

**WILLOW BROOK METROPOLITAN DISTRICT
REGULAR MEETING AGENDA**

<u>Board of Directors</u>	<u>Office:</u>	<u>Term Expiration</u>
EJ Olbright	President	May 2027
Mat Sherwood	Vice President	May 2025
Michael Good	Secretary	May 2025
Randy Lewis	Director	May 2027
Jim Hahn	Director	May 2027

DISTRICT INFORMATION AND PUBLIC DOCUMENTS ARE POSTED ON THE DISTRICT'S WEBSITE AT: willowbrookmd.colorado.gov

DATE: Friday, June 16, 2023

TIME: 2:30 PM

**PLACE: VIRTUAL MEETING AND IN-PERSON MEETING AT
THE GATE HOUSE, 524 Ruby Road, Silverthorne, Colorado**

Join Zoom Meeting

<https://us06web.zoom.us/j/96589633756?pwd=TkVFa2FYWXJuK3U0VkhXZ3JuaDZPZz09>

Meeting ID: 965 8963 3756

Passcode: 773369

One tap mobile

+17193594580,,96589633756# US

+17207072699,,96589633756# US (Denver)

Dial by your location

+1 719 359 4580 US

+1 720 707 2699 US (Denver)

***FOR THOSE CALLING IN, PLEASE PRESS *6 TO MUTE/UNMUTE
YOUR PHONE***

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Formal actions may be taken on one or more of the following items on the agenda.

I. ADMINISTRATIVE MATTERS

A. Call to Order

B. Present Disclosures of Potential Conflicts of Interest

C. Election of Officers

D. Solicit Public Comment (for non-agenda items – 3 minute time limit)

E. Approval of Agenda

F. Review and Approve Minutes of the April 21, 2023 Meeting (enclosure)

Motion by Director _____ to approve the minutes as presented. Upon second by Director _____, vote is taken.

II. RESPONSES TO RESIDENT COMMUNICATIONS

- a. Review Adopted Communications Policy (enclosure)
- b. Email from Carl Oppedahl Dated May 5, 2023 Regarding Election
- c. Email from Carl Oppedahl Dated May 23, 2023 Regarding Taxes, Etc.

III. RANCH MANAGER REPORT (enclosure)

1. Ratify 2023 Haying Contract (enclosure)

IV. PROJECT UPDATES

A. Mail Box and Trash Enclosure Project

1. Review Bids Received
2. Approve Contract With Successful Bidder
3. Issue Notice to Proceed

B. Meter Installation Project

1. Update on Grant Funds

C. Closeout Waterline Improvement and Interconnect Project

1. Approve Letter Rescinding Balance of Loan
2. Finalize Completion Documents

V. WATER SYSTEM UPDATE

A. GWUDI Assessment

VI. FINANCIAL/ADMINISTRATIVE ITEMS

A. Consider Approval and Ratification of Claims

Motion by Director _____ to approve/ratify claims as presented. Upon second by Director _____, vote is taken.

B. Review Financial Statements for the Period Ended May 31, 2023 and Cash Position for the Period Ended June 13, 2023

Motion by Director _____ to accept financial statements as presented. Upon second by Director _____, vote is taken.

C. Discussion Regarding Funding Option for Front-End Loader

1. Approve Lease Purchase Agreement with the Town of Silverthorne

D. Review 2024 Budget Timeline

E. Review November 2023 Election Timeline

VII. DIRECTORS' ITEMS

A. Horse Sponsorship Update

VIII. OTHER BUSINESS

IX. ADJOURNMENT

Motion by Director _____ to adjourn. Upon second by Director _____, vote is taken.

The next regular meeting of the Board of Directors of the Willow Brook Metropolitan District will be held on August 18, 2023. Notice of said meeting will be provided prior to the meeting.

PRELIMINARY FOR DISCUSSION PURPOSES

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE WILLOW BROOK METROPOLITAN DISTRICT HELD APRIL 21, 2023

ATTENDANCE: The regular meeting of the Board of Directors of the Willow Brook Metropolitan District was called and held on Friday, April 21, 2023, at 2:30 p.m. via teleconference and in person at The Gate House, 524 Ruby Road, Silverthorne, Colorado, in accordance with Colorado law. The following Directors were present and confirmed their qualification to serve on the Board:

EJ Olbright, President
Mat Sherwood, Vice President
Michael Good, Secretary
Randy Lewis, Director
Jim Hahn, Director

Others in attendance:

Sue Blair and Marcos Pacheco; Community Resource Services of Colorado, LLC
Jim Nielsen, Ranch Manager
John Drake
David Anderson
Carl Oppedahl
Cathi Wingate
Becky Rovick
Eric Olsen
Jennifer Olsen
Joey Kraft
Debbie Metcalf
Marina Larson
Don Samuels

CALL TO ORDER: Director Olbright noted that a quorum of the Board was present, and the meeting was called to order at 2:30 p.m.

DISCLOSURE OF CONFLICTS OF INTEREST: Director Olbright inquired whether members of the Board had any conflicts of interest on matters coming before the Board, to which there were none.

RECORD OF PROCEEDINGS

COMMUNICATIONS FROM RESIDENTS: The Board reviewed the communications from Mr. Samuels. Clarification and answers to the questions were provided. Extensive discussion took place surrounding the questions posed. It was noted that anyone wishing to send questions to the Board should do so a week ahead of time.

PUBLIC COMMENT: Ms. Larson stated she reviewed the 2021 audit documents, and according to audit financing for the road paving is a variable rate. Ms. Larson believes that we are over collecting with the new assessed valuation. A better choice is to pay down other loans rather than pay higher interest. Ms. Larson also asked if the ballot question allows for this to happen.

Ms. Rovick questioned why the Board packet had more detail than the public packet. Ms. Blair responded there are items that have to be approved by the Board before they become public documents.

Mr. Samuels asked about the well project.

APPROVAL OF AGENDA: Director Lewis moved that the Board approve the agenda as presented. Upon a second by Director Sherwood, a vote was taken and the motion carried unanimously.

MINUTES: The Board reviewed the minutes of the February 17, 2023, meeting. Director Good motioned to approve the minutes as presented. Upon second by Director Lewis, vote was taken, and the motion carried unanimously.

RANCH MANAGER UPDATE: The Board reviewed the Ranch Manager's report. Director Lewis noted that he is appreciative of the write-up of events as it allows for tracking. Director Lewis also noted his appreciation of the good conditions of the roads and thanked Mr. Nielsen for his hard work.

PROJECT UPDATES: Mr. Anderson reported that they are working through the design and approval process now for the mailbox and trash enclosure project. They continue to move forward with planning and engineering; however, due to zoning of the area, there is some work that needs to be done. Director Sherwood shared that there is exciting news on the water meter project. Ms. Blair and CRS worked to get potential funding of the project through Senator Hickenlooper's office. More to

RECORD OF PROCEEDINGS

come on the funding as we get closer to the Federal Government fiscal year end.

Director Lewis reported that Ms. Blair has been working on revising rules and regulations. The goal is to revise and potentially adopt them this year. The Board is in support of making this happen and modernizing the rules and regulations.

WATER SYSTEM UPDATE:

GWUDI Assessment Director Olbright reported on the status of the assessment and why one is needed. There are several steps that need to be taken to be in compliance to bring a new well online. Director Olbright outlined the next steps as they relate to the completion of the project. The goal is to have the well online by the end of the year. Director Hahn moved to approve the ratification of amendment of the contract with Colorado Water Well. Upon a second by Director Olbright, a vote was taken and the motion carried unanimously. Director Olbright reported on the payment to Stan Miller for electrical related to the new water well. This is an approval of the agreement for \$15,000. Director Lewis moved to approve. Upon a second by Director Hahn, a vote was taken and the motion carried unanimously.

FINANCIALS/ ADMINISTRATIVE ITEMS:

Ms. Blair presented claims to be ratified. The Board accepted the claims as presented, and upon motion duly made to ratify by Director Good and seconded by Director Sherwood, the motion was carried unanimously.

Ms. Blair presented current claims. The Board accepted the claims as presented, and upon motion duly made by Director Good and seconded by Director Lewis, the claims were approved as presented.

Ms. Blair presented the financial statements and cash position. There was a discussion about the variable rate of the loan. Ms. Blair answered questions from the Board.

Front-End Loader: Director Olbright reported that the District is hoping to purchase a front-end loader to aid in several aspects of maintenance around the District. The current price is \$120,000. Director Lewis provided an outline of an option to purchase from the Town of Silverthorne. A special meeting may need to be held to approve the agreement. The Board authorized Director Olbright to negotiate the agreement with the Town. A solar battery system would

RECORD OF PROCEEDINGS

provide the electrical that is needed to store and charge the front-end loader.

Election Update: Ms. Blair reported on the election and corrected misinformation that was circulating through the community. Director Lewis explained Ms. Blair's role in the election and gave general rules.

DIRECTORS ITEMS: Horse Sponsorship Update: Director Lewis reported that he received confirmation from legal counsel that sponsoring a horse is not a commercial process. Ms. Larson and other residents will review the agreement once finalized. Ms. Larson had follow up questions.

OTHER BUSINESS: Director Olbright noted there is lack of progress in weed mitigation and residents were asked to be mindful of efforts to mitigate. There was a discussion surrounding weed control and related matters, and parties responsible. Director Olbright reported that Leo Causland is re-upping the haying contract with the same term as last year. Mr. Drake reported rap that was used on the roads is being stored somewhere on the Ranch. Mr. Drake asked if rap will be used this year, and it was confirmed that it will. Ms. Larson then discussed OA covenants related to weed control and needing potential revision.

ADJOURNMENT: There being no further business to come before the Board, the meeting was adjourned at 3:40 p.m.

Respectfully submitted,

Secretary for the Meeting

WILLOW BROOK METROPOLITAN DISTRICT
COMMUNICATIONS POLICY

WHEREAS, the Willow Brook Metropolitan District (“District”) is a quasi-municipal corporation of the State of Colorado, providing water, roads, trash and other services to the owners of Ruby Ranch, Silverthorne, Colorado; and

WHEREAS, it is the desire of the Board of Directors (“Board”) to define a communications protocol to enhance communication with the owners of the community;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts the following Communications Policy:

Communication Resources: The Board will utilize the following communication resources to effectively communicate with the owners of Ruby Ranch:

District’s website: willowbrookmd.colorado.gov

District’s communication email address: WBCommunications@wbmetro.org

Newsletter

Board Meetings

Metro Board Email Address: Board@wbmetro.org

Ranch Manager Email Address: ranchmanager@wbmetro.org

Meeting Agendas, Notices and Packets:

Meeting agendas/notices will be sent out to all owners via the District’s email address and will be posted on the District’s website.

Board meeting packets will be posted and made available on the District’s website prior to Board meetings.

Owners are encouraged to attend Metro Board meetings. These meetings are open to the public, and a public comment section is included on meeting agendas.

Board Meeting Minutes:

Board approved and executed board meeting minutes will be posted on the District’s website.

Legal Notices:

Legal notices from the District that are required to be provided to all owners will be sent out through the District’s email address and posted on the District’s website, as well as provided by other methods as may be required by law. Legal notices will include, but are not limited to, water rate increases, upcoming elections, public hearings to adopt annual budgets or budget amendments, etc.

Election Notices:

All election notices will be posted on the District's website. Regular elections of the Board are held on the first Tuesday following the first Monday in May of odd years.

Financial Documents:

The annual budget and audit, and any other required financial reporting, will be posted on the District's website.

Emergency Notifications

The District will use all means available to it, including rrgeneral, to alert owners of any emergency situation that may arise.

Communication with the Metro Board:

Owners with questions, concerns, or general comments related to the Metro District will use the District's email address. Emails received from owners will be provided to the Board by the District Manager when received. In addition, an agenda item "Community Comments" will be on all agendas and current emails received will be included in Board meeting packets. The District will not use rrgeneral to communicate with the owners of Ruby Ranch.

In addition, the District will also use the Newsletter prepared by John Drake to provide District-related news to the owners. Any article relating to the District will be reviewed and approved by the Board President prior to distribution to the community.

Public Comment Opportunities During Board Meetings: The Board wants to hear from the community. A "public comment" opportunity will be part of every meeting agenda. Public Comment will first be taken on non-agenda items. There will be opportunities throughout the meeting to provide comment on agenda items as requested by the Board. Public comment will be limited to 3-minutes per person and will be received only during the public comment opportunities described above.

Service Requests:

A Service Request form will be made available on both the RROA and the WBMD websites.

The Service Request will ask for the following information:

- name, address and contact information (phone and email) of person requesting service
- date of request
- description of service requested and general area of needed repair
- if applicable, a picture of the issue needing repair

The form is then submitted through the website. The District Manager and Ranch Manager will both receive the request. The District Manager will file all requests digitally in the District's files.

The Ranch Manager will respond within two (2) business days to the person who submitted the request. In addition, the Ranch Manager will keep track of all requests in a spreadsheet. Information updated on the spreadsheet will include:

- date resolved
- resolution

- any materials purchased for repair
- date of notification to requestor of completion

The Ranch Manager will email the spreadsheet to the Board and the District Manager at the end of each month.

If any issues surface with the day-to-day operations of the Ranch, please contact the Ranch Manager at ranchmanager@wbmetro.org or the District Manager at sblair@crsofcolorado.com.

EMERGENCY CONTACTS

24/7 Emergency Contact: 303.381.4960 (Community Resource Services)

Water Emergencies: 970.485.4342 (Ranch Manager)

Emails from the District Board of Directors: The Board has established an email Board@wbmetro.org that will be used by the Board for communication to the owners of the Ranch. Owners will need to add this email address to their contact lists.

ADOPTED this 22nd day of July, 2022.

WILLOW BROOK METROPOLITAN DISTRICT

By: EJ Albright
President

ATTEST:

Joe Blair

District Manager

Almost a Year at Ruby Ranch

I've been at the Ranch for almost a year now. It's nice to not dread coming to work. I hope most homeowners don't mind me being here too!

The irrigation has been running. I just shut it off for the weed sprayer.

The fields have been dragged and are looking good. The hay contract has been signed and is being ratified at this meeting.

Ascent Tree will be weed spraying on the Ranch starting this week. Carl and Erica, Chris Locke, the Hahns, Allie Jones, and the Olbrights have all signed up to have spraying done.

The Ranch is going to get a John Deere loader, if the 2-year lease purchase agreement is approved by the Board. Having the loader, I will be able to work on potholes and spread recycled asphalt on the thin areas. I can also work on the drainage issues on Diamond Road and spread topsoil around the new well area.

If homeowners and Board agree that they don't want the equipment at the stables, I have received a bid on a solar engine block heater that I could make work near the emergency exit gate. I could build an insulated box for equipment.

There is fast internet at the Gatehouse which will be better and more reliable for Zoom meetings.

Also trying to help Carl Oppedahl connect the internet from the Gatehouse to the barn and to gate.

There is one clogged culvert that needs to be cleaned. Snowbridge Inc. is the only game in town, and they can't get here until the end of July.

I've taken all the required classes for the water certification test. I just need to refresh and schedule the test.

Thanks

Jim Neilsen - Ranch Manager at Ruby Ranch

**2023 HARVESTING AGREEMENT BETWEEN LEONARD CAUSLAND
AND THE WILLOW BROOK METROPOLITAN DISTRICT**

THIS HARVESTING AGREEMENT (“Agreement”) is made and entered into this 12 day of June 2023 by and between Leonard Causland, DBA High Country Highlands, (“Contractor”) and the Willow Brook Metropolitan District (“District”).

RECITALS

- A. The District owns certain meadows within the Ruby Ranch Subdivision (“Ruby Ranch”) and desires that these meadows be harvested and that certain meadow maintenance services be performed; and
- B. The Contractor desires to harvest hay from these meadows.

COVENANTS

In consideration of the obligations of the Contractor and the District as herein provided and in consideration of the other terms and conditions hereof, the parties agree as follows:

The District’s Obligations. The District will provide certain meadow areas for the Contractor to harvest within Ruby Ranch – specifically, Tracts B, C, K (lower north field), O and P, as have been harvested in previous years and at the Contractor’s discretion (“Ranch Hay Meadows”). If the contractor decides to harvest Tract C, the district will put a boundary line between Tract C and Lot 17B. The District agrees that the Contractor will own the hay harvested, so long as the Contractor complies with the obligations described in this Agreement.

- 2. **The Contractor’s Obligations.** The Contractor will lease from the District the Ranch Hay Meadows, for the sole purpose of haying, at an annual rate of \$10.00. In return for owning all harvested hay, the Contractor further agrees:

- A. The Contractor will spring harrow drag the pasture areas known as Tracts O,P, lower K and North B If the District desires that additional non-hayed meadows be dragged, the Contractor will provide such work at the rate of \$100.00 per hour.
- B. The contractor will attempt to provide the District with at least seven days advance notice of the planned date to begin haying and baling. The Contractor will notify the District’s Ditch Boss when the irrigation should be turned off and when it can be turned on again. The Ditch Boss shall turn off the irrigation within 48 hours of the request. The order of haying the meadows shall be between the Contractor and the District’s Ditch Boss.

The Contractor further agrees to give District residents the first right of refusal to purchase Ranch hay at the going price in the valley. Each resident shall coordinate their hay needs with the Contractor. The Contractor will negotiate delivery arrangements

with each such resident and payments for hay delivered to individuals on the Ranch will be arranged for between the buyer and the Contractor.

C. The Contractor will remove baled hay from Ruby Ranch, within 30 days of baling.

3. **Additional Contractor Obligations.** In addition to the foregoing, The Contractor agrees:

A. To use Ruby Ranch for the purposes as described herein, and for no other purpose, and to not use or allow the use of Ruby Ranch for any unlawful purpose whatsoever.

B. To not sublet the Ranch Hay Meadows or assign this Agreement without the District's prior written agreement.

C. To not cause, commit or allow any waste in, to or upon Ruby Ranch.

D. To cooperate with other parties that provide services to the District, including irrigation, weed spraying and horse grazing services.

4. **Term and Termination.** This Agreement shall be in effect for one season beginning upon execution of this Agreement or April 1, whichever is later, and ending on October 31, 2023. Either party may terminate this Agreement at any time upon ninety (90) days written notice. In addition, if the Contractor defaults in any of the terms, covenants or agreements contained herein or if the Contractor does not cut, bale and remove the hay from the fields by September 30, 2023, and the District determines that the Contractor will be unable to complete haying in a reasonable time frame (weather conditions considered), then the District may, at its election, declare the term and Agreement ended. If at any time this Agreement shall be terminated or terminate by its own terms, the Contractor shall peaceably surrender and deliver up Ruby Ranch immediately, and if the Contractor remains in possession of Ruby Ranch after the termination hereof, the Contractor shall be deemed guilty of forcible detainer of Ruby Ranch and shall be subject to eviction and removal.

5. **Insurance.** Prior to the commencement of services, The Contractor shall provide the District with a certificate of insurance from an insurance group acceptable to the District, naming the District and its employees, directors, officers, and successors and assigns as additional insured. Such certificate of insurance shall evidence that The Contractor has obtained commercial general liability insurance in the minimum amount of \$50,000. The certificate shall provide that the insurer will give the District at least thirty (30) days notice of any cancellation of such policies or a reduction in coverage. The Contractor shall be obligated to maintain such insurance during the term of this Agreement.

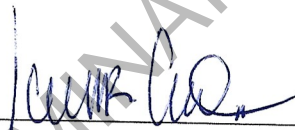
6. **Relationship.** The relationship between the parties is that of an independent contractor, and nothing herein shall be deemed or construed by the parties hereto, or by any third party, as creating a relationship of employer and employee, of principal and agent or partnership, or of joint venture between the parties. Each party shall be responsible for their respective employees, maintaining such workman's compensation and other em-

ployee-related insurance coverages, at a minimum, as are required by law, and shall be responsible for their respective payrolls, withholding requirements and benefit programs.

7. **Taxes.** The District shall pay all general real estate taxes and assessment and governmental charges levied against the Ranch Hay Meadows, if any, during the term of this Agreement.
8. **Waiver.** Failure to insist upon strict compliance with any of the terms, covenants, and/or conditions hereof shall not be deemed a waiver of such terms, covenants or conditions, nor shall any waiver or relinquishment of any right or power hereunder at any one time or more times be deemed a waiver or relinquishment of such right or power at any other time or times.
9. **Benefit.** The terms, provisions and covenants contained in this Agreement shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective successors in interest and legal representatives, except as otherwise expressly provided.
10. **Modification.** This Agreement contains the entire agreement between the parties, and no agreement shall be effective to change, modify or terminate, in whole or in part, unless such agreement is in writing and is duly signed by the party against whom enforcement of such change, modification or termination is sought; provided that if any provision of this Agreement shall be found to violate any federal, state or local law or ordinance, that provision shall be deemed to be amended so as to comply with such law or ordinance, and shall be construed in a manner so as to comply.
11. **Governing Law.** The laws of Colorado shall govern this Agreement.

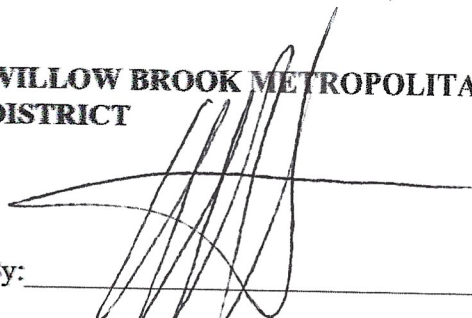
IN WITNESS WHEREOF, the District and the Contractor have executed this Agreement as of the day and year first written above.

THE CONTRACTOR:

By: 
06-08-2023

Leo Causland
DBA High Country Highlands
P.O. Box 2653
Silverthorne, Colorado. 80498
Leo-970-333-0451
leonard.causland.inc@gmail.com

WILLOW BROOK METROPOLITAN DISTRICT

By: 

EJ Olbright, President
c/o Community Resource Services
7995 E. Prentice Avenue, Suite 103E
Greenwood Village, CO 80111
303-381-4960
sblair@crsofcolorado.com

Barbara Mikolajczak

To: Sue Blair
Subject: RE: FW: Ruby Ranch Dumpster proposal

From: Dave Anderson <dave@freightleadville.com>
Sent: Thursday, June 8, 2023 9:33 PM
To: Sue Blair <sblair@crsofcolorado.com>
Cc: ranchmanager@wbmetro.org; EJ Olbright <ejo@wbmetro.org>
Subject: Re: FW: Ruby Ranch Dumpster proposal

Sue, etc.,

I have tabulated the bids we have received, and the low bidder appears to be Jon Rovick, Spirit Builders.

	Base bid	Contingency	Fees	Total
SPIRIT	\$ 61,050.00	\$ 3,500.00	\$ 8,900.00	\$ 73,450.00
TRAVIS	\$ 66,791.00		\$ 10,687.00	\$ 77,478.00

Jon also indicates:

- a willingness to look at potential savings,
- included a schedule that may get us completed by early September,
- would be willing to work with Jim to reduce costs and
- included a contingency that we may not need to use, but is a buffer in case of unknowns.

Dave A.

On Thu, Jun 8, 2023 at 2:26 PM Sue Blair <sblair@crsofcolorado.com> wrote:

Sue Blair, CEO

Community Resource Services of Colorado, LLC
7995 East Prentice Avenue, Suite 103E

Greenwood Village, CO 80111

Willow Brook Metropolitan District

c/o Community Resource Services, LLC
7995 E. Prentice Avenue, Suite 103E
Greenwood Village, Colorado 80111
303-381-4960

June 5, 2023

Mark Henderson, Unit Manager
Grants and Loans
Colorado Water Quality Control Division
4300 Cherry Creek Drive South
Denver, CO 80246-1530

Via Email: mark.henderson@state.co.us

Dear Mark:

Please be advised that the above-referenced project is now complete. The Willow Brook Metropolitan District hereby rescinds any remaining funds that were approved for said project in the amount of in the amount of \$220,033.63.

Thank you for working on this very important project with the District.

Sincerely,

EJ Olbright
President

PRELIMINARY FOR DISCUSSION PURPOSES

Barbara Mikolajczak

To: Sue Blair
Subject: RE: Willow Brook Metro

From: Ian Loffert <iloffert@CWRPDA.com>
Sent: Wednesday, June 14, 2023 12:10 PM
To: Sue Blair <sblair@crsofcolorado.com>
Subject: RE: Willow Brook Metro

Hi Sue,

You got it! It will be a principal reduction and your loan repayment schedule will be re-amortized accordingly.

Thanks for double checking and I hope you have been well also!

Ian Loffert

Sr. Financial Analyst II
[Colorado Water Resources & Power Development Authority](#)
[1580 N. Logan Street, Suite 820 | Denver, CO 80203](#)
Phone: (303) 830-1550, Ext. 1014 | Fax: (303) 832-8205



From: Sue Blair <sblair@crsofcolorado.com>
Sent: Wednesday, June 14, 2023 7:29 AM
To: Ian Loffert <iloffert@CWRPDA.com>
Subject: Willow Brook Metro

Good Morning Ian –

I hope you are doing well.

Willow Brook is closing the SRF project and will be rescinding approximately \$200k. Can you confirm the principal amount of the loan will be reduced by this amount.

Thanks so much,
Sue

Ranges: From: To: From: To:
 Check Number First Last Check Date 4/1/2023 6/12/2023
 Vendor ID First Last Checkbook ID First Last
 Vendor Name First Last

Sorted By: Check Date

* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
299	CRS	CRS	4/24/2023	INBANK	PMCHK00000566	\$8,317.25
300	G&G SERVICES	G&G Services	4/24/2023	INBANK	PMCHK00000566	\$1,368.00
301	PLUMMER	Plummer Associates, Inc.	4/24/2023	INBANK	PMCHK00000566	\$5,325.00
302	WATER SOLUTIONS	Water Solutions, Inc	4/24/2023	INBANK	PMCHK00000567	\$2,713.18
EFT0000000000031	CEBT PAYMENTS	CEBT Payments	4/24/2023	INBANK	PMCHK00000568	\$1,994.00
EFT0000000000032	CENTURYLINK	CENTURYLINK	4/24/2023	INBANK	PMCHK00000568	\$119.54
EFT0000000000033	GOOGLE	Google	4/24/2023	INBANK	PMCHK00000568	\$144.00
EFT0000000000034	IN BANK	INBANK	4/24/2023	INBANK	PMCHK00000568	\$1,981.87
EFT0000000000035	SILVERTHORNE	TOWN OF SILVERTHORNE	4/24/2023	INBANK	PMCHK00000568	\$51.79
EFT0000000000036	SPENCER	SpencerFane	4/24/2023	INBANK	PMCHK00000568	\$5,125.00
EFT0000000000037	WASTEMGMT	WASTE MANAGEMENT	4/24/2023	INBANK	PMCHK00000568	\$1,759.33
EFT0000000000038	XCEL	XCEL	4/24/2023	INBANK	PMCHK00000568	\$980.66
303	WATER SOLUTIONS	Water Solutions, Inc	5/16/2023	INBANK	PMCHK00000569	\$2,802.74
304	CELLGATE	CellGate	5/16/2023	INBANK	PMCHK00000570	\$383.55
305	CRS	CRS	5/16/2023	INBANK	PMCHK00000570	\$14,066.80
306	PLUMMER	Plummer Associates, Inc.	5/16/2023	INBANK	PMCHK00000571	\$4,950.00
307	KILGORE	Kilgore	5/16/2023	INBANK	PMCHK00000572	\$68.08
308	G&G SERVICES	G&G Services	5/16/2023	INBANK	PMCHK00000573	\$2,028.00
EFT0000000000039	CEBT PAYMENTS	CEBT Payments	5/16/2023	INBANK	PMCHK00000574	\$1,994.00
EFT0000000000040	CENTURYLINK	CENTURYLINK	5/16/2023	INBANK	PMCHK00000574	\$117.85
EFT0000000000041	GOOGLE	Google	5/16/2023	INBANK	PMCHK00000574	\$144.00
EFT0000000000042	IN BANK	INBANK	5/16/2023	INBANK	PMCHK00000574	\$904.68
EFT0000000000043	SPENCER	SpencerFane	5/16/2023	INBANK	PMCHK00000574	\$5,473.00
EFT0000000000044	WASTEMGMT	WASTE MANAGEMENT	5/16/2023	INBANK	PMCHK00000574	\$1,762.57
EFT0000000000045	XCEL	XCEL	5/16/2023	INBANK	PMCHK00000574	\$828.13
Total Checks: 25						Total Amount of Checks: \$65,403.02

PRELIMINARY FOR DISCUSSION PURPOSES

WILLOW BROOK METROPOLITAN DISTRICT
CASH POSITION
Year to Date (YTD) as of May 31, 2023
Adjusted as of June 9, 2023

Account Activity Item Description	InBank	INVESTMENT			TOTAL ALL ACCOUNTS
		ColoTrust Plus Average Monthly Yield 5.1483%		Colostrust Yield 4.8620%	
		General	CTF	Edge	
BEGINNING BANK BALANCE	\$ 243,716	\$ 77,531	\$ 1,178	\$ 5,560	\$ 327,985
YTD credits - Total deposits, wires and transfers	391,570	650,965	196	110	1,042,841
YTD debits - Total vouchers, wires and transfers	(567,953)	(160,171)	(67)	-	(728,191)
YTD bank balance	67,333	568,325	1,307	5,670	642,635
Less outstanding checks	(4,828)	-	-	-	(4,828)
Book balance at end of period - agrees to page 2 ending fund allocation	62,505	568,325	1,307	5,670	637,807
Less amount restricted for Conservation Trust Funds	-	-	(1,307)	-	(1,307)
UNRESTRICTED/UNALLOCATED BALANCE AT END OF PERIOD	62,505	568,325	-	5,670	636,500
Current period activity					
Deposits	478	-	-	-	478
InBank loan payment	(7,700)	-	-	-	(7,700)
Current payables	(35,595)	-	-	-	(35,595)
Auto payments - utilities	(4,049)	-	-	-	(4,049)
Total current period adjustments	(46,866)	-	-	-	(46,866)
CURRENT UNRESTRICTED/UNALLOCATED BALANCE	\$ 15,639	\$ 568,325	\$ -	\$ 5,670	\$ 589,634

**WILLOW BROOK METROPOLITAN DISTRICT
FUND ALLOCATION OF AVAILABLE BALANCES
Year to Date (YTD) as of May 31, 2023**

Account Activity Item Description	General	Capital Projects	Water	Road Paving	Total All Funds
Beginning fund balances	\$ 209,656	\$ 36,036	\$ 4,437	\$ -	\$ 250,129
YTD DEPOSITS					
Conservation trust fund	171	-	-	-	171
General fund reserve fee	17,343	-	-	-	17,343
Interest	7,980	-	-	-	7,980
Miscellaneous	90	-	-	-	90
Project reserve fee	-	-	13,471	-	13,471
Property taxes	187,994	157,085	-	56,194	401,273
Specific ownership taxes	5,732	4,276	-	1,657	11,665
Grant funds	-	149,000	-	-	149,000
Snow removal	11,450	-	-	-	11,450
Trash service fees	5,707	-	-	-	5,707
Unrealized loss	6	-	-	-	6
Water service charges	-	-	34,066	-	34,066
Total deposits	236,473	310,361	47,537	57,851	652,222
YTD total payables and transfers	(141,688)	(64,639)	(55,407)	(2,810)	(264,544)
OTHER FINANCING SOURCES					
Transfer (to) from other funds	(5,000)	-	5,000	-	-
Total other financing sources	(5,000)	-	5,000	-	-
YTD ending available fund balances	\$ 299,441	\$ 281,758	\$ 1,567	\$ 55,041	\$ 637,807

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Accounts Receivable Reconciliation

	General fund reserve	Project reserve	Trash removal	Water	Miscellaneous	Totals
Aging as of 3/31/23	\$ 188	\$ 8	\$ (195)	\$ (19)	\$ (952)	\$ (970)
Billing 3/31/2023	344	11,925	3,025	25,816	-	41,110
Cash receipts 3/31/23	(423)	(9,377)	(2,442)	(20,260)	(1)	(32,503)
Aging as of 5/31/23	\$ 109	\$ 2,556	\$ 388	\$ 5,537	\$ (953)	\$ 7,637

WILLOW BROOK METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
Budget vs Actual
For the Five Months Ended May 31, 2023
With Comparative Amounts for the Year Ended December 31, 2022
Unaudited

	2022 Actual Cash Basis	2023 Budget Modified Accrual	YTD Actual Cash Basis	YTD Variance Over (Under)	Percent of Budget YTD 42%
REVENUES					
Conservation trust fund	\$ 544	\$ 300	\$ 171	\$ (129)	57%
General fund reserve fees	24,015	33,000	17,343	(15,657)	53%
Grant funds - wildfire reduction	29,114	-	-	-	-
Interest	5,116	4,000	7,980	3,980	200%
Miscellaneous	304	-	90	90	-
Property taxes and abatements	324,434	296,954	187,994	(108,960)	63%
Specific ownership taxes	15,311	14,900	5,732	(9,168)	38%
Safety grant funds	2,094	-	-	-	-
Snow removal	16,199	18,000	11,450	(6,550)	64%
Stable/Meadow fees & deposits	500	1,000	-	(1,000)	0%
Trash service fees	11,532	12,100	5,707	(6,393)	47%
Unrealized gain/(loss)	(1,686)	-	6	6	-
Total revenues	<u>427,477</u>	<u>380,254</u>	<u>236,473</u>	<u>(143,781)</u>	<u>62%</u>
EXPENDITURES					
Administrative					
Audit	12,000	12,000	-	(12,000)	0%
County treasurer fees	16,042	14,848	9,400	(5,448)	63%
District management and accounting	68,352	80,000	25,073	(54,927)	31%
Election	6,979	10,000	12,835	2,835	128%
Insurance and SDA dues	28,688	12,000	102	(11,898)	1%
Legal	6,196	12,000	15,573	3,573	130%
Miscellaneous	3,742	4,000	1,098	(2,902)	27%
Signage design proposal	6,395	-	-	-	-
Trash removal	20,343	20,000	8,808	(11,192)	44%
Utilities	11,699	10,800	6,371	(4,429)	59%
Weeds	194	15,000	-	(15,000)	0%
Emergency reserve contribution (3%)	-	9,400	-	(9,400)	0%
Operations and maintenance					
Gate	3,570	1,000	129	(871)	13%
General maintenance	911	2,000	621	(1,379)	31%
Ranch manager					
Salary	70,616	60,750	33,750	(27,000)	56%
Payroll taxes	8,077	10,000	3,758	(6,242)	38%
Benefits (including bonus, less employee reim)	7,624	9,000	7,415	(1,585)	82%
Back-up support	-	4,350	150	(4,200)	3%
Irrigation					
Irrigation/meadow management	453	500	-	(500)	0%
Hay meadows and fencing					
Drag hay meadows	-	1,500	-	(1,500)	0%
Meadow fencing and repairs	-	500	-	(500)	0%
Rock removal/fill/compact	-	500	-	(500)	0%
Soil testing/treatment/drag/seed	-	500	-	(500)	0%
Weed spraying and rodent removal	-	2,000	-	(2,000)	0%
Roads					
Truck (including fuel)	9,789	10,000	8,269	(1,731)	83%
Road Improvements	37,011	10,000	-	(10,000)	0%
Roads - culverts	42,220	-	-	-	-
Equipment rental	5,005	5,000	2,028	(2,972)	41%
Snow plowing salt and sand	3,172	2,000	6,308	4,308	315%
Stable - equestrian center					
Barn remodel	2,625	-	-	-	-
Stable security	265	-	-	-	-
Replace compact fluorescents with bulbs	50	100	-	(100)	0%
Total expenditures	<u>372,018</u>	<u>319,748</u>	<u>141,688</u>	<u>(178,060)</u>	<u>44%</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>55,459</u>	<u>60,506</u>	<u>94,785</u>	<u>34,279</u>	<u>157%</u>
OTHER FINANCING (SOURCES) USES					
Transfer to water operations fund	(20,000)	-	(5,000)	(5,000)	-
Transfer from road paving fund	73,852	18,917	-	(18,917)	0%
Total other financing sources (uses)	<u>53,852</u>	<u>18,917</u>	<u>(5,000)</u>	<u>(23,917)</u>	<u>-26%</u>
NET CHANGE IN FUND BALANCE	109,311	<u>\$ 79,423</u>	89,785	<u>\$ 10,362</u>	
BEGINNING FUND BALANCE	100,345		209,656		
ENDING FUND BALANCE	<u>\$ 209,656</u>		<u>\$ 299,441</u>		

WILLOW BROOK METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
Budget vs Actual
For the Five Months Ended May 31, 2023
With Comparative Amounts for the Year Ended December 31, 2022
Unaudited

	2022 Actual Cash Basis	Adopted 2023 Budget Modified Accrual	YTD Actual Cash Basis	YTD Variance Over (Under)	Percent of Budget YTD 42%
REVENUES					
Property taxes - SRF loan	\$ 120,876	\$ 131,099	\$ 82,996	\$ (48,103)	63%
Property taxes - Mail boxes	-	36,741	23,260	(13,481)	63%
Property taxes - Trash enclosure	-	26,030	16,479	(9,551)	63%
Property taxes - Fuel reduction loan	-	54,259	34,350	(19,909)	63%
Specific ownership taxes	6,191	12,500	4,276	(8,224)	34%
Interest	19	-	-	-	0%
Grant	125,000	-	149,000	149,000	-
Total revenues	<u>252,086</u>	<u>260,629</u>	<u>310,361</u>	<u>49,732</u>	<u>119%</u>
EXPENDITURES					
County treasurer fees	6,045	12,406	7,854	(4,552)	63%
PRV connection of 2 systems	83,224	-	-	-	-
Fire reduction project	381,180	-	-	-	-
District management	9,531	-	-	-	-
Election	11,868	-	-	-	-
Legal	6,601	-	-	-	-
Loan costs	9,375	-	-	-	-
Mail box project	-	36,741	-	(36,741)	0%
Trash enclosure improvement	-	26,030	-	(26,030)	0%
Water system improvements	2,105	-	-	-	-
SRF loan principal	73,070	74,909	37,222	(37,687)	50%
SRF loan interest	40,498	38,660	19,563	(19,097)	51%
InBank loan #3 fuel reduction principal	323,000	120,000	-	(120,000)	0%
InBank loan #3 fuel reduction interest	5,984	15,647	-	(15,647)	0%
Total expenditures	<u>952,481</u>	<u>324,393</u>	<u>64,639</u>	<u>(259,754)</u>	<u>20%</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES					
	<u>(700,395)</u>	<u>(63,764)</u>	<u>245,722</u>	<u>309,486</u>	<u>-385%</u>
OTHER FINANCING SOURCES					
InBank loan	473,000	-	-	-	-
Total other financing sources	<u>473,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(227,395)</u>	<u>\$ (63,764)</u>	<u>245,722</u>	<u>\$ 309,486</u>	
BEGINNING FUND BALANCE	263,431		36,036		
ENDING FUND BALANCE	<u>\$ 36,036</u>		<u>\$ 281,758</u>		

WILLOW BROOK METROPOLITAN DISTRICT
WATER UTILITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
Budget vs Actual
For the Five Months Ended May 31, 2023
With Comparative Amounts for the Year Ended December 31, 2022
Unaudited

	2022 Actual Cash Basis	Adopted 2023 Budget Modified Accrual	YTD Actual Cash Basis	YTD Variance Over (Under)	Percent of Budget YTD 42%
REVENUES					
Project reserve fee (\$75/month)	\$ 35,526	\$ 49,500	\$ 13,471	\$ (36,029)	27%
Water service charges	65,624	125,618	34,066	(91,552)	27%
Miscellaneous	205	-	-	-	-
Total revenues	<u>101,355</u>	<u>175,118</u>	<u>47,537</u>	<u>(127,581)</u>	<u>27%</u>
EXPENDITURES					
Maintenance contract	31,367	30,900	13,264	(17,636)	43%
Quarterly tank inspections	-	1,500	-	(1,500)	0%
5-yr comprehensive tank inspection (annual)	-	1,300	-	(1,300)	0%
Annual backflow testing and reporting	-	1,340	-	(1,340)	0%
Lead and copper sampling	-	1,000	-	(1,000)	0%
Compliance sampling	-	1,000	-	(1,000)	0%
Monitoring plan	-	2,720	-	(2,720)	0%
Emergency response plan	-	340	-	(340)	0%
Backflow - Barn	1,414	1,500	-	(1,500)	0%
Initial BPCCC system survey	-	680	-	(680)	0%
Replace piping inside filing #1 well vault	-	15,000	5,109	(9,891)	34%
Ranch manager salary/benefits	-	24,275	-	(24,275)	0%
New meter installation	-	30,000	-	(30,000)	0%
Annual fire hydrant maintenance	720	750	-	(750)	0%
Repairs and maintenance	22,475	20,000	648	(19,352)	3%
Utilities - Town of Silverthorne	192	200	102	(98)	51%
Utility billing	20,928	15,000	6,890	(8,110)	46%
Water testing	574	2,500	3,817	1,317	153%
GWUDI assessment	-	16,000	15,262	(738)	95%
Water well evaluation/improvements	39,278	-	10,315	10,315	-
Total expenditures	<u>116,948</u>	<u>166,005</u>	<u>55,407</u>	<u>(110,598)</u>	<u>33%</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(15,593)</u>	<u>9,113</u>	<u>(7,870)</u>	<u>(16,983)</u>	<u>-86%</u>
OTHER FINANCING SOURCES					
Transfer from general fund	20,000	-	5,000	5,000	-
Total other financing sources	<u>20,000</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	4,407	<u>\$ 9,113</u>	(2,870)	<u>\$ (11,983)</u>	
BEGINNING FUND BALANCE	<u>30</u>		<u>4,437</u>		
ENDING FUND BALANCE	<u>\$ 4,437</u>		<u>\$ 1,567</u>		

**WILLOW BROOK METROPOLITAN DISTRICT
ROAD PAVING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
Budget vs Actual
For the Five Months Ended May 31, 2023
With Comparative Amounts for the Year Ended December 31, 2022
Unaudited**

	2022 Actual Cash Basis	Adopted 2023 Budget Modified Accrual	YTD Actual Cash Basis	YTD Variance Over (Under)	Percent of Budget YTD 42%
REVENUES					
Property taxes - road paving	\$ 79,700	\$ 88,765	\$ 56,194	\$ (32,571)	63%
Specific ownership taxes	3,527	4,500	1,657	(2,843)	37%
Interest	13	-	-	-	-
Total revenues	<u>83,240</u>	<u>93,265</u>	<u>57,851</u>	<u>(35,414)</u>	<u>62%</u>
EXPENDITURES					
County treasurer fees	3,986	4,439	2,810	(1,629)	63%
Loan payment principal	55,000	55,000	-	(55,000)	0%
Loan payment interest	17,631	15,400	-	(15,400)	0%
Total expenditures	<u>76,617</u>	<u>74,839</u>	<u>2,810</u>	<u>(72,029)</u>	<u>4%</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>6,623</u>	<u>18,426</u>	<u>55,041</u>	<u>36,615</u>	<u>299%</u>
OTHER FINANCING USES					
Transfer to general fund	(73,852)	(18,917)	-	18,917	0%
Total other financing uses	<u>(73,852)</u>	<u>(18,917)</u>	<u>-</u>	<u>18,917</u>	<u>0%</u>
NET CHANGE IN FUND BALANCE	(67,229)	<u>\$ (491)</u>	55,041	<u>\$ 55,532</u>	
BEGINNING FUND BALANCE	67,229		-		
ENDING FUND BALANCE	<u>\$ -</u>		<u>\$ 55,041</u>		

EQUIPMENT LEASE/PURCHASE AGREEMENT

This Equipment Lease/Purchase Agreement (“Agreement”) is entered into between Town of Silverthorne (“Lessor”) and Willow Brook Metropolitan District (“Lessee”) as of the _____ day of _____, 2023.

W I T N E S S E T H:

WHEREAS, authority exists in the law, and funds have been budgeted, appropriated and otherwise made available, for the expenditures and obligations contained herein; and

WHEREAS, Lessor desires to lease the Equipment, as hereinafter defined, to Lessee and Lessee desires to lease the Equipment from Lessor subject to the terms and conditions of and for the purposes set forth in this Agreement; and

NOW THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I.
DEFINITIONS

The following terms will have the meanings indicated below unless the context clearly requires otherwise:

1.01 Code

“Code” means the Internal Revenue Code of 1986, as amended.

1.02 Commencement Date

“Commencement Date” means, with respect to the Lease Transaction, the date when Lessee’s obligation to make Rental Payments accrues and the Lease Transaction is closed, which shall be the date on which Lessee accepts the Equipment in accordance with this Agreement; provided that in no event will the Commencement Date be later than the date upon which Lessor disburses funds for the acquisition of the Equipment, regardless of whether such disbursement is made into escrow or otherwise.

1.03 Equipment

“Equipment” means the property described in Schedule A attached hereto.

1.04 Event of Non-appropriation

“Event of Non-appropriation” means a termination of the Lease Transaction by Lessee, determined by Lessee’s failure, for any reason, on or before June 30 of each Fiscal Year, to include

by specific reference in its annual budget for the ensuing Fiscal Year amounts authorized and directed to be used to pay all Rental Payments, as provided in Section 6.08 of this Agreement.

1.05 Fiscal Year

“Fiscal Year” means Lessee’s fiscal year, which begins on July 1 and ends June 30 of the following year.

1.06 Full Insurable Value

“Full Insurable Value” means, as of the date of determination, the greater of (a) the replacement cost of the Equipment and (b) the sum of all of the Amounts Attributable to Principal remaining to be paid by Lessee under the Lease Transaction, assuming renewal for all Renewal Terms, as set forth in the Schedule of Payments” the form of which is attached hereto as Schedule C.

1.07 Lease Transaction

“Lease Transaction” means the lease by Lessee of the Equipment, with option to purchase, pursuant to the provisions of this Agreement.

1.08 Lease Term

“Lease Term” means the time during which Lessee leases the Equipment hereunder (from the Commencement Date until payoff) as provided in Section 4.01 hereof; subject to the other provisions hereof.

1.09 Lessee

“Lessee” means the Town of Silverthorne, a quasi-municipal corporation and political subdivision of the State of Colorado, having its office at Town of Silverthorne, 601 Center Circle, Silverthorne, CO 80498.

1.10 Lessor

“Lessor” means the Willow Brook Metropolitan District, with its principal place of business at Community Resource Services of Colorado, 7995 E. Prentice Avenue, Suite 103E, Greenwood Village, CO 80111, acting as Lessor hereunder, or any successors, transferees, or assignees of Lessor.

1.11 Net Proceeds

“Net Proceeds” means the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including reasonable attorney’s fees) incurred in connection with the collection of such claim or award.

1.12 Option Price

“Option Price” means, as of the date of determination, the amount set forth under the caption “Option Price” in Schedule C hereto, which Lessee may, at its discretion, pay Lessor in order to obtain the full right, title, and interest of Lessor in the Equipment.

1.13 Rental Payments

“Rental Payments” means, with respect to the Lease Transaction, the total amounts payable by Lessee pursuant to the provisions of this Agreement in consideration of the right of Lessee to lease and use the Equipment during the Lease Term. Rental Payments shall be payable by Lessee to Lessor or its assignee in the amounts set forth under the caption “Total Rental Payment” and at the time during the Lease Term set forth in Schedule C.

1.14 Vendor

“Vendor” means the manufacturer of the Equipment, its agents or dealers, or any other person from whom Lessor purchased or is purchasing the Equipment; provided, however, that Lessee shall not be deemed to be a “vendor” of the Equipment for the purposes of this Agreement.

ARTICLE II. COVENANTS OF LESSEE

2.01. Representations, Covenants, and Warranties of Lessee. Lessee represents, covenants, and warrants for the benefit of Lessor as follows:

- a) Lessee is a duly organized and existing political subdivision in the State of Colorado.
- b) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a political subdivision in the State of Colorado.
- c) Lessee is authorized under the constitution and laws of its applicable jurisdiction to enter into this Agreement and the Lease Transaction contemplated hereby and to perform all of its obligations thereunder.
- d) Lessee has been duly authorized to execute and deliver this Agreement and the Lease Transaction hereunder pursuant to the terms and provisions of a resolution and subsequent delegation of authority, a copy of which is attached hereto as Schedule D, or by other appropriate official approval, and further represents, covenants, and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability of this Agreement and underlying Lease Transaction in accordance with the terms and conditions set forth herein and in the documents in connection with the Lease Transaction. Further, Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment pursuant hereto.

- e) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions, or provisions of any restriction or any agreement or instrument to which Lessee is a party or by which Lessee is bound or constitutes a default under any of the foregoing or results in the creation or imposition of any lien or encumbrance whatsoever upon any of the property or assets of the lessee.
- f) To the knowledge of Lessee, there is no litigation or proceeding pending or threatened against Lessee or any other person affecting the ability of Lessee to lease property pursuant to this Agreement, make the payments required hereunder and otherwise to comply with the obligations contained herein and in connection with the Lease Transaction.
- g) Lessee has never failed to appropriate monies to pay lease payment agreements or any similar agreements requiring annual appropriations. Lessee intends to seek to annually appropriate the funds necessary to pay and perform its obligations pursuant to this Agreement and in connection with the Lease Transaction. To the extent that applicable law permits Lessee to appropriate monies to pay lease payment agreements for longer than an annual period, Lessee agrees to seek to appropriate such amounts for such longer periods. If Lessee terminates the Lease Transaction by reason of an Event of Non-appropriation, Lessee agrees not to lease or finance substitute Equipment from another source.
- h) During the Lease Term, the Equipment will be used by Lessee only for the purpose of performing one or more essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority.
- i) During the Lease Term, if and to the extent requested by Lessor, Lessee will annually provide Lessor with current available financial statements, budgets, proof of appropriation for the ensuing fiscal year, and such other financial information relating to the ability of Lessee to continue the Lease Transaction as may reasonably be requested by Lessor.
- j) Lessee is and, during the Lease Term, will remain a political subdivision of the State of Colorado.
- k) Lessee's obligations under this Agreement constitute an obligation on behalf of the State of Colorado or a political subdivision thereof.
- l) The obligations and indebtedness of Lessee pursuant to this Agreement and the Lease Transaction is not an arbitrage bond within the meaning of the Code.
- m) This Agreement and the Lease Transaction pursuant hereto do not constitute private activity bonds within the meaning of Section 141 of the Code.

ARTICLE III.
LEASE OF EQUIPMENT

3.01. Demise of Equipment. Lessor hereby demises, leases, and lets to Lessee, and Lessee rents, leases, and hires from Lessor, the Equipment in accordance with the provisions of this Agreement, to have and to hold for the Lease Term.

3.02. Lessor's Warranty of Title. Lessor represents and warrants for the benefit of Lessee that upon acquisition of each item of the Equipment, Lessor is or will be the owner thereof free and clear of any encumbrance or lien created by Lessor (other than the lien of taxes and assessments not yet due and payable); provided that the foregoing shall not be deemed a representation or warranty by Lessor of ownership by any Person from whom Lessor acquired Equipment or any other prior owners. If requested, Lessor agrees to furnish to Lessee proof of Lessor's payment to the equipment Vendor prior to the Commencement Date.

ARTICLE IV.
LEASE TERM

4.01. Duration of the Lease Term. The Lease Term shall run for two (2) years from the Commencement Date unless terminated earlier pursuant to Section 4.02 hereof. In the event that Lessee shall determine, for any reason, to exercise its annual right to terminate the Lease Transaction, effective on June 30 of any Fiscal Year as the result of an Event of Non-appropriation, Lessee shall give written notice to such effect to Lessor not later than June 23 of such Fiscal Year; provided, however, that a failure to give such notice shall not constitute a default, nor prevent Lessee from terminating the Lease Transaction as the result of an Event of Non-appropriation, nor result in any liability on the part of Lessee except as provided in Section 6.10 herein. Absent such written notice, the exercise of Lessee's annual option to terminate the Lease Transaction as the result of an Event of Non-appropriation shall be conclusively determined by Lessee's failure for any reason, on or before June 30 of each Fiscal Year, to include by specific reference in Lessee's annual budget for the ensuing Fiscal Year amounts authorized and directed to be used to pay all the Rental Payments for the ensuing Fiscal Year, all as further provided in Section 6.08 of this Agreement.

4.02. Termination of Lease Term. The Lease Term will terminate upon the earliest of the following events:

- a) June 30 of any Fiscal Year during which there has occurred an Event of Non-appropriation (provided that the Lease Term shall not be deemed to have been terminated in the event that the Event of Non-appropriation is cured as provided in Section 6.08 hereof);
- b) The exercise by Lessee of the option to purchase the Equipment granted under the provisions of Article XI of this Agreement;
- c) The termination of the Lease Transaction by reason of damage to or the destruction or condemnation of the Equipment as provided in Section 9.01 hereof;

- d) An event of default by Lessee and Lessor's election to terminate the Lease Transaction under Article XIII; or
- e) The conveyance of the Equipment to Lessee upon payment by Lessee of all Rental Payments required to be paid by Lessee under the Lease Transaction for the entire maximum Lease Term.

ARTICLE V.
ENJOYMENT OF EQUIPMENT

5.01. Covenant of Quiet Enjoyment. Lessor hereby covenants to provide Lessee during the Lease Term with quiet use and enjoyment of the Equipment under the Lease Transaction undertaken pursuant to this Agreement, and Lessee shall, during the Lease Term, peaceably and quietly have and hold and enjoy the Equipment, without suit, trouble, or hindrance from Lessor, except as expressly set forth in this Agreement.

5.02. Inspection of Equipment. Lessor shall have the right, at reasonable times during business hours and following reasonable notice to Lessee, to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

ARTICLE VI.
RENTAL PAYMENTS

6.01. Payment of Rental Payments; Amount.

- a) Lessee shall pay Rental Payments, exclusively from legally available funds, in lawful money of the United States of America, to Lessor, at its principal office (subject to change upon notification from Lessor), during the Lease Term as hereinafter provided. The Rental Payments during the Lease Term shall be the amounts in the "Total Rental Payment" column as set forth in Schedule C attached hereto.
- b) Lessee shall have the option, on any date on which a Rental Payment is due, to make (in addition to the Rental Payment then due) an advance Rental Payment. Advance Rental Payments may be made in any amount. The Remaining Principal Balance, shown in Schedule C, shall be decreased by any such advance Rental Payments. After each such advance Rental Payment, each subsequent Rental Payment, including the amounts attributed to principal and interest, and the Option Price, shall be decreased proportionately. Schedule C shall be amended as necessary to reflect such decreased Rental Payments and Option Price. Notwithstanding the foregoing, Lessor shall not have the obligation to adjust Schedule C more than one time in each calendar year, regardless of the number of advanced Rental Payments made.

6.02. Interest Component. A portion of each Rental Payment is paid as, and represents payment of interest, and Schedule C shall set forth the interest component of each Rental Payment during the Lease Term.

6.03. Rental Payments to be Unconditional. Notwithstanding any dispute between Lessee and Lessor, any Vendor, or any other person, but subject to Section 6.08 hereof, Lessee's obligation to make Rental Payments shall be absolute and unconditional and Lessee shall make all payments of Rental Payments when due and shall not withhold any Rental Payments pending final resolution of such dispute nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such payments required under the Lease Transaction. Lessee's obligation to make Rental Payments during the Lease Term shall not be abated through accident or unforeseen circumstances or any other reason.

6.04 Late Payments. If Lessor receives any payment from Lessee later than ten (10) days from the due date, Lessee shall pay Lessor on demand a late charge of 5.000% of the regularly scheduled payment or \$25.00, whichever is greater.

6.05 Manner of Payment. All Rental Payments shall be due and payable by Lessee to Lessor in immediately available funds at such address or in such manner as Lessor may specify from time to time.

6.06. Net Rent. This Agreement and the Lease Transaction shall be deemed and construed to be a "net lease" and Lessee hereby agrees that the Rental Payments will be an absolute net return to Lessor, free and clear of any expenses, charges or set-off whatsoever, except as expressly provided herein.

6.07. Continuation of Lease by Lessee. The Lessee hereby declares its current need for the Equipment, and further determines and declares its expectation that the Equipment will (so long as it is subject to the terms hereof) adequately serve the needs for which it is being acquired throughout the maximum Lease Term. Lessee intends, subject to the provisions of Article VI and Article XII hereof, to continue the Lease Term through the maximum Lease Term and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds of any amount sufficient to make all Rental Payments during the maximum Lease Term can be obtained. Lessee hereby agrees and determines, based on Lessee's good faith estimate as of the date hereof, that the Rental Payments hereunder during the maximum Lease Term represent the fair value of the use of the Equipment; and that the Option Price represents the fair purchase price of the Equipment at the time of exercise of the purchase option. Lessee hereby determines that, to the best of its knowledge, based on Lessee's good faith estimate as of the date hereof, the Rental Payments do not exceed a reasonable amount so as to place Lessee under an economic compulsion not to terminate this Agreement or to exercise its option to purchase the Equipment hereunder.

6.08. Non-Appropriation of Funds. The parties acknowledge and agree that all Rental Payments of Lessee under this Agreement during the Lease Term shall constitute currently budgeted expenditures and shall not constitute or give rise to a general obligation debt, an indebtedness, or multiple-fiscal year direct or indirect debt or other financial obligations whatsoever within the meaning of any constitutional or statutory provisions or limitations. Lessee's obligations to make Rental Payments or to pay any other amounts under this Agreement shall be subject to Lessee's annual right to renew this Agreement and shall not constitute a mandatory charge against or requirement, liability or obligation of Lessee in any ensuing fiscal year beyond the then current fiscal year of Lessee. Lessee shall be under no obligation to exercise any option to renew this

Agreement or its option to purchase the Equipment. Notwithstanding any other provision hereof to the contrary, this Agreement and Lessee's obligations thereunder are expressly subject to and contingent upon funds for that purpose being budgeted, appropriated and otherwise made available by Lessee. In the event that Lessee shall not, on or before June 30 of each Fiscal Year, include by specific reference in Lessee's annual budget for its ensuing Fiscal Year amounts authorized and directed to be used to pay all Rental Payments coming due for the ensuing Fiscal Year, an Event of Non-appropriation shall be deemed to have occurred; subject, however, to each of the following provisos:

- a) The Lessor may, in its discretion and subject to the provisions of paragraph (b) below, waive any Event of Non-appropriation which is cured by Lessee within a reasonable time.
- b) The Lessor shall waive any Event of Non-appropriation which is cured by Lessee by August 1 of the ensuing Fiscal Year, by specific inclusion in its current budget of sufficient moneys authorized and directed to be used to pay all Rental Payments coming due for such Fiscal Year.
- c) If an Event of Non-appropriation occurs, Lessee shall not be obligated to make payment of the Rental Payments or any other payments provided for herein which accrue after June 30 of the Fiscal Year during which such Event of Non-appropriation occurs.
- d) Lessor shall, upon the occurrence of such Event of Non-appropriation, and subject to the right to cure set forth herein, have all rights and remedies to take possession of the Equipment, and to recover any unpaid Rental Payments budgeted by Lessee and owing with respect to any preceding Fiscal Year during which this Agreement was in effect. Without limiting the foregoing, unless otherwise instructed by Lessor, Lessee shall upon an Event of Non-appropriation, return to Lessor (or otherwise deliver as reasonably instructed by Lessor) all, but not less than all, of the Equipment covered by the Lease Transaction, at Lessee's sole expense in accordance with Section 11.02 hereof. Failure of Lessee to so return the Equipment shall be and Event of Default and Lessor shall be immediately entitled to exercise its rights and remedies to retake possession of the Equipment and sell, lease or otherwise dispose of the Equipment pursuant to Section 13.02(a)(v).

6.09. Lessor's Right To Perform For Lessee.

- a) If Lessee fails to make any payments required hereunder, other than Rental Payments, or fails to perform or comply with any of its covenants or obligations herein contained, Lessor or its assignee may at its election (and without any obligation to do so), make such payment or perform or comply with such covenant or obligation and the amount of such payment; provided, however, that Lessor shall have first given written notice to Lessee of its intent to do so, and Lessee shall have not less than ten (10) days from receipt of such notice in which to cure the failure and avoid the exercise of such election by Lessor, without penalty. Lessor or its assignee performing or complying with such covenants or obligations, as the case may be, shall be entitled to reimbursement by Lessee for all expenses incurred in

connection therewith, together with interest thereon at the rate applicable to the Lease Transaction plus 4% per annum.

- b) In the event of the return of any of the Equipment, in addition to preparing the Equipment for shipping and paying the delivery cost, Lessee will also return to Lessor the maintenance records and other documents relating to the Equipment.

ARTICLE VII.
TITLE TO EQUIPMENT; PERSONAL PROPERTY;
LANDLORD'S WAIVER

7.01. Title to the Equipment. The Equipment has been acquired pursuant to a purchase order issued by Lessee, which purchase order provided that legal title to the Equipment acquired thereunder vested in Lessor, subject to the beneficial interest of Lessee hereunder. Notwithstanding this method of acquisition, Lessee shall not be deemed to be the "Vendor" of the Equipment under this Agreement pursuant to the terms of such purchase order. During the Lease Term, title to the Equipment and any and all additions, repairs, replacements or modifications thereto shall be in Lessor; provided, however, that in the event this Agreement is terminated by reason of the occurrence of an event described in subsections 4.02(b) or (e) hereof, title to the Equipment will be transferred to Lessee. In the event that the provisions of Section 13.02 are availed of by Lessor, or in the case of an Event of Non-appropriation as set forth in Section 6.08 hereof, Lessee will surrender its interest in and possession of the Equipment to Lessor.

7.02. Personal Property. The Equipment is, and shall at all times be and remain, personal property notwithstanding that the Equipment or any part thereof may be, or may hereafter become, in any manner affixed or attached to, or imbedded in, or permanently resting upon, real property or any buildings thereon or any fixtures, or attached in any manner to what is permanent as by means of cement, plaster, nails, bolts, screws or otherwise. Notwithstanding the foregoing, Lessee shall not affix Equipment to real property or any buildings thereon in a manner that constitutes such Equipment as a "fixture" under applicable law, unless Lessee has first notified Lessor of such affixation, Lessor has approved such affixation, and Lessor has filed and recorded such fixture filings and other documents and instruments as Lessor may reasonably require in order to maintain perfection and priority of all security interests in favor of Lessor.

7.03 Security Interest. The parties intend that the Lease Transaction described herein constitutes a lease of the Equipment in accordance with the terms hereof. Without limiting the rights and obligations of the parties as lessor and lessee, if any transaction pursuant to this Agreement is deemed or determined to be the creation of a security interest then, as collateral security for all of the obligations of Lessee pursuant to this Agreement and all other documents and instruments in connection with the Lease Transaction, Lessee hereby grants to Lessor a first priority security interest in any and all Equipment (now existing or hereafter arising) and any and all proceeds thereof. Lessee hereby irrevocably authorizes Lessor at any time and from time to time to file in any filing office at any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the collateral as the Equipment subject to Lease Transactions pursuant to this Agreement (either by general description or specific indication of each item of equipment) and (b) provide any other information required by the Uniform

Commercial Code of the State of Colorado for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether the Debtor is an organization, the type of organization and any organizational identification number issued to the Debtor and (ii) in the case of a financing statement filed as a fixture filing, a sufficient description of real property to which the collateral relates. Lessee agrees to furnish any such information to Lessor promptly upon Lessor's request. To further the attachment, perfection and first priority of, and ability of Lessor to enforce, Lessor's security interest in the Equipment, and without limitation of Lessee's other obligations in this Agreement, Lessee agrees, in each case at Lessee's expense, to take such other action with respect to the Equipment in order to maintain the perfection and priority of Lessor's security interest therein as Lessor may reasonably request from time to time. If and to the extent any Equipment is subject to another statute that expressly governs the creation, perfection, priority or enforcement of a security interest (for example, if any of the Equipment consists of motor vehicles subject to a certificate of title), Lessee agrees to take such other actions and make such other filings as Lessor may require to perfect Lessor's security interest in the Equipment.

ARTICLE VIII.
MAINTENANCE; MODIFICATION; TAXES;
INSURANCE AND OTHER CHARGES

8.01. Maintenance of Equipment by Lessee. Lessee agrees that at all times during the Lease Term Lessee will, at Lessee's own cost and expense, maintain, preserve, and keep the Equipment or cause the Equipment to be maintained, preserved, and kept with the appurtenances and every part and parcel thereof, in good repair, working order, and condition, subject to normal wear and tear, and that Lessee will from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals. Lessor shall have no responsibility in any of these matters or for the making of improvements or additions to the Equipment. Equipment will not be removed from Lessee's place of business and operations without Lessor's prior written consent.

8.02. Modification or Alteration of Equipment. Lessee shall have the privilege at its own cost and expense of remodeling or making substitutions, additions, modifications, or improvements to the Equipment, and the same shall be property of Lessor and included under the terms of this Agreement as part of the Equipment and shall be deemed to be part of the Equipment described in the applicable Schedule A hereto; provided, however, that:

- a) Such remodeling, substitutions, additions, modifications, or improvements shall not in any way materially damage the Equipment, nor cause it to be used for purposes other than those authorized under this Agreement and the constitutional provisions and laws applicable to Lessee; and
- b) The Equipment, upon completion of remodeling, substitutions, additions, modifications, or improvements made pursuant to this Article VIII shall have a value not less than the value of the Equipment immediately prior to such remodeling, substitutions, additions, modifications, or improvements.

- c) Lessee will not permit any mechanic's or other lien to remain against the Equipment for labor or materials furnished in connection with any remodeling, substitutions, additions, modifications, improvements, repairs, renewals, or replacements so made by Lessee.

8.03. Taxes. Lessee represents that it is a governmental entity exempt from federal, state, property and/or local tax assessment, and therefore, taxes (including, without limitation, sales, use, gross receipts, excise, ad valorem, transfer or other similar taxes, charges, and fees) shall not be charged to Lessor or Lessee or be required to be paid by Lessor or Lessee with respect to the Equipment. Lessee agrees to cooperate with Lessor with respect to such tax exemptions and to provide any exemption certificates or other documents reasonably required to evidence and support such exemption. If, notwithstanding the foregoing, any such taxes become due and payable with respect to the Equipment, Lessee shall pay such taxes and defend, indemnify and hold harmless Lessor for, from and against any and all liabilities with respect to such taxes. In addition, the portion of the Rental Payments representing interest are intended to be exempt from state and federal income taxes payable by Lessor and in connection therewith, Lessee further covenants and agrees that:

- a) Lessee shall comply with applicable provisions of the Code so that the interest portion of any Rental Payments will be exempt from income tax under Section 103(a) thereof which includes, but is not limited to, complying with all of the requirements of Section 149(a) (to the extent applicable) and Section 149(e) of the Code, and such compliance shall further include, but not be limited to, keeping a complete and accurate record of any assignments of the Lease and executing and timely filing Internal Revenue Form 8038G or 8038GC, as the case may be, and any other information statements reasonably requested by Lessor.
- b) Lessee shall not do (or cause to be done) any act which will cause, or by omission of any act allow, this Agreement or the Lease Transaction to be an "arbitrage bond" within the meaning of Section 148(a) of the Code or this Agreement or the Lease Transaction to be a "private activity bond" within the meaning of Section 141(a) of the Code. Lessee agrees that neither this Agreement nor the Lease Transaction shall be treated as a Registration Required Bond pursuant to Section 149(a) of the Code.
- c) Lessee shall not do (or cause to be done) any act which will cause, or by omission of any act allow, the interest portion of any Rental Payments to be or become includable in gross income for Federal income taxation purposes under the Internal Revenue Code.

8.04. Insurance.

- a) At its own expense, Lessee shall cause property damage insurance to be carried and maintained, or shall demonstrate to the satisfaction of Lessor that adequate self-insurance is provided, with respect to the Equipment, in amounts sufficient to protect the Full Insurable Value of the Equipment and to satisfy the requirements within Section 24-10-101 et seq., C.R.S. All property insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. Upon the execution and completion of a particular Lease Transaction, Lessee shall furnish to Lessor certificates evidencing such coverage throughout the then current Lease Term. Alternatively, Lessee may insure the

Equipment under a blanket insurance policy or policies which cover not only the Equipment, but other properties. If Lessee shall insure similar properties by self-insurance, Lessee will insure the Equipment by means of an adequate insurance fund set aside and maintained out of its funds. In addition, any self-insurance program shall be established by Lessee pursuant to its charter powers or by Lessee and other political subdivisions of the State of Colorado pursuant to applicable state law specifically authorizing such program and which is funded in a sound manner similar to commercial insurance or in a manner specified in applicable law.

- b) Lessee shall carry Worker's Compensation insurance covering all of Lessee's employees working on, in, near, or about the Equipment, or demonstrate to the satisfaction of Lessor that adequate self-insurance is provided, and shall require any other person or entity working on, in, near, or about the Equipment to carry such coverage, and will furnish Lessor certificates evidencing such coverage throughout the Lease Term.
- c) Lessee at its sole expense shall also at all times carry public liability and property damage insurance in amounts reasonably satisfactory to Lessor protecting Lessee and Lessor from liabilities for injuries to persons and damage to property of others relating in any way to any Equipment. Proceeds of any such public liability or property insurance shall be payable first to Lessor as additional insured to the extent of its liability then to Lessee.
- d) All insurers shall be reasonably satisfactory to Lessor. Lessee shall promptly deliver to Lessor satisfactory evidence of required insurance coverage and all renewals and replacements thereof.
- e) The proceeds of any property insurance policy carried pursuant to this Section 8.04 shall be payable to Lessee and Lessor, as their respective interests in the Equipment may be. The Net Proceeds of the property insurance required in this Section 8.04 shall be applied as provided in Section 9.01 hereof. Each insurance policy provided for in this Section 8.04 shall contain a provision to the effect that the insurance company shall endeavor to give written notice to Lessee and Lessor at least thirty (30) days in advance of any cancellation or material modification of the policy adverse to the interests of Lessor.

ARTICLE IX.

DAMAGE, DESTRUCTION AND CONDEMNATION; APPLICATION OF NET PROCEEDS

9.01. Damage, Destruction, and Condemnation. Lessee shall bear the risk of loss of the Equipment as provided in this Article IX. No loss, damage or destruction of the Equipment shall relieve Lessee from its obligations to make Rental Payments and its other obligations pursuant to this Agreement. Unless Lessee shall have exercised its option to purchase the Equipment by making payment of the Option Price as provided in Article XI hereof, and if prior to the termination of the Lease Term (a) the Equipment or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty, or (b) title to, or the temporary use of, the Equipment or any part thereof or the estate of Lessee or Lessor in the Equipment or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person,

firm, or corporation acting under governmental authority, the Net Proceeds of any insurance claim or condemnation award shall be applied, at Lessee's option, to the prompt replacement, repair, restoration, modification, or improvement of the Equipment, with any balance of the Net Proceeds remaining after such work has been completed to be paid to Lessee, or the Net Proceeds shall be paid to Lessor together with such additional amounts as may be necessary to fully pay to Lessor the then applicable Option Price, to the extent such additional amounts have been budgeted by Lessee and are legally available for such payment, and upon such payment of the Option Price, the Lease Term shall terminate and title to the Equipment shall then be conveyed by Lessor to Lessee as provided in Article XI of this Agreement. The excess of the Net Proceeds over the then applicable Option Price, if any, shall be retained by Lessee.

9.02. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification, or improvement referred to in Section 9.01 hereof, Lessee shall either (a) complete the work and pay any cost in excess of the amount of the Net Proceeds, to the extent such additional amounts have been budgeted by Lessee and are legally available for such payment, and Lessee agrees that if by reason of any such insufficiency of the Net Proceeds, Lessee shall make any payments pursuant to the provisions of this Section 9.02, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article VI hereof, or (b) Lessee shall pay to Lessor the amount of the then applicable Option Price, to the extent such additional amount has been budgeted by Lessee and is legally available for such payment, and, upon such payment, the Lease Term shall terminate and title to the Equipment shall then be conveyed by Lessor to Lessee as provided in Article XI of this Agreement. The excess of the Net Proceeds over the then applicable Option Price, if any, shall be retained by Lessee. If, by June 30 of the Fiscal Year in which an event specified in Section 9.01 hereof occurs (or June 30 of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to replace, repair, restore, modify or improve the Equipment becomes apparent) the Board has not budgeted amounts sufficient to proceed under either clause (a) or (b) of this Section 9.02, an Event of Non-appropriation shall be deemed to have occurred.

9.03. Indemnification. Lessee shall defend, indemnify and hold Lessor harmless from any and all claims, damages, loss, liability, costs and expenses (including reasonable attorneys' fees), damages or losses arising from or related to the Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof. The foregoing obligation of Lessee shall survive any expiration or termination of this Agreement and the Lease Transactions.

ARTICLE X.
DISCLAIMER OF WARRANTIES;
VENDOR'S WARRANTIES; USE OF THE EQUIPMENT

10.01. Disclaimer of Warranties. THE EQUIPMENT IS TRANSFERRED TO LESSEE "AS IS" AND LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR WARRANTY WITH RESPECT THERETO. In no event shall Lessor be liable for any incidental, indirect, special, or consequential damage in connection with or arising out of the Lease

Transaction or the existence, furnishing, functioning, or Lessee's use of any item or products or services provided for in this Agreement.

10.02. Vendor's Warranties. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Term of this Agreement, so long as Lessee shall not be in default under the Lease Transaction, to assert from time to time whatever claims and rights including warranties of the Equipment which Lessor may have against the Vendor of Equipment. Lessee's sole remedy for the breach of such warranty, indemnification, or representation shall be against the Vendor of the Equipment, and not against Lessor, nor shall any such claim have any effect whatsoever on the rights and obligations of Lessee or Lessor with respect to this Agreement. Lessee expressly acknowledges that Lessor makes, and has made, no representation or warranties whatsoever as to the existence or availability of any such warranties of the Vendor of Equipment.

10.03. Use of the Equipment. Lessee will not install, use, operate or maintain Equipment improperly, carelessly, in violation of any applicable law, or in a manner contrary to that contemplated by the applicable Lease Transaction. Lessee shall obtain all permits and licenses, if any, necessary for the installation and operation of the Equipment, except to the extent that the failure to obtain such permits or licenses will not have a material adverse effect on the operation of the Equipment. In addition, Lessee agrees to comply in all material respects (including, without limitation, with respect to the use, maintenance, and operation of each item of Equipment) with all laws of the State of Colorado and any other jurisdictions in which its operations involving any item of Equipment may extend, and with any legislative, executive, administrative, or judicial body exercising any power or jurisdiction over the items of Equipment; provided, however, that Lessee may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Lessor, adversely affect the estate of Lessor in and to any of the items of Equipment or its interest or rights under this Agreement. Lessor will have no responsibility for the use, operation or maintenance of the Equipment.

ARTICLE XI. OPTION TO PURCHASE

11.01. Option to Purchase. Lessor's interest in the Equipment leased pursuant to the terms of this Agreement will be transferred, conveyed, and assigned to Lessee free and clear of any liens, claims, or encumbrances created by Lessor, and the applicable Lease Transaction shall terminate:

- a) On any payment date set forth in Schedule C upon payment by Lessee of the then applicable Option Price; or
- b) If the Lease Term is terminated pursuant to Article IX of this Agreement and if Lessee is not on such date in default pursuant to any term of this Agreement or the applicable Lease Transaction and upon payment to Lessor of the then applicable Option Price.

11.02. Return of Equipment. Upon the expiration or termination of the Lease Transaction, other than pursuant to Section 11.01 hereof or to subsection 4.02(b) or 4.02(e) of Article IV hereof, the Equipment shall be returned to Lessor in good working order and repair, subject to normal wear

and tear, at a place designated by Lessor within the State of Colorado. The reasonable cost of delivering the Equipment to Lessor shall be borne by Lessee.

ARTICLE XII.
ASSIGNMENT, SUBLEASING, INDEMNIFICATION,
MORTGAGING AND SELLING

12.01. Assignment by Lessor.

- a) Except as provided in paragraph (b) of this Section 12.01, the Lease Transaction hereunder, and the right to receive payments from Lessee hereunder, may be assigned in whole or in part to one or more assignees by Lessor at any time subsequent to its execution without the necessity of obtaining the consent of Lessee, provided that Lessor shall give notice of such assignment to Lessee, and Lessee's assignee shall be required to notify Lessee of any subsequent assignments. Upon receipt of such notice Lessee agrees to make all subsequent payments to the assignee designated in the assignment, notwithstanding any claim, defense, setoff, or counterclaim whatsoever (whether arising from a breach of this Agreement or otherwise) that Lessee may from time to time have against Lessor or the assignee.
- b) Notwithstanding paragraph (a) of this Section 12.01, the parties do not contemplate that this Agreement or the Lease Transaction will be assigned by Lessor, or any subsequent assignee of Lessor, for the purpose of obtaining financing by the issuance of any securities or other obligations. If Lessor, or any subsequent assignee of Lessor proposes to assign its interest in this Agreement for the purpose of obtaining financing by the issuance of any securities or other obligations, then notwithstanding the provisions of paragraph (a) of this Section 12.01, Lessor or its assignee shall first obtain the permission of Lessee, which permission may be withheld at Lessee's sole discretion, and Lessor or its assignee shall be responsible for compliance with all applicable Federal and State securities laws and regulations.

12.02. Assignment and Subleasing by Lessee. The Lease Transaction and the interest of Lessee hereunder in the Equipment may not be assigned or encumbered by Lessee except with the consent of Lessor, which consent shall not be unreasonably withheld. The Equipment, or an interest therein, may be subleased without the consent of Lessor but subject to the satisfaction of each of the following conditions:

- a) The Lease Transaction, and the obligations of Lessee to make Rental Payments thereunder, shall, at all times during the Lease Term, remain obligations of Lessee;
- b) Lessee shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to Lessor, a true and complete copy of each sublease;
- c) No sublease by Lessee shall cause the Equipment to be used for a purpose other than the performance of one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority, and will not be used in any trade or business of any person or entity other than Lessee;

- d) Lessee must give notice of the location of the Equipment following the sublease and execute or obtain any additional financing statements required as a result of the relocation of the Equipment.

12.03. Indemnification by Lessor. Lessor shall promptly remit any and all payments to Lessee's Vendor on Lessee's behalf as required under the contract or purchase order issued by Lessee to such Vendor. Lessor shall, at its own expense, indemnify, defend and hold harmless Lessee, its officers, directors, governing board, employees and agents, from any and all claims, actions, damages, losses, expenses and court costs arising from any failure, refusal or delay by Lessor to make such payments as and when required.

ARTICLE XIII. EVENTS OF DEFAULT AND REMEDIES

13.01. Events of Default Defined. The following shall be "events of default" under this Agreement and the Lease Transaction hereunder, and the terms "events of default" and "default" shall mean, whenever they are used in this Agreement and Lease Transaction hereunder, any one or more of the following events:

- a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein for a period of ten (10) days after written notice specifying such failure and requesting that it be remedied is given by Lessor to Lessee.
- b) The breach of any representation or warranty by Lessee or the failure by Lessee to observe and perform any covenant, condition, or agreement on its part to be observed or performed, other than non-payment referred to in paragraph (a) of Section 13.01 above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to any extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the failure is corrected; provided, however, that in no event will such cure period exceed ninety (90) days after such written notice.
- c) The filing by or against Lessee of a bankruptcy, receivership or similar action or the subjection of any right or interest of Lessee under this Agreement or the Lease Transaction to any execution, garnishment or attachment, or the assignment by Lessee for the benefit of creditors, or the entry by Lessee into an agreement of composition with creditors or any receiver, trustee, or similar person shall be appointed by any governmental authority with respect to the business and operations of Lessee.
- d) The foregoing provisions of this Section 13.01 are subject to the following limitations:
(i) the obligations of Lessee to pay the Rental Payments provided in Section 6.01 hereof shall be subject to the provisions of Section 6.08 hereof with respect to an Event of

Non-appropriation; and (ii) if by reason of force majeure Lessee is unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations on the part of Lessee contained in Article VI hereof, Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State of Colorado or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee.

- e) Failure by Lessor to make any payment due to Lessee's Vendor for the acquisition, use, or transfer of title to the Equipment, or to secure funding for the purposes of making such payments on or before the date that such payment is due constitutes a default.

13.02. Remedies on Default.

- a) Whenever any event of default by Lessee referred to in Section 13.01 hereof shall have happened and be continuing, Lessor shall have the right, at its option without any further demand or notice, to take one or any combination of the following remedial steps:
 - i. With or without terminating this Agreement, retake possession of such Equipment and sell, lease or sublease such Equipment for the account of Lessee, holding Lessee liable for the unpaid Rental Payments through the end of the then current Fiscal Year, which Rental Payments Lessee agrees to immediately pay on demand and unless such amounts are paid in full upon such demand, such unpaid Rental Payments shall bear interest at a rate equal to the interest rate applicable to the Lease Transaction plus 4% per annum; and
 - ii. Take whatever action at law or in equity may appear necessary or desirable to enforce its rights as the owner of the Equipment;
 - iii. Collect all costs incurred by Lessor in enforcing its rights hereunder, including court costs and reasonable attorneys' fees;
 - iv. A judgment requiring a payment of money may be entered against Lessee by reason of an event of default only as to Lessee's obligations arising through the end of the then current Fiscal Year and not for any obligations arising thereafter; and
 - v. Sell, lease or otherwise dispose of any Equipment, in whole or in part, in one or more public or private transactions, and if Lessor so disposes of any Equipment, then Lessor shall apply the proceeds of any disposition to pay the following items in the following order: (A) all costs and expenses

(including, but not limited to attorneys' fees) incurred in securing possession of the Equipment and/or in completing the disposition; (B) all costs and expenses described in clause (b) below of this Section 13.02; (C) any sales or transfer taxes; (D) the applicable termination value of the Equipment; and (E) the balance of rent payment owed by Lessee during the fiscal year then in effect; provided that any surplus disposition proceeds remaining after payment of all such amounts shall be paid to Lessee.

- b) Lessor may require Lessee to pay (and Lessee agrees that it shall pay) all out-of-pocket costs and expenses incurred by Lessor as a result (directly or indirectly) of the Event of Default and/or Lessor's actions under this Section 13.02, including, without limitation, any attorneys' fee and expenses and any costs related to the repossession, safe-keeping, storage, repair, reconditioning or disposition of any Equipment.
- c) Whenever any event of default by Lessor referred to in Section 13.01 hereof shall occur, and has not been cured by Lessor within ten (10) days after receipt of written notice by Lessee, Lessee shall have the right, at its option without any further demand or notice, to take one or any combination of the following remedial steps:
 - i. Make such payment or take such other action as is required, in Lessee's sole discretion, to cure Lessor's breach of any obligation to Lessee's Vendor;
 - ii. Terminate the Lease Transaction, secure alternative funding and/or enter into a new lease transaction with another Lessor, in order to acquire, perfect title, or otherwise arrange for the delivery to, or retention of, the Equipment by Lessee; and
 - iii. Take any other action permitted by law, or in equity, to mitigate or recover damages from Lessor, or obtain any other available remedy, and to recover, in addition to such damages, all costs incurred by Lessee in enforcing its rights hereunder, including court costs and reasonable attorneys' fees.

13.03. No Remedy Exclusive. Subject to the provisions of Section 13.02 hereof, no remedy herein conferred upon or reserved to Lessor is intended to be exclusive, and every such remedy under this Agreement for now or hereafter existing at law or in equity shall be available to Lessor. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article XIII, it shall not be necessary to give any notice, other than such notice as may be required in this Article XIII.

13.04 Governmental Immunity. No term or condition of this contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, CRS §24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. §§1346(b) and 2671 et seq., as applicable now or hereafter amended.

ARTICLE XIV.
MISCELLANEOUS

14.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective principal places of business. For purposes of this Agreement, Lessee's principal place of business is: Community Resource Services of Colorado, 7995 E. Prentice Avenue, Suite 103E, Greenwood Village, CO 80111. For purposes of this Agreement, Lessor's principal place of business is: Town of Silverthorne, 601 Center Circle, Silverthorne, CO 80498

14.02. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

14.03. Severability. In the event any provision of this Agreement, other than the provisions of Article VI regarding the payment of Rental Payments and the provisions of this Agreement requiring transfer of title to the Equipment to Lessee as described in Sections 4.02 and 11.01, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

14.04. Amendments, Changes, and Modifications. This Agreement and the Lease Transaction may be amended by Lessor and Lessee, and any such amendment shall be in writing and executed with the same formalities as this Agreement.

14.05. Execution in Counterpart. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

14.06. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

14.07. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Agreement.

14.08. General. This Agreement is intended as the complete integration of all understandings between the parties. No prior or contemporaneous addition, deletion or other amendment hereto shall have any force or effect whatsoever, unless embodied herein in writing. No subsequent novation, renewal, addition, deletion or other amendment hereto shall have any force or effect unless embodied in a written contract executed by the parties.

14.09. Jury Waiver. Each of Lessor and Lessee hereby waives any right to trial by jury it may have of any issues arising in any action or proceeding in any way connected with this Agreement.

14.10. Closing; Conditions. Notwithstanding any other provision hereof, Lessor will have no obligation to deposit funds or otherwise pay any purchase price for the Equipment unless all

reasonable conditions established by Lessor (“Funding Conditions”) have been satisfied for the Lease Transaction, which conditions shall include, without limitation, the following: (a) Lessee has signed and delivered Schedule A, Schedule B, and Schedule C with respect to such Equipment; (b) no Event of Default shall have occurred and be continuing; (c) no material adverse change shall have occurred in the financial condition of Lessee or the Vendor of the Equipment; (d) the Equipment shall be reasonably satisfactory to Lessor and shall be free and clear of all liens and encumbrances (except those in favor of Lessor pursuant to this Agreement); (e) all representations of Lessee in this Agreement shall remain true, accurate and complete in all material respects; and (f) Lessor shall have received all of the following documents, which shall be reasonably satisfactory, in form and substance, to Lessor: (i) evidence of insurance coverage required by this Agreement, (ii) reasonably detailed invoices for the Equipment, (iii) Uniform Commercial Code financing statements for the Equipment, (iv) resolution authorizing Lessee’s entry into this Agreement and the Lease Transaction substantially in the form attached as Schedule D hereto, (v) incumbency certificates for the person(s) who will sign the documents with respect to the Lease Transaction, (vi) such documents and certificates relating to tax exempt interest payable with respect to the Lease Transaction (including, without limitation, I.R.S. Form 8038G or 8038GC) as Lessor may request, (vii) the original motor vehicle certificate of title for any titled Equipment has been endorsed and delivered to Lessor; and (viii) such other documents and information previously identified by Lessor or otherwise reasonably requested by Lessor.

14.11. Independent Contractor. Lessor shall perform its duties hereunder as an independent contractor and not as an employee, agent or partner of Lessor. Neither Lessor nor any agent or employee of Lessor shall be deemed to be an agent or employee of Lessee. Lessor and its employees and agents are not entitled to unemployment insurance benefits through Lessee and Lessee shall not pay for or otherwise provide such coverage for Lessor or any of its agents or employees. Unemployment insurance benefits will be available to Lessor and its employees and agents only if such coverage is made available by Lessor or a third party. Lessor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this Agreement. Lessor shall not have authorization, express or implied, to bind Lessee to any agreement, liability or understanding, except as expressly set forth herein. Lessor shall (a) provide and keep in force workers’ compensation and unemployment compensation insurance in the amounts required by law, (b) provide proof thereof when requested by Lessee, and (c) be solely responsible for its acts and those of its employees and agents.

14.12. Employee Financial Interest/Conflict of Interest. The signatories aver that to their knowledge, no employee of Lessee has any personal or beneficial interest whatsoever in the service or property described in this Agreement. Lessor has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Lessor’s services and Lessor shall not employ any person having such known interests.

14.13. Electronic Copy. The Parties acknowledge and agree that a fully executed electronic copy of this Agreement may be substituted for the original and an electronic copy shall be enforceable against the Parties notwithstanding the destruction of, or failure to retain the original.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT

PERSONS SIGNING FOR LESSOR HEREBY SWEAR AND AFFIRM THAT THEY ARE AUTHORIZED TO ACT ON LESSOR'S BEHALF AND ACKNOWLEDGE THAT LESSEE IS RELYING ON THEIR REPRESENTATIONS TO THAT EFFECT.

LESSOR

LESSEE

TOWN OF SILVERTHORNE

WILLOW BROOK METROPOLITAN DISTRICT

By:
Its:

By:
Its:

Dated: _____

Dated: _____

PRELIMINARY FOR DISCUSSION PURPOSES

SCHEDULE A

DESCRIPTION OF EQUIPMENT

Item

2013 John Deere 624k Loader #179
VIN: 1DW624KZHCE650221
5,829 Hours

Included: Gjerstad blade and 3yd bucket

Willow Brook Metropolitan District, Lessee, hereby certifies that the description of the personal property set forth above constitutes an accurate description of the "Equipment," as defined in the Agreement.

Lessor:

TOWN OF SILVERTHORNE

By: _____

Name: _____

Its: _____

SCHEDULE B

ACCEPTANCE CERTIFICATE

Willow Brook Metropolitan District, as Lessee under the Equipment Lease/Purchase Agreement (the "Agreement") dated _____ acknowledges receipt in good condition of all of the Equipment described on Schedule A this ____ day of _____, 2023 and certifies that it has fully and satisfactorily performed all of its covenants and obligations required under the Agreement.

Lessee confirms that the Commencement Date of the Lease Transaction is _____, 2023 and that it will commence payments in accordance with Article VI of the Agreement.

The Equipment will be located at Ruby Ranch, Silverthorne, CO, and will not be moved without giving written notice to Lessor or its assigns.

WILLOW BROOK METROPOLITAN DISTRICT

By: _____

Name: _____

Its: _____

NOTE: THIS CERTIFICATE OF ACCEPTANCE WILL BE FINALIZED UPON FULL RECEIPT OF AND SATISFACTORY ACCEPTANCE OF EQUIPMENT AND PERFORMANCE SPECIFICATIONS.

SCHEDULE C
SCHEDULE OF PAYMENTS

Date of Lease Transaction: _____

Commencement Date: _____

Principal Amount Due: \$120,000.00

Fiscal Year(s): 2023, 2024

<u>Due Date</u>	<u>Total Rental Payment</u>	<u>Amount Attributable To Principal</u>	<u>Amount Attributable To Interest</u>	<u>Remaining Principal Balance</u>	<u>Option Price</u>
June 30, 2023	\$31,500.00	\$30,000.00	\$1,500.00	\$90,000.00	\$90,000.00
December 1, 2023	\$31,500.00	\$30,000.00	\$1,500.00	\$60,000.00	\$60,000.00
June 30, 2024	\$31,500.00	\$30,000.00	\$1,500.00	\$30,000.00	\$30,000.00
December 1, 2024	\$31,500.00	\$30,000.00	\$1,500.00	\$0	\$0
Totals:	\$126,000.00	\$120,000.00	\$6,000.00		

The above schedule is accepted and acknowledged as part of the Lease Transaction between Town of Silverthorne, as Lessor, and Willow Brook Metropolitan District, as Lessee.

Town of Silverthorne

By: _____

Name: _____

Date: _____

Willow Brook Metropolitan District

By: _____

Name: _____

Date: _____

SCHEDULE D
(attach copy of Board Resolution)

PRELIMINARY FOR DISCUSSION PURPOSES

WILLOW BROOK METROPOLITAN DISTRICT

2024 BUDGET TIMELINE

- August 15 Preliminary assessed valuation received from Summit County
- October 15 Deadline to provide a draft budget to the Board. The draft can be emailed to the Board and does not require a public meeting.
- November 7 Election Day (Proposition HH)
- December 8 Tentative date for public hearing on 2024 budget
- December 10 FINAL assessed valuation received from Summit County (if HH doesn't pass)
- December 15 Certification of Mill Levies to Summit County
- December 30 FINAL assessed valuation received from Summit County (if HH passes)
- January 5 Certification of Mill Levies to Summit County (if HH passes)

With Proposition HH (and possibly one other property tax question) on the November 7 ballot, CRS may need to prepare 2 ballots for board consideration – one if HH passes and one if HH does not pass.

PRELIMINARY FOR DISCUSSION PURPOSES

ABBREVIATED NOVEMBER 7, 2023 ELECTION SCHEDULE

August Board Meeting	Board Adopts Election Resolution
September 8	Certification of Ballot
September 13	Mail Ballot Plan
September 22	Send UOCAVA Ballots
September 22	Pro/Con Statements Due for Tabor Notice
October 7	Tabor Notices Mailed
October 16-23	Mail Ballots Sent
November 7	ELECTION DAY

PRELIMINARY FOR DISCUSSION PURPOSES