

**GRANBY RANCH METROPOLITAN DISTRICT**  
**SPECIAL MEETING**

**NOTICE AND AGENDA**

*Given current events and advice and directives from state and federal agencies to avoid public gatherings due to public health concerns related to COVID-19, all Board members, consultants and members of the public are encouraged to participate in the meeting via the below remote conferencing information.*

<u>Board of Directors</u>	<u>Office:</u>	<u>Term Expiration</u>
Matt Girard	President	May 2022
Steven Conrad	Asst. Secretary/Assist. Treasurer	May 2022
Frances Mejer	Secretary/Treasurer	May 2022
Timothy Archie	Asst. Secretary	May 2023
Glenn O’Flaherty	Asst. Secretary	May 2023

DATE: Friday, April 2<sup>nd</sup>, 2021

TIME: 10:00 am

PLACE: **VIA AUDIO/VIDEO CONFERENCE:**

**Join Zoom Meeting**

<https://us02web.zoom.us/j/81526720614?pwd=QkY1V3VGekQrU01aZkhCYmJ6SkFVQT09>

**Meeting ID:** 815 2672 0614

**Passcode:** 379795

**One tap mobile**

+12532158782,,81526720614#,,,,\*379795# US

+13462487799,,81526720614#,,,,\*379795# US

**I. ADMINISTRATIVE ITEMS:**

A. Call to Order

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B. Declaration of Quorum/Director Qualifications/Disclosure Matters

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C. Approval of Agenda

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**II. FINANCIAL ITEMS:**

A. Review and discuss Quinquennial Report submission – Director O’Flaherty

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B. District Management & Accounting Services – Director Girard

1) CRS has provided 30-day notice of termination of services contract

2) Consider proposal from Wolfersberger, LLC for District management & accounting services – Director Girard

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**III. ADJOURNMENT:**

**Scheduling next Regular Board meeting for mid-May**





**KROB LAW OFFICE, LLC**  
Attorneys at Law

**NATHAN KROB**  
[nathan@kroblaw.com](mailto:nathan@kroblaw.com)

January 29, 2021

Granby Ranch Metropolitan District  
7995 E. Prentice Avenue, Suite 103E  
Greenwood Village, Colorado 80111  
[kblair@crsofcolorado.com](mailto:kblair@crsofcolorado.com)

Re: Request of application for quinquennial finding of reasonable diligence for Granby Ranch Metropolitan District

Dear Manager and Directors,

The purpose of this letter is to inform you that under Section 32-1-1101.5 of the Colorado Revised Statutes, the Town of Granby Board of Trustees has directed by a vote of the body to request Granby Ranch Metropolitan District file an application for quinquennial findings of reasonable diligence as stipulated in Section 32-1-1101.5 (1.5), C.R.S. Said application shall include the amount of authorized and unissued general obligation debt, any current or anticipated plans to issue such debt, and copies of the district's last audits or applications for exemption from audits.

The application should be submitted within sixty (60) days from the date of this notice. Within 30 days of receiving the application, the Board of Trustees will either accept the application without further action or conduct a public hearing within the following thirty (30) days. If a hearing is required related to the application, the Town will provide the district with notice no less than ten (10) days prior to the date set for the hearing.

Should you have any questions regarding this notice, please feel free to contact me.

Regards,

*/s/ Nathan Krob*

Nathan Krob  
Attorney for the Town of Granby

cc: Ted Cherry, Town Manager

8400 East Prentice Avenue, Penthouse, Greenwood Village, Colorado 80111  
Telephone: (303) 694-0099

**GRANBY RANCH METROPOLITAN DISTRICT**

**7995 E Prentice Avenue, Suite 103E  
Greenwood Village, CO 80111**

March 11, 2021

Town of Granby  
c/o Nathan Krob  
Krob Law Office, LLC  
Attorney for the Town of Granby  
8400 East Prentice Avenue, Penthouse  
Greenwood Village, CO 80111

RE: Quinquennial Review for Granby Ranch Metropolitan District

Dear Mr. Krob,

Pursuant to your request, the Granby Ranch Metropolitan District hereby submits the attached Quinquennial Report to the Town of Granby.

Please let us know if you need any additional information or have any questions.

Regards,

*Phyllis Brown*

Phyllis Brown  
Director of Finance and Accounting

**GRANBY RANCH METROPOLITAN DISTRICT**

**QUINQUENNIAL REPORT**

Submitted to the Town of Granby, Grand County, Colorado  
Board of Trustees  
March 11, 2021

**SCHEDULE OF AUTHORIZED AND UNISSUED GENERAL OBLIGATION DEBT:**

In 2003 and 2004, a majority of the qualified electors of Granby Ranch Metropolitan District (District) authorized the issuance of up to \$104,000,000 in general obligation debt to finance District improvements. During 2011, the District approved a resolution to reduce the remaining authorization by half of the previous balance. As of March 11, 2021, the amount of debt authorized but unissued was \$39,078,000. The following schedule is an analysis of the authorized, issued and remaining debt authorization of the District.

Debt Authorization by Category	2003 Election Authorization	2004 Election Authorization	2006 Issuance	2010 Issuance	Subtotal	2011	
						Resolution Reduction	Authorized but unissued
Water	\$ 11,000,000	\$ -	\$ (4,817,000)	\$ (2,761,482)	\$ 3,421,518	\$ (1,710,759)	\$ 1,710,759
Streets	18,500,000	-	(7,121,000)	(5,505,822)	5,873,178	(2,936,589)	2,936,589
Traffic & Safety controls	600,000	-	-	(270,428)	329,572	(164,786)	164,786
Sanitation	6,000,000	4,000,000	(2,637,000)	(1,667,920)	5,695,080	(2,847,540)	2,847,540
Parks & Recreation	2,500,000	20,000,000	(150,000)	-	22,350,000	(11,175,000)	11,175,000
Transportation	1,000,000	-	-	-	1,000,000	(500,000)	500,000
Mosquito Control	400,000	-	-	-	400,000	(200,000)	200,000
Operations and Maintenance	40,000,000	-	-	(913,348)	39,086,652	(19,543,326)	19,543,326
<b>TOTAL</b>	<b>\$ 80,000,000</b>	<b>\$ 24,000,000</b>	<b>\$ (14,725,000)</b>	<b>\$ (11,119,000)</b>	<b>\$ 78,156,000</b>	<b>\$ (39,078,000)</b>	<b>\$ 39,078,000</b>

**NOTES:**

1. The Service Plan, approved by the Town on July 22, 2003, authorizes up to \$40,000,000 of debt to be issued by the District. After the issuance of the 2006 Series and 2010 Series Bonds, in the aggregate principal amount of \$25,844,000, there remains a total of \$14,156,000 available that may be issued by Granby Ranch Metropolitan District under the Service Plan.
2. The amount of debt authorized but unissued was reduced as a result of the 2011 Quinquennial Finding by the Town of Granby.
3. The outstanding balance of the Series 2006 Bonds was refunded with the issuance of \$11,970,000 Series 2018 Refunding Bonds in May 2018. In addition, the \$11,119,000 Series 2010 Bonds were forgiven in conjunction with the issuance of the Series 2018 Refunding Bonds.
4. There is no change to the authorized but unissued debt as a result of the issuance of the 2018 Series Refunding Bonds and the extinguishment of the 2010 Series Bonds.

**CURRENT OR ANTICIPATED PLAN TO ISSUE GENERAL OBLIGATION DEBT**

Granby Ranch Metropolitan District does not have any current or anticipated plans to issue general obligation debt.

**AUDIT**

A copy of the 2019 audited financial statements are enclosed. The 2020 audited financial statements are not yet available but will be delivered to the Town once they are available.



# Management Service Proposal

for

## Granby Ranch Metropolitan District



8354 Northfield Blvd  
Building G, Suite 3700  
Denver, CO 80238

Phone: (720) 541-7725  
E-mail: [charles@wolferbergerllc.com](mailto:charles@wolferbergerllc.com)  
Website: [www.wolferbergerllc.com](http://www.wolferbergerllc.com)

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# Introduction



Congratulations on serving on your metropolitan district board! You made a smart decision establishing direct homeowner oversight over the operations of your metropolitan district.

We are a unique management firm in that our services are focused on promoting an environment of transparency between metro districts and the homeowners whom they serve. To that end, our firm seeks to build business relationships with metropolitan districts run by homeowner-controlled boards (as opposed to developer-controlled boards).

Metropolitan districts generally pose significant financial risks and rewards to homeowners. Considering approximately **52%** of your annual property taxes will be paid to your metro district, it is important for homeowners to know their District is being managed in the best interests of the homeowners. Our goal is to not only manage your District well but to also support the Board with its efforts to improve the integrity and transparency of the District with its residents.

Please review the following pages that describe the services our firm can provide as your district management and accounting firm. You can contact me at (720) 355-5818 or via email at [charles@wolfersbergerllc.com](mailto:charles@wolfersbergerllc.com). I look forward to working with you in the near future!

Regards,

Charles Wolfersberger, CPA  
President



**OUR KEY COMPETITIVE STRENGTHS**

Our firm is unique in that we actively promote homeowner oversight and involvement in metropolitan districts. In addition, we assist District boards with improving transparency with the homeowners and residents they serve. The following is a list of unique services we provide for our district clients which sets us apart from other management companies:

- ⇒ The owners and employees of Wolfersberger, LLC follow a strict code of conduct to ensure we avoid conflicts of interest and serve the best interests of our clients\*\*
- ⇒ Wolfersberger, LLC is managed by a CPA (Charles Wolfersberger) with over 20 years of public accounting and government regulatory experience.
- ⇒ Wolfersberger, LLC only works with metro districts controlled by independent, homeowner-controlled boards.
- ⇒ Wolfersberger, LLC is experienced advocating for the interests of homeowners and homeowner-controlled districts in front of City Councils and State elected officials.
- ⇒ Wolfersberger, LLC develops and maintains semi-custom, content rich websites for its metro district clients. Our clients' websites serve as an important information resource for homeowners and potential home buyers
- ⇒ Wolfersberger, LLC managers are experienced with training and educating homeowners so they can understand and effectively monitor the operations of their district.
- ⇒ Wolfersberger, LLC drafts full-disclosure annual financial statements for its District clients (rather than contract the work out to other accounting firms)
- ⇒ Wolfersberger, LLC uses systems that allow board members to review and sign invoices, contracts, board meeting minutes and other documents in a secure online environment—no paper!
- ⇒ Wolfersberger, LLC has held many of its metro districts achieve “flat tax” status (i.e. homeowners pay the same amount in property taxes each year regardless of any changes to the assessed values of their homes)

\*\* - Many management, accounting and law firms maintain multiple business relationships with builders and land developers who serve on multiple metro district boards. Such business relationships create potential conflicts of interest for such management companies and law firms. Our Firm's code of conduct prohibits our employees from accepting any gifts from or attending entertainment functions funded by contractors, landscapers, bond underwriters or other services providers of our district clients.

## SECTION III

# Board Meeting Management Services

Well run and organized board meetings will be critically important to ensuring your District operates effectively and efficiently. Our firm has the experience, tools and processes in place to ensure your board meetings will be productive.



### Typical services we provide to support our metro district board meetings:

- We prepare and email board meeting packets to the board members 3 to 4 days before each meeting.
- We post the meeting agenda to the metro district website at the same time as when the board meeting packets are emailed to the board members.
- Within a few days after each board meeting, we draft the minutes for each meeting and email the draft to board members for review.
- We post approved periodic financial statements and meeting minutes to your District website within 2 to 3 days after each board meeting.

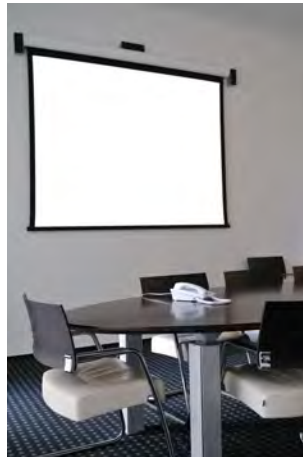
#### ***FAST FACT:***

*ALL metro districts managed by Wolfersberger, LLC hold all board meetings within 2.5 miles of the boundaries of their respective districts.*

### In-Room Board Meeting Tools

We encourage our metro district boards to take advantage of our paperless board meeting format. At each meeting, we provide each board member with a touch screen computer which has the board meeting exhibits pre-loaded and ready for review.

In addition, we use a projector to display the meeting agenda and board exhibits in the meeting room. This improves the transparency of board meetings for other homeowners who may be in attendance and improves the board's efficiency and focus in working through the meeting agenda.



**Informative.**  
**Productive.**  
**Efficient.**

## SECTION III

# Accounting Services

We provide our district clients with all accounting and financial reporting services necessary to support their operations. All such services are typically included in our base monthly management fee. Accounting services provided by us include the following:



- Manage accounts payable process
- Manage accounts receivable process
- Reconcile bank statements
- Ensure proper classification of expenses
- Update the long-term debt repayment plan
- Prepare and submit periodic financial statements to the board
- Prepare annual GAAP-compliant financial statements and supporting documentation for the auditors
- Draft the annual budget (to be submitted to the board for review and approval)
- Provide accounting support for any bond issuance or refinance transactions

### **FAST FACT:**

*Wolferberger, LLC provides ALL boards with online access to review and approve district invoices.*

*(No paper checks or circulating paper invoice packets!)*

## Website Management Services

A well-designed and managed website is an important asset for every district. We provide our district clients with the services necessary to manage and maintain exceptional websites that reflect the culture and quality of life in their neighborhoods.



### **Potential Homebuyers**

Your District website is truly a powerful marketing tool that can attract potential homebuyers. However, a poorly designed and managed website with dated information is also a powerful marketing tool—one that could detract potential homebuyers away from your neighborhood!

### **Homeowners and Residents**

Your District website is an important communication tool between the District board and homeowners. One of the most common complaints from homeowners is the lack of transparency between their district and the homeowners. We strongly believe a well-managed website where information is current and relevant is an important part of maintaining transparency between a District and its homeowners.

### **Our Services**

We help ensure the information and content on your District website remains current and informative to homeowners. Board meeting minutes, financial statements, board policies and resolutions, newsletters and budgets are just some of the documents that require us to be diligent in ensuring such information is available to homeowners in a timely manner through the website.

### **FAST FACT:**

*ALL metro districts managed by Wolferberger, LLC maintain websites and publicly accessible document libraries*



## SECTION III

# Government Reporting/Compliance

Metropolitan districts are subject to significant reporting and compliance requirements established by the State of Colorado. We typically manage the following reporting functions for our district clients:

- Board meeting notices (including physical meeting notice postings within district boundaries)
- Annual budget notification
- Annual budget filing
- Certification of mill levies to County Treasurer—annual filing
- Annual transparency notice filing
- Annual district boundaries notice filings
- Board election notice filings
- Annual report filings with the city, county and state agencies



# SECTION IV

## SECTION IV

### SUMMARY OF START-UP SERVICES

We view each district client as a long-term investment. Because we charge flat fees for our management services, our interests are aligned with the board's interest to ensure your district is a well-run and organized operation. Because we charge a flat fee, it is not in our best interest to operate your district from one crisis to the next. Avoiding frequent crisis management requires careful, planning, organization and hard work on our part.

In the first year of every new client relationship, we invest significant time and effort in organizing, streamlining and updating the processes, policies, operations and communications of your district. *Our philosophy is to get it right and get done right away.*

We recognize that each district has its own "personality." Therefore, we will work closely with you in ensuring processes, policies and operations are designed and operating in a manner you feel is best for your District.

Although these services are unique to the first year we service your District, the cost of these services is included in the base management fee we charge you. This is our up-front investment and commitment in serving your District. We are confident that as we continue to demonstrate our commitment to providing you with quality services, we will enjoy a long-term, rewarding partnership in serving your District.

*"The best investment we can make is in the long-term success of our clients."*

—Wolfersberger, LLC

## 1 - Document Organization & Archiving

**What We Do:** We will organize, consolidate and archive your District's records to ensure the District is in compliance with its document archiving and retention policy. In addition, key historical documents will be scanned and added to the District's electronic files stored on our cloud drives.



## 2 - Update Financial Statement Layout

**What We Do:** We will review and update the District's annual financial statements to ensure they meet or exceed the full disclosure requirements required under U.S. generally accepted accounting principles. In addition, we will work with the board to ensure the District's annual financial statements present and disclose information that matters most to the board and to the homeowners. You may be surprised at what has been missing in your District's annual financial statements!



## SECTION IV

### 3 - District Logo Design and Development

**What We Do:** We will work with you in designing the District's logo. The District's logo is an important part of establishing the District's brand identity within the community.



### 4 - Design & Update District's Website

**What We Do:** We will work with you in developing the content and layout for an exceptional district website. The website will be an important information resource for homeowners and new home buyers.

If you want to see the results of our website development capabilities, please check out a few of our other district client's websites:



*"Get a good idea and stay with it. Dog it, and work at it until it's done right."*

—Walt Disney

Amber Creek Metropolitan District ([www.ambercreekmetro.org](http://www.ambercreekmetro.org))

Riverdale Dunes Metropolitan District ([www.rdmetro1.org](http://www.rdmetro1.org))

Buckley Ranch Metropolitan District ([www.buckleyranchmetro.org](http://www.buckleyranchmetro.org))

Buffalo Highlands Metropolitan District ([www.buffalohighlandsmetro.org](http://www.buffalohighlandsmetro.org))

Buffalo Run Mesa Metropolitan District ([www.brmmetro.org](http://www.brmmetro.org))

Fronterra Village Metropolitan District No. 2 ([www.fronterravillagemetro2.org](http://www.fronterravillagemetro2.org))

Richards Farm Metropolitan District ([www.richardsfarmmetro.org](http://www.richardsfarmmetro.org))

## SECTION V

### SUMMARY OF FEES AND REIMBURSABLE COSTS

Description of services	Service included in base management fee?	Costs reimbursable to Wolfersberger, LLC
<b>Accounting Services</b>		<b>\$ 19,000</b>
1. Comprehensive accounting services	Included	None
2. Online invoice review and approval system	Included	<b>A</b>
3. Annual financial statement preparation	Included	None
4. Annual budget preparation	Included	None
5. Quarterly financial statement preparation (continuing disclosure requirement for bonds)	Included	None
6. Financial statement layout update	Included	None
<b>Management Services</b>		<b>\$ 21,600</b>
1. Board meeting management (up to six meetings)	Included	<b>B</b>
2. Comprehensive governmental reporting management	Included	None
3. Document organization, consolidation and archiving	Included	None
4. Newsletter publication services (2x per year)	Included	<b>C</b>
5. District website design and content management	Included	None
6. District logo design and development	Included	None
<b>Comprehensive Annual Cost to District</b>	<b>\$ 40,600</b>	<b>D</b>

**A**—Online invoice review and check processing fees (charged by third-party software vendor) is billed back to the District at a rate of \$20/month

**B**—Travel-related costs and time for attending board meetings are INCLUDED in the flat annual fee.

**C**—Any costs related to printing and mailing letters are billed back to the District at cost.

**D**—The service contract is terminable at any time with 30 days advance notice. There are no termination fees or penalties. The service fee is billed to the District on a monthly basis and the monthly service price would not increase for the 2022 year.

#### Our Standard Hourly Rates

Although our firm provides comprehensive services under a flat annual fee, our Firm can perform other services outside the scope of our management and accounting contract at the following hourly rates:

Principals and managers: \$140/hr to \$230/hr  
 District and accounting managers: \$90/hr to \$125/hr  
 Inspection managers and assistant managers: \$70/hr to \$90/hr  
 Assistant district and accounting managers: \$65/hr to \$90/hr  
 Administrative Staff: \$45/hr to \$60/hr

## SECTION V

### 5-YEAR HISTORY OF ACCOUNTING, MANAGEMENT AND LEGAL FEES INCURRED BY THE DISTRICT

	2018 Actual	2019 Actual	2020 Budget	2021 Budget	2021 (Projected)	Difference
Accounting Fees	\$ 34,961	\$ 3,734	\$ 25,000	\$ 22,000	\$ 19,000	(\$ 3,000)
District Management	31,974	54,112	32,000	25,000	21,600	( 3,400)
Legal Services	47,835	23,970	25,000	25,000	5,000 <sup>(a)</sup>	( 20,000)
<b>Total</b>	<b>\$ 114,770</b>	<b>\$ 81,816</b>	<b>\$ 82,000</b>	<b>\$ 72,000</b>	<b>\$ 45,600</b>	<b>(\$ 26,400)</b>

<sup>(a)</sup>—Legal fees estimate based on historic legal fees incurred by other Wolfersberger, LLC-managed districts (assumes no legal costs related to litigation matters). Estimated fees charged by outside law firm. Wolfersberger, LLC does not provide legal advisory services.





## SECTION VI

### CONDITIONS PRECEDENT TO AGREEMENT

We require the District to agree to certain operational conditions before we can begin providing services. We have developed business relationships with certain service providers that allow us to provide you with high-quality services while keeping our management fees low.

#### **Banking Relationship**

We require our clients maintain their operating accounts with Vectra Bank. Vectra Bank specializes in providing banking services to metro districts across Colorado. They provide these services to us at a cost much lower than offered by most other banks. Also, Vectra Bank integrates with the online invoice review and approval system available to all board members. This allows us to maintain a lower monthly flat rate management fee for our clients.

#### **Website**

We work with ComWeb to develop semi-custom websites for our clients and require that the Board maintain ComWeb as the host for its website. We will design the metro district website (in collaboration with the Board) using the [www.grovetmetro.com](http://www.grovetmetro.com) domain address that is owned by the metro district. We rely on ComWeb's development tools to efficiently develop and maintain your website and to keep our costs down (which is passed on to you in the form of our competitively priced monthly management fees).

#### **Hours of Operation**

Our regular hours of operation are Monday through Friday 8:30 am to 5:30pm. (However, for board members only, we usually try to make ourselves available after hours and on weekends.)

## SECTION VII

### CLIENT REFERENCES



Board President: Craig Hurst  
Phone # (720) 899-0808  
Email: [craig.hurst9@icloud.com](mailto:craig.hurst9@icloud.com)



Board Treasurer: Roger Miller  
Phone # (541) 247-7322  
Email: [denrog1620@gmail.com](mailto:denrog1620@gmail.com)



Board President: Desiree Vigil  
Phone # (720) 629-9388  
Email: [desireevigil78@yahoo.com](mailto:desireevigil78@yahoo.com)



Board President: Harrison Tanksley  
Phone # (720) 230-8672  
Email: [harrisons tanksleyiii@gmail.com](mailto:harrisons tanksleyiii@gmail.com)



Board President: Dan Ranney  
Phone # (303) 808-0445  
Email: [Danra182@yahoo.com](mailto:Danra182@yahoo.com)



Board President: Eric Bettinger  
Phone # (303) 549-2116  
Email: [nrvhoambettinger@gmail.com](mailto:nrvhoambettinger@gmail.com)



Board President: Lisa Kaiser  
Phone # (720) 900-6369  
Email: [roandlisa@hotmail.com](mailto:roandlisa@hotmail.com)



**SECTION VIII**  
**PROOF OF INSURANCE**

**Insurance coverage summary for Wolfersberger, LLC:**

General liability insurance policy

**Carrier:** Farmers Insurance

**Coverage:** \$4 million aggregate / \$2 million per occurrence

**Deductible:** \$1,000

Errors & omissions insurance:

**Carrier:** United States Liability Insurance Co.

**Coverage:** \$1 million aggregate / \$1 million per occurrence

**Deductible:** \$2,500



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
03/01/2021

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b>  Dwight Petersen(070437E) 526 Briggs St Ste B  Erie CO 80516-0100	<b>CONTACT NAME:</b>  <table style="width: 100%; border: none;"> <tr> <td style="border: none;">PHONE (A/C, NO, EXT): 303-828-0755</td> <td style="border: none;">FAX (A/C, NO): 303-469-6823</td> </tr> </table> <b>E-MAIL ADDRESS:</b> dpetersen1@farmersagent.com  <table style="width: 100%; border: none;"> <tr> <td style="border: none; text-align: center;"><b>INSURER(S) AFFORDING COVERAGE</b></td> <td style="border: none; text-align: center;"><b>NAIC #</b></td> </tr> <tr> <td style="border: none;"><b>INSURER A:</b> Truck Insurance Exchange</td> <td style="border: none;">21709</td> </tr> <tr> <td style="border: none;"><b>INSURER B:</b> Farmers Insurance Exchange</td> <td style="border: none;">21652</td> </tr> <tr> <td style="border: none;"><b>INSURER C:</b> Mid Century Insurance Company</td> <td style="border: none;">21687</td> </tr> <tr> <td style="border: none;"><b>INSURER D:</b></td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;"><b>INSURER E:</b></td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;"><b>INSURER F:</b></td> <td style="border: none;"></td> </tr> </table>	PHONE (A/C, NO, EXT): 303-828-0755	FAX (A/C, NO): 303-469-6823	<b>INSURER(S) AFFORDING COVERAGE</b>	<b>NAIC #</b>	<b>INSURER A:</b> Truck Insurance Exchange	21709	<b>INSURER B:</b> Farmers Insurance Exchange	21652	<b>INSURER C:</b> Mid Century Insurance Company	21687	<b>INSURER D:</b>		<b>INSURER E:</b>		<b>INSURER F:</b>	
PHONE (A/C, NO, EXT): 303-828-0755	FAX (A/C, NO): 303-469-6823																
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<b>INSURER D:</b>																	
<b>INSURER E:</b>																	
<b>INSURER F:</b>																	
<b>INSURED</b>  WOLFERSBERGER LLC 12210 BRIGHTON RD #8  HENDERSON CO 80640																	

**COVERAGES** **CERTIFICATE NUMBER:** **REVISION NUMBER:**

**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAME ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.**

INSR LTR	TYPE OF INSURANCE	ADDTL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b>  <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER			6054294/2	01/02/2021	01/02/2022	EACH OCCURRENCE \$ 2,000,000
							DAMAGE TO RENTED PREMISES (Ea Occurrence) \$ 75,000
							MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 2,000,000
							GENERAL AGGREGATE \$ 4,000,000
							PRODUCTS - COMF/OP AGG \$ 2,000,000
B	<b>AUTOMOBILE LIABILITY</b>  <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ 500,000
							BODILY INJURY (Per person) \$
							BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DEF: <input type="checkbox"/> RETENTION \$: <input type="checkbox"/>						EACH OCCURRENCE \$
							AGGREGATE \$
							\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>  ANY PROPRIETOR/PARTNER/ EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					PER STATUTE <input type="checkbox"/> OTHER <input type="checkbox"/> \$
							E.A. EACH ACCIDENT \$
							E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

<b>CERTIFICATE HOLDER:</b>  	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE
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## SECTION IX

### PROPOSED SERVICE TEAM FOR GRANBY RANCH METRO



#### **CHARLES WOLFERSBERGER**

DISTRICT MANAGER / TEAM LEADER

- CPA
- 23 years professional experience

(See resume in section X)



#### **ANNEMARIE TUCKER**

ASSISTANT DISTRICT MANAGER

- 3 years district management experience
- In 2019 and 2020, assisted homeowners in two metro districts successfully complete recall elections and gain control of their metro district boards
- Manages 7 districts with approximately \$8 million in annual property tax revenue



#### **Suzie Gruwell**

ACCOUNTING MANAGER

- Manages all areas of accounting for metro districts including accounts payable and receivable, general ledger management, banking reconciliations and monthly balance sheet statements.
- 17 years experience as a controller for Eastern Sierra Tri-County Fairgrounds Event Center
- Associate of Arts, Accounting and Business Management (1993)
- 10+ years experience managing payroll processing for 100+ employees



**SECTION X**  
**ACCOUNTANT'S RESUME**

[See next page]

# CHARLES WOLFERSBERGER, CPA

Owner and president of Wolfersberger, LLC

## SPECIAL DISTRICT EXPERIENCE

- ◆ 8+ years experience performing accounting and management services for Colorado special districts
- ◆ Successfully merged 8 HOAs into metro districts generating over \$280,000/year in administrative cost savings for homeowners
- ◆ Provided litigation support services for three successfully defended/prosecuted cases between homeowner-controlled districts and land developers
- ◆ Developed and updated design guidelines for 12 metro districts
- ◆ Designated election official for 13 metro districts—successfully conducted two board elections
- ◆ First to identify and alert the public regarding the financial risks and dangers of cash flow bonds
- ◆ Identified and assisted two metro districts with correcting TABOR violations (tax collections exceeding voter-imposed limits)
- ◆ Formed the Commerce City coalition of homeowner-controlled metropolitan districts in 2019
- ◆ Special district information resource for Denver Post’ investigation team
- ◆ Invited to deliver presentations regarding special districts to City of Loveland, City of Brighton and City of Commerce City
- ◆ Special district information resource for certain state legislators
- ◆ Currently working with the Colorado Attorney General’s Office regarding certain criminal complaints against developer-controlled district boards

## REGULATORY EXPERIENCE

Public Company Accounting Oversight Board, Denver, CO (2006 – 2012)

- Inspected the sufficiency of audit work performed by “Big 4” CPA firms registered to audit U.S. publicly traded companies
- Trained CPAs on current U.S. and international accounting standards
- Trained CPAs on auditing internal controls over financial reporting
- Liaison with foreign PCAOB-equivalent regulators in Canada, Norway, Australia, Germany and United Kingdom
- Provided research and support underlying issuance of PCAOB audit standards

## OTHER PUBLIC ACCOUNTING EXPERIENCE

- Hein & Associates, LLP (Denver, CO) 2005 to 2006
- Deloitte and Touche, LLP (Denver, CO) 2003 to 2004
- Arthur Andersen, LLP (Los Angeles, CA) 2000 to 2003
- Grant Thornton, LLP (Los Angeles, CA) 1997 to 2000

## EDUCATION

- Master of Accountancy, Brigham Young University, 1997





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Building G, Suite 3700  
Denver, Colorado 80238  
Telephone (720) 541-7725  
[www.wolfersbergerllc.com](http://www.wolfersbergerllc.com)

March 11, 2021

Members of the Board of Directors  
Granby Ranch Metropolitan District  
Aurora, CO 80019

Dear Board Members,

Wolfersberger, LLC ("Wolfersberger" or "we"), a limited liability company organized under the laws of the State of Colorado, is pleased to be appointed as the management company of the Granby Ranch Metropolitan District (the "District" or "you"), a quasi-municipal corporation and political subdivision of the State of Colorado, for the 8-month period from May 01, 2021 to December 31, 2021. The purpose of this engagement letter (i.e. "Engagement Letter" or "Agreement") is to confirm our mutual understanding of the specific terms and conditions of our services, which terms and conditions are supplemented by our General Terms and Conditions set out in the **Appendix I** attached to this Engagement Letter. Should there be any conflict between our General Terms and Conditions and the specific terms and conditions set out in this Engagement Letter, the specific terms and conditions of this Engagement Letter shall apply.

### **I. Agent Authority & Communication**

The District hereby grants Wolfersberger the authority and powers necessary to perform the Services (defined in Section II) in the name of the District.

Wolfersberger will take direction only from (a) the District's Board, as defined by proper resolution, (b) the President of the District acting within his/her scope of delegated authority or (c) if the President is absent, the Vice President of the District acting within his/her scope of delegated authority.

### **II. Management & Accounting Services**

The following lists the scope and nature of services (i.e. "Services") that will be provided by us during the term of this Agreement:

**Accounts Payable**

We will manage the District's accounts payable process.

The District is responsible for approving all contracts for services, change orders to such contracts, reimbursement requests and purchase orders and is responsible for providing us with such approved contracts, change orders, reimbursement requests and purchase orders.

The District is responsible for reviewing and approving invoices for payment. We are not responsible for the District's loss of early payment discounts or imposition of past due fees due to any failure by the District to review and approve invoices for payment in a timely manner. However, subject to restrictions provided in the next paragraph, we are responsible for ensuring Board-approved invoices are paid in a timely manner.

We are responsible for ensuring the District's cash balances are adequate before issuing remittances to vendors and contractors. We will inform the Board if the District's cash balances are (a) insufficient to fund check remittances or (b) below a Board-established minimum threshold. In these situations, we will not issue check remittances until after we receive additional approval from the Board.

**Debt Service**

We will manage the District's debt payment process in accordance with the District's debt agreements and state statutory requirements.

The District is solely responsible for ensuring it has adequate moneys to fund any debt payments.

**Accounts Receivable**

We will manage the process of collecting fines, fees and other amounts due from district residents and property owners.

**Cash Management**

We will reconcile the District's cash accounts monthly. We will monitor and, if necessary, address all significant reconciling items.

**Annual Budget**

We will draft the District's **2022** budget and submit it to the Board for review and approval.

**Annual Financial Statements**

We will prepare, compile and submit supporting documentation to District's CPA to facilitate the audit or review of the District's annual financial statements.

**Periodic Financial Reporting**

We will prepare periodic financial reporting packages and submit such report packages to the Board for review and approval. The financial reporting package will consist of the following schedules:

- Income statement (with budget to actual comparisons)
- Statement of Net Position
- Accounts payable ledger
- Accounts receivable ledger
- Bank statements

### **Meeting Management & Attendance**

The District Manager will attend **up to six regular and special board meetings** during the term of this Agreement. For meetings lasting longer than two hours, we will charge the District at the property manager rate provided in Section IX (Reimbursable Costs) of this Agreement. We do not charge for our employees' travel time to and from board meetings.

We will post meeting agendas and notices in accordance with the District's board meeting notice resolutions and pursuant to State statutes.

We will draft the minutes for each meeting at which we are in attendance. The District's Board is responsible for reviewing and approving the minutes drafted by us.

### **Record Management**

We will organize and store the District's hard-copy and electronic documents. The District's hard-copy documents will be stored either (1) at a third-party secured document storage facility or (2) in our secured office premises. The District's electronic documents will be stored on a secure third-party server.

We will adhere to State statutes and the District's current policy regarding the inspection and copying of District records by district residents and third parties and the maintenance of the District's permanent records.

We provide accounting and covenant enforcement services using Caliber software. All accounting transactions processed by our firm are recorded and stored in a database managed by Caliber software.

### **Website Management**

We will maintain the District's website. We will also coordinate with the District's Board (or any Board-designated representative) to periodically update the content and design of the District's website.

**Contractor Management**

We will assist the District in the solicitation and summation of bids for contract work in accordance with State statutes. The District is responsible for reviewing all contractor bids submitted by us and for awarding bids for contract work.

We will manage the contractual relationships between the District and its contractors. Specifically, we will review and process contractor invoices, inform contractors when we are made aware of deficiencies in products, materials or services they provide to the District and periodically perform visual inspections, where applicable, of work performed.

**Insurance Management**

We will obtain quotes for insurance coverage as directed by the District. The District is responsible for authorizing any changes in insurance carriers, insurance coverage and policy limits.

We will file claims on behalf of the District. However, before we file any claims on any of the District's insurance policies, we will submit to the District such claim requests for review and approval. We will cooperate with the District's insurance carrier and agent(s) in their investigation of any insurance claims. However, any work we perform that exceeds four hours to assist in an investigation is considered a Special Project (as defined in Section IX of this Agreement).

**Governmental Reporting**

We will prepare and submit the various periodic reports (including the annual transparency notice, annual report, audited annual financial statements, mill levy certification, etc) required for the District to comply with the various reporting requirements established by state statutes.

**III. Work Authorization**

The District authorizes Wolfersberger to incur expenses that are (a) less than \$300 and (b) consistent with the District's budget. Such expenses may be incurred by Wolfersberger without approval of the Board. Emergency repairs may be authorized by Wolfersberger on behalf of the District regardless of cost. Emergency repairs are those repairs which, if not immediately undertaken, may (a) result in substantial further costs or losses to District property or (b) immediately threaten the health or safety of any person.

**IV. Bank Accounts**

The District shall maintain its checking account with a bank to be designated by us that complies with State statutory requirements. All bank accounts of the District shall be maintained in the name of the District and at least one checking account and one savings account shall be authorized by you for securing and maintaining the District's cash assets.

You shall include at least two officers of the District as authorized signors on the District’s cash accounts. We will not be check signors on any District accounts. All bank accounts will be established in a manner requiring at least two signatures for any check disbursement and cash transfer (excluding any regular automated payments identified in this Engagement Letter).

#### V. Binding Obligation

This Agreement is for the benefit of the parties named hereunder and constitutes a binding obligation upon such parties and their respective administrators, successors and assigns.

#### VI. Insurance

We represent, warrant, and agree that we have and shall maintain workers compensation insurance coverage in amounts required by law for our employees, if any. We shall also maintain broad form general liability and error and omissions insurance in the minimum amount of \$1,000,000 per single occurrence and \$1,000,000 in the aggregate and a crime fidelity insurance bond for \$100,000. We shall provide the District with a certificate of insurance evidencing such coverage and listing the District as an additional insured prior to the effective date of this Agreement.

#### VII. Service Fee Schedule

Services Lines	Pricing	
	Per Month	Annually [Note A]
Accounting services	\$ 1,583	\$ 19,000
General management services	\$ 1,800	\$ 21,600
Covenant Enforcement Services (674 lots total; 152 lots undeveloped)	N/A	N/A
Architectural review management services	N/A	N/A
<b>Total Pricing (Monthly / Annually)</b>	<b>\$ 3,383</b>	<b>\$ 40,600</b>

**Note A** – Because this Agreement is for less than a full 12-month year, the actual cost of services to the District for 2021 will be less than the annual pricing shown in the above chart.

**Service Credit:** We will waive the service fee for the first month of service provided under this contract.

## VIII. Reimbursable Costs

The following is a list of Reimbursable Costs we will likely incur in the performance of our Services (defined in Section I of this Services Contract) that are reimbursable to us from the District:

- a) Newsletters – Printing, assembling and mailing one 4-page newsletter to one address via USPS first class mail (Cost = \$1.80 black and white newsletter; \$3.50 color newsletter).
- b) Check and Invoice Processing: Costs charged by AvidExchange for online invoice and check processing will be passed on to the District at AvidExchange’s invoiced rates.
- c) General Postal Mailings – The time to prepare and deliver statements/letters/notices to Members regarding past due accounts, covenant violations and special meeting notices are included in the Base Management Fee. However, material costs related to such mailings are reimbursable to us. Material costs for mailings include black-and-white copies/print-outs (\$0.15 per copy), postage (at cost) and envelopes (\$0.25/each).
- d) Color Copies/Printings - \$1.15 per page.
- e) Certified Collection Letters – Printing, mailing and tracking a certified collection letter to one address (Cost = \$15.00/certified letter)
- f) Observation of Third-Party Inspections of District Records – Copies and any observation time (based on our Standard Hourly Rate) incurred by us to satisfy third-party requests to inspect and copy District records. [Note: We will observe third-party inspections of District records, unless we receive a request (in writing) from the District (a) requesting us to not observe a third party’s inspection of District records and (b) indicating the District assumes responsibility and liability for any mishandling, damage, destruction or misuse caused by a third party’s inspection of District records.]
- g) Court Appearance & Preparation Time – If requested by the District Board or the District’s attorneys, we will attend court on behalf of the District regarding covenant enforcement issues and other matters. Also, if requested, we will attend meetings with the District’s attorney, meetings with the District’s Board and depositions in preparation for court appearances. We will bill for our time related to such matters at our Standard Hourly Rate. We will not charge for travel time to and from court or the attorney’s offices as long as such destinations are not more than 35 miles from the District’s neighborhood. Time required by us to prepare for and perform administrative functions related to any court appearance will also be billed to the District at our Standard Hourly Rate.

h) Special Projects – Time required to perform Board-requested tasks outside the scope of this Services Contract will be billed at our Standard Hourly Rate.

Our Standard Hourly Rates are as follows:

- Principals and managers: \$140/hr to \$230/hr
- District and accounting managers: \$90/hr to \$125/hr
- Inspection managers and assistant managers: \$70/hr to \$90/hr
- Assistant district and accounting managers: \$65/hr to \$90/hr
- Administrative Staff: \$45/hr to \$60/hr

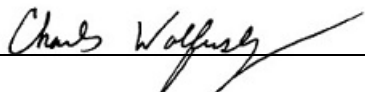
Unless otherwise agreed to in writing between us and the District, the District is not required to prepay us for any Reimbursable Costs we expect to incur but have not yet incurred. We will submit reimbursement requests to the District no more frequently than monthly.

### IX. Payment Terms

The Base Management Fee is payable in semi-monthly installments and payments are due on the first day of the month. Reimbursable Costs are due and payable upon submission of the related reimbursement requests to the District.

### X. Contract Ratification

Confirmed on behalf of Wolfersberger, LLC

Signature: 

Name (Please Print): Charles R. Wolfersberger

Title: President

Confirmed on behalf of Granby Ranch Metropolitan District

Signature: \_\_\_\_\_

Name (Please Print): Matt Girard

Title: President

## Appendix I

### General Terms and Conditions

These General Terms and Conditions apply to the delivery of services by Wolfersberger, LLC to a client pursuant to a letter enclosing these General Terms and Conditions and recording the engagement (“the Engagement Letter”).

#### Definitions

The meanings of the following words and phrases which are widely used in these General Terms and Conditions shall be set out below:

**Services** – the services to be provided by us under the Engagement Letter.

**Wolfersberger, LLC, us or we** – the Wolfersberger, LLC contracting party as identified in the Engagement Letter.

**The District or you** – the addressee of the Engagement Letter.

**Services Contract** – these General Terms and Conditions and the Engagement Letter, together with any documents or other terms applicable to the Services (“Additional Terms”) to which specific contractual reference is made in the Engagement Letter.

**Wolfersberger Persons** – the Wolfersberger, LLC contracting party together with each and all of our employees, owners and agents. “Wolfersberger Person” shall mean any one of them.

**Other Beneficiaries** – any and each person or organization identified in the Engagement Letter (other than you) as a beneficiary of the Services or any product thereof.

These definitions shall apply wherever these words and phrases are used in the Services Contract.

#### Our services and responsibilities

1. The Engagement Letter shall set out the Services to be delivered by us and associated matters. These General Terms and Conditions shall be subject to variation if required in the Engagement Letter.
2. The Services shall be delivered with reasonable skill and care.

3. We are obligated to familiarize ourselves and comply with all laws applicable to the performance of the Services.
4. Where individuals to be involved in delivering the Services are named in the Engagement Letter, we shall use reasonable endeavors to ensure that they are so involved. We may substitute those identified for others of equal or similar skills but we shall consult you before doing so.
5. For the purposes of marketing or publicizing or selling our services we may wish to disclose that we have performed work (including the Services) for you, in which event we may identify you by your name and we may indicate only the general nature or category of such work (or of the Services) and any details which have properly entered the public domain.
6. The Services shall be delivered on the basis that you shall not quote our name or reproduce our logo in any form or medium without our prior written consent.

#### Your Responsibilities

7. Notwithstanding our duties and responsibilities in relation to the Services, you shall retain responsibility and accountability for
  - a. Monitoring the Services provided by us;
  - b. Authorizing policies governing the operations and affairs of the District;
  - c. deciding on your use of, choosing what you wish to rely on and implementing advice or recommendations or other products of the Services supplied by us;
  - d. making any decision affecting (i) the Services, (ii) any product of the Services, (iii) your interests or (iv) your affairs; and
  - e. the delivery, achievement or realization of any benefits directly or indirectly related to the Services which require implementation by you.

8. Without our prior written consent, you shall not, directly or indirectly, solicit the employment of any of our employees (a) while we provide services to you or (b) for a period of 12 months following termination or expiration of the Services Contract.

#### **Independent Contractor and Legal Agent**

9. The Services performed by us under the Services Contract will be performed in the capacity of an independent contractor. Nothing in the Services Contract shall be construed as creating an employee/employer relationship between the District and Wolfersberger Persons.
10. Wolfersberger LLC is obligated to pay federal and state income tax on any moneys earned pursuant to this Agreement. Neither Wolfersberger LLC nor its employees, if any, are entitled to workers' compensation benefits for the performance of the services specified in this Agreement.
11. Wolfersberger LLC will be designated as the legal agent of the District and will prepare and file all necessary documents with the Colorado Secretary of State upon the date Wolfersberger LLC commences providing Services per the Services Contract.
12. Except for the Services Contract, we shall not be a party to any contracts entered into by the District even though we may be identified as the District registered agent in such contracts.

#### **Normal Work Hours**

13. Normal work hours are defined as 8:30am to 5:30pm Monday through Friday excluding the following observed holidays:
  - a. New Year's Day (January 1<sup>st</sup>)
  - b. President's Day (3<sup>rd</sup> Monday in February)
  - c. Memorial Day (Last Monday in May)
  - d. Independence Day (July 4<sup>th</sup>)
  - e. Labor Day (First Monday in September)
  - f. Thanksgiving (4<sup>th</sup> Thursday in November)
  - g. The day after Thanksgiving
  - h. Christmas (December 25<sup>th</sup>)

If an observed holiday falls on a Saturday, the Friday before is observed. If an observed holiday falls on a Sunday, the following Monday is observed.

#### **Limitation on the Collection Services We Provide**

14. We are not a debt collector or collection agency as those terms are defined by the Colorado or Federal Fair Debt Collection Practices Statutes. We are not required to take any actions which would qualify us as a debt collector or collections agency as defined therein.

#### **General Disclaimers**

15. Wolfersberger Persons may provide the District with certain information and general advice that it may use or otherwise consider in making decisions regarding the adequacy of its insurance coverage. However, Wolfersberger Persons are not experts in insurance interpretation. The District should consult with its insurance agent or attorney regarding interpretations of its insurance policies and adequacy of insurance coverage.
16. Wolfersberger, LLC is not a law firm, and Wolfersberger Persons are not acting as your attorney. While certain information we may provide to the District may deal with legal issues, it does not constitute legal advice. Any information or advice Wolfersberger Persons provide regarding legal matters cannot substitute for the advice of a licensed attorney—a competent authority with specialized knowledge who can apply it to the particular circumstances of your case.
17. Although we may make recommendations to the District regarding contractors and/or contractor bids received, we cannot guarantee the performance or quality of work of any contractor.
18. Although Wolfersberger Persons may perform visual inspections of contractors' work, Wolfersberger Persons are neither acting as superintendent for any contractor nor overseeing contractors' actual performance of day-to-day work. Wolfersberger Persons are also unable to exercise control over contractors' performance of their work other than informing them of areas of non-performance and making recommendations to the District's Board. Wolfersberger Persons are not an "on-site" representative of the District.
19. We cannot provide any assurance that any Consolidation Plan (as defined in the

Engagement Letter) which it helps the Board to develop will ultimately be successful. In evaluating, developing and executing any Consolidation Plan, the District is solely responsible for assuming any legal costs incurred to consult with its legal counsel. We may consult with legal counsel on your behalf but it will not do so prior to obtaining your approval.

20. Any advice, opinion, statement of expectation, forecast or recommendation supplied by us as part of the Services shall not amount to any form of guarantee that we have determined or predicted future events or circumstances.

### **Illegal Aliens**

21. We certify that we shall comply with the provisions of Section 8-17.5-101 et seq., C.R.S. We shall not knowingly employ or contract with an illegal alien to perform work under this Services Contract or enter into an agreement with a subcontractor that knowingly employs or contracts with an illegal alien. We represent, warrant, and agree that we have confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Services Contract through participation in either the E-Verify Program or the Department Program described in Section 8-17.5-101, C.R.S. We shall not use either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the public contract for services is being performed. If we obtain actual knowledge that a subcontractor performing work under this contract knowingly employs or contracts with an illegal alien, we shall:

- (i) notify the subcontractor and the District within three days that we have actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
- (ii) terminate the subcontract with the subcontractor if within three days of receiving such notice, the subcontractor does not stop employing or contracting with the illegal alien, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

22. We shall comply with all reasonable requests made in the course of an investigation by the Colorado Department of Labor and Employment. If we fail to comply with any requirement of Section 8-17.5-102(2), C.R.S., the District may terminate this Services Contract for breach and we shall be liable for actual and consequential damages to the District.

23. If we participate in the Department Program, we shall provide the affirmation required under Section 8-17.5-102(5)(e)(III), C.R.S., to the District.

### **Ownership**

24. All documents such as reports, plans, drawings and contract specifications, information, and other materials prepared or furnished by us (or our independent professional associates, subcontractors, and consultants) and paid for pursuant to this Agreement are instruments of public information and property of the District. All internal documents which support the public information such as field data, field notes, laboratory test data, calculations, estimates and other documents prepared by us as instruments of service shall be provided to the District. The District understands such documents are not intended or represented to be suitable for reuse by the District or others for purposes outside the specific scope and conditions of the Agreement. Any reuse without written verification or adaptation by us for the specific purpose intended will be at the District's sole risk and without liability or legal exposure to us, or to our independent professional associates, subcontractors, or consultants.

This clause shall survive the expiration of the Services Contract.

### **Our Charges**

25. We shall render invoices in respect of the Services comprising monthly management fees and Reimbursable Costs ("our Charges"). Details of our Charges and any special payment terms shall be set out in the Engagement Letter. Our monthly management fee is based on the degree of responsibility of our owners, employees or contractors, as the case may be, involved in delivering the Services, their skill and time spent by them in performing them and the nature and complexity of them.

Reimbursable Costs are defined in the Engagement Letter. Our Charges may differ from estimates or quotations that may have been supplied, which shall be provisional only.

26. In return for the delivery of the Services by us, you shall pay our Charges (without any right of set-off) on presentation of our invoice or at such other time as may be specified in the Engagement Letter. If the Services Contract is terminated or suspended, we shall be entitled to payment for Reimbursable Costs incurred to that time and to payment of management fees for services provided to that time. If the termination date occurs before the last day of the month, our monthly management fee in the last month of service shall be prorated based on a 30-day month.

### Information

27. To enable us to perform the Services, you shall ensure all information and all access to documentation in your possession and in possession of your former management company is provided to us in a timely manner. You shall inform us of any information or developments which may come to your notice and which might have a bearing on the Services.
28. We may rely on any instructions or requests made or notices given or information supplied, whether orally or in writing, by any person whom we may know to be or reasonably believe to be authorized by you to communicate with us for such purposes. We may communicate with you by electronic mail for any communications. Both parties agree that any electronic mail communications will be subject to appropriate internet security practice which will be agreed between us.
29. We may receive information from you or from other sources in the course of delivering the Services.

To the fullest extent permitted by law, we shall not be liable to you for any loss or damage suffered by you arising from fraud, misrepresentation, withholding of information material to the Services or other default relating to such material information, whether on your part or that of the other information sources, unless such fraud, misrepresentation,

withholding or such other default is evident to us without further inquiry.

### Knowledge and Conflicts

30. In this clause the following definitions shall apply:
- a. "the Service Team" shall mean, collectively or individually, Wolfersberger Persons who is or are involved in delivering the Services,
  - b. "Colleagues" or "a Colleague" shall mean, collectively or individually, Wolfersberger Persons who are not members of the Service Team.
  - c. The Service Team shall not be required expected or deemed to have knowledge of any information known to Colleagues which is not known to the Service Team or be required to obtain such information from Colleagues.
  - d. The Service Team shall not be required to make use of or to disclose to you any information, whether known to them personally or known to Colleagues, which is confidential to another client.
31. We or other Wolfersberger Persons may be approached to advise another party or parties who are in dispute with you, or to advise or represent the interests of a party or parties whose interest are opposed to yours though their material concern in matters to which the Services are specifically and directly related ("Adversarial Conflicts"). We see and shall continue to seek to identify Adversarial Conflicts. If you know or become aware of any which may arise, you shall inform us promptly. We shall not accept an engagement which we are aware gives rise to an Adversarial Conflict. We shall advise you of all circumstances identified by us where we believe there may be an Adversarial Conflict to the extent consistent with our obligations of confidentiality to third parties.
32. Where a party has engaged us to advise it, we or you may consider that your interests are likely to be prejudiced and we or you may not be satisfied that the situation can be managed. In that event, either of us shall be entitled to terminate the Services Contract on notice taking effect

immediately on delivery but that party shall consult the other before doing so.

Services Contract on notice taking effect immediately on delivery.

### **The Services Contract**

33. The Services Contract sets out the entire agreement and understanding between us in connection with the Services and supersedes any prior agreements, understandings, agreements, statements or representations (unless made fraudulently) relating to the Services. Any modifications or variations to the Services Contract must be in writing and signed by an authorized representative of each of us. In the event of any inconsistency between the Engagement Letter and any other elements of the Services Contract, the Engagement Letter shall prevail. In the event of any inconsistency between these General Terms and Conditions and Additional Terms that may apply, the Additional Terms shall prevail. Nothing in the Services Contract shall operate to exclude any liability which we would otherwise have to you in respect of any statements made by us fraudulently prior to the date of the Services Contract.

### **Third Party Rights**

34. The Services Contract shall not create or give rise to, nor shall it be intended to create or give rise to, any third party rights. No third party shall have any right to enforce or rely on any provision of the Services Contract which does or may confer any right or benefit on any third party, directly or indirectly, expressly or impliedly. The application of any legislation giving to or conferring on third parties contractual or other rights in connection with the Services Contract shall be excluded. No Wolfersberger Person shall be deemed to be a third party for the purposes of this clause.

### **Circumstances beyond your or our control**

35. Neither of us shall be in breach of our contractual obligations nor shall either of us incur any liability to the other if we or you are unable to comply with the Services Contract as a result of any cause beyond our or your reasonable control. In the event of any such occurrence affecting one of us, that one shall be obliged as soon as reasonably practicable to notify the other, who shall have the option of suspending or terminating the operation of the

### **Waiver, assignment and sub-contractors**

36. Failure by any one of us to exercise or enforce any rights available to us shall not amount to a waiver of any rights available to either of us.
37. Neither of us shall have the right to assign the benefit (or transfer the burden) of the Services Contract to another party without the written consent of the other of us.
38. We shall have the right to appoint sub-contractors to assist us in delivering the Services but where any such sub-contractors are not Wolfersberger Persons we shall consult you before doing so. Where we appoint sub-contractors under this clause, for all purposes in connection with the Services Contract their work shall be deemed to be part of the Services.

### **Designated Manager**

39. Charles Wolfersberger will be the designated manager for your community. Mr. Wolfersberger holds a Community Association Manager license with the State of Colorado and his license number is RM.000002518.

### **Termination**

40. Each of us can terminate the Services Contract or suspend its operation by giving 30 days' prior notice in writing to the other at any time.
41. The Services Contract is terminable without penalty to the District or to Wolfersberger, LLC.
42. We shall have the right to cancel the Services Contract at any time by giving fifteen (15) days' notice in the event any of the following conditions apply:
- a. The District breaches a material term of the Services Contract; or
  - b. The District's actions, lack of action or position fails to comply with or is in violation of any requirement of any constitutional provision, statute, ordinance, law, or regulation of any governmental body or any order or ruling of any public authority or official thereof having or claiming to

have jurisdiction over it, and we, in our sole and absolute discretion, consider the District's action, lack of action or position with respect thereto may result in damage or liability to us.

43. The District shall have the right to cancel the Services Contract at any time by giving fifteen (15) days' notice in the event that we:
  - a. do not substantially comply with the Services Contract;
  - b. breach a material term of the Services Contract;
  - c. act in a way that causes undue or extreme financial liability to befall the District; or
  - d. act in a way that exposes the District to legal liability.
44. Upon termination of or withdrawal from this Agreement by either party, the District shall assume the obligations of any contract or outstanding bill executed by us under this Services Contract for and on behalf of the District and responsibility for payment of all unpaid bills.
45. Termination or suspension under this section shall be without prejudice to any rights that may have accrued for either of us before termination or suspension and all sums due to us shall become payable in full when termination or suspension takes effect.
46. The following clauses of these General Terms and Conditions shall survive expiry or termination of the Services Contract: clauses 7, 8, 24, 29, 31, 32, 33, 34, 36, 37, 52, 53, 54, 55 and 56.

#### **Acceptance not Waiver**

47. The District's approval or acceptance of, or payment for, any of the services shall not be construed to operate as a waiver of any rights or benefits provided to the District under this Services Contract.

#### **Default**

48. Each and every term and condition hereof shall be deemed to be a material element of this

Services Contract. In the event either party should fail or refuse to perform according to the terms of this Service Contract, such party may be declared in default.

#### **Remedies**

49. In the event a party declares a default by the other party, such defaulting party shall be allowed a period of ten (10) business days within which to cure said default. In the event the default remains uncorrected, the party declaring default may elect to (a) terminate the Services Contract and seek damages; (b) treat the Services Contract as continuing and require specific performance; or (c) avail itself of any other remedy at law or equity. If the non-defaulting party commences legal or equitable actions against the defaulting party, the defaulting party shall be liable to the non-defaulting party for the non-defaulting party's reasonable attorney fees and costs incurred because of the default.

#### **Notices**

50. Any notice to you or us delivered under the Services Contract shall be in writing and delivered by either (a) regular mail to our address appearing in the Engagement Letter or (b) email to our respective emails appearing in the Engagement Letter. Notices delivered by regular mail shall be deemed to have arrived on the second business day following the date of posting. Notices delivered via email (a) after 5pm on Regular Business Days or (b) on days other than Regular Business Days (e.g. weekends, holidays) shall be deemed to have been received on the next Regular Business Day.

#### **Time is of the Essence**

51. All times stated in this Services Contract are of the essence.

#### **Annual Appropriation**

52. The District's obligations hereunder are subject to the annual appropriation of funds necessary for the performance thereof, which appropriations shall be made in the sole discretion of the District's Board.

### **Severability**

53. Each clause or term of the Services Contract constitutes a separate and independent provision. If any of the provisions of the Services Contract are judged by any court or authority of competent jurisdiction to be void or unenforceable, the remaining provisions shall continue in full force and effect.

### **Capacity**

54. You agree to and accept the provisions of the Services Contract on your own behalf and as agent for Other Beneficiaries. You shall procure in such circumstances that any Other Beneficiaries shall act on the basis that they are a party to the Services Contract, as if they had each signed a copy of the Engagement Letter and agree to be bound by it. However, the District alone shall be responsible for payment of our charges.
55. We accept your agreement to and acceptance of the terms of the Services Contract on our own behalf and as agent and trustee for each and all other Wolfersberger Persons.

### **Law and jurisdiction**

56. The Services Contract shall be subject to and governed by the Colorado Revised Statutes and all disputes arising from or under the Services Contract shall be subject to the jurisdiction of the Colorado courts.

### **Complaints**

57. If at any time you would like to discuss with us how the Services can be improved or if you have a complaint about them, you are invited to contact Charles Wolfersberger, owner of Wolfersberger, LLC.