021
Tel: 303-466-8822
Fax: 303-466-9797

NOTICE OF SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term Expiration:</u>
Mark Harding	President	May 2023
P. Joseph Knopinski	Treasurer	May 2022
Scott Lehman	Secretary	May 2023
VACANT		May 2023
Dirk Lashnits	To be determined	May 2022

DATE: February 12, 2021
TIME: 8:30 a.m.
PLACE: Pure Cycle Corporation
34501 E. Quincy Ave., Bldg. 34, Box 10
Watkins, CO 80137

CERTAIN BOARD MEMBERS AND CONSULTANTS OF THE DISTRICT MAY ATTEND THIS MEETING IN PERSON AT THE ABOVE-REFERENCED LOCATION. HOWEVER, DUE TO THE ON-GOING CONCERNS REGARDING THE SPREAD OF THE CORONAVIRUS (COVID-19) AND THE BENEFITS TO THE CONTROL OF THE SPREAD OF THE VIRUS BY LIMITING IN PERSON CONTACT, CERTAIN OTHER BOARD MEMBERS AND CONSULTANTS OF THE DISTRICT MAY ATTEND THIS MEETING VIA TELECONFERENCE, OR WEB-ENABLED VIDEO CONFERENCE. MEMBERS OF THE PUBLIC WHO WISH TO ATTEND THIS MEETING MAY CHOOSE TO ATTEND VIA TELECONFERENCE OR WEB- ENABLED VIDEO CONFERENCE USING THE INFORMATION BELOW.

IF YOU WISH TO ATTEND THIS MEETING BY WEB-ENABLED VIDEO CONFERENCE, USE THE LINK BELOW:

Join Microsoft Teams Meeting

https://teams.microsoft.com/l/meetup-join/19%3ameeting_MjJhMDdlMGUtNDQ5OC00MDRmLTlhOTMtNDU4MDNmMjA2YTA2%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%2216b1c71c-d483-4feb-8929-2d72ea1cdf59%22%7d

OR

CONFERENCE BRIDGE **1-720-547-5281**, AND PASSCODE **321 517 589#**

1. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

- B. Confirm quorum, location of the meeting and posting of meeting notices and designate 24-hour posting place location. Approve Agenda.

- C. Discuss the District returning to active status and consider adoption of Resolution regarding the District's Intent to Return to Active Status and authorize necessary actions associated therewith (enclosure).

- D. Consider regular meeting dates for 2021. Review and consider adoption of Resolution Establishing Regular Meeting Dates, Times and Location, Establishing District Website and Designating Location for Posting of 24-Hour Notices (enclosure).

- E. Discuss insurance requirements (public officials' liability, general liability, workers' compensation, comprehensive crime.) [District's existing Position Schedule Bond is valid through June 12, 2021]. Consider adoption of Resolution to obtain insurance coverage through the Colorado Special Districts Property and Liability Pool and authorize membership in the Special District Association (enclosures).

- F. Consider adoption of Resolution Providing for Directors' Exclusion from Workers' Compensation Coverage (enclosure).

- G. Discuss and consider approval of Agency Services Agreement between the District and T. Charles Wilson Insurance Service (enclosure).

- H. Discuss Section 32-1-809, C.R.S. reporting requirements (Transparency Notice) and mode of eligible elector notification (post on SDA website).

I. Consider appointment of officers.

President:

Secretary:

Treasurer

Assistant Secretary:

Assistant Secretary:

J. Discuss vacancy on the Board of Directors.

K. Review and consider approval of Engagement Letter with CliftonLarsonAllen LLP for Management Services (enclosure).

L. Update on McGeady Becher P.C. Document Retention Policy (enclosure).

2. PUBLIC COMMENT

A. Members of the public may express their views to the Board on matters that affect the District that are otherwise not on the agenda. Comments will be limited to three (3) minutes per person.

3. CONSENT AGENDA

A. Approve the Minutes from the July 17, 2012 Special Meeting (enclosure).

B. Ratify approval of adoption of Resolutions Calling May 2014, 2016, 2018 and 2020 Director Elections and November 2018 and 2020 Special Elections.

C. Ratify approval of Memorandum of Understanding by and among the District, Sky Ranch Metropolitan District No. 1, Sky Ranch Metropolitan District No. 4 and Sky Ranch Metropolitan District No. 5.

D. Ratify approval of preparation, execution and filing of 2012 Application for Exemption from Audit (enclosure).

- E. Ratify approval of Engagement Letter with CliftonLarsonAllen LLP for District Accounting Services.
 - F. Ratify appointment of the District Accountant to prepare the 2021 Budget.
 - G. Ratify approval of actions taken to facilitate approval of the District's Amended and Restated Service Plan.
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4. FINANCIAL MATTERS

- A. Conduct Public Hearing on the proposed 2021 Budget and consider adoption of Resolution to Adopt the 2021 Budget and to Appropriate Sums of Money (enclosures).
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- B. Consider appointment of District Accountant to prepare 2022 Budget.
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5. LEGAL MATTERS

- A. Discuss potential amendment to Amended and Restated Community Authority Board Establishment Agreement by and between Sky Ranch Metropolitan District No. 1 and Sky Ranch Metropolitan District No. 5.
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- B. Conduct public hearing to consider inclusion of approximately 252.060 acres of property owned by PCY Holdings, LLC into the District. Consider adoption of Resolution for Inclusion of Real Property (enclosures).
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- C. Review and consider adoption of Resolution Regarding Colorado Open Records Act Requests (enclosure).
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- D. Review and consider adoption of Resolution Regarding the Retention and Disposal of Public Records and Adopting a Public Records Retention Schedule (enclosure).

6. OTHER BUSINESS

7. ADJOURNMENT

RESOLUTION NO. 2021-02-01

RESOLUTION OF THE BOARD OF DIRECTORS OF SKY RANCH METROPOLITAN DISTRICT NO. 3'S INTENT TO RETURN TO ACTIVE STATUS

A. The Sky Ranch Metropolitan District No. 3 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado.

B. Pursuant to Section 32-1-104(3)(a), C.R.S. (the “**Inactive Status Law**”), the District has been in inactive status and has filed the requisite notices (the “**Notices**”).

C. The District has been in inactive status since the filing of the Notices.

D. In accordance with the Resolution adopted by the Board of Directors of the District (the “**Board**”) declaring the District inactive, the Authorized Officer has polled the Board and the majority of the Board has determined the District should return to active status.

E. The Board desires to declare the District’s return to active status in the manner required by the Inactive Status Law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SKY RANCH METROPOLITAN DISTRICT NO. 3 OF ARAPAHOE COUNTY, COLORADO:

1. The Board hereby declares the District’s return to active status and hereby authorizes and directs the Authorized Officer to file the notice of return to active status, in the form provided by the Division of Local Government (the “**Notice of Return to Active Status**”) evidencing the District’s determination to return to active status.

2. The Notice of Return to Active Status is hereby issued and shall be sent by certified mail, return receipt requested (except where electronic filing is required by the receiving entity), to be filed with the following entities:

(a) The Board of County Commissioners and/or the City Council of each county and/or city that approved its Service Plan; and

(b) The Treasurer, Assessor and Clerk and Recorder of the county or counties in which the District is located; and

(c) The District Court having jurisdiction over the formation of the District; and

(d) The State Auditor; and

(e) The Division of Local Government (the “**Division**”).

3. The Board acknowledges that within ninety (90) days of delivery of the Notice of Return to Active Status, the District is required to be in compliance for the remainder of the

fiscal year in which the District returns to active status with all legal requirements for which the District was exempt while on inactive status.

RESOLUTION APPROVED AND ADOPTED ON FEBRUARY 12, 2021.

**SKY RANCH METROPOLITAN
DISTRICT NO. 3**

Authorized Officer

Attest:

Secretary

RESOLUTION NO. 2021-02-02

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SKY RANCH METROPOLITAN DISTRICT NO. 3
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION,
ESTABLISHING DISTRICT WEBSITE AND
DESIGNATING LOCATION FOR POSTING OF 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)(I), 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 public place at which notice of the date, time and location of regular and special meetings ("**Notice of Meeting**") will be physically posted at least 24 hours prior to each meeting ("**Designated Public Place**"). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

C. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting, if a special district posts the Notice of Meeting online at a public website of the special district ("**District Website**") at least 24 hours prior to each regular and special meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

E. 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.

F. 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 Sky Ranch Metropolitan District No. 3 (the "**District**"), Arapahoe County, 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 of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2021 shall be held on _____ at _____, at the offices of Pure Cycle Corporation, 34501 E. Quincy Ave., Bldg. 34, Watkins, in Arapahoe 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. That the District Board authorizes establishment of a District Website, if such District Website does not already exist, in order to provide full and timely notice of regular and special meetings of the District Board online pursuant to the provisions of Section 24-6-402(2)(c)(III), C.R.S.

8. That, if the District has established a District Website, the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to each regular and special meeting pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

9. That, if the District has not yet established a District Website or is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) North of E. 6th Avenue, along the District’s southern boundary

10. Pure Cycle Corporation, or its designee, is hereby appointed to post the above-referenced notices.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING
DATES, TIME, AND LOCATION, ESTABLISHING DISTRICT WEBSITE AND
DESIGNATING LOCATION FOR 24-HOUR NOTICES]**

RESOLUTION APPROVED AND ADOPTED ON FEBRUARY 12, 2021.

**SKY RANCH METROPOLITAN
DISTRICT NO. 3**

By: _____
President

Attest:

Secretary

RESOLUTION NO. 2021-02-03

WHEREAS, the Board of Directors of Sky Ranch Metropolitan District No 3 (hereafter referred to as "the District") has authority under Article XIV, Section 18(2)(a) of the Colorado Constitution, and Sections 24-10-115.5, 29-13-102, and 29-1-201, et seq., Colorado Revised Statutes, as amended, to participate in a self-

insurance pool for property and liability and/or workers' compensation coverages:

WHEREAS, the Board of Directors has reviewed a contract to cooperate with other Colorado Special Districts by participating in a self-insurance pool for property and liability coverages entitled "Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool", a copy of which is attached hereto as Exhibit A and incorporated into this Resolution: and,

WHEREAS, the Board of Directors finds that participation in such a pool would be in the best interest of the District, its employees, and its taxpayers:

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District hereby:

1. Approves the contract entitled Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool, a copy of which is attached hereto as Exhibit A and incorporated into this Resolution by this reference.
2. Authorizes and directs the Chairman of the Board of Directors and President of the District to execute Exhibit A on behalf of the District.
3. Directs the Secretary of the Board of Directors to transmit to the Colorado Special Districts Property and Liability Pool (hereafter referred to as "Pool"), McGriff, Seibels & Williams, PO Box 1539, Portland, OR 97207-1539, an executed and attested copy of this Resolution and one original of Exhibit A.
4. Designates Lisa Johnson as District's initial Representative to the Pool and designates Joan Colby as the District's Alternative Representative.

5. Representative Email Address: Lisa.Johnson@claconnect.com
Representative Mailing Address: 8390 E. Crescent Pkwy, Suite 300 Greenwood Village, Co 80111
Representative Phone Number: 303-489-6029

Alternate Representative Email Address: Joan.Colby@claconnect.com

Alternate Representative Mailing Address: Same

Alternate Representative Phone Number: 303-779-5710

6. Understands that, with the adoption of this Resolution, the District becomes a member of the Pool, with coverage to be provided by or through the Pool on such date as determined by the District and Pool. The District hereby requests, unless other dates are later designated by the District, that coverage should begin on the following dates for the following type of coverage:

<u>Date</u>	<u>Coverage</u>
2-12-2021	Workers' Compensation
	Property
2-12-2021	General Liability
	Automobile
2-12-2021	Public Officials Liability
	Inland Marine
	Equipment Breakdown / Boiler & Machinery
2-12-2021	Comprehensive Crime

Director moved the adoption of the above Resolution.

Director seconded the adoption of the above Resolution.

This Resolution was adopted by a majority vote of the Board of Directors of the District on the 12th day of February, 2021

Chairman of the Board and
President of the District

ATTEST:

Secretary of the Board

**INTERGOVERNMENTAL AGREEMENT FOR THE
COLORADO SPECIAL DISTRICTS
PROPERTY AND LIABILITY POOL**

As Amended
SEPTEMBER 14, 2011

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INTERGOVERNMENTAL AGREEMENT FOR THE COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL

ARTICLE 1. Definitions

As used in this Pool Agreement, the following terms shall have the meaning hereinafter set out:

- 1.1 **BOARD**: Board of Directors of the Pool.
- 1.2 **CLAIM YEAR**: Any twelve consecutive month period established by the Board. The "initial" claim year is the first claim year established for the Pool.
- 1.3 **DIRECTOR**: A person serving on the Board.
- 1.4 **MEMBER**: A Special District which enters into this Pool Agreement. An "initial" member of the Pool is a member which obtains coverage through the Pool during the initial claim year.
- 1.5 **MEMBER REPRESENTATIVE**: That person who has been designated in writing by a Member as its representative to the Pool.
- 1.6 **POOL**: The Colorado Special Districts Property and Liability Pool established pursuant to the Constitution and the statutes of this state by this Pool Agreement.
- 1.7 **POOL AGREEMENT**: This Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool.
- 1.8 **SPECIAL DISTRICT**: A political subdivision of the State of Colorado that is a unit of local government pursuant to Article 13, Title 29, C.R.S., as amended, that is a public entity pursuant to 24-10-103(5), C.R.S., as amended, and that is eligible for membership in the Special District Association of Colorado according to the Association's bylaws as amended and in effect from time to time. "Special District" also includes any separate entity created by intergovernmental agreement authorized by Part 2, Article 1, Title 29, C.R.S., as amended, if at least one of the contracting entities is a special district and if all of the contracting entities are units of a local government pursuant to Article 13, Title 29, C.R.S., as amended, and are public entities pursuant to 24-10-103(5), C.R.S., as amended.
- 1.9 **SDA BOARD**: The Board of Directors of the Special District Association of Colorado.

ARTICLE 2. Creation of Pool

- 2.1 The Colorado Special Districts Property and Liability Pool is hereby formed by this Pool Agreement by Member Special Districts as a separate and independent governmental and legal entity pursuant to the provisions of Article XIV, Section 18(2) of the Colorado Constitution and

Constitution and Sections 29-1-201 et. seq., 8-44-101(1)(C) and (3), 8-44-204, 24-10-115.5, and 29-13-102, C.R.S., as amended.

- 2.2 Each Special District entering into this Pool Agreement has the power under Colorado law to make provision for the property and liability coverages, workers' compensation benefits, and risk management, claims handling, and other functions and services which constitute the specific functions and services jointly provided by means of the Pool.

ARTICLE 3. Purposes

- 3.1 The purposes of the Pool are to provide defined property, liability, workers' compensation and associated coverages, and claims and risk management services related thereto, for Member Special Districts through a self-insurance pool.
- 3.2 It is the intent of the Members to use Member contributions to defend and indemnify, in accordance with this Pool Agreement, any Member against stated liability or loss to the extent of the coverage provided by or through the Pool.
- 3.3 All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its Members.

ARTICLE 4. Non-Waiver of Governmental or Other Immunity

- 4.1 All Pool money, plus earned interest, is money derived from its Members which consist solely of Special Districts within the State of Colorado. It is the intent of the Members that, by entering into this Pool Agreement, they do not waive and are not waiving any immunity provided by any law to the Members or their public employees, as defined in 24-10-103(4), C.R.S., as amended.

ARTICLE 5. Participation

- 5.1 The Board shall have the authority to limit the Members of the Pool to those Colorado Special Districts which are members of the Special District Association of Colorado and which properly enter into and adopt this Pool Agreement.
- 5.2 New Members, including special districts which have previously withdrawn or been expelled from the Pool, shall be admitted only upon approval by the Board, subject to the payment of such sums and under such conditions as the Board in each case or from time-to-time establishes.

- 5.3 A Member may participate in the Pool for either or both of the following purposes:
1. The property and liability coverages authorized by sections 24-10-115.5 and 29-13-102, C.R.S., as amended, and risk management, claims handling and other functions and services related to such coverages;
 2. The workers' compensation coverages authorized by sections 8-44-101(1)(C) and (3) and 8-44-204, C.R.S., as amended, and risk management, claims handling, and other functions and services related to such coverages.
- 5.4 A Member who is participating in the Pool for one of the purposes set forth in Paragraph 5.3 of this Article may be authorized to participate in the Pool for the other of those purposes upon further compliance, as necessary, with Paragraph 5.1 of this Article and approval of the Board, subject to the payment of such sums and under such conditions as the Board in each case or from time-to-time establishes.

ARTICLE 6. Board of Directors and Officers

- 6.1 The Pool Board of Directors shall be composed of nine persons to be appointed by the SDA Board. Directors shall be appointed from among the Member Representatives, each from a different Member. At least one (1) Pool Director shall be appointed by the SDA Board from among the SDA directors. Pool Directors who are not SDA directors shall be appointed by the SDA Board from nominations received from Members. In no event may more than three Pool Directors be appointed from any one of the following types of special districts: Ambulance, Fire, Metropolitan, Park and Recreation, Sanitation, Water, Water and Sanitation, Hospital, or Library Districts. Nominations from the Members shall be submitted to the SDA Board at such time as the SDA Board may provide, and any nomination must be approved by the Board of Directors of the Member submitting the nomination.
- 6.2 The Executive Director of the SDA shall serve as an ex-officio, non-voting Director on the Board.
- 6.3 Terms of the Directors shall be two-year, overlapping terms or until their successors have been appointed, except as provided herein. The term of office shall begin on a January 1, and end at midnight on a December 31, except that the Directors appointed to the first Board following the formation of the Pool shall begin their term prior to a January 1 if the SDA Board so directs. Directors may serve successive terms. The SDA Board shall appoint to the first Board following formation of the Pool, three Directors to serve one-year terms and four Directors to serve two year terms, with the successors of each appointed for two-year terms. Of the two additional persons to be appointed to the Board upon expansion of the Board from seven to nine persons, one shall be appointed to serve a one-year term and one shall be appointed to serve a two-year term, with the successors of each appointed for two-year terms; the terms of office of the two additional persons initially appointed may begin prior to a January 1 if the SDA Board so directs.

- 6.4 The officers of the Pool shall be: president, one or more vice presidents, secretary, one or more assistant secretaries, and comptroller. The officers shall be elected annually by and from among the Directors at the first meeting of the Board following each December 31.
- 6.5 A vacancy shall occur on the Board when a Director:
1. Submits a written resignation to the Board.
 2. Dies.
 3. Ceases to be a Member Representative.
 4. Fails to attend three consecutive regular meetings of the Board without the Board having entered upon its minutes an approval for an additional absence or absences, except that such additional absence or absences shall be excused for temporary mental or physical disability or illness.
 5. Is convicted of a felony.
- 6.6 Any vacancy on the Board shall be filled by appointment by the SDA Board for the unexpired portion of the term.

ARTICLE 7. Meetings of the Board of Directors

- 7.1 The Board may set a time and place for regular meetings which may be held without further notice. The Members shall be notified of the time and place set for regular meetings.
- 7.2 Special meetings may be called by the President or by a majority of the Directors by mailing written notice at least ten (10) days in advance to all Directors or by unanimously executed waiver of notice.
- 7.3 Five Directors shall constitute a quorum to do business. All acts of the Board shall require approval of a majority of the Directors present, except as otherwise specifically provided in this Pool Agreement.
- 7.4 One or more or all Directors may participate in any meeting of the Board by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence at the meeting.
- 7.5 Any action of the Board may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all Directors appointed to the Board. Such consent shall have the same effect as a unanimous vote. The consent may be executed in counterparts.

ARTICLE 8. Powers and Duties of the Board of Directors

- 8.1 The business and affairs of the Pool shall be managed by the Board which shall exercise all the authority and powers and discharge all the duties of the Pool, except as is otherwise provided in this Pool Agreement.
- 8.2 In addition to all other powers of the Board set out in this Pool Agreement, the Board shall have the power to:
1. Exercise all powers necessary to carry out the purposes of the Pool.
 2. Retain agents, independent contractors and employees necessary to administer and achieve the purposes of the Pool, including, but not limited to, attorneys, accountants, investigators, experts, consultants, and others.
 3. Purchase, sell, encumber, and lease real property, and purchase, sell, encumber or lease equipment, machinery, and personal property.
 4. Invest money as allowed for the Pool by Colorado statutes or by lawful regulations adopted pursuant to Colorado statutes, as from time-to-time amended.
 5. Purchase excess insurance, stop-loss insurance, and reinsurance as the Board deems prudent.
 6. Adopt and adjust the coverages provided through the Pool.
 7. Adopt and adjust contributions to the Pool.
 8. Enter into contracts including, but not limited to, contracts for risk management, claim adjustment, and brokerage services.
 9. Reimburse Directors for reasonable and approved expenses, including expenses incurred in attending Board meetings, and pay compensation to each Director for his or her services in a sum not to exceed the maximum sum which may by statute be paid as compensation for services of directors on Colorado special district boards of directors.
 10. Purchase fidelity bonds from an insurance company approved by the Insurance Commissioner of the State of Colorado to do business in Colorado.
 11. Establish reasonable and necessary loss reduction, prevention and risk management policies and procedures to be followed by the Members.
 12. Appoint committees from time to time as the Board considers desirable.

13. Provide for claims and loss control procedures, and establish conditions to be met prior to the payment or defense of claims.
 14. Establish rules governing its own conduct and procedure, and the authority of its officers, not inconsistent with this Pool Agreement.
 15. Approve attorneys or firms of attorneys to represent Members in claims covered through the Pool.
 16. Delegate in writing fiduciary responsibilities or ministerial powers and duties to individual Directors or committees of the Board or to such agents, employees, and independent contractors as the Board considers desirable.
- 8.3 In addition to all other duties of the Board set out in this Pool Agreement, the Board shall have the duty to:
1. Have an audit of the financial affairs of the Pool be made annually by a certified public accountant in accordance with applicable laws and regulations, and provide a copy thereof to each Member.
 2. Select a qualified actuary to conduct periodic reviews of the Pool's funds and any reviews required by the Insurance Commissioner of Colorado, and make recommendations to the Board based on such reviews.
 3. Designate one or more persons or entities to administer the Pool.
 4. Adopt a budget annually and report the budget to the Members.
 5. Three persons shall be appointed annually to an expulsion committee to serve until January 1 of the year following the appointment. One person, to be appointed by the Board, shall be a director on the board, one person, to be appointed by the Board, shall be a representative of the person(s) or entity(ies) providing general administrative services to the Pool, and one person, to be appointed by the SDA Board, shall be a member of the SDA Board.

ARTICLE 9. Members' Powers and Meetings

- 9.1 The Members shall have the power to:
- a. Amend the Pool Agreement by a two thirds (2/3) vote of the Members present at a meeting. Written notice of any proposed amendment shall be provided to each Member at least forty-five (45) days in advance of any vote on the amendment.
 - b. Dissolve the Pool and disburse its assets by a two thirds (2/3) vote of the Members present at a meeting, pursuant to such notice and in keeping with such procedure as shall be

shall be established by the Board. Notice of the dissolution and plan for disbursement of assets and payment of the remaining obligations of the Pool shall be mailed to the Insurance Commissioner of Colorado at least ninety (90) days prior to the effective date of the dissolution. The plan for disbursement of assets and payment of the remaining obligations of the Pool shall not take effect until approved by the Insurance Commissioner of Colorado. Upon dissolution of the Pool, the assets of the Pool not used or needed for the purposes of the Pool, as determined by the Board and subject to approval by the Insurance Commissioner of Colorado, shall be distributed exclusively to Special Districts which are members of the Pool prior to dissolution to be used for one or more public purposes.

9.2 Meetings of the Members shall be held as follows:

- a. Members shall meet at least once annually at a time and place to be set by the Board, with notice mailed to each Member at least thirty (30) days in advance.
- b. Special meetings may be called by the Board upon its own motion and shall be called by the Board upon written request of thirty (30) percent of the Members, with notice mailed to each Member at least thirty (30) days in advance.
- c. The president of the Pool shall preside at the meetings; a vice president of the Pool shall preside in the absence of the president.
- d. Twenty (20) percent of the Members shall constitute a quorum to do business.
- e. Proxy voting shall be allowed, pursuant to such procedures as the Board may determine.
- f. Each Member shall be entitled to one vote on each issue, to be cast by its Member Representative.
- g. Notwithstanding any other provision of the Pool Agreement, any amendment to the Pool Agreement, except an amendment relating to dissolution of the Pool, may be adopted without a meeting if an approval in writing, setting forth the amendment approved, is signed by the Member Representatives of at least two thirds (2/3) of the Members. The approval may be executed in counterparts.

ARTICLE 10. Obligations of Members

10.1 Each Member shall have the obligation to:

- a. Pay all contributions or other payments to the Pool at such times and in such amounts as shall be established by the Board. Any delinquent payments shall be paid with interest pursuant to a policy established by the Board and uniformly applied.

- b. Designate in writing, a Member Representative and one or more alternates for the Members' meetings. The Representative and any alternate shall be an elected official, employee, or other designee of the Member, and may be changed from time-to-time. Any alternate may exercise all the powers of the Representative during a Member meeting in the absence of the Member Representative.
- c. Allow the Pool and its agents, contractors, employees and officers reasonable access to all facilities and records of the Member as required for the administration of the Pool.
- d. Cooperate fully with the Pool and all agents, contractors, employees and officers thereof in matters relating to the Pool.
- e. Provide information requested by the Pool, and all agents, contractors, employees, and officers thereof, as reasonably required for the administration of the Pool.
- f. Allow the Pool to make decisions regarding, and to designate attorneys to represent the Member in, the investigation, settlement and litigation of any claim within the scope of coverage furnished through the Pool.
- g. Comply with the claims, loss reduction, prevention and risk management policies and procedures established by the Board.
- h. Promptly report to the Pool all incidents or occurrences which could reasonably be expected to result in the Pool being required to consider a claim, in any form required by the Board and in compliance with any applicable excess insurance or reinsurance.
- i. Promptly report to the Pool the addition of new programs and facilities or the significant reduction or expansion of existing programs and facilities or other acts, as directed by the Board and in compliance with any applicable excess insurance or reinsurance.

ARTICLE 11. Contributions

- 11.1 The Board shall establish Member contributions pursuant to guidelines established by the Board from time-to-time. The contributions may include an annual contribution and any additional contributions at such times and in such amounts as the Board deems necessary to insure the solvency and avoid impairment of the Pool or which the Board otherwise deems beneficial to protect the financial condition of the Pool. The Board may provide for disbursement of non-surplus credit balances which are, pursuant to guidelines adopted by the Board from time to time, due a member, and such disbursements shall not be subject to the provisions of paragraphs 11.2 or 15.1.
- 11.2 Any excess funds which the Board determines are not needed for the purposes of the Pool, may be

may be distributed among the Members and former Members, subject to Paragraph 15.1, pursuant to the following:

1. Any such distribution may be in the form of credits against future contributions or in the form of payments, or a combination thereof, as the Board may determine.
2. Money distributed for any claim year shall be distributed only to those Members and former Members which were Members during that claim year and shall be distributed in order of claim year contribution, with Members and former Members of the initial claim year to receive the initial credits.
3. The amount which may be distributed for any claim year shall be established by the Board which shall have discretion as to the amount and timing of any distribution. That amount may not exceed the net sum of (i) the net income of the Pool for that claim year less (ii) the portion of the Pool's net income which equals the amount of the excess loss reserve of the claim year prior to the claim year (which is subject to the distribution) which was taken into income in that claim year plus (iii) the excess loss reserve for the claim year which is subject to the distribution.
4. For the purpose of this paragraph 11.2, the term "excess loss reserves" means the amount by which the amounts credited to loss reserves and charged to operating expenses in any claim year exceed the actual losses (including loss adjustment expenses) for that claim year.
5. The amount established by the Board for a claim year pursuant to paragraph c., above, shall be distributed among each Member and former Member which was a Member during that claim year based on the ratio which each Member's and former Member's contribution (excluding any surplus contribution) for the claim year bears to the total contributions (excluding surplus contributions) for the claim year and less the contributions of former Members which are not eligible for a distribution pursuant to Paragraph 15.1.
6. Excess surplus funds contributed by Members and former Members may be distributed only among such contributing Members or former Members, subject to the five year membership requirement of Paragraph 15.1. The Board has discretion to determine, from time to time, the amount and timing of any distribution of such funds. The amount established by the Board shall be distributed among each Member and eligible former Member based on the ratio which each Member's and former Member's surplus contribution bears to the total amount of surplus funds contributed to the Pool by Members and former Members.
7. No distribution of excess funds, including excess surplus funds contributed by Members, shall be made to any Member or former Member which owes any amount to the Pool until the amount so owed is paid, and any amount so owed may be deducted from the distribution to the Member or former Member.

8. No distribution of excess funds, including excess surplus funds contributed by Members, shall cause the Pool to become impaired or insolvent.
- 11.3 The total amount of surplus shall be determined by the Board from time-to-time, but in no event shall be less than that required by the Insurance Commissioner of Colorado, and the Board may require all Members to make additional contributions to surplus as the Board deem necessary, or the Insurance Commissioner of Colorado may require.
- 11.4 The Pool shall account separately for contributions made for the property and liability coverages authorized by sections 24-10-115.5 and 29-13-102, C.R.S., as amended, and for contributions made for the workers' compensation coverage authorized by sections 8-44-101(1)(C) and (3) and 8-44-204, C.R.S., as amended.
- 11.5 Notwithstanding any provision of this Agreement to the contrary, the Pool Board may establish from any contributions or other assets of the Pool the initial minimum surplus for workers' compensation coverage required by the Insurance Commissioner of Colorado; provided that contributions or other assets derived from coverages other than workers' compensation shall not be used to establish such minimum surplus unless and until the Board first determines that workers' compensation contributions are or will be insufficient to fund such surplus in the amounts and within the time required by the Insurance Commissioner of Colorado; and provided further, that such minimum surplus shall be established from contributions for workers' compensation coverage as soon as the Board determines practicable consistent with ensuring the solvency and avoiding the impairment of the Pool. The Board may issue subordinated debt to establish such minimum surplus consistent with applicable requirements of the Insurance Commissioner of Colorado.
- 11.6 The Pool shall repay the Special District Association of Colorado for its ongoing services to the Pool, provided subsequent to the creation of the Pool, within such time and in such amount as the SDA Board and Pool Board may agree.

ARTICLE 12. Liability of Directors, Officers and Employees

- 12.1 No Director, officer, committee member, or employee of the Pool shall be personally liable for any acts performed or omitted in good faith. The Pool shall indemnify each Director, officer, committee member, and employee of the Pool against any and all expense including attorney fees and liability expenses sustained by them, or any of them in connection with any suit or suits which may be brought against them involving or pertaining to any of their acts or duties performed for this Pool or omitted in good faith. This provision shall not be deemed to prevent compromises of any such litigation where the compromise is deemed advisable in order to prevent greater expense or cost in the defense or prosecution of such litigation.
- 12.2 The Pool shall obtain a fidelity bond or other bond to guarantee the faithful performance of each Director's, officer's and employee's duties hereunder, and shall make reasonable effort to obtain errors and omissions coverage for each Director, officer, committee member, and employee of the

employee of the Pool. The Pool shall obtain bonds for all Directors, officers, committee members, and employees who handle or have access to Pool funds, in an amount which the Board deems appropriate but no less than the minimum amount deemed necessary by the Insurance Commissioner of Colorado.

ARTICLE 13. Withdrawal of Members

- 13.1 Any Member may withdraw from the Pool by giving written notice to the Board of its intent to withdraw at least sixty (60) days prior to the Member's coverage renewal date. A Member which has different renewal dates for different coverages must give such written notice at least sixty (60) days prior to the first renewal date following any January 1. Unless a different date is agreed to by the Board and the Member, the withdrawal shall be effective on the Member's coverage renewal date but, if the Member has different renewal dates for different coverages, the withdrawal shall be effective the latest renewal date following the written notice of withdrawal. After the notice of withdrawal is given, no coverage will be renewed but all coverages will remain in effect only until their respective expiration dates.
- 13.2 Except as otherwise provided in this paragraph, any Member which dissolves or which is consolidated with another Special District shall be considered a withdrawn Member with the same rights and obligations under this agreement as any other withdrawn Member, such withdrawal to be effective on the date of dissolution or consolidation, as the case may be. Notwithstanding paragraph 15.1 and under the following circumstances only, a Special District shall receive the credits against its future contributions to the Pool otherwise allocable to a dissolved or consolidated Member pursuant to paragraph 11.2:
1. If the Special District was formed by a consolidation which included such a Member, the Special District assumed all rights of that Member under this agreement, and the Special District is a Member no later than one year after the effective date of the consolidation; or,
 2. If the Special District assumed all rights of a dissolved Member under this agreement, and the Special District is a Member no later than one year after the effective date of the dissolution.

A Special District entitled to receive such credits of a dissolved or consolidated Member shall not be obligated for any liabilities to the Pool of the dissolved or consolidated Member in excess of the amount of such credits.

ARTICLE 14. Expulsion of Members

- 14.1 A Member which fails to make a contribution or other payment due to the Pool shall be automatically expelled from the Pool on the sixtieth (60) day following the due date, unless time for payment is extended by the Board and payment is made within any extended period. A notice of failure to make a contribution or other payment due to the Pool shall be mailed to the Member at least thirty (30) days prior to the date of automatic expulsion. If payment is not made within

not made within any extended period, the automatic expulsion shall occur on a date, no later than twenty (20) days after the last day of the extended period, set by the Board. An expulsion under this paragraph 14.1 shall not be subject to the provisions of paragraph 14.2.

- 14.2 A Member may be expelled by the Board for failure to carry out any other obligation of the Member, or for failure to maintain its membership in the Special District Association of Colorado if such membership was required by the Board at the time the Member was admitted to the Pool, subject to the following:
1. The Member shall receive notice from the Board of the alleged failure and not less than thirty (30) days in which to cure the alleged failure, along with notice that expulsion may result if the failure is not so cured.
 2. The Member shall receive at least thirty (30) days prior notice from the Board, of the date, place and time when the Board will consider expelling the Member from the Pool, and the Member shall be entitled to be present at that meeting and to present evidence and reasons why it should not be expelled. The decision of the Board shall be effective as of the date and upon the terms and conditions set forth in the Pool Agreement and applicable excess or reinsurance policies and otherwise specified by the Board, except as provided in paragraph c.
 3. The Member may appeal the Board's decision to the expulsion committee, which shall schedule a hearing thereon. The Member and the Board shall be provided at least ten (10) days prior written notice of the date, time and place of the hearing. The appealing Member shall be entitled to be present at that hearing and to present evidence and reasons why it should not be expelled and the Board may present evidence and reasons why expulsion is proper. The decision of the expulsion committee shall be final and any expulsion effective as of the date and upon the terms and conditions set forth in the Pool Agreement and applicable excess or reinsurance policies, and otherwise specified by the Board.

ARTICLE 15. Effect of Withdrawal or Expulsion

- 15.1 No withdrawn or expelled Member shall be entitled to any reimbursement of contributions or distribution or excess funds, including excess surplus funds contributed by Members, unless the Member was a Member for at least five consecutive years.
- 15.2 A withdrawn or expelled Member shall remain obligated for all amounts owing at the time of withdrawal or expulsion for the years during which the member was an active member of the Pool and for all amounts which thereafter become owing for such years pursuant to the Pool Agreement and any other Pool documents which are in effect at the time of withdrawal.
- 15.3 A withdrawn or expelled Member shall be considered a Member of the Pool for the purpose of payment of the Member's claims and expenses related thereto which remain covered under the terms of coverage existing at the time of withdrawal. A withdrawn or expelled Member shall

shall remain subject to all conditions of coverage and obligations of a Member which are in effect at the time of withdrawal. A withdrawn or expelled Member shall have no right to vote on any matter pending before the Pool membership.

- 15.4 No withdrawn or expelled Member may be adversely affected by any change in the Pool Agreement or other Pool documents adopted subsequent to the effective date of the Member's withdrawal or expulsion.
- 15.5 Unless disapproved by an affected excess carrier or reinsurer, the Pool shall offer a withdrawing or expelled Member, no later than forty-five (45) days after the expulsion or Board's receipt of the written notice of withdrawal, at least twenty-four (24) months extended reporting period on any claims-made coverage provided through the Pool, at a cost reasonably calculated by the Board and subject to any contracts existing at the time of withdrawal or expulsion.

ARTICLE 16. Miscellaneous

- 16.1 This document constitutes an intergovernmental agreement among those Special Districts which become Members of the Pool. The terms of this agreement may be enforced in court by the Pool or by any of its Members. The consideration for the duties herewith imposed on the Members to take certain actions and to refrain from certain other actions shall be based upon the mutual promises and agreements of the Members set forth herein.
- 16.2 A certified or attested copy of the resolution of approval for each Member shall be attached to the Member's Pool Agreement on file with the Pool.
- 16.3 Except to the extent of the limited financial contributions to the Pool agreed to herein or such additional obligations as may come about through amendments to this Pool Agreement, the contracting parties intend in the creation of the Pool to establish an organization to operate only within the scope herein set out and have not otherwise created as between Member and Member any relationship of surety, indemnification or responsibility for the debts of or claims against any other Member.
- 16.4 The provisions of this Pool Agreement and of the other documents referred to herein, and the assets of the Pool, are for the benefit of the Members of the Pool only, and no other persons or entities shall have any rights or interest in this Pool Agreement or in any of the other documents referred to herein, or in any such assets, as a third party beneficiary or otherwise. The assets of the Pool shall not be subject to attachment, garnishment, or any equitable proceeding.
- 16.5 It is the intention of the Members that the Pool and any income of the Pool not be subject to taxation, and the Members shall cooperate in such respects, including amending this Pool Agreement, as reasonably necessary to establish and maintain the non-taxable status of the Pool.

- 16.6 The Insurance Commissioner of Colorado shall have such authority with respect to the formation and operation of the Pool as is provided by applicable Colorado law.
- 16.7 Except as permitted in this Pool Agreement, and amendments hereto, neither the Board nor any other person or entity is authorized to incur liabilities or obligations or enter into contracts on behalf of the Members.
- 16.8 "Insolvency" as applied to the Pool shall have the meaning as defined in Section 10-3-212, C.R.S., as amended, or as the Insurance Commissioner of Colorado may otherwise provide.
- 16.9 The statutory reporting period for the Pool shall be the calendar year or such other period as the Insurance Commissioner of Colorado may provide.
- 16.10 If any provision of this Pool Agreement is held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the other provisions, and this Pool Agreement is expressly declared to be severable.
- 16.11 If the Board or its authorized representative and a Member disagree on whether a loss is covered through the Pool or on the amount of a covered loss, the Board or its authorized representative or the Member may request that the disagreement be submitted to binding arbitration as follows:
1. Unless otherwise agreed by the Board or its authorized representative and the Member, three persons shall be selected for the arbitration panel, one by the Board or its authorized representative, one by the Member, and one by the two so selected to act as umpire to decide the items upon which the other two disagree. If the two so selected fail for fifteen days to agree upon the umpire, the umpire shall be selected by a judge of a court of record agreed to by the Board or its authorized representative and the Member.
 2. The decision of the panel shall be binding on the Board or its authorized representative and the Member.
 3. The Pool shall pay the fees and expenses of the panelist selected by the Board or its authorized representative, the Member shall pay the fees and expenses of the panelist selected by it, and the fees and expenses of the umpire shall be shared equally by the Pool and the Member.

Dated: February 12, 2021

Special District: Sky Ranch Metropolitan District No 3

By: _____

Title: Chairman, Board of Directors and President

Date: February 12, 2021

Attest:

By: _____
Title: Secretary



**Designation of Member Representative and Alternate Member Representative
for the
Colorado Special Districts Property and Liability Pool**

Pursuant to Section 10.1(b) of the Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool (CSD Pool), the Board of Directors of the _____ (District Legal Name) designates the following individuals as its Member Representative and Alternate Member Representative to the CSD Pool to represent the District's interest in CSD Pool matters on behalf of the District:

Member Representative (Print)

Alternate Member Representative (Print)

Association/Position in District

Association/Position in District

Address

Address

Phone

Phone

Fax

Fax

Email

Email

Date Authorized: _____

Authorized Board Signature: _____

Signer's Board Position: _____

RESOLUTION NO. 2021-02-04

RESOLUTION OF THE BOARD OF DIRECTORS OF SKY RANCH METROPOLITAN DISTRICT NO. 3 PROVIDING FOR DIRECTORS' EXCLUSION FROM WORKERS' COMPENSATION COVERAGE

A. Sky Ranch Metropolitan District No. 3 (the "**District**") is a duly organized and validly existing special district, quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes.

B. Pursuant to Section 8-40-202(1)(a)(I)(B), C.R.S., the District may exclude uncompensated elected or appointed officials from the definition of "employee" within the meaning of Section 8-40-202(1)(a), C.R.S.

C. The District has found and does hereby find that it is in the best interests of the District to exclude uncompensated elected or appointed officials from workers' compensation coverage as permitted by Section 8-40-202(1)(a)(I)(B), C.R.S.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Sky Ranch Metropolitan District No. 3, Arapahoe County, Colorado:

1. Pursuant to Section 8-40-202(1)(a)(I)(B), C.R.S., the uncompensated elected or appointed officials of the District shall not be deemed to be employees within the meaning of Section 8-40-202(1)(a), C.R.S. Such exclusion shall apply for all policy years until such time as the exclusion may be repealed by the Board of Directors of the District.

2. The Board of Directors of the District shall promptly provide notice to such excluded officials.

3. This Resolution shall be effective immediately.

APPROVED AND ADOPTED ON FEBRUARY 12, 2021.

**SKY RANCH METROPOLITAN DISTRICT
NO. 3**

By: _____
President

Attest:

Secretary

2021 AGENCY SERVICES AGREEMENT

District Name: Sky Ranch Metropolitan District No. 3

T. Charles Wilson Insurance Service ("the Agency") agrees to act as Insurance Agent, representing its multiple resources, for the above-named District. The agent's services for property and liability shall include the following:

1. Review the District's coverage needs, budgets and future plans with the District's Project Manager and, if requested, the District's Board or the Board's designated representative.
2. Review property coverage including physical inspection of the District's property locations (if requested), if the District has real and/or personal property it wishes to insure.
3. Prepare and submit applications to the Colorado Special Districts Property and Liability Pool and at the request of District other standard carriers.
4. Present all quotations on a "net of commission" basis (no commissions in the price) if total annual premiums are less than \$6,000. If over \$6,000, quotes will include commission and no fee will be charged.
5. Prepare separate billings – one for quoted net premiums and one for the services of the Agency.
6. Provide claim services including but not limited to: taking initial calls or reports of claims from Districts Representative or claimants; reporting claims to the districts insurance company; providing insurance related counsel and advice during the claim process to the District and its Representatives; fielding calls from claimants; directing insurance company adjustors to District Representatives.
7. Provide ancillary services on an as-needed basis, including, but not limited to contract language review for insurance purposes (only) or aid in negotiating required insurance terms with entities either requiring insurance of the District or required to have insurance by the District.

AGENCY SERVICES AGREEMENT

FEES

If the total annual premiums of the below policies purchased by the district through the Agency are less than \$6,000, then the Agency shall charge the following fees in lieu of commissions:

\$495.00 annual fee: Liability, Public Officials Liability, Automobile Liability.

\$280.00 annual fee: Additional if property coverage is required.

**** Fees are invoiced annually and subject to normal increases.***

Illegal Aliens Provision. The Agency certifies that the Agency shall comply with the provisions of Section 8-17.5-101 et seq., C.R.S. The Agency shall not knowingly employ or contract with an illegal alien to perform work under this Agreement or enter into an agreement with a subcontractor that knowingly employs or contracts with an illegal alien to perform work under this Agreement. The Agency represents, warrants, and agrees that it (i) has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this agreement through participation in either the E-Verify Program or the Department Program described in Section 8-17.5-101, C.R.S. The Agency shall not use either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the public contract for services is being performed. If the Agency obtains actual knowledge that a subcontractor performing work under this contract knowingly employs or contracts with an illegal alien, the Agency shall: (i) notify the subcontractor and the District within three days that the Agency has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and (ii) terminate the subcontract with the subcontractor if within three days of receiving such notice, the subcontractor does not stop employing or contracting with the illegal alien, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien. The Agency shall comply with all reasonable requests made in the course of an investigation by the Colorado Department of Labor and Employment. If the Agency fails to comply with any requirement of Section 8-17.5-102(2), C.R.S., the District may terminate this Agreement for breach and the Agency shall be liable for actual and consequential damages to the District. If the Agency participates in the Department Program, the Agency shall provide the affirmation required under Section 8-17.5-102(5)(e)(III), C.R.S., to the District.

Please acknowledge your agreement with the terms herein by signing below. The obligation for payment of the above fees shall be the responsibility of the District signing below.

Signature

Mark Harding

Name of Person Signing – Printed or Typed

Sky Ranch Metropolitan District No. 3

Name of Organization represented by
above signor – Printed or Typed

February 12, 2021

Date



CliftonLarsonAllen LLP
8390 East Crescent Parkway, Suite 300
Greenwood Village, CO 80111
303-779-5710 | fax 303-779-0348
CLAAconnect.com

January 19, 2021

Board of Directors
Sky Ranch Metropolitan District No. 3

RE: Management Services for Sky Ranch Metropolitan District No. 3

Dear Board of Directors:

CliftonLarsonAllen LLP ("CLA") is pleased to serve the Sky Ranch Metropolitan District No. 3 (hereinafter "you" or the "District") as your professional management consultant. The purpose of this engagement letter is to confirm the terms of our agreement. All persons performing under this agreement shall be employees of CLA, and shall be independent contractors. Employee compensation insurance, business liability insurance and all other insurance coverages and employee benefits will be provided by CLA, and such expenses shall be part of the hourly fee included in the rate structure. Subject to annual appropriation, the terms of our engagement **will apply to the initial and all subsequent periods, unless the agreement is changed in an amendment that we both sign or terminated as permitted herein.**

Matt Urkoski will be the principal responsible for the engagement (the "District Manager"). In addition to the services that we are to provide under this engagement letter, we would also be pleased to assist the District on other issues as they arise throughout the year. Any such future services are outside the scope of this engagement and their terms would be covered by a separate engagement letter.

Scope of Management Services

CLA will perform the following services for the District:

District Board of Directors ("Board") Meetings

- Coordination of all Board meetings;
- Meeting Attendance: District Manager and/or designee will attend all Board meetings;
- Preparation and distribution of agenda and informational materials;
- Preparation of meeting minutes for all meetings;
- Preparation and posting of legal notices required in conjunction with the meetings;
- Other details incidental to meeting preparation and follow-up.

Recordkeeping

- Maintain lists of persons and organizations for correspondence;
- Vendor listing as needed or requested by the Board;
- Repository of all District records and act as Custodian of records for purposes of CORA (as that term is defined in the District's Resolution Designating an Official Custodian for Purposes of the Colorado Open Records Act, Sections 24-72-201 *et seq.*, C.R.S.).

Communications

- 24/7 answering and paging services;
- Website administration. It is recommended that the District have a website; however, CLA will not provide a website for the District on CLA's website. CLA will oversee daily management and maintenance of the District website as needed or requested by the District;
- Respond to routine inquiries, questions and requests for information regarding the District;
- Periodic reports to the Board regarding the status of District matters and actions taken or contemplated by the District Manager on behalf of the District as requested by the Board;
- Provide liaison and coordination with municipal, county and state governmental agencies.

Contract Administration

- Insurance administration, including risk evaluation, comparison of coverage, processing claims, completion of applications, monitoring expiration dates, processing routine written and telephone correspondence;
- Ensure all contractors and sub-contractors maintain the required insurance coverage for the District's benefit;
- Bidding, contract and construction administration and supervision of project processes assigned by the Board and project contractors;
- Confer with and coordinate legal, accounting, engineering, auditing and other professional services to the District by those professionals and consultants retained by the District as directed by the Board (CLA itself will not and cannot provide legal services);
- Represent the District with other entities and bodies as requested by the Board (but not as its representative for legal matters);
- Bid, contract, and supervise all District vendors

Document Administration

- Provide coordination and administration for the continuing revision of the District's Rules and Regulations;
- Provide framed aerial photographic mapping of the District, if requested;
- In conjunction with and at the direction of the District's legal counsel, coordinate all elections for the District in accordance with state law, including preparation of election materials, publications, legal notices, training session for election judges and general election assistance;
- Administer any legal documents, permits, or agreements that relate to or District facilities and any Rules and Regulations adopted by the Board.

Accounts Payable Services to be Provided:

- Receive and process all invoices;
- Coordinate review, approval and coding of all invoices with District Accountant to ensure timely payment

In addition to these services, when, in the professional opinion of the District Manager, other services are necessary, the District Manager shall recommend the same to the Board or perform such services and report to the Board the nature of such services, the reason they were required, and the result achieved; provided however, with the exception of emergencies, that if such additional services are expected to cost more than \$2,000.00, the District Manager shall discuss such costs with the Board and receive prior authorization to perform such services.

Service Satisfaction and Terms of Agreement

If you are not completely satisfied with the services performed by CLA, we will take reasonable corrective action to satisfy you, and then if you are not completely satisfied, we will accept a portion of the fees that reflects your level of satisfaction. Upon full payment of our invoice, we will assume you are satisfied with our work and our service commitment will have been fulfilled.

To ensure that our services remain responsive to your needs, as well as fair to both parties, we will meet with you throughout the term of the agreement and, if necessary, revise or adjust the scope of the services to be provided and the fees to be charged.

Furthermore, it is understood that either party may terminate this agreement at any time, for any reason, by giving 30 days written notice to the other party. In that event, the provisions of this agreement shall continue to apply to all services rendered prior to termination. It is understood that any unpaid fees that are owed or invoices that are outstanding at the date of termination are to be paid in accordance with the terms of this agreement.

Notwithstanding the foregoing, unless terminated pursuant to the terms listed above, or unless the District determines not to appropriate funds for this agreement for the next succeeding year, this agreement shall automatically renew for each succeeding year for an additional one (1) year term commencing January 1 of the next succeeding year.

Fees, time estimates, and terms

Our fees for these services will be on a time and materials basis based on the rates below, the time involved and the degree of responsibility and skills required, plus expenses including internal and administrative charges that will be billed at cost. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. Subject to the conditions and limitations of this agreement, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

The hour rates currently in effect for our services are as follows:

- Principals \$225 - \$325
- Public managers \$150 - \$225
- Assistant public managers \$135 - \$150
- Public management analysts \$100 - \$135
- District administrators \$125 - \$140
- Record retention coordinators \$ 95 - \$110

As our rates change over time, we will provide an updated rate schedule for written Board approval. Invoices will be itemized to include the 1) date of performance of the services, 2) description of the service performed, 3) individual performing the service, and 4) time spent. Invoices will be submitted monthly and are subject to review by the District's Board.

The charges for our work are based upon the time involved, degree of responsibility assumed and skills required, plus administrative expenses. Bills for services are due when submitted. Interim bills may be submitted at periodic dates. If a bill for services is not paid when due, we reserve the right to cease work and withdraw from the engagement. We will also add a Technology and Client Support Fee of five percent (5%) of all professional fees billed.

Cost of Materials

Actual and direct out-of-pocket expenses necessary to the performance of the services, including out-of-town mileage, travel, meals, and lodging, will be billed at cost and are not included in the fees quoted above.

Other fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%.

Technology

CLA may, at times, use third-party software applications to perform services under this agreement. You authorize CLA to sign on your behalf any vendor agreements applicable to such software applications. CLA can provide a copy of the application agreement at your request. You acknowledge the software vendor may have access to your data. CLA will implement and maintain reasonable security procedures and practices that are appropriate to the nature of any personal identifying information (as that term is defined by Section 24-73-101(4)(b), C.R.S.) disclosed to CLA and reasonably designed to help protect any such personal identifying information from unauthorized access, use, modification, disclosure, or destruction.

Illegal Aliens

Certification. Prior to the execution of this agreement, CLA shall certify to the District, as attached hereto as Attachment 1 and incorporated herein by this reference, that at the time of certification, it does not knowingly employ or contract with an illegal alien who will perform work under this agreement and that CLA will participate in either the E-Verify Program administered by the U.S. Department of Homeland Security and the Social Security Administration, or in the Colorado Department of Labor and Employment's Employment Verification Program (the "Department Program"), as further described in Paragraph 10(F) below, in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this agreement.

Prohibited Acts. CLA shall not:

1. Knowingly employ or contract with an illegal alien to perform work under this agreement; or
2. Enter into a contract with a subcontractor that fails to certify to CLA that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this agreement. CLA shall provide the District with all certifications received from subcontractors in which subcontractors certify that said subcontractors do not knowingly employ or contract with an illegal alien to perform work under this agreement.

Verification.

1. CLA has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this agreement through participation in either the E-Verify Program or the Department Program.
2. CLA shall not use either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while this agreement is being performed.
3. If CLA obtains actual knowledge that a subcontractor performing work under this agreement knowingly employs or contracts with an illegal alien, CLA shall:
 - (i) Notify the subcontractor and the District within three (3) days that CLA has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
 - (ii) Terminate the subcontract with the subcontractor if, within three (3) days of receiving the notice required pursuant to subparagraph (i) hereof, the subcontractor does not stop employing or contracting with the illegal alien; except that CLA shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

Duty to Comply With Investigations. CLA shall comply with any reasonable request by the Colorado Department of Labor and Employment (the "Department") made in the course of an investigation conducted pursuant to Section 8-17.5-102 (5), Colorado Revised Statutes, to ensure that CLA is complying with this Paragraph of the agreement.

Breach. If CLA violates a provision of this Paragraph, the District may terminate the agreement for a breach of the agreement. If the agreement is so terminated, CLA shall be liable for actual and consequential damages to the District. The District shall notify the Colorado office of the Secretary of State if CLA violates a provision of this paragraph of the agreement and the District terminates the agreement.

Agreed and Accepted

This engagement letter constitutes the entire agreement regarding services to be provided to you and will supersede all prior agreements, understandings, negotiations, and discussions between us relating to the scope of services described in this letter, whether oral or written. This agreement may be supplemented only by other written agreements.

If the above terms and conditions are in accordance with your understanding and acceptable to you, please sign and date where indicated and send a signed copy to us. This agreement shall be effective upon the date of signature and may be supplemented only by other written agreements.

We very much appreciate the opportunity to serve you and will be pleased to discuss any questions you may have.

Sincerely,

CliftonLarsonAllen LLP



Matt Urkoski, Principal
303-265-7919
Matt.Urkoski@claconnect.com

The services described in the foregoing letter are in accordance with our requirements, and we understand and agree to the terms and conditions recited above.

Sky Ranch Metropolitan District No. 3

By

Title

Date

ATTACHMENT 1

CERTIFICATION REGARDING ILLEGAL ALIENS

To: SKY RANCH METROPOLITAN DISTRICT NO. 3

I, _____, as _____ of CliftonLarsonAllen LLP, the prospective "Contractor" for that certain contract for management services to be entered into with Sky Ranch Metropolitan District No. 3, do hereby certify on behalf of said Contractor that, as of the date of this Certification, Contractor does not knowingly employ or contract with an illegal alien who will perform work under this agreement and that Contractor will participate in either the E-Verify Program administered by the U.S. Department of Homeland Security and the Social Security Administration, or in the Colorado Department of Labor and Employment's Employment Verification Program pursuant to Section 8-17.5-102(5)(c), Colorado Revised Statutes in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this agreement.

Executed on the ____ of _____, 20__.

CLIFTONLARSONALLEN LLP

By: _____

Its: _____

McGeady Becher P.C.
Document Retention Policy

Types of Documents

In representing you we will or may take possession of, create, and/or keep various types of documents. These consist of documents you provide to us, documents which constitute the District's official public record, and internal documents we create to assist us in providing services to you.

Documents You Provide to Us

It is our policy to copy and return original documents you provide to us as soon as practicable. Exceptions to this policy are original documents which should be kept as part of the District's official public record, instances where we must have an original document to represent you, or cases where we have affirmatively agreed retain a document for safekeeping.

The District's Record

As a part our engagement, we will maintain the District's official public Record (the "**Record**"). The Record is a highly useful and detailed compilation of documents reflecting the official actions of the District and serves multiple functions. First, it collects those documents which the public is entitled to inspect and copy under various state and federal public records and freedom of information statutes. Second, it organizes the records of the District – such as its contracts, land and title records, and easements - in a manner which is useful in conducting the ongoing business of the District. Third, the Record helps expedite the District's annual audit process. Fourth, in the event you should change legal counsel or employ in-house counsel, the Record will enable that counsel to understand the status and assume representation of the District with maximum efficiency.

The Record includes the District's organizational documents, fully-executed agreements which are still in effect, rules, regulations, resolutions adopted by the District, official minutes books, meeting notices, agendas, insurance policies, District maps, election records, bond documents, audit documents, and many more. A comprehensive list of documents comprising the Record is available from us at any time upon request.

Creating and maintaining the Record is an important and complex task, and you agree to pay our actual costs and hourly fees associated with doing this.

Supplemental Documents

All other documents created in course of representing you are referred to as Supplemental Documents. These include our notes, drafts, memoranda, worksheets, electronic communications, and other electronic documents stored in various media or file servers.

Documents We Retain

Except as provided in this Document Retention Policy or an amendment thereto, we will keep the Record and any original documents accepted by us for safekeeping so long as we represent you.

Delivery of the Record

Once a matter is concluded or our has representation terminated, we deliver the original, printed Record, together with any original documents we have accepted for safekeeping, to you or the District's designee, provided our fees and costs have been paid in full. If you do not designate someone to receive these records, we will deliver them to a then-current officer or director of the District. If we are unable to deliver these documents because of your failure to designate a recipient, we may retain, destroy, or otherwise dispose of them in manner which assures their continued confidentiality within thirty (30) days following the conclusion of a matter or the termination of our representation.

We will also confidentially destroy the Record of any District in our possession if a final order of dissolution of the District is entered.

All other documents, including all Supplemental Documents, are routinely, periodically, confidentially, and permanently purged by us once they are no longer useful to us in providing services to you.

**MINUTES OF SPECIAL MEETINGS OF THE
BOARD OF DIRECTORS
OF
SKY RANCH METROPOLITAN DISTRICT NO. 3
("DISTRICT")**

A Special Meeting of the Board of Directors of the District, County of Arapahoe, Colorado ("Board"), was called and held on Tuesday, July 17, 2012 at 12:00 p.m. at the offices of McGeady Sisneros, P.C., 450 E. 17th Avenue, Suite 400, Denver, Colorado 80203.

Directors In Attendance Were:

Mark Harding

Scott Lehman

P. Joseph Knopinski

Kevin McNeill was absent and excused.

Also In Attendance Were:

MaryAnn M. McGeady, and Jennifer Henry; McGeady Sisneros, P.C.;
Leanne Elkins; Pure Cycle Corporation

Appointment of
Directors

Attorney McGeady reviewed Resolution No. 120402 from Arapahoe County Board of County Commissioners ("BOCC") appointing Mark Harding, Scott Lehman, Kevin McNeill and P. Joseph Knopinski to the Board. The Board acknowledged these appointments by the BOCC. Attorney McGeady confirmed the qualifications of the Directors and administration of oaths of directors.

Disclosure of Potential
Conflicts of Interest

Attorney McGeady discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested 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 statute. It was noted by Attorney McGeady that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors.

Appointment of
Officers

The Board considered the appointment of officers. Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote unanimously carried, the following persons were appointed to their respective positions:

Mark Harding	- President
Scott Lehman	- Secretary
P. Joseph Knopinski	- Treasurer
Kevin McNeill	- Assistant Secretary

Agenda	Attorney McGeady distributed for the Board's review the Agenda for the District's special meeting. Following discussion and upon motion duly made by Director Knopinski, seconded by Director Lehman and, upon vote unanimously carried, the Board approved the Agenda as presented.
Approval of Meeting Location and Posting of Notices	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, and upon motion duly made by Director Knopinski, seconded by Director Lehman and, upon vote unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries or within the county in which the District is located, or within 20 miles from the District boundaries, to conduct this meeting, it was determined to conduct the meeting at the above-stated date, time and location. Attorney McGeady further reported that notices were duly posted and that no objections to the location or any requests that the meeting place be changed by taxpaying electors within the District's boundaries have been received.
Resolution Establishing Meeting Dates and Posting Locations	Following review and discussion, upon motion duly made by Director Lehman, seconded by Director Knopinski and, upon vote unanimously carried, the Board approved Resolution No. 2012-07-01 Establishing Regular Meeting Dates, Time and Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices.
Engagement of District Counsel	Attorney McGeady reviewed McGeady Sisneros, P.C.'s proposed engagement letter for legal counsel services with the Board. Following review, upon motion duly made by Director Knopinski, seconded by Director Lehman and, upon vote unanimously carried, the Board approved the engagement with McGeady Sisneros, P.C. for District Counsel services.
District Management	The Board determined that it was not necessary to engage a District Manager at this time.
Directors' Fees	The Board discussed the payment of fees to directors as permitted by

statute. The Board determined not to institute payment of directors' fees at this time. Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote unanimously carried, the Board adopted Resolution No. 2012-07-02 for the Exclusion of Workers' Compensation Coverage.

Applications for
Exemption from Audit

The Board discussed appointing Special District Management Services, Inc. ("SDMS") to prepare and file Applications for Exemption from Audit for fiscal years 2008, 2009, 2010, 2011 and 2012. Following discussion, upon motion duly made by Director Knopinski, seconded by Director Lehman and, upon vote unanimously carried, the Board authorized SDMS to prepare and file Applications for Exemption from Audit for fiscal years 2008, 2009, 2010, 2011 and 2012 for the District and Sky Ranch Metropolitan District Nos. 1 and 4 for an aggregate amount not to exceed \$1,000.

2009, 2010, 2011 and
2012 Budget
Preparation

Following discussion, upon motion duly made by Director Harding, seconded by Director Knopinski and, upon vote unanimously carried, the Board ratified appointment McGeady Sisneros, P.C. to prepare the Budgets for fiscal years 2009 through 2012.

Public Hearing on
2009 Budget

Director Harding opened the public hearing to consider the proposed 2009 Budget and to discuss related issues.

It was noted that Notice stating that the District would consider adoption of the 2009 Budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing.

No public comments were received and the public hearing was closed.

The Board reviewed the proposed 2009 Budget and Resolution No. 2012-07-03 to Adopt the 2009 Budget and Resolution No. 2012-07-04 to Appropriate Sums of Money. Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote unanimously carried, the Board adopted Resolution No. 2012-07-03 to Adopt the 2009 Budget and Resolution No. 2012-07-04 to Appropriate Sums of Money and authorized execution of the Certification of Budget. District Counsel was authorized to transmit the Certification of Budget to the Division of Local Government.

Public Hearing on
2010 Budget

Director Harding opened the public hearing to consider the proposed 2010 Budget and to discuss related issues.

It was noted that Notice stating that the District would consider adoption of the 2010 Budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were

received prior to the public hearing.

No public comments were received and the public hearing was closed.

The Board reviewed the proposed 2010 Budget and Resolution No. 2012-07-05 to Adopt the 2010 Budget and Resolution No. 2012-07-06 to Appropriate Sums of Money. Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote unanimously carried, the Board adopted Resolution No. 2012-07-05 to Adopt the 2010 Budget and Resolution No. 2012-07-06 to Appropriate Sums of Money and authorized execution of the Certification of Budget. District Counsel was authorized to transmit the Certification of Budget to the Division of Local Government.

Public Hearing on 2011 Budget

Director Harding opened the public hearing to consider the proposed 2011 Budget and to discuss related issues.

It was noted that Notice stating that the District would consider adoption of the 2011 Budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing.

No public comments were received and the public hearing was closed.

The Board reviewed the proposed 2011 Budget and Resolution No. 2012-07-07 to Adopt the 2011 Budget and Resolution No. 2012-07-08 to Appropriate Sums of Money. Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote unanimously carried, the Board adopted Resolution No. 2012-07-07 to Adopt the 2011 Budget and Resolution No. 2012-07-08 to Appropriate Sums of Money and authorized execution of the Certification of Budget. District Counsel was authorized to transmit the Certification of Budget to the Division of Local Government.

Public Hearing on 2012 Budget

Director Harding opened the public hearing to consider the proposed 2012 Budget and to discuss related issues.

It was noted that Notice stating that the District would consider adoption of the 2012 Budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing.

No public comments were received and the public hearing was closed.

The Board reviewed the proposed 2012 Budget and Resolution No. 2012-07-09 to Adopt the 2011 Budget and Resolution No. 2012-07-10 to Appropriate Sums of Money. Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote unanimously carried, the Board adopted Resolution No. 2012-07-09 to Adopt the 2012 Budget and Resolution No. 2012-07-10

to Appropriate Sums of Money and authorized execution of the Certification of Budgets. District Counsel was authorized to transmit the Certification of Budgets to the Division of Local Government.

Investment Policy

Attorney McGeady discussed the statutory investment policy with the Board. Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote unanimously carried, the Board adopted a policy authorizing investments in accordance with state statutes.

Amended and Restated Resolution Providing Policy Regarding Recording of Public and Executive Session Meetings

Following review and discussion, upon motion duly made by Director Lehman, seconded by Director Knopinski and, upon vote unanimously carried, the Board approved Amended and Restated Resolution No. 2012-07-11 Providing Policy Regarding Recording of Public and Executive Session Meetings.

Amended and Restated Resolution Providing for the Defense and Indemnification of Directors and Employees of the District

Following review and discussion, upon motion duly made by Director Lehman, seconded by Director Knopinski and, upon vote unanimously carried, the Board approved the Amended and Restated Resolution No. 2012-07-12 Providing for the Defense and Indemnification of Directors and Employees of the District.

November 6, 2012 Debt Election

The Board discussed calling a November 6, 2012 Special Debt Election. Following discussion, upon motion duly made by Director Lehman, seconded by Director Knopinski and, upon vote unanimously carried, the Board adopted Resolution No. 2012-07-13 Calling a November 6, 2012 Debt Election.

Resolution Declaring District's Intent to Reimburse Expenditures with the Proceeds of Future Tax-Exempt Bonds

Following discussion, upon a motion duly made by Director Harding, seconded by Director Knopinski and, upon vote,unanimously carried, the Board adopted Resolution No. 2012-07-14 Declaring District's Intent to Reimburse Expenditures with the Proceeds of Future Tax-Exempt Bonds.

Administrative Dissolution of Sky Ranch Metropolitan District No. 2

The Board acknowledged the Administrative Dissolution of Sky Ranch Metropolitan District No. 2.

Termination of Facilities Funding, Construction and Operations Agreement	The Board noted the Administrative Dissolution of Sky Ranch Metropolitan District No. 2 and discussed terminating the Facilities Funding, Construction and Operations Agreement currently in place among Sky Ranch Metropolitan District Nos. 1, 2, 3, 4 and 5 dated March 21, 2006. Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote unanimously carried, the Board terminated the Facilities Funding, Construction and Operations Agreement among Sky Ranch Metropolitan District Nos. 1, 2, 3, 4 and 5 dated March 21, 2006.
Facilities Funding, Construction and Operations Agreement	The Board discussed the need for a Facilities Funding, Construction and Operations Agreement among Sky Ranch Metropolitan District Nos. 1, 3, 4 and 5 ("Districts"). Following discussion, upon motion duly made by Director Harding, seconded by Director Lehman and, upon vote unanimously carried, the Board approved a Memorandum of Understanding among the Districts, whereby District No. 5 has the authority to act as the management district for purposes of coordinating financing, construction and operations of improvements which benefit the District.
Termination of Operation Funding Agreement	The Board discussed the Operation Funding Agreement with Sky Ranch LLC dated March 29, 2005. Following discussion, upon motion duly made by Director Harding, seconded by Director Lehman and, upon vote, unanimously carried, the Board noted that there are no amounts due under the Operation Funding Agreement from the District to Sky Ranch LLC and then approved the Termination of the Operation Funding Agreement with Sky Ranch LLC dated March 29, 2005.
Statutory Compliance Items	Attorney McGeady reviewed the items that need to be completed and filed for the District to be compliant under Colorado statutes. The Board directed District Counsel to take such actions as are necessary to comply with Colorado Statutes including, but not limited to mailing the statutorily required Transparency Notices to District electors.
Resolution No. 2012-07-15 Declaring Inactive Status	The Board reviewed the proposed Resolution No. 2012-07-15 Declaring Inactive Status. Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote unanimously carried, the Board adopted Resolution No. 2012-07-15 Declaring Inactive Status effective December 14, 2012 and authorized District Counsel and the District's officers to implement such actions as are required by state law to effect the Resolution.

Adjournment

There being no further business to come before the Board and following discussion and upon motion duly made, seconded and unanimously carried, the Board determined to adjourn the meeting.

Respectfully submitted,

Secretary

APPLICATION FOR EXEMPTION FROM AUDIT - SHORT FORM - FOR GOVERNMENTS WITH REVENUES AND EXPENDITURES OF \$100,000 OR LESS

Name of Government:	Skyranch Metropolitan District No. 3	For the Fiscal Year Ended December 31, 2012 or fiscal year ended:
Address:	c/o McGeady Sisneros 450 E 17th Avenue, Suite 400 Denver, CO 80203-1214	
Contact Person:	MaryAnn McGeady	
Telephone:	303-592-4380	
Email:	mmcgeady@mcgeadysisneros.com	
Fax:	303-542-4385	

Return to: Office of the State Auditor
Local Government Audit Division
225 E. 16th Ave., Suite 555
Denver, CO 80203
Fax: **303-866-4062**
Email: OSA.LG@state.co.us
Call (303) 866-3338 if you need help completing this form.

PLEASE READ THE
ABOVE INSTRUCTIONS
BEFORE SUBMITTING

Section 29-1-604, C.R.S., outlines the provisions for an exemption from audit. Generally, any local government for which neither revenues nor expenditures exceed \$500,000 in any fiscal year may qualify for an exemption.

If either revenues or expenditures are \$100,000 or greater, but not more than \$500,000, you may NOT use this form. Please use the LONG FORM of this application. If both revenues and expenditures are less than \$100,000 individually, use this short form application for exemption from audit.

Please review ALL instructions prior to the completion of this form.

Instructions:

1. Prepare this form completely and accurately. Please note that there are 11 parts to this form, and all questions must be answered for the application to be considered complete.
2. File this form with the Office of the State Auditor within **3 months** after the end of the fiscal year.
For years ended December 31, the form **must** be **received** by the Office of the State Auditor by **March 31**.
3. The form **must** be completed by a person skilled in governmental accounting.
4. The application must be personally reviewed and approved by a majority of the governing body as evidenced by one of the following methods:
 - a. Resolution of the governing body - application may be emailed, faxed, or mailed.
 - b. Original signatures - application must be mailed. Email or fax will NOT be accepted.
5. The **preparer must sign** the application that is submitted in order for it to be accepted.
6. Additional information may be attached to the exemption at the preparer's discretion.

CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my

Name:	George Turtle
Title:	Accountant
Firm Name (if applicable):	Special District Management Services, Inc.
Address:	141 Union Blvd., Suite 150, Lakewood, CO 80228
Telephone Number:	303-987-0835
Date Prepared:	3/4/2013

Preparer Signature (Required): The application will be rejected if not signed by the preparer.



Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	Governmental	Proprietary
	X	

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	(Omit cents)
2-1	Taxes: Property	\$ -
2-2	Specific ownership	\$ -
2-3	Sales and use	\$ -
2-4	Other (specify):	\$ -
2-5	Licenses and permits	\$ -
2-6	Intergovernmental: Grants	\$ -
2-7	Conservation Trust Funds (Lottery)	\$ -
2-8	Highway Users Tax Funds (HUTF)	\$ -
2-9	Other (specify):	\$ -
2-10	Charges for services	\$ -
2-11	Fines and forfeits	\$ -
2-12	Special assessments	\$ -
2-13	Investment income	\$ -
2-14	Charges for utility services	\$ -
2-15	Debt proceeds (should agree with line 4-3, column 2)	\$ -
2-16	Lease proceeds	\$ -
2-17	Developer Advances received (should agree with line 4-3)	\$ -
2-18	Proceeds from sale of capital assets	\$ -
2-19	Fire and police pension	\$ -
2-20	Donations	\$ -
2-21	Other (specify):	\$ -
2-22		\$ -
2-23		\$ -
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE all sources	\$ -

PART 3 - EXPENDITURES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	(Omit cents)
3-1	Administrative	\$ -
3-2	Salaries	\$ -
3-3	Payroll taxes	\$ -
3-4	Contract services	\$ -
3-5	Employee benefits	\$ -
3-6	Insurance	\$ -
3-7	Accounting and legal fees	\$ -
3-8	Repair and maintenance	\$ -
3-9	Supplies	\$ -
3-10	Utilities and telephone	\$ -
3-11	Fire/Police	\$ -
3-12	Streets and highways	\$ -
3-13	Public health	\$ -
3-14	Culture and recreation	\$ -
3-15	Utility operations	\$ -
3-16	Capital outlay (should agree with line 6-1, column 2)	\$ -
3-17	Debt service principal (should agree with line 4-3, column 2)	\$ -
3-18	Debt service interest	\$ -
3-19	Repayment of Developer Advances (should agree with line 4-3)	\$ -
3-20	Contribution to pension plan (should agree to line 7-2)	\$ -
3-21	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -
3-22	Other (specify):	\$ -
3-23		\$ -
3-24		\$ -
3-25	(add lines 3-1 through 3-24) TOTAL EXPENDITURES all categories	\$ -

Note: If Total Revenue (Line 2-24) or Total Expenditures (Line 3-25) are greater than \$100,000 - STOP. You may not use this form. Please use the "Application for Exemption from Audit - Long Form".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED					
Please answer the following questions by marking the appropriate boxes.				Yes	No
4-1	Does the entity have outstanding debt?				X
	Is the debt repayment schedule attached? If no, please explain:				
4-2	Is the entity current in its debt service payments? If no, please explain:				
4-3	Please complete the following debt schedule, if applicable: (please only include principal amounts)			Outstanding at end of prior year	Issued during fiscal year
	General obligation bonds			\$ -	\$ -
	Revenue bonds			\$ -	\$ -
	Notes/Loans			\$ -	\$ -
	Leases			\$ -	\$ -
	Developer Advances			\$ -	\$ -
	Other (specify):			\$ -	\$ -
	Total:			\$ -	\$ -
Please answer the following questions by marking the appropriate boxes.				Yes	No
4-4	Does the entity have any authorized, but unissued, debt?			X	
If yes:	How much?	\$	162,000,000.00		
	Date the debt was authorized:		11/2/2004		
4-5	Does the entity intend to issue debt within the next calendar year (2012)?				X
If yes:	How much?	\$	-		
Please answer the following questions by marking the appropriate boxes.				Yes	No
4-6	Does the entity have debt that has been refinanced that it is still responsible for?				X
If yes:	What is the amount outstanding?	\$	-		
Please answer the following questions by marking the appropriate boxes.				Yes	No
4-7	Does the entity have any lease agreements?				X
If yes:	What is being leased?				
	What is the original date of the lease?				
	Number of years of lease?				
	Is the lease subject to annual appropriation?				
	What are the annual lease payments?	\$	-		
4-8	Please use this space to provide any explanations or comments:				
PART 5 - CASH AND INVESTMENTS					
Please provide the entity's cash deposit and investment balances.				Amount	Total
5-1	Checking accounts			\$ -	
5-2	Savings accounts			\$ -	
5-3	Certificates of deposit			\$ -	
	Total Cash Deposits				\$ -
	Investments (if investment is a mutual fund, please list underlying investments):				
5-4				\$ -	
5-5				\$ -	
5-6				\$ -	
5-7				\$ -	
	Total Investments				\$ -
	Total Cash and Investments				\$ -
Please answer the following question by marking in the appropriate box				Yes	No
5-8	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? If no, please explain:			X	
5-9	Please use this space to provide any explanations or comments:				
X					

PART 6 - CAPITAL ASSETS

	Please answer the following questions by marking in the appropriate boxes.	Yes	No																																													
6-1	Does the entity have land, buildings, and/or equipment?		X																																													
If yes:	Has the entity performed an annual inventory of property and equipment (capital assets) in accordance with Section 29-1-506, C.R.S.,? If no, please explain:																																															
	Complete the following table:																																															
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 45%;"></th> <th style="width: 15%;">Balance - beginning of the year</th> <th style="width: 15%;">Additions</th> <th style="width: 15%;">Deletions</th> <th style="width: 15%;">Year-End Balance</th> </tr> <tr> <td>Land</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Buildings</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Machinery and equipment</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Furniture and fixtures</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Construction In Progress (CIP)</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Other (explain):</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Accumulated Depreciation</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> </table>		Balance - beginning of the year	Additions	Deletions	Year-End Balance	Land	\$ -	\$ -	\$ -	\$ -	Buildings	\$ -	\$ -	\$ -	\$ -	Machinery and equipment	\$ -	\$ -	\$ -	\$ -	Furniture and fixtures	\$ -	\$ -	\$ -	\$ -	Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -	Other (explain):	\$ -	\$ -	\$ -	\$ -	Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -	Total	\$ -	\$ -	\$ -	\$ -		
	Balance - beginning of the year	Additions	Deletions	Year-End Balance																																												
Land	\$ -	\$ -	\$ -	\$ -																																												
Buildings	\$ -	\$ -	\$ -	\$ -																																												
Machinery and equipment	\$ -	\$ -	\$ -	\$ -																																												
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -																																												
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -																																												
Other (explain):	\$ -	\$ -	\$ -	\$ -																																												
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -																																												
Total	\$ -	\$ -	\$ -	\$ -																																												
6-2	Please use this space to provide any explanations or comments:																																															

PART 7 - PENSION INFORMATION

	Please answer the following questions by marking in the appropriate boxes.	Yes	No
7-1	Does the entity have an "old hire" firemen's pension plan?		X
7-2	Does the entity have a volunteer firemen's pension plan?		X
If yes:	Who administers the plan?		
	Indicate the contributions from:		
	Tax (property, SO, sales, etc.):	\$ -	
	State contribution amount:	\$ -	
	Other (gifts, donations, etc.):	\$ -	
	Total:	\$ -	
	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	\$ -	
7-3	Please use this space to provide any explanations or comments:		

PART 8 - BUDGET INFORMATION

	Please answer the following questions by marking in the appropriate boxes.	Yes	No								
8-1	Did the entity file a 2012 budget with the Department of Local Affairs? If no, please explain:	X									
8-2	Did the entity pass an appropriations resolution? In no, please explain:	X									
If yes:	Please indicate the amount appropriated for each fund for 2012:										
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">Fund Name</th> <th style="width: 50%;">Budgeted 2012 Expenditures</th> </tr> <tr> <td>General Fund</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> </table>	Fund Name	Budgeted 2012 Expenditures	General Fund	\$ -						
Fund Name	Budgeted 2012 Expenditures										
General Fund	\$ -										
8-3	Please use this space to provide any explanations or comments:										
	The District filed a budget with zero revenue and expenses										

PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)

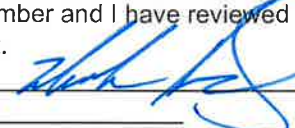

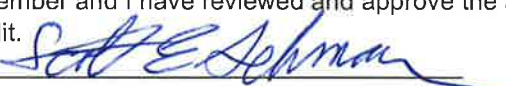
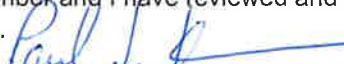
	Please answer the following question by marking in the appropriate box	Yes	No
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?	X	
	Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.		
9-2	Please use this space to provide any explanations or comments:		

PART 10 - GENERAL INFORMATION

	Please answer the following questions by marking in the appropriate boxes.	Yes	No
10-1	Is this application for a newly formed governmental entity?		X
If yes:	Date of formation:		
10-2	Has the entity changed its name in the past or current year?		X
If Yes:	Please list the NEW name & PRIOR name:		
10-3	Is the entity a metropolitan district?	X	
10-4	Please indicate what services the entity provides:		
	The District was formed to provide construction, financing water, sewer, streets, transportation, park and recreation, TV Relay, and mosquito control.		
10-5	Does the entity have an agreement with another government to provide services?		x
If yes:	List the name of the other governmental entity and the services provided:		
10-6	Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]	X	
If yes:	Date Filed: 12/14/2012		
10-7	Please use this space to provide any explanations or comments:		

PART 11 - GOVERNING BODY APPROVAL

Below is the certification and approval of the governing board. By signing the board member is certifying they are a duly elected or appointed officer of the local government. Governing board members may be verified. Also by signing, the board member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$100,000 or less must have an application prepared by a person skilled in governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

	Print the names of all current	A MAJORITY of the governing board members must complete and sign in the column
Board Member 1	Print Board Members Name Mark Harding	I <u>Mark Harding</u> , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed <u></u> Date: <u>3/14/13</u> My term Expires: <u>May, 2016</u>
Board Member 2	Print Board Members Name Kevin McNeill	I <u>Kevin McNeill</u> , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed <u></u> Date: <u>3/14/13</u> My term Expires: <u>May, 2016</u>
Board Member 3	Print Board Members Name Scott Lehman	I <u>Scott Lehman</u> , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed <u></u> Date: <u>3/14/13</u> My term Expires: <u>May, 2016</u>
Board Member 4	Print Board Members Name Paul J. Knopinski	I <u>Paul J. Knopinski</u> , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed <u></u> Date: <u>3/13/13</u> My term Expires: <u>May, 2014</u>
Board Member 5	Print Board Members Name 	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6	Print Board Members Name 	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Members Name D	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: _____

SKY RANCH METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021

**SKY RANCH METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

SKY RANCH METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/18/21

ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
----------------	-------------------	----------------

ASSESSED VALUATION

Agricultural	\$ 33	\$ 33	\$ 33
Certified Assessed Value	\$ 33	\$ 33	\$ 33

MILL LEVY

General	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000

PROPERTY TAXES

Budgeted property taxes	\$ -	\$ -	\$ -
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BUDGETED PROPERTY TAXES

\$ -	\$ -	\$ -
------	------	------

**SKY RANCH METROPOLITAN DISTRICT NO. 3
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the Arapahoe County (County) District Court issued on February 23, 2005 and recorded in the County records on March 15, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within Arapahoe County, Colorado.

The District was established to provide for the design, acquisition, construction, installation, maintenance, and financing of certain water, sanitation, storm drainage, streets, safety protection, park and recreation, transportation, television relay and translation, and mosquito control improvements and services within and without the boundaries of the District. Under its Service Plan, the District was organized in conjunction with three other related Districts: Sky Ranch Metropolitan District No. 1, and Nos. 4 through 5. The Amended and Restated Service Plan for Sky Ranch Metropolitan District No. 3 is approved on December 8, 2020. Sky Ranch Metropolitan District Nos. 6 – 8 are being organized to work with the existing Districts to provide public improvements, facilities and services necessary to develop and serve the Sky Ranch development.

The Amended and Restated Service Plans for District Nos. 3 – 8 limit the aggregate amount of debt that they may issue together to \$312,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

The District currently has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues and Expenditures

The District anticipates no financial activity in 2021.

Debt and Leases

The District has no outstanding debt, nor any operating or capital leases.

This information is an integral part of the accompanying forecasted budget.

RESOLUTION NO. 2021-02-05

**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY
RESOLUTION OF THE BOARD OF DIRECTORS OF**

**SKY RANCH METROPOLITAN DISTRICT NO. 3, ARAPAHOE COUNTY,
COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING
EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND
APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2021**

A. The Board of Directors of Sky Ranch Metropolitan District No. 3 (the “**District**”) has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.

B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body for its consideration.

C. 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 February 12, 2021, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. 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.

E. 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.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. 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, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SKY RANCH METROPOLITAN DISTRICT NO. 3, ARAPAHOE COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

2. The budget is 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. 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.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT BUDGET AND
APPROPRIATE SUMS OF MONEY]**

RESOLUTION APPROVED AND ADOPTED ON FEBRUARY 12, 2021.

**SKY RANCH METROPOLITAN
DISTRICT NO. 3**

By: _____
President

Attest:

By: _____
Secretary

EXHIBIT A

Budget

I, Scott Lehman, hereby certify that I am the duly appointed Secretary of the Sky Ranch Metropolitan District No. 3, and that the foregoing is a true and correct copy of the budget for the budget year 2021, duly adopted at a meeting of the Board of Directors of the Sky Ranch Metropolitan District No. 3 held on February 12, 2021.

Secretary

PETITION FOR INCLUSION

In accordance with Section 32-1-401(1)(a), C.R.S., the undersigned, **PCY HOLDINGS, LLC**, a Colorado limited liability company (the "**Petitioner**"), does hereby respectfully petition **SKY METROPOLITAN DISTRICT NO. 3** (the "**District**"), acting by and through its Board of Directors (the "**Board**"), for the inclusion of certain real property into the boundaries of the District, subject to the conditions described herein (the "**Inclusion**").

The Petitioner represents to the District as follows:

1. The land to be included consists of approximately 252.060 acres, situate in the County of Arapahoe, State of Colorado, and is legally described on **Exhibit A** attached hereto and incorporated herein by this reference (the "**Property**").
2. The Petitioner is the fee owner of one hundred percent (100%) of the Property and no other person(s), entity or entities own(s) an interest in the Property except as beneficial holder(s) of encumbrances.
3. The Petitioner hereby assents to the inclusion of the Property into the boundaries of the District and to the entry of an Order in the Arapahoe County District Court, including the Property into the boundaries of the District (the "**Order for Inclusion**"). The Petitioner acknowledges that from and after the entry of the Order for Inclusion, the Property shall be liable for taxes, assessments, or other obligations of the District, including its proportionate share of existing bonded indebtedness of the District, subject to the conditions and limitations set forth herein.
4. The Petitioner acknowledges that the District is not required to enlarge or extend its facilities beyond those currently existing and all such enlargements or extensions are undertaken in the exercise of discretion as a governmental function in the interest of public health, safety and welfare.
5. The Petitioner acknowledges that acceptance of this petition by the District does not constitute any assurance from the District that the Property can be served by the District and acknowledges that there shall be no withdrawal of this Petition from consideration by the Board after publication of notice of the hearing therefore, without the Board's consent.
6. The Petitioner agrees that the Board may, in its sole and absolute discretion, require the Petitioner to enter into an Inclusion Agreement prior to Inclusion of the Property into the District.
7. The Petitioner agrees that it will pay, or cause to be paid, the costs incurred by the District for the Inclusion if this Petition is accepted, including the costs of publication of appropriate legal notices and legal fees and costs incurred by the District in connection with the Inclusion of the Property.

The Petitioner hereby requests that the Board approve the Inclusion of the Property into the boundaries of the District, and that the District file a motion for an order to be entered in the District Court, County of Arapahoe, State of Colorado, including the Property into the

boundaries of the District such that, as of the effective date of the Order for Inclusion, the Property shall be subject to all of the taxes and charges imposed by the District, and the Property shall be liable for its proportionate share of existing bonded indebtedness of the District.

Signed: January 29, 2021.

PETITIONER:

PCY HOLDINGS, LLC, a Colorado limited liability company

By: **PURE CYCLE CORPORATION**, its
Sole Member

By: 

Name: Mark Harding

Title: President

Address of Petitioner:

34501 E. Quincy Avenue, Bldg. 34
Watkins, CO 80137

STATE OF COLORADO

)

) ss.

COUNTY OF ARAPAHOE

)

The foregoing instrument was acknowledged before me this 29 day of January, 2021, by Mark Harding, as the President of Pure Cycle Corporation, the Sole Member of PCY Holdings, LLC.

Witness my hand and official seal.

My commission expires: 1-11-2022

Brent Brouillard
Notary Public

BRENT BROUILLARD
Notary Public
State of Colorado
Notary ID # 20184002024
My Commission Expires 01-11-2022

EXHIBIT A

Legal Description of Property

A PARCEL OF LAND BEING LOCATED IN THE WEST HALF OF SECTION 3 AND THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 4 SOUTH, RANGE 65 WEST, SIXTH PRINCIPAL MERIDIAN, ARAPAHOE COUNTY, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 3 MONUMENTED BY A FOUND NO. 4 REBAR WITH A 2 INCH DIAMETER BRASS CAP SET BY PLS 4043, WHENCE THE SOUTHWEST CORNER OF SAID SECTION 3 MONUMENTED BY A FOUND 1 INCH DIAMETER REBAR WITH A 2-1/2 INCH DIAMETER ALUMINUM CAP SET BY PLS 15244 BEARS SOUTH 00°21'27" EAST, A DISTANCE OF 2634.60 FEET WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 61°42'26" EAST, A DISTANCE OF 81.49 FEET TO THE **POINT OF BEGINNING**;

THENCE NORTH 89°30'03" EAST A DISTANCE OF 370.00 FEET;

THENCE NORTH 00°21'35" WEST A DISTANCE OF 203.11 FEET;

THENCE NORTH 89°30'03" EAST A DISTANCE OF 273.00 FEET;

THENCE SOUTH 00°21'35" EAST A DISTANCE OF 241.11 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3;

THENCE NORTH 89°30'03" EAST A DISTANCE OF 1928.98 FEET ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3 TO THE CENTER QUARTER CORNER OF SAID SECTION 3;

THENCE SOUTH 00°28'30" EAST A DISTANCE OF 2646.20 FEET ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3 TO THE SOUTH QUARTER CORNER OF SAID SECTION 3;

THENCE SOUTH 00°06'39" EAST A DISTANCE OF 1382.50 FEET ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 10;

THENCE SOUTH 89°45'06" WEST A DISTANCE OF 1697.75 FEET;

THENCE SOUTH 00°14'54" EAST A DISTANCE OF 325.48 FEET;

THENCE SOUTH 70°50'35" WEST A DISTANCE OF 584.54 FEET;

THENCE SOUTH 89°33'45" WEST A DISTANCE OF 389.08 FEET TO A POINT
ON THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 10;

THENCE NORTH 00°26'15" WEST A DISTANCE OF 1898.71 FEET ALONG
THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 10 TO
THE SOUTHWEST CORNER OF SAID SECTION 3;

THENCE NORTH 00°21'27" WEST A DISTANCE OF 2353.74 FEET ALONG
THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3;

THENCE NORTH 89°38'33" EAST A DISTANCE OF 72.00 FEET;

THENCE NORTH 00°21'28" WEST A DISTANCE OF 319.04 FEET TO THE
POINT OF BEGINNING.

EXCEPT THE 6TH AVENUE 60' RIGHT OF WAY AS RECORDED IN BOOK 6
PAGE 431. SAID PARCEL CONTAINING A CALCULATED AREA OF
10,979,756 SQUARE FEET OR 252.060 ACRES, MORE OR LESS.

THE LINEAL UNIT USED IN THE PREPARATION OF THIS LEGAL
DESCRIPTION IS THE U.S. SURVEY FOOT AS DEFINED BY THE UNITED
STATES DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF
STANDARDS AND TECHNOLOGY.

RESOLUTION NO. 2021-02-06

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SKY RANCH METROPOLITAN DISTRICT NO. 3 FOR INCLUSION OF REAL
PROPERTY**

A. PCY Holdings, LLC, a Colorado limited liability company, the 100% fee owner of the Property (hereinafter defined) has petitioned the Sky Ranch Metropolitan District No. 3 (the “**District**”) for the inclusion into the District’s boundaries of the real property hereinafter described (“**Property**”).

B. Public Notice has been published in accordance with law, calling for a public hearing on the request for approval of said Petition.

C. The statutory requirements of Section 32-1-401(1)(a), C.R.S., for submission of a petition for inclusion to the Board of Directors of the District (“**Board**”), including a legal description of the Property, a statement that assent to the inclusion of the Property was obtained by the 100% fee owner thereof and acknowledgment in the same manner as required for conveyances of land, were presented to and have been satisfied and approved by the Board.

D. The District may consider the enlargement or extension of its facilities in the exercise of discretion as a governmental function in the interest of public health, safety and welfare.

E. The District is capable of serving the Property with facilities of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SKY RANCH METROPOLITAN DISTRICT NO. 3, ARAPAHOE COUNTY, COLORADO:

1. That the Board of Directors of the District shall and hereby does order the inclusion of the Property described herein within the boundaries of the District.

2. The name and address of the Petitioner and the legal description of the Property are as follows:

Petitioner: PCY Holdings, LLC

Address of Petitioner: 34501 E. Quincy Avenue, Bldg. 34
Watkins, CO 80137

Legal Description: Approximately 252.060 acres of land legally described on **Exhibit A** attached hereto and incorporated herein.

3. That approval of this inclusion is further subject to the following:

(a) On and after the effective date of this inclusion (which shall be the date of recording of the Court Order approving the inclusion by the Clerk and Recorder of Arapahoe

County, Colorado, unless otherwise specified in the Court Order), the Property shall be subject to the rules and regulations of the District, and the payment of any and all taxes, fees, rates and charges of the District.

Dated this 12th day of February, 2021.

**SKY RANCH METROPOLITAN
DISTRICT NO. 3**

By: _____
President

Attest:

Secretary

EXHIBIT A

Legal Description

A PARCEL OF LAND BEING LOCATED IN THE WEST HALF OF SECTION 3 AND THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 4 SOUTH, RANGE 65 WEST, SIXTH PRINCIPAL MERIDIAN, ARAPAHOE COUNTY, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 3 MONUMENTED BY A FOUND NO. 4 REBAR WITH A 2 INCH DIAMETER BRASS CAP SET BY PLS 4043, WHENCE THE SOUTHWEST CORNER OF SAID SECTION 3 MONUMENTED BY A FOUND 1 INCH DIAMETER REBAR WITH A 2-1/2 INCH DIAMETER ALUMINUM CAP SET BY PLS 15244 BEARS SOUTH 00°21'27" EAST, A DISTANCE OF 2634.60 FEET WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 61°42'26" EAST, A DISTANCE OF 81.49 FEET TO THE **POINT OF BEGINNING**;

THENCE NORTH 89°30'03" EAST A DISTANCE OF 370.00 FEET;

THENCE NORTH 00°21'35" WEST A DISTANCE OF 203.11 FEET;

THENCE NORTH 89°30'03" EAST A DISTANCE OF 273.00 FEET;

THENCE SOUTH 00°21'35" EAST A DISTANCE OF 241.11 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3;

THENCE NORTH 89°30'03" EAST A DISTANCE OF 1928.98 FEET ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3 TO THE CENTER QUARTER CORNER OF SAID SECTION 3;

THENCE SOUTH 00°28'30" EAST A DISTANCE OF 2646.20 FEET ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3 TO THE SOUTH QUARTER CORNER OF SAID SECTION 3;

THENCE SOUTH 00°06'39" EAST A DISTANCE OF 1382.50 FEET ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 10;

THENCE SOUTH 89°45'06" WEST A DISTANCE OF 1697.75 FEET;

THENCE SOUTH 00°14'54" EAST A DISTANCE OF 325.48 FEET;

THENCE SOUTH 70°50'35" WEST A DISTANCE OF 584.54 FEET;

THENCE SOUTH 89°33'45" WEST A DISTANCE OF 389.08 FEET TO A POINT
ON THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 10;

THENCE NORTH 00°26'15" WEST A DISTANCE OF 1898.71 FEET ALONG
THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 10 TO
THE SOUTHWEST CORNER OF SAID SECTION 3;

THENCE NORTH 00°21'27" WEST A DISTANCE OF 2353.74 FEET ALONG
THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3;

THENCE NORTH 89°38'33" EAST A DISTANCE OF 72.00 FEET;

THENCE NORTH 00°21'28" WEST A DISTANCE OF 319.04 FEET TO THE
POINT OF BEGINNING.

EXCEPT THE 6TH AVENUE 60' RIGHT OF WAY AS RECORDED IN BOOK 6
PAGE 431. SAID PARCEL CONTAINING A CALCULATED AREA OF
10,979,756 SQUARE FEET OR 252.060 ACRES, MORE OR LESS.

THE LINEAL UNIT USED IN THE PREPARATION OF THIS LEGAL
DESCRIPTION IS THE U.S. SURVEY FOOT AS DEFINED BY THE UNITED
STATES DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF
STANDARDS AND TECHNOLOGY.

CERTIFICATION

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2021-02-07, Resolution of the Board of Directors of Sky Ranch Metropolitan District No. 3, Resolution for Inclusion of Real Property.

**SKY RANCH METROPOLITAN DISTRICT
NO. 3**

Date: February 12, 2021

By: _____
Secretary

RESOLUTION NO. 2021-02-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF SKY RANCH METROPOLITAN DISTRICT NO. 3 REGARDING COLORADO OPEN RECORDS ACT REQUESTS

A. Sky Ranch Metropolitan District No. 3 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado and operates pursuant to its Amended and Restated Service Plan approved by the Arapahoe County Board of County Commissioners, Colorado, on December 8, 2020, as it may be amended and modified from time to time (the “**Service Plan**”).

B. The District maintains certain records of the District that are available for inspection by the public under and in accordance with the laws of the State of Colorado.

C. The District anticipates that individuals may, from time to time, request the right to inspect and/or copy public records of the District.

D. The District is authorized under Section 24-72-203, C.R.S., to adopt rules with respect to the inspection and copying of public records of the District.

E. The District desires to set forth in this Resolution the rules with regard to the inspection and copying of all public records of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sky Ranch Metropolitan District No. 3, Arapahoe County, Colorado:

1. CliftonLarsonAllen LLP, the District Manager for the District, is hereby designated as the “**Official Custodian**” of the public records of the District, as such term is defined in Section 24-72-202(2), C.R.S. Contact information for the Official Custodian is: CliftonLarsonAllen LLP, 8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111; Phone: 303-779-5710; Fax: 303-779-0348.

2. Upon request for records transmission by a person seeking a copy of any public record, the Official Custodian shall transmit a copy of the record by United States mail, other delivery service, facsimile, or electronic mail.

3. Within the period specified in Section 24-72-203(3)(a), C.R.S., as amended from time to time, the Official Custodian shall notify the record requester that a copy of the record is available, but will only be sent to the requester once the custodian either receives payment or makes arrangements for receiving payment for all costs associated with records transmission and for all other fees lawfully allowed, unless recovery of all or any portion of such costs or fees has been waived by the custodian. Upon either receiving such payment or making arrangements to receive such payment at a later date, the Official Custodian shall provide the record(s) to the requester as soon as practicable, but no more than three (3) business days after receipt of, or making arrangements to receive, such payment.

4. If the record(s) requested are provided to the record requestor by United States Mail, other delivery service, or by facsimile, the Official Custodian is hereby authorized to charge:

(a) An amount of twenty-five cents (\$0.25) per standard page, or such other maximum charge as is permitted by law from time to time, for each page of public records copied, to defray the actual cost of providing a copy, printout, or photograph of a public record; and

(b) The actual cost of providing a copy, printout, and/or photograph of a public record in a format other than a standard page.

5. No transmission fees may be charged to the record requester for transmitting public records via electronic mail.

6. After the first hour of time expended in connection with the research and retrieval of public records, the Official Custodian is authorized to charge a fee, the maximum of which shall not exceed the fee set forth in Section 24-72-205(6), C.R.S., as amended from time to time, for the costs incurred to review public records requests, prepare documents for inspection, consultation with legal counsel or other consultants regarding such requests, to supervise and coordinate preparation, review and copying of public records, and for actual costs incurred by the Official Custodian, the District, District management, or outside consultants and legal counsel in responding to and complying with public record requests.

7. All requests for copies or inspection of public records of the District shall be submitted to the Official Custodian in writing. Such requests shall be delivered by the Official Custodian to the District's legal counsel for review and legal advice regarding the lawful availability of records requested and related matters. The District may, from time to time, designate specific records for which written requests are not required and with respect to which review by legal counsel is not required; i.e., service plans, rules and regulations, minutes, etc. Such designations shall occur in the minutes of the meetings of the District.

8. All public records of the District copied and provided to interested persons shall be copied in duplicate by the Official Custodian. The Official Custodian shall retain the original record in the appropriate file, and shall retain the duplicate copies in a separate filing bearing the name of the person to whom copies were provided and the date of such person's request. Copies of duplicate copies of public records of the District shall not be charged to the person requesting the public records, but shall be maintained for record purposes by the Official Custodian.

9. All inspections of public records shall take place during regular business hours at the office of the Official Custodian. Public records requests may not preempt or take priority over previously scheduled official District-related business activities.

10. No person shall be entitled to remove public records of the District from the Official Custodian's office for inspection, copying, or any other purpose or reason. Public records of the District shall be:

(a) Subject to inspection in the presence of the Official Custodian or the Official Custodian's designee;

(b) Appropriately marked by the person making the request;

(c) Copied after receipt of all required charges therefore; and

(d) Delivered to the person requesting such records at the office of the Official Custodian within the statutory timeframe and after all charges have been paid.

Copies of public records of the District not picked up at the time set aside by the Official Custodian may be destroyed. In the event a person renews the request for the same public records of the District after failing to pick up previously requested copies, they will be charged for the costs of both records requests.

1. Only the Official Custodian (or designee of the Official Custodian) may copy public records of the District.

2. On behalf of the District, the Official Custodian reserves the right to seek a declaratory judgment, pursuant to Section 13-51-101, *et seq.* C.R.S., to determine if a large public records request may be exempted from the statutorily required response time.

3. The Official Custodian may establish such other reasonable regulations as are not inconsistent with this Resolution or with applicable Colorado law, as established and amended from time to time.

RESOLUTION ADOPTED AND APPROVED ON FEBRUARY 12, 2021.

**SKY RANCH METROPOLITAN
DISTRICT NO. 3**

By: _____
President

Attest:

Secretary

RESOLUTION NO. 2021-02-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SKY RANCH METROPOLITAN DISTRICT NO. 3 REGARDING THE RETENTION AND DISPOSAL OF PUBLIC RECORDS AND ADOPTING A PUBLIC RECORDS RETENTION SCHEDULE

A. Sky Ranch Metropolitan District No. 3 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado.

B. The District recognizes a need for a comprehensive records retention policy and schedule for the District’s non-permanent records and the retention of those records that have long-term administrative, fiscal and historical value including, but not limited to those described in Section 24-80-101, C.R.S., as may be amended from time to time (“**Records**”).

C. Under the authority granted by Part 1, Article 80, Title 24, C.R.S, the Colorado State Archives, Division of the Department of Personnel, has created a records retention schedule for Colorado special districts, as may be amended from time to time, for use by special districts, which sets forth a timeline for retaining the Records (“**Retention Schedule**”).

D. The District desires to set forth in this Resolution the policy with regard to the retention of the Records of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sky Ranch Metropolitan District No. 3, Arapahoe County, Colorado:

1. The District hereby adopts the Retention Schedule, as the District’s minimum standard for the retention of the Records.

2. The Official Custodian as defined and designated by the District’s Resolution Regarding Colorado Open Records Act Requests, as such resolution may be amended from time to time, shall also maintain a copy of the Retention Schedule on file for review and distribution, as necessary.

3. The Official Custodian is hereby authorized to retain the Records in accordance with the Retention Schedule.

4. No Records may be destroyed pursuant to the Retention Schedule, so long as such Records pertain to any pending legal case, claim, action or audit involving the District or if the District’s general counsel determines such Records should be retained for other purposes. Further, if the Official Custodian is unsure whether any Records should be destroyed, the Official Custodian may contact the District’s general counsel for advice, prior to destruction of said Records.

5. Records of the District shall be destroyed using secure methods of destruction.

RESOLUTION ADOPTED AND APPROVED FEBRUARY 12, 2021.

**SKY RANCH METROPOLITAN
DISTRICT NO. 3**

By: _____
President

Attest:

Secretary