

TALLYN’S REACH AUTHORITY  
 TALLYN’S REACH METROPOLITAN DISTRICT NOS. 2 AND 3  
[www.TallynsReachMetroDistrict.com](http://www.TallynsReachMetroDistrict.com)

**NOTICE OF JOINT SPECIAL MEETING AND AGENDA**

**DATE:** April 19, 2022

**TIME:** 6:00 p.m.

**LOCATION:** **VIA TELECONFERENCE**

**ACCESS:** You can attend the meetings in any of the following ways:

1. To attend via Microsoft Teams Videoconference use the below link:

[https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_YzE4MzFiODctNGY0ZC00Yzk3LWJINjktNDkxMDBjZWE0NDhi%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%227e78628f-89cd-4e97-af6c-60df84b55ffe%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_YzE4MzFiODctNGY0ZC00Yzk3LWJINjktNDkxMDBjZWE0NDhi%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%227e78628f-89cd-4e97-af6c-60df84b55ffe%22%7d)

2. To attend via telephone, dial 1-720-547-5281 and enter the following additional information:

**Phone Conference ID: 579 286 023#**

<b>AUTHORITY: Board of Directors</b>	<b>Office</b>	<b>Term Expires</b>
David Patterson	President	May 2023
BJ Pell	Vice Pres. / Assistant Secretary	May 2022
Harry Yosten	Treasurer	May 2022
Mike Dell’Orfano	Assistant Secretary	May 2022
Craig Wagner	Assistant Secretary	May 2022

<b>DISTRICT 2: Board of Directors</b>	<b>Office</b>	<b>Term Expires</b>
BJ Pell	President	May 2022
William Barcus	Vice President / Treasurer	May 2022
Brian Baisch	Secretary	May 2022
VACANT	Assistant Secretary	May 2023
VACANT	Assistant Secretary	May 2023

<b>DISTRICT 3: Board of Directors</b>	<b>Office</b>	<b>Term Expires</b>
Mike Dell’Orfano	President	May 2022
Harry Yosten	Vice President / Treasurer	May 2022

David Patterson	Secretary	May 2023
Craig Wagner	Assistant Secretary	May 2022
Brian Crandall	Assistant Secretary	May 2023

Note: For ease and presentation, the Tallyn’s Reach Authority (as the “Authority”), and the Tallyn’s Reach Metropolitan District Nos. 2 and 3 (each a “District,” and collectively, the “Districts”) will be meeting at the same time and considering the agenda below. However, each Board of Directors of the Districts (“Board”) will consider agenda items separately and take separate actions. If an agenda item is to be considered by a single District, it will be so noted on the agenda.

**I. ADMINISTRATIVE MATTERS**

- A. Call to order and approval of agenda.
- B. Present disclosures of potential conflicts of interest.
- C. Confirm quorum, location of meeting and posting of meeting notices.
- D. Public comment.

*Members of the public may express their views to the Board on matters that affect the District that are not otherwise on the agenda. Comments will be limited to three (3) minutes per person. Comments will be taken in the order reflected on the sign in sheet.*

**II. CONSENT AGENDA**

*The items listed below are a group of items to be acted on with a single motion and vote by the Board. An item may be removed from the consent agenda to the regular agenda, if desired. Items on the consent agenda are then voted on by a single motion, second, and vote by the Board.*

- A. **Authority:** Minutes of March 15, 2022 regular meeting (enclosure).
- B. **MDs 2 & 3:** Minutes of November 16, 2021 special meeting (enclosure).
- C. **Authority:** Consider Approval of Sean Walsh Consulting, Inc. Independent Contractor Agreement (enclosure).
- D. **Authority:** Ratify approval of Independent Contractor Agreement with Brightview Landscape Services, Inc. for annual bed transition to perennial beds (enclosure).

**III. FINANCIAL MATTERS**

- A. **MDs 2 & 3:** Review and consider approval of 2021 Audits (enclosures).

**IV. LEGAL MATTERS**

- A. **MD 2:** Consider Adoption of Resolution Initiating Consolidation (enclosure).
- B. **MD 3:** Consider Adoption of Resolution Concurring with Consolidation (enclosure).
- C. **MD 2:** Consider Adoption of Resolution Affirming Appointment of Representatives to the Authority Board of Directors (enclosure).
- D. **MD 3:** Consider Adoption of Resolution Affirming Appointment of Representatives to the Authority Board of Directors (enclosure).

**V. MANAGER MATTERS**

- A. **Authority:** Landscape Committee Report (enclosure).

**VI. OTHER MATTERS**

- A. **Authority:** Confirm quorum for next regular Board meeting – July 19, 2022 at 6:00 p.m.
- B. **MDs 2 and 3:** Confirm quorum for next regular Board meeting – November 15, 2022 at 5:30 p.m.

**VII. ADJOURNMENT**

**AUTHORITY - The next regular meeting is scheduled for July 19, 2022 at 6:00 p.m.**  
**MDs 2 and 3 - The next regular meeting is scheduled for November 15, 2022 at 5:30 p.m.**

## RECORD OF PROCEEDINGS

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MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
TALLYN'S REACH AUTHORITY  
HELD  
MARCH 15, 2022

A regular meeting of the Board of Directors of the Tallyn's Reach Authority (referred to hereafter as the "Board") was convened on Tuesday, March 15, 2022, at 6:00 p.m. This Board meeting was held via Microsoft Teams. The meeting was open to the public.

### ATTENDANCE

Directors in Attendance Were:

David Patterson, President  
BJ Pell, Vice-President/Assistant Secretary  
Harry Yosten, Treasurer

Directors Wagner and Dell'Orfano were absent.

Also in Attendance Were:

Blair Dickhoner, Esq.; White Bear Ankele Tanaka & Waldron ("WBA")  
Celeste Terrell, Nic Carlson, and Shelby Clymer; CliftonLarsonAllen LLP ("CLA")  
Kimberly Armitage; YMCA  
Bill Barcus; Tallyn's Reach MD 2 Board Member  
Julie Huygen; Resident

### ADMINISTRATIVE MATTERS

**Call to Order:** The meeting was called to order at 6:02 p.m.

**Agenda:** Following review and discussion, upon a motion duly made by Director Yosten, seconded by Director Pell and, upon vote, unanimously carried, the Board approved the Agenda, as presented, and excused the absence of Directors Wagner and Dell'Orfano.

**Disclosures of Potential Conflicts of Interest:** Attorney Dickhoner advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Attorney Dickhoner reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Attorney Dickhoner inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the members present was necessary to obtain quorums or to otherwise enable the Board to act.

**Quorum:** The Board confirmed a quorum for the meeting, the meeting location and posting of meeting notice.

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**Public Comment:** None.

### CONSENT AGENDA

Ms. Terrell reviewed the Consent Agenda with the Board and noted that any item may be removed from the Consent Agenda to the regular Agenda upon the request of any Director. Upon a motion duly made by Director Pell, seconded by Director Yosten and, upon vote, unanimously carried, the following items on the Consent Agenda were approved, ratified and/or adopted, as appropriate and amended:

- A. Minutes of November 16, 2021 Special Meeting.
- B. Claims.
- C. Agreements and/or Contracts:
  - a. Independent Contractor Agreement with Brightview Landscape Services, Inc. for Tree Pruning, dated November 22, 2021.
  - b. Independent Contractor Agreement with Brightview Landscape Services Inc. for December Winter Watering, dated November 22, 2021.
  - c. Addendum to Independent Contractor Agreement with Ark Ecological Services, LLC for Open Space Management for Fall 2022, dated November 23, 2021.
  - d. Independent Contractor Agreement with Brightview Landscape Services, Inc. for 2022 Plant Health Care, dated November 22, 2021.
  - e. Independent Contractor Agreement with Brightview Landscape Services, Inc. for Turf to Native Conversion, dated November 8, 2021.
  - f. Independent Contractor Agreement with Brightview Landscape Services, Inc. for Annual Flowers, dated November 16, 2022.
  - g. Addendum to Independent Contractor Agreement with MFish Graphics for Traffic Sign Upgrades, dated December 21, 2021.
  - h. Independent Contractor Agreement with Radiant Lighting Services, Inc. for 2022 Lighting Maintenance, dated January 1, 2022.
  - i. Independent Contractor Agreement with Brightview Landscape Services, Inc. for Deep Root Fertilization, dated March 3, 2022.
  - j. Independent Contractor Agreement with Brightview Landscape Services, Inc. for Retention Pond Cleanout, dated March 3, 2022.
  - k. Independent Contractor Agreement with Norton Building and Remodel, Inc. for Bathroom Remodel, dated February 14, 2022.
  - l. Independent Contractor Agreement with Brightview Design Group, Inc., for Median Landscape Planting, dated March 3, 2022.
  - m. Independent Contractor Agreement with Aquatic Chemical Solutions, Inc., for Coping Stone Replacement dated September 21, 2021.

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### FINANCIAL MATTERS

**Cash Position Schedule:** Ms. Clymer reviewed the Cash Position Schedule with the Board and reviewed options for reserve investment funds. She recommended that the Authority consider moving \$500,000 from the Capital Projects Fund to ColoTrust Edge. Following discussion, upon a motion duly made by Director Yosten, seconded by Director Pell and, upon vote, unanimously carried, the Board approved Ms. Clymer to open an account with ColoTrust Edge with the initial amount of \$500,000 and then at the accountant's direction moving forward based on cashflow needs.

**2021 Draft Audit:** Ms. Clymer reviewed the 2021 Draft Audit with the Board. Following review, upon a motion duly made by Director Yosten, seconded by Director Patterson and, upon vote, unanimously carried, the Board approved the 2021 Draft Audit, subject to final legal review.

### LEGAL MATTERS

**Consolidation and Termination of Authority:** Attorney Dickhoner reviewed the process for consolidation with the Board and discussed the proposal for consulting services provided by Sean Walsh Consulting, Inc. The Board gave direction to Attorney Dickhoner to obtain additional proposals for election consulting services. He noted that he will meet with the Board members from both Districts and the Election Consultant to discuss the process moving forward.

### MANAGER MATTERS

**Mail Chimp Rate Increase Effective February 1, 2022:** Ms. Terrell reviewed the increase with the Board noting that a price change has resulted in a \$3 increase.

**Funding for July 4<sup>th</sup> HOA Event:** Ms. Terrell reviewed the funding request with the Board. Following review and discussion, upon a motion duly made by Director Pell, seconded by Director Patterson and, upon vote, unanimously carried, the Board authorized \$3,000 of the Authority Community Funds to be used for the July 4<sup>th</sup> HOA event.

**Brightview Landscape Services for Additional Cost to Empty Dog Stations a Second Time Each Week:** Ms. Terrell reviewed the proposal with the Board noting that complaints from residents resulted in the proposal for additional services in the amount of \$28,000 annually. The Board deferred this matter.

**Discussion of Delinquency Report:** Ms. Terrell provided the report to the Board prior to the meeting and noted questions would be answered offline.

#### **Landscape Committee:**

**Report to the Board:** Director Yosten provided an update to the Board noting the Landscape Committee has been inactive through the winter season but will be meeting regularly as landscaping season begins.

**Flagpoles and Monuments:** Director Yosten discussed with the Board noting that the flagpoles are in good condition, but flags are expensive

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and require routine maintenance and replacement. He suggested removing flags and flagpoles with monument upgrades in the future. No action was taken.

**2022 Swim Season:** Ms. Armitage provided an update to the Board noting the pool will be opening within the next 2 to 3 weeks. She noted the communication on rules and hours for the pool season will be sent to the residents in the coming weeks. Ms. Armitage reported that the pool will open on Saturday, May 28<sup>th</sup> and the YMCA will open the clubhouse for a few hours in April for residents to activate access cards.

**2022 Projects:** Ms. Terrell updated the Board on the 2022 projects including changing turf to native areas, northeast quad sign project, west quad beautification, west quad monuments, xeriscape median on Aurora Parkway, central quad mulch project, perennial project, retaining wall, pool bathroom remodels, sunshade installation, and hammerhead pavement proposals.

ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Director Pell, seconded by Director Patterson and, upon vote, unanimously carried, the Board adjourned the meeting at 7:03 p.m.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting

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Secretary for the Meeting

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MINUTES OF A SPECIAL MEETING OF  
THE BOARDS OF DIRECTORS OF THE  
TALLYN'S REACH METROPOLITAN DISTRICT NOS. 2 AND 3  
(THE "DISTRICTS")  
HELD  
NOVEMBER 16, 2021

A special meeting of the Boards of Directors of the Tallyn's Reach Metropolitan District Nos. 2 and 3 (referred to hereafter as the "Boards") was convened on Tuesday, November 16, 2021, at 5:30 p.m. Via Teleconference. The joint meeting of the Boards was held and properly noticed to be held via video enabled web conference. The meeting was open to the public.

### ATTENDANCE

Directors In Attendance Were MD No. 2:

BJ Pell, President  
William ("Bill") Barcus  
Brian Baisch

Directors in Attendance Were MD No. 3:

Mike Dell'Orfano, President  
Harry Yosten, Vice-President/Treasurer  
David Patterson, Secretary  
Brian Crandall, Assistant Secretary

Absent and excused was Director Wagner.

Also in Attendance Were:

Blair Dickhoner, Esq.; White Bear Ankele Tanaka & Waldron, Legal Counsel  
Celeste Terrell and Thuy Dam; CliftonLarsonAllen LLP ("CLA")

### CALL TO ORDER

The meeting was called to order at 5:35 p.m.

### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Mr. Dickhoner advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Dickhoner reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Boards. Mr. Dickhoner inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the members present was necessary to obtain quorums or to otherwise enable the Boards to act.



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### ADMINISTRATIVE MATTERS

**Quorum/Confirmation of Meeting Location/Posting of Notice:** Ms. Terrell confirmed a quorum for each Board, the location of the meeting, and the posting of the meeting notice.

**Agenda:** Following review and discussion, upon motion duly made by Director Yosten, seconded by Director Barcus and, upon vote unanimously carried, the Boards each approved the Agenda, as presented, and excused the absence of Director Wagner.

**Public Comment:** There was no public in attendance for comment.

**Joint Resolution No. 2021-11-01 Designating the Location of Regular Meetings of the Boards of Directors:** Attorney Dickhoner reviewed the resolution with the Boards. Following review, upon a motion duly made, seconded and, upon vote, unanimously carried, the Boards of each District adopted the Joint Resolution No. 2021-11-01 Designating the Location of Regular Meetings of the Boards of Directors, noting the meetings will be held virtually or at the clubhouse.

**2022 Joint Annual Administrative Resolution No. 2021-11-02:** Attorney Dickhoner reviewed the resolution with the Boards. Following review, upon a motion duly made, seconded and, upon vote, unanimously carried, the Boards each adopted the 2022 Joint Annual Administrative Resolution No. 2021-11-02, as amended to remove board member compensation and set regular meetings as the third Tuesday of November 2022.

**2022 Insurance Renewal and Documents Needed to Obtain or Maintain Insurance Coverage Through the Colorado Special Districts Property and Liability Pool or TCW Risk Management and Authorize Membership in the Special District Association:** Following review, upon a motion duly made, seconded and, upon vote, unanimously carried, the Boards each approved of the 2022 insurance renewal and the documents needed to obtain or maintain insurance coverage through the Colorado Special Districts Property and Liability Pool or TCW Risk Management and authorized membership in the Special District Association.

### CONSENT AGENDA

The Boards were advised that any item may be removed from the consent agenda to the regular agenda upon the request of any Director. No items were requested to be removed from the consent agenda. Upon motion duly made and seconded, the following items on the consent agenda were unanimously approved, ratified and adopted, as appropriate:

- **MD No. 2: Minutes of March 9, 2021 Special Meeting**

Following review, upon a motion duly made by Director Pell, seconded by Director Barcus and, upon vote, unanimously carried, the Board approved the March 9, 2021 Special Meeting Minutes, as presented.

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- **MD No. 3: Minutes of May 4, 2021 Special Meeting**

Following review, upon a motion duly made by Director Yosten, seconded by Director Dell'Orfano and, upon vote, unanimously carried, the Board approved the May 4, 2021 Special Meeting Minutes, as presented.

**FINANCIAL  
MATTERS**

**September 30, 2021 Unaudited Financial Statements:** Ms. Dam reviewed the cash sheet and the property tax schedule with the Boards. Following review, upon a motion duly made, seconded and, upon vote, unanimously carried, the Boards approved their respective September 30, 2021 Unaudited Financial Statements, as presented.

**2022 Budget Hearing (MD 2) and Resolution No. 2021-11-03:** Ms. Terrell opened the public hearing on the 2022 Budget at 6:04 p.m. Ms. Terrell noted that the notice of public hearing was provided in accordance with Colorado Law. No written objections have been received prior to the meeting.

Ms. Dam reviewed the 2022 Budget with the Board.

There being no public comment, the hearing was closed at 6:09 p.m.

Following review, upon a motion duly made by Director Pell, seconded by Director Barcus and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-11-03 to Adopt 2022 Budget, Imposing Mill Levy and Appropriating Funds, as amended to separate out the debt service mill levy and the operations and maintenance mill levy.

**2022 Budget Hearing (MD 3) and Resolution No. 2021-11-03:** Ms. Terrell opened the public hearing on the 2022 Budget at 6:10 p.m. Ms. Terrell noted that the notice of public hearing was provided in accordance with Colorado Law. No written objections have been received prior to the meeting.

Ms. Dam reviewed the 2022 Budget with the Board.

There being no public comment, the hearing was closed at 6:18 p.m.

Following review, upon a motion duly made by Director Yosten, seconded by Director Crandall and, upon vote, unanimously carried, the Board adopted Resolution N0. 2021-11-03 to Adopt 2022 Budget, Imposing Mill Levy and Appropriating Funds, as amended to separate out the debt service mill levy and the operations and maintenance mill levy.

**Engagement with Wipfli Inc. to Prepare the 2021 Audits:** Following review, upon a motion duly made by Director Pell, seconded by Director Barcus and, upon vote, unanimously carried, the Board approved the

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engagement with Wipfli Inc. to prepare the 2021 Audit for MD 2 and authorized its submittal.

Following review, upon a motion duly made by Director Yosten, seconded by Director Dell'Orfano and, upon vote, unanimously carried, the Board approved the engagement with Wipfli Inc. to prepare the 2021 Audit for MD 3 and authorized its submittal.

### LEGAL MATTERS

#### **Joint Resolution No. 2021-11-04 Calling Election:**

- Designation of Method for Providing Notice of Call for Nominations: Attorney Dickhoner reviewed the Resolution with the Boards. Following review and discussion, upon a motion duly made and seconded and, upon vote, unanimously carried, the Boards each adopted Resolution No. 2021-11-04 Calling Election, and designated the website as the additional method for providing notice of Call for Nominations.

**Consolidation of Districts and Elimination of the Authority:** Attorney Dickhoner discussed with the Boards, noting to prepare resolutions and coordinate a special meeting for adoption of the consolidation resolutions. Ms. Clymer will work on cost savings estimates if consolidation of the districts is successful.

### OTHER MATTERS

**Set Meeting Dates for 2022:** The Boards set the third Tuesday of November for their regular meetings.

### ADJOURNMENT

There being no further business to come before the Boards, upon a motion duly made and seconded and, upon vote, unanimously carried, the Boards adjourned the meeting at 6:47 p.m.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

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Secretary

**TALLYN'S REACH AUTHORITY  
(District Consulting)**

**Name of Contractor:** Sean Walsh Consulting, Inc.

**Title of Agreement:** District Consulting

**Agreement Date:** April 1, 2022

This independent contractor agreement ("Agreement") is made by and between TALLYN'S REACH AUTHORITY, a contractual authority and political subdivision of the State of Colorado (the "Authority") and Sean Walsh Consulting, Inc. a Colorado corporation (the "Contractor").

Introduction. The Authority and the Contractor desire to enter into this Agreement to be effective as of the date above.

1. Scope of Services. The Contractor shall perform the services set forth in **Exhibit A** (the "Services"): (a) in a first-class manner, to the satisfaction of the Authority, using the degree of skill and knowledge customarily employed by other professionals performing similar services; (b) within the time period specified in the Agreement; (c) in such a manner as to minimize any annoyance, interference or disruption to the residents, tenants, occupants and invitees within the Authority; and (d) in compliance with all applicable federal, state, county and local or municipal statutes, ordinances and regulations.

2. Compensation of Services. Compensation for the Services provided under this Agreement shall be provided in accordance with the compensation schedule attached hereto as **Exhibit A**. The Contractor shall be responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as provided herein, unless said reimbursement or compensation is approved in writing by the Authority in advance of incurring such expenses. Exhibit A may take any form. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in Exhibit A, the terms in the body of this Agreement shall govern.

3. Independent Contractor. The Contractor is an independent contractor and nothing herein shall constitute or designate the Contractor or any of its employees or agents as employees or agents of the Authority. The Contractor is not entitled to workers' compensation benefits or unemployment insurance benefits and the Authority will not provide any insurance coverage or employment benefits of any kind or type to or for the Contractor or its employees, sub-consultants, contractors, agents, or representatives. The Contractor shall have full power and authority to select the means, manner and method of performing its duties under this Agreement, without detailed control or direction from the Authority, and shall be responsible for supervising its own employees or subcontractors. The Authority is concerned only with the results to be obtained.

4. Prohibitions on Public Contracts for Services. The Contractor shall comply with the provisions of §§ 8-17.5-101, *et seq.*, C.R.S., and certifies that Contractor is in compliance with the provisions of this law as evidenced by Contractor's signature below. Contractor's violation of the requirements of §§ 8-17.5-101, *et seq.*, C.R.S. is grounds for termination of the Agreement and may subject the Contractor to actual and consequential damages.

The Contractor affirmatively makes the follow declarations:

a. The Contractor shall not knowingly employ or contract with a worker without authorization who will perform work under the public contract for services contemplated in the Agreement and will participate in the E-Verify Program or Department Program (as defined in §8-17.5-101, C.R.S.) in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services contemplated herein.

b. The Contractor shall not knowingly enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with a worker without authorization to perform the services contemplated in the Agreement.

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

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

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

i. Notify the subcontractor and the Authority within three (3) days that the Contractor has actual knowledge that the subcontractor is employing or contracting with a worker without authorization.

ii. Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice required above the subcontractor does not stop employing or contracting with the worker without authorization; except that the Contractor shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with a worker without authorization.

f. The Contractor shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that such Department is undertaking pursuant to the authority established in §8-17.5-102, C.R.S.

5. Contractor's Insurance. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of the Agreement, the following insurance coverage: (i) Standard worker's compensation and employer's liability insurance covering all employees of Contractor involved with the performance of the services, with policy amounts and coverage in compliance with law; (ii) Commercial General Liability Insurance with minimum limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 general aggregate (iii) Comprehensive Automobile Liability Insurance covering all owned, non-owned and hired automobiles used in connection with the performance of the services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage, and (iv) any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the Authority may carry, and any insurance maintained by the Authority shall be considered excess. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the Authority as an additional insured. The Contractor's failure to purchase the required insurance shall not serve to release it from any obligations; nor shall the purchase of the required insurance serve to limit the

Contractor's liability. The Contractor shall be responsible for the payment of any deductibles on issued policies.

6. Indemnification. The Contractor shall defend, indemnify and hold harmless the Authority and each of its directors, officers, contractors, employees, agents and consultants, from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses, including legal expenses and attorneys' fees, arising directly or indirectly out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Contractor or any of its subcontractors, officers, agents or employees. The Contractor is not obligated to indemnify the Authority for the Authority's own negligence. This indemnification obligation will not be limited in any way by any limitation on the amount or types of damages, compensation or benefits payable by or for the Contractor under worker's compensation acts, disability acts or other employee benefit acts. Such indemnity shall survive the expiration or termination of this Agreement. To the extent the Authority is or may be obligated to indemnify, defend, or hold Contractor harmless under the terms of the Agreement, any such indemnification obligation shall arise only to the extent permitted by applicable law and shall be limited solely to sums lawfully appropriated for such purpose in accordance with this Agreement.

7. Termination. This Agreement may be terminated by either party for cause or for convenience upon ten (10) days prior written notice to the other party. If the Agreement is terminated, the Contractor shall be paid for all Services satisfactorily performed prior to the designated termination date, including reimbursable expenses due. Said payment shall be made in the normal course of business.

8. Notices. Any notice or communication required under this Agreement must be in writing, and may be given personally, sent via nationally recognized overnight carrier service, or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same will be deemed to have been given and received on the first to occur of: (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (ii) three days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered or sent via nationally recognized overnight carrier service, a notice will be deemed to have been given and received on the first to occur of: (i) one business day after being deposited with a nationally recognized overnight air courier service; or (ii) delivery to the party to whom it is addressed. Any party hereto may at any time, by giving notice to the other party hereto as provided in this Section 8 of this Agreement, designate additional persons to whom notices or communications will be given and designate any other address in substitution of the address to which such notice or communication will be given. Such notices or communications will be given to the parties at their addresses set forth below:

Authority:	Tallyn's Reach Authority c/o CliftonLarsonAllen 8390 E. Crescent Parkway #500 Greenwood Village, Colorado 80111 Attention: Celeste Terrell Email: <a href="mailto:celeste.terrell@claconnect.com">celeste.terrell@claconnect.com</a>
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With a Copy to:	WHITE BEAR ANKELE TANAKA & WALDRON 2154 E. Commons Ave., Suite 2000 Centennial, CO 80122 Attention: Blair M. Dickhoner, Esq. E-mail: <a href="mailto:bdickhoner@wbapc.com">bdickhoner@wbapc.com</a>
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Contractor:	Sean Walsh Consulting, Inc. 1065 Emerson St. #B.
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Denver, CO 80218  
 Phone: (303) 903-1749  
 E-mail: [walshseanw@comcast.net](mailto:walshseanw@comcast.net)

9. Governing Law / Disputes. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions shall be in the District Court in and for the county in which the Authority is located.

10. Subject to Annual Appropriation and Budget. The Authority does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The obligations of the Authority under this Agreement is subject to annual budgeting and appropriations, and the Contractor expressly understands and agrees that the decision whether or not to budget and appropriate funds is within the discretion of Authority's governing body, and the obligations of the Authority shall extend only to monies appropriated for the purposes of this Agreement and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. The Authority and Contractor understand and intend that the Authority's obligation to make payments and pay other amounts due under the Agreement shall constitute a current expense and shall not in any way be construed to be a debt in contravention of any applicable constitutional or statutory limitations or requirements.

11. Governmental Immunity. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the Authority, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the Authority and, in particular, governmental immunity afforded or available to the Authority pursuant to the §§ 24-10-101, *et seq.*, C.R.S.

12. Remedies. To the extent the Contractor's remedies for a Authority default under the Agreement include any right to accelerate amounts to become due under the Agreement, such acceleration shall be limited solely to sums lawfully appropriated for such purpose and shall further be limited to amounts to become due during the Authority's then current fiscal period.

13. Negotiated Provisions. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being acknowledged that each party has contributed substantially and materially to the preparation of this Agreement.

14. Severability. If any portion of this Agreement is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

15. Miscellaneous. This Agreement constitutes the entire agreement between the parties with respect to the matters addressed herein, and shall supersede all prior oral or written negotiations, understandings and commitments.

16. Counterpart Execution. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall

be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

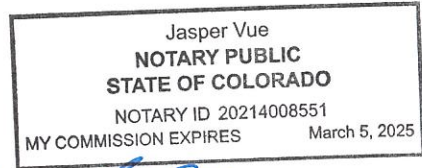
<b>Authority:</b>	<b>Contractor:</b>
By: _____	By: <u>Sean Walsh</u>
Name: _____	Name: <u>Sean Walsh</u>
Title: _____	Title: <u>PRESIDENT</u>

STATE OF COLORADO )  
 ) ss.  
 COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of APRIL, 2022, by Sean Walsh as president of Sean Walsh Consulting, Inc.

Witness my hand and official seal.

My commission expires: MARCH 5<sup>TH</sup>, 2025



Jasper Vue  
 Notary Public



**Exhibit A**  
(Scope of Services/Compensation Schedule)

**Provide general strategic direction.** Community awareness and support is critical to getting voter approval of changes to how the district finances debt. If executed well, community outreach efforts can communicate that the District is transparent, accountable, inclusive, and desirous of citizen involvement. Consultant will above all guide the Client in communicating clearly, engaging the community in a timely manner, and making a priority of the upcoming consolidation campaign. Consultant will ensure that contributions of time and energy to community engagement by board members, volunteers, staff and concerned citizens are leveraged to maximum effect.

**Attend meetings and conference calls.** Consultant will physically attend board meetings to report on communications progress. Consultant will also attend other community meetings as necessary. Consultant will participate or lead conference calls as often as required.

**Help client communicate with District residents.** Help the Client interface with the wider District population to:

- Reinforce the integrity of the District, its board and its mission to serve its taxpayers.
- Define the inefficiencies created by having multiple metro districts
- Present consolidation of the metro districts as the appropriate solution
- Outline the cost to the homeowners in a way that's concise and relatable

- Articulate the consequences if the consolidation vote fails

**Help identify coalition partners and gather intelligence from potential detractors.** Chambers of Commerce, service clubs, advocacy groups, Republican and Democrat clubs, municipalities and other stakeholder groups can be very helpful with this effort.

**Oversee vendors to ensure quality and timeliness of product.** Consultant will provide a budget for and help manage any vendors with whom the District agrees to contract in the execution of the above mentioned community outreach strategy – canvassers, direct mail, opinion research, social media and other contractors. Consultant will ensure all subcontractors are fulfilling their respective scopes of work in a professional manner.

**Manage a budget.** Consultant agrees to provide a budget to the Client showing all anticipated items of cost – consulting, opinion research, collateral material, administrative expenses etc.

**Make a best effort.** In general, Consultant commits that he will bring all resources and professional experience to bear to give the District his best effort to achieve the District's strategic communications goals.

The District acknowledges that successful execution of the above objectives in large part requires the active participation of the Tallyn's Reach Metropolitan District board members and other District advocates. The District also acknowledges that Consultant in most cases is unable to effectively participate in direct engagement, i.e. door-to-door canvassing, with citizens.

**Direct the consolidation campaign.** Bringing over 20 years' experience working on local elections to bear, consultant will lead the effort for voter approval – working with vendors, volunteers, coalition partners and board members to articulate a message and contact voters in a timely manner.

**Fee.** I agree to perform the above scope from execution of our contract until the mill levy question is approved for the ballot by the Tallyn's Reach Authority at a rate of \$7,500 per month. Client agrees to reimburse Consultant for reasonable expenses directly related to the execution of the above scope of work plus mileage at the federal reimbursement rate of \$.54 per mile.



# SEAN WALSH CONSULTING

COMMUNICATIONS  
PUBLIC AFFAIRS  
CAMPAIGN MANAGEMENT



Date: April 13th, 2022

To: Blair Dickhoner  
White, Bear, Ankele, Tanaka and Waldron

From: Sean Walsh  
Sean Walsh Consulting

Re: Strategic and Tactical Timeline

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Per the request for more specificity on the engagement plan I envision for Tallyn's Reach, below I have fleshed out the elements of the strategic plan, including deliverables, a timeline and a budget. I look forward to questions or comments from you or the Board members.

Sean Walsh Consulting (SWC) will provide a weekly activity summary and will convene a weekly or bi-weekly Teams or Zoom call to discuss the work ahead.

## Strategic and Tactical Elements

### **Collect Key Influencer Names**

Working with individual Board members, SWC will build a database of residents with personal networks within Tallyn's reach who can influence the opinion of others. Leaders want to be heard, respected and asked for their input. The more of these leaders and influencers we can invest in the process of engagement, the more troops we will have willing to help when the time comes.

### **Outreach to Influencers**

Taking the list provided by Board members, SWC will call them to introduce himself, outline the engagement project in general terms and begin to socialize the need for consolidation. Board members will be encouraged to reach out to their neighbors and

initiate similar conversations. Doing so is a great way to engage the community, enlist support and invest others to message the benefits of consolidation.

### **Frequently Asked Questions**

By the last week of April, SWC will circulate among Board members and staff several potential questions and answers to a variety of issues related to consolidation. Drafting an FAQ document early in the process will help clarify challenges and opportunities and ensure project proponents are using the same messaging. FAQ drafting – initiated and managed by SWC - is an iterative process that includes the input from consultants and Board members. Though initially an internal document, in early June we'll publish a public version on the Metro District website.

### **Opinion Research**

SWC will work with an opinion research team to draft a community survey to test assumptions and reveal priorities. The information we collect will enhance our messaging, beginning with the FAQ. Board members will of course be included in the drafting of the questionnaire and will approve the final version.

### **Communicate District Success**

Through various social media platforms and email, SWC will draft messaging for organic posting on the HOA Facebook page highlighting the recent successes of District leadership – in particular, those decisions that have created efficiencies or saved residents' money. Some of themes we will reinforce include:

- We value your opinion
- Because of good decision-making, your taxes are going down
- The Board of Directors are good stewards of district funds
- Residents receive quality services for the taxes and fees they pay
- Consolidation is an appropriate response to inefficiencies
- There are downsides to continuing the current governance model

By the end of May, SWC will provide the Board a schedule of organic and paid social media advertising, which will start in June.

### **Opposition Outreach**

The opposition to the 2018 ballot questions exploited both a lack of trust of metro district governance and a lack of information. SWC will engage directly with opposition leaders to better understand the source of their objections and how those objections can be addressed – and, if possible, encourage former opponents to publicly endorse the need for consolidation.

## **Monthly Execution Timeline**

### **April**

- Conclude one-on-one in-person meetings with all Board members
- Begin reaching out to influencers in TR

- Schedule a meeting with Aurora CM Francoise Bergan (prior to the Management and Finance Committee meeting)
- Begin drafting FAQ and circulate for input
- Begin drafting a community survey

### May

- Begin drafting community survey
- Continue drafting FAQ
- Continue reaching out to influencers
- Finalize organic and social media posting schedule

### June

- Begin social media organic and ad placement
- Determine whether to go with a mill levy question
- Field a community survey and discuss sharing the results with the residents

### July

- Continue organic and social media ad placement

### August

- Board votes to put the ballot question(s) to the voters
- Finish running social media ads

### Budget

<b>Item of Cost</b>	<b>Amount</b>	<b>Description</b>
Consulting	\$ 37,000	Consulting fees from April 1 through August 31 <sup>st</sup> .
Research	\$ 5,000	Community survey
Social Media	\$ 3,000	Well-targeted FB, Google, Instagram and other digital ads
<b>Total</b>	<b>\$45,000</b>	

**INDEPENDENT CONTRACTOR AGREEMENT  
(ANNUAL BED TRANSITION TO PERENNIAL BEDS)**

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This INDEPENDENT CONTRACTOR AGREEMENT, including any and all exhibits attached hereto (the “**Agreement**”), is entered into as of the 15<sup>th</sup> day of , 2022, by and between TALLYNS REACH AUTHORITY, a contractual authority and political subdivision of the State of Colorado (the “**Authority**”), and Brightview Landscape Services, Inc., a Colorado corporation (the “**Contractor**”). The Authority and the Contractor are referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

**RECITALS**

WHEREAS, Tallyn’s Reach Metropolitan District Nos. 2 and 3 (each a “**District**” and collectively the “**Districts**”) were organized pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S. for the purpose of constructing, financing, operating and maintaining certain public facilities and improvements for itself, its taxpayers, residents and users; and

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

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

WHEREAS, pursuant to their consolidated service plan and §29-1-203, C.R.S., the Districts may coordinate or contract with one another to provide any function, service or facility that they may be authorized to provide individually; and

WHEREAS, on February 12, 2018, the Districts entered into the Tallyn’s Reach Authority Establishment Agreement (the “**Establishment Agreement**”) to establish the Authority, a separate legal entity that is a political subdivision and political corporation of the State of Colorado; and

WHEREAS, pursuant to § 29-1-203.5(2), C.R.S., and the Establishment Agreement, the Board of Directors of the Authority (the “**Board**”) shall have the management control and supervision of all the business and affairs of the Authority; and

WHEREAS, the Authority desires to engage the Contractor to perform certain services as are needed by the Authority to serve the property within and without its boundaries; and

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

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

**TERMS AND CONDITIONS**

1. SCOPE OF SERVICES; PERFORMANCE STANDARDS. The Contractor shall perform the services described in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Services**”): (a) in a professional manner, to the satisfaction of the Authority, using the degree of skill and knowledge customarily employed by other professionals performing similar services; (b) within the time period and pursuant to the Scope of Services specified in said **Exhibit A**; and (c) using reasonable commercial efforts to minimize any annoyance, interference or disruption to the residents, tenants, occupants and invitees within the Authority. **Exhibit A** may take any form, including forms which may include price and payment terms. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in **Exhibit A**, the terms in the body of this Agreement shall govern. Contractor shall have no right or authority, express or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the Authority in any manner whatsoever, except to the extent specifically provided in this Agreement (including **Exhibit A**) or through other authorization expressly delegated to or authorized by the Authority through its Board of Directors.

2. TERM/RENEWAL. This Agreement shall be effective as of the dated date hereof and shall terminate on the earlier to occur of: (i) termination pursuant to Section 18 hereof; (ii) completion of the Services; or (iii) December 31, 2022. Notwithstanding the foregoing, unless terminated pursuant to subsection (i) or (ii) above, or unless the Authority determines not to appropriate funds for this Agreement for the next succeeding year, this Agreement shall automatically renew on January 1 of each succeeding year for an additional one (1) year term.

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

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



5. GENERAL PERFORMANCE STANDARDS.

a. The Contractor has by careful examination ascertained: (i) the nature and location of the Services; (ii) the configuration of the ground on which the Services are to be performed; (iii) the character, quality, and quantity of the labor, materials, equipment and facilities necessary to complete the Services; (iv) the general and local conditions pertaining to the Services; and (v) all other matters which in any way may affect the performance of the Services by the Contractor. Contractor enters into this Agreement solely because of the results of such examination and not because of any representations pertaining to the Services or the provision thereof made to it by the Authority or any agent of the Authority and not contained in this Agreement. The Contractor represents that it has or shall acquire the capacity and the professional experience and skill to perform the Services and that the Services shall be performed in accordance with the standards of care, skill and diligence provided by competent professionals who perform services of a similar nature to those specified in this Agreement. If competent professionals find that the Contractor's performance of the Services does not meet this standard, the Contractor shall, at the Authority's request, re-perform the Services not meeting this standard without additional compensation.

b. The Contractor shall use reasonable commercial efforts to perform and complete the Services in a timely manner. If performance of the Services by the Contractor is delayed due to factors beyond the Contractor's reasonable control, or if conditions of the scope or type of services are expected to change, Contractor shall give prompt notice to the Authority of such a delay or change and receive an equitable adjustment of time and/or compensation, as negotiated between the Parties.

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

d. The Contractor agrees that it has and will continue to comply with all Laws while providing Services under this Agreement. "Laws" means: (i) federal, state, county and local or municipal body or agency laws, statutes, ordinances and regulations; (ii) any licensing bonding, and permit requirements; (iii) any laws relating to storage, use or disposal of hazardous wastes, substances or materials; (iv) rules, regulations, ordinances and/or similar directives regarding business permits, certificates and licenses; (v) regulations and orders affecting safety and health, including but not limited to the Occupational Safety and Health Act of 1970; (vi) Wage and Hour laws, Worker Compensation laws, and immigration laws.

e. The responsibilities and obligations of the Contractor under this Agreement shall not be relieved or affected in any respect by the presence of any agent, consultant, sub-consultant or employee of the Authority. Review, acceptance or approval by the Authority of the Services performed or any documents prepared by the Contractor shall not relieve the Contractor of any responsibility for deficiencies, omissions or errors in said Services or documents, nor shall it be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

6. MONTHLY STATUS REPORT. The Contractor shall provide to the Authority, at the Authority's request, on or before the 25th of each month, a narrative progress and status report

describing work in progress and results achieved during the reporting period, including a description of the Services performed during the invoice period and the Services anticipated to be performed during the ensuing invoice period (“**Monthly Report**”).

7. COMPENSATION AND INVOICES.

a. Compensation. Compensation for the Services provided under this Agreement shall be in accordance with the compensation schedule attached hereto as **Exhibit A**. The Contractor shall be responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as provided in **Exhibit A** of this Agreement, unless said reimbursement or compensation is approved in writing by the Authority in advance of incurring such expenses. Any direct reimbursable costs for materials will be reimbursable at the Contractor’s actual cost, provided that the Contractor shall make a reasonable attempt to notify the Authority of the estimated amount of such reimbursable costs (or any material adjustments thereto subsequently identified) prior to commencing the requested services. Concurrent with the execution of this Agreement, the Contractor shall provide the Authority with a current completed Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification) (“**W-9**”). No payments will be made to the Contractor until the completed W-9 is provided. The W-9 shall be attached hereto and incorporated herein as **Exhibit B**.

b. Invoices. Invoices for the Services shall be submitted monthly, by the 10<sup>th</sup> of each month, during the term of this Agreement and shall contain the following information:

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

The Authority shall be charged only for the actual time and direct costs incurred for the performance of the Services. Invoices received by the Authority after the 10<sup>th</sup> of each month may be processed the following month.

8. TIME FOR PAYMENT. Payment for the Services shall be made by the Authority within thirty (30) days of receipt of: (i) a timely, satisfactory and detailed invoice in the form required by Section 7; and (ii) if applicable, a reasonably satisfactory and detailed Monthly Report, for that portion of the Services performed and not previously billed. The Authority may determine to waive or extend the deadline for filing the Monthly Report, or may make payment for Services to the Contractor notwithstanding a delay in filing the Monthly Report, upon reasonable request of the Contractor, if it is in the interest of the Authority to do so. In the event a Board meeting is not scheduled in time to review payment of an invoice, the Board hereby authorizes payment for Services, subject to the appropriation and budget requirements under Section 27 hereof, without the need for additional Board approval, so long as any payment required to be made does not exceed the amounts appropriated for such Services as set forth in the Authority’s approved budget. Such payment shall require review and approval of each Monthly Report and invoice by two officers of the Authority.

9. INDEPENDENT CONTRACTOR. The Contractor is an independent contractor and nothing in this Agreement shall constitute or designate the Contractor or any of its employees or agents as employees or agents of the Authority. The Contractor shall have full power and authority to select the means, manner and method of performing its duties under this Agreement, without detailed control or direction from the Authority, and shall be responsible for supervising its own employees or subcontractors. The Authority is concerned only with the results to be obtained. The Authority shall not be obligated to secure, and shall not provide, any insurance coverage or employment benefits of any kind or type to or for the Contractor or its employees, sub-consultants, contractors, agents, or representatives, including coverage or benefits related but not limited to: local, state or federal income or other tax contributions, insurance contributions (e.g. FICA taxes), workers' compensation, disability, injury, health or life insurance, professional liability insurance, errors and omissions insurance, vacation or sick-time benefits, retirement account contributions, or any other form of taxes, benefits or insurance. The Contractor shall be responsible for its safety, and the safety of its employees, sub-contractors, agents, and representatives. All personnel furnished by the Contractor will be deemed employees or sub-contractors of the Contractor and will not for any purpose be considered employees or agents of the Authority. **The Contractor is not entitled to worker's compensation benefits or unemployment insurance benefits, unless unemployment compensation coverage is provided by the Contractor or some other entity other than the Authority, and the Contractor is obligated to pay federal and state income taxes on moneys by it earned pursuant to this Agreement.**

10. EQUAL OPPORTUNITY / EMPLOYMENT ELIGIBILITY. This Agreement is subject to all applicable laws and executive orders relating to equal opportunity and non-discrimination in employment and the Contractor represents and warrants that it will not discriminate in its employment practices in violation of any such applicable law or executive order.

The Contractor hereby states that it does not knowingly employ or contract with workers without authorization and that the Contractor has participated in or has attempted to participate in the E-Verify Program or Department Program (formerly known as the Basic Pilot Program) (as defined in §8-17.5-101, C.R.S.) in order to verify that it does not employ any workers without authorization. The Contractor affirmatively makes the follow declarations:

a. The Contractor shall not knowingly employ or contract with a worker without authorization who will perform work under the public contract for services contemplated in this Agreement and will participate in the E-Verify Program or Department Program (as defined in §8-17.5-101, C.R.S.) in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for Services contemplated in this Agreement.

b. The Contractor shall not knowingly enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with a worker without authorization to perform the services contemplated in this Agreement.

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

d. The Contractor is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while this Agreement is being performed.

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

i. Notify the subcontractor and the Authority within three (3) days that the Contractor has actual knowledge that the subcontractor is employing or contracting with a worker without authorization.

ii. Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice required above the subcontractor does not stop employing or contracting with the worker without authorization; except that the Contractor shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with a worker without authorization.

f. The Contractor shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation involving matters under this Section 10 that such Department is undertaking pursuant to the authority established in § 8-17.5-102, C.R.S.

g. If the Contractor violates a provision of this Agreement pursuant to which § 8-17.5-102, C.R.S., applies the Authority may terminate this Agreement upon three (3) days written notice to the Contractor. If this Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the Authority.

#### 11. CONTRACTOR'S INSURANCE.

a. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of this Agreement, insurance coverage in the minimum amounts set forth in **Exhibit C**, attached hereto and incorporated herein by this reference. A waiver of subrogation and rights of recovery against the Authority, its directors, officers, employees and agents is required for Commercial General Liability and Workers Compensation coverage. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the Authority as an additional insured. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the Authority may carry, and any insurance maintained by the Authority shall be considered excess. The Authority shall have the right to verify or confirm, at any time, all coverage, information or representations contained in this Agreement.

b. Prior to commencing any work under this Agreement, the Contractor shall provide the Authority with a certificate or certificates evidencing the policies required by this Agreement, as well as the amounts of coverage for the respective types of coverage, which certificate(s) shall be attached hereto as **Exhibit C-1**. If the Contractor subcontracts any portion(s) of the Services, said subcontractor(s) shall be required to furnish certificates evidencing statutory workers' compensation insurance, comprehensive general liability insurance and automobile liability insurance in amounts satisfactory to the Authority and the Contractor; provided, however, that sub-contractors of the Contractor shall not be required by the Authority to provide coverage in excess of that which is required hereunder of the Contractor. If the coverage required expires during the term of this Agreement, the Contractor or subcontractor shall provide replacement certificate(s) evidencing the continuation of the required policies.

c. The Contractor's failure to purchase the required insurance shall not serve to release it from any obligations contained in this Agreement; nor shall the purchase of the required insurance serve to limit the Contractor's liability under any provision in this Agreement. The Contractor shall be responsible for the payment of any deductibles on issued policies.

## 12. CONFIDENTIALITY AND CONFLICTS.

a. Confidentiality. Any information deemed confidential by the Authority and given to the Contractor by the Authority, or developed by the Contractor as a result of the performance of a particular task, shall remain confidential. In addition, the Contractor shall hold in strict confidence, and shall not use in competition, any information which the Contractor becomes aware of under or by virtue of this Agreement which the Authority deems confidential, or which the Authority has agreed to hold confidential, or which, if revealed to a third party, would reasonably be construed to be contrary to the interests of the Authority. Confidential information shall not include, however, any information which is: (i) generally known to the public at the time provided to the Contractor; (ii) provided to the Contractor by a person or entity not bound by confidentiality to the Authority; or (iii) independently developed by the Contractor without use of the Authority's confidential information. During the performance of this Agreement, if the Contractor is notified that certain information is to be considered confidential, the Contractor agrees to enter into a confidentiality agreement in a form reasonably acceptable to the Authority and the Contractor. The Contractor agrees that any of its employees, agents or subcontractors with access to any information designated thereunder as confidential information of the Authority shall agree to be bound by the terms of such confidentiality agreement.

b. Personal Identifying Information. During the performance of this Agreement, the Authority may disclose Personal Identifying Information to the Contractor. "**Personal Identifying Information**" means a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver's license or identification card number; a government passport number; biometric data, as defined in § 24-73-103(1)(a), C.R.S.; an employer, student, or military identification number; or a financial transaction device, as defined in § 18-5-701(3), C.R.S. In compliance with § 24-73-102, C.R.S., the Contractor agrees to implement and maintain reasonable security procedures and practices that are: (i) appropriate to the nature of the Personal Identifying Information disclosed to the Contractor; and (ii) reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.

c. Conflicts. Prior to the execution of, and during the performance of this Agreement and prior to the execution of future agreements with the Authority, the Contractor agrees to notify the Authority of conflicts known to the Contractor that impact the Contractor's provision of Services to the Authority.

13. OWNERSHIP OF DOCUMENTS. All documents produced by or on behalf of the Contractor pursuant to this Agreement, including, but not limited to, all maps, plans, drawings, specifications, reports, electronic files and other documents, in whatever form, shall remain the property of the Authority under all circumstances, upon payment to the Contractor of the invoices representing the work by which such materials were produced. At the Authority's request the Contractor will provide the Authority with all documents produced by or on behalf of the Contractor pursuant to this Agreement. The Contractor shall maintain electronic and reproducible copies on file of any such instruments of service involved in the Services for a period of two (2) years after termination of this Agreement, shall make them available for the Authority's use and shall provide such copies to the Authority upon request at no cost.

14. LIENS AND ENCUMBRANCES. The Contractor shall not have any right or interest in any Authority assets, or any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated in this Agreement. The Contractor, for itself, hereby waives and releases any and all statutory or common law mechanic's, materialmen's or other such lien claims, or rights to place a lien upon the Authority's property or any improvements thereon in connection with any Services performed under or in connection with this Agreement, and the Contractor shall cause all permitted subcontractors, suppliers, materialmen, and others claiming by, through or under the Contractor to execute similar waivers prior to commencing any work or providing any materials in connection with the Services. The Contractor further agrees to execute a sworn affidavit respecting the payment and lien releases of all subcontractors, suppliers and materialmen, and release of lien respecting the Services at such time or times and in such form as may be reasonably requested by the Authority. The Contractor will provide indemnification against all such liens for labor performed, materials supplied or used by the Contractor and/or any other person in connection with the Services undertaken by the Contractor, in accordance with Section 15, below.

15. INDEMNIFICATION.

a. The Contractor shall defend, indemnify and hold harmless the Authority and each of its directors, officers, contractors, employees, agents and consultants (collectively, the "**Authority Indemnitees**"), from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses (the "**Claims**"), including reasonable legal expenses and attorneys' fees actually incurred, by the Authority Indemnitees arising directly or indirectly, in whole or in part, out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Contractor or any of its subcontractors, officers, agents or employees, in connection with this Agreement and/or the Contractor's performance of the Services or work pursuant to this Agreement. Notwithstanding anything else in this Agreement or otherwise to the contrary, the Contractor is not obligated to indemnify the Authority Indemnitees for the negligence of the Authority or the negligence of any other Authority Indemnitee, except the Contractor. Except as otherwise provided by applicable law, this indemnification obligation will not be limited in any way by any limitation on the amount or types of damages, compensation or

benefits payable by or for the Contractor under workers' compensation acts, disability acts or other employee benefit acts, provided that in no event shall the Contractor be liable for special/consequential or punitive damages.

b. In the event the Contractor fails to assume the defense of any Claims under this Section 15 within fifteen (15) days after notice from the Authority of the existence of such Claim, the Authority may assume the defense of the Claim with counsel of its own selection, and the Contractor will pay all reasonable expenses of such counsel. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation.

c. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation. The Contractor shall obtain, at its own expense, any additional insurance that it deems necessary with respect to its obligations under this Agreement, including the indemnity obligations set forth in Section 15. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

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

17. SUB-CONTRACTORS. The Contractor is solely and fully responsible to the Authority for the performance of all Services in accordance with the terms set forth in this Agreement, whether performed by the Contractor or a subcontractor engaged by the Contractor, and neither the Authority's approval of any subcontractor, suppliers, or materialman, nor the failure of performance thereof by such persons or entities, will relieve, release, or affect in any manner the Contractor's duties, liabilities or obligations under this Agreement. The Contractor shall not subcontract any Services without prior written approval by the Authority. The Contractor agrees that each and every agreement of the Contractor with any subcontractor to perform Services under this Agreement shall contain an indemnification provision identical to the one contained in this Agreement holding the Authority harmless for the acts of the subcontractor. Prior to commencing any Services, a subcontractor shall provide evidence of insurance coverage to the Authority in accordance with the requirements of this Agreement. The Contractor further agrees that all such subcontracts shall provide that they may be terminated immediately without cost or penalty upon termination of this Agreement, other than payment for services rendered prior to the date of any such termination.

18. TERMINATION. In addition to the termination provisions contained in Section 2, above, this Agreement may be terminated for convenience by the Contractor upon delivery of thirty (30) days prior written notice to the Authority and by the Authority by giving the Contractor thirty (30) days prior written notice. Each Party may terminate this Agreement for cause at any time upon written notice to the other Party setting forth the cause for termination and the notified Party's failure to cure the cause to the reasonable satisfaction of the Party given such notice within the cure period set forth in Section 19. If this Agreement is terminated, the Contractor shall be paid for all the Services satisfactorily performed prior to the designated termination date, including

reimbursable expenses due. Said payment shall be made in the normal course of business. Should either Party to this Agreement be declared bankrupt, make a general assignment for the benefit of creditors or commit a substantial and material breach of this Agreement in the view of the other Party, said other Party shall be excused from rendering or accepting any further performance under this Agreement. In the event of termination of this Agreement, the Contractor shall cooperate with the Authority to ensure a timely and efficient transition of all work and work product to the Authority or its designees. All time, fees and costs associated with such transition shall not be billed by the Contractor to the Authority.

19. DEFAULT. If either Party fails to perform in accordance with the terms, covenants and conditions of this Agreement, or is otherwise in default of any of the terms of this Agreement, the non-defaulting party shall deliver written notice to the defaulting party of the default, at the address specified in Section 20 below, and the defaulting party will have ten (10) days from and after receipt of the notice to cure the default. If the default is not of a type which can be cured within such ten (10)-day period and the defaulting party gives written notice to the non-defaulting party within such ten (10)-day period that it is actively and diligently pursuing a cure, the defaulting party will have a reasonable period of time given the nature of the default following the end of the ten (10)-day period to cure the default, provided that the defaulting party is at all times within the additional time period actively and diligently pursuing the cure. If any default under this Agreement is not cured as described above, the non-defaulting party will, in addition to any other legal or equitable remedy, have the right to terminate this Agreement and enforce the defaulting party's obligations pursuant to this Agreement by an action for injunction or specific performance.

20. NOTICES. Any notice or communication required under this Agreement must be in writing, and may be given personally, sent via nationally recognized overnight carrier service, or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same will be deemed to have been given and received on the first to occur of: (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent; or (ii) three days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered or sent via nationally recognized overnight carrier service, a notice will be deemed to have been given and received on the first to occur of: (i) one business day after being deposited with a nationally recognized overnight air courier service; or (ii) delivery to the party to whom it is addressed. Any party hereto may at any time, by giving written notice to the other party hereto as provided in this Section 20 of this Agreement, designate additional persons to whom notices or communications will be given, and designate any other address in substitution of the address to which such notice or communication will be given. Such notices or communications will be given to the parties at their addresses set forth below:

Authority:

Tallyn's Reach Authority  
c/o CliftonLarsonAllen  
8390 E. Crescent Parkway #300  
Greenwood Village, CO 80111  
Attention: Celeste Terrell  
Phone: (303) 265-7875  
Email: [celeste.terrell@claconnect.com](mailto:celeste.terrell@claconnect.com)



With a Copy to:

WHITE BEAR ANKELE TANAKA & WALDRON  
2154 E. Commons Ave., Suite 2000  
Centennial, CO 80122  
Attention: Blair M. Dickhoner, Esq.  
Phone: (303) 858-1800  
E-mail: [bdickhoner@wbapc.com](mailto:bdickhoner@wbapc.com)

Contractor:

BrightView Landscape Services, Inc.  
8888 N. Motsenbocker Rd., Ste. A  
Parker, CO 80134  
Attention: Sara Ruttman  
Phone: (303) 229-5589  
Email: [sara.ruttman@brightview.com](mailto:sara.ruttman@brightview.com)

21. AUDITS. The Authority shall have the right to audit, with reasonable notice, any of the Contractor's books and records solely as are necessary to substantiate any invoices and payments under this Agreement (including, but not limited to, receipts, time sheets, payroll and personnel records) and the Contractor agrees to maintain adequate books and records for such purposes during the term of this Agreement and for a period of two (2) years after termination of this Agreement and to make the same available to the Authority at all reasonable times and for so long thereafter as there may remain any unresolved question or dispute regarding any item pertaining thereto.

22. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Parties hereto relating to the Services, and sets forth the rights, duties, and obligations of each to the other as of this date, and hereby supersedes any and all prior negotiations, representations, agreements or arrangements of any kind with respect to the Services, whether written or oral. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be modified except by a writing executed by both the Contractor and the Authority.

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

24. NO WAIVER. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in this Agreement, nor shall the waiver of any default be deemed a waiver of any subsequent default.

25. GOVERNING LAW.

a. Venue. Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the Authority is located. The Parties expressly and irrevocably waive any objections or rights which may affect venue of any such action, including, but not limited to, *forum non-conveniens* or otherwise. At the Authority's request, the Contractor shall carry on its duties and obligations under this Agreement during any legal proceedings and

the Authority shall continue to pay for the Services performed under this Agreement until and unless this Agreement is otherwise terminated.

b. Choice of Law. Colorado law shall apply to any dispute, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado.

c. Litigation. At the Authority's request, the Contractor will consent to being joined in litigation between the Authority and third parties, but such consent shall not be construed as an admission of fault or liability. The Contractor shall not be responsible for delays in the performance of the Services caused by factors beyond its reasonable control including delays caused by Act of God, accidents, failure of any governmental or other regulatory authority to act in a timely manner or failure of the Authority to furnish timely information or to approve or disapprove of Contractor's Services in a timely manner.

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

27. SUBJECT TO ANNUAL APPROPRIATION AND BUDGET. The Authority does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The Contractor expressly understands and agrees that the Authority's obligations under this Agreement shall extend only to monies appropriated for the purposes of this Agreement by the Board and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this Agreement shall be construed or interpreted as a delegation of governmental powers by the Authority, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the Authority or statutory debt limitation, including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of Authority funds. The Authority's obligations under this Agreement exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this Agreement.

28. GOVERNMENTAL IMMUNITY. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the Authority, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the Authority and, in particular, governmental immunity afforded or available to the Authority pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

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

30. SEVERABILITY. If any portion of this Agreement is declared by any court of competent jurisdiction to be invalid, void or unenforceable, such decision shall not affect the validity of any other portion of this Agreement which shall remain in full force and effect, the intention being that such portions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

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

32. OPEN RECORDS. The Parties understand that all material provided or produced under this Agreement may be subject to the Colorado Open Records Act, §§ 24-72-202, *et seq.*, C.R.S.

33. WARRANTY AND PERMITS. The Contractor shall and does by this Agreement guarantee and warrant that all workmanship, materials, and equipment furnished, installed, or performed for the accomplishment of the Services (collectively, the “**Work**”) will be of good quality and new, unless otherwise required or permitted by this Agreement. The Contractor further warrants that the Work will conform to all requirements of this Agreement and the applicable building code and all other applicable laws, ordinances, codes, rules and regulations of any governmental authorities having jurisdiction over the Work. All materials are subject to the satisfaction and acceptance of the Authority, but payments for the completed Work will not constitute final acceptance nor discharge the obligation of the Contractor to correct defects at a later date. Such warranties set forth in this Agreement are in addition to, and not in lieu of, any other warranties prescribed by Colorado law.

a. The Contractor hereby warrants the Work for a period of one (1) year from the date of completion and initial acceptance of the Work. The Contractor will immediately correct or replace any Work that is defective or not conforming to this Agreement at its sole expense to the reasonable satisfaction of the Authority. The Contractor’s guarantees and warranties shall in all cases survive termination of this Agreement. This warranty shall be enforceable by the Authority, its successors and assigns.

b. Prior to final payment for any Services involving Work, and at any time thereafter but before the final inspection, as set forth below, the Contractor and the Authority shall, at the request of the Authority, conduct an inspection of the Work for the purpose of determining whether any Work is defective or otherwise not in conformance with this Agreement. The Contractor’s fees and costs associated with the inspection shall be included in the compensation schedule set forth in **Exhibit A** and shall not be billed separately to the Authority. In the event the Contractor neglects to include the fees and costs associated with the inspection in the compensation schedule set forth in **Exhibit A**, the Contractor is deemed to have waived these fees and costs. After completion of the inspection, the Authority will provide the Contractor with written notice

of any Work requiring corrective action. The Contractor agrees to correct or replace the defective Work within a reasonable time, as agreed to by the Parties, but in no event later than thirty (30) calendar days from the date of notice from the Authority, unless otherwise agreed to by the Authority.

c. The Contractor agrees that if warranty issues appear before payment has been made under this Agreement, the Authority may withhold payment until such warranty issues are resolved to the Authority's satisfaction. If repair or replacement of any warranty or defective Work is not made by the Contractor promptly upon request by the Authority as set forth in this Agreement, in addition to any other remedy, the Authority may withhold any payment the Authority may owe to the Contractor, including payments under other contracts or agreements related or unrelated to the Work and Services.

d. The Contractor shall promptly notify the Authority of any Work, whether by the Contractor, its subcontractors or any third parties, which the Contractor believes to be defective or not conforming with this Agreement.

e. The Contractor shall, at its expense, obtain all permits, licenses and other consents required from all governmental authorities, utility companies and appropriate parties under any restrictive covenants in connection with the Work. The Contractor shall comply with all of the terms and conditions of all permits, licenses and consents.

f. At or around eleven (11) months, but no more than one (1) year, after the completion and acceptance of the Work, the Contractor and the Authority shall, at the request of the Authority, conduct a final inspection of the Work for the purpose of determining whether any Work is defective or otherwise not in conformance with this Agreement. The Contractor's fees and costs associated with the inspection shall be included in the compensation schedule set forth in **Exhibit A** and shall not be billed separately to the Authority. In the event the Contractor neglects to include the fees and costs associated with the inspection in the compensation schedule set forth in **Exhibit A**, the Contractor is deemed to have waived these fees and costs. After completion of the final inspection, the Authority will provide the Contractor with written notice of any Work requiring corrective action. In the event the Contractor does not correct or replace the defective Work within thirty (30) calendar days from the date of notice from the Authority, or within such other reasonable time as agreed to by the Parties, the Authority may correct or replace the defective Work and the Contractor shall reimburse the Authority for the related costs and fees.

34. TAX EXEMPT STATUS. The Authority is exempt from Colorado state sales and use taxes. Accordingly, taxes from which the Authority is exempt shall not be included in any invoices submitted to the Authority. The Authority shall, upon request, furnish Contractor with a copy of its certificate of tax exemption. Contractor and subcontractors shall apply to the Colorado Department of Revenue, Sales Tax Division, for an Exemption Certificate and purchase materials tax free. The Contractor and subcontractors shall be liable for exempt taxes paid due to failure to apply for Exemption Certificates or for failure to use said certificate.

35. COUNTERPART EXECUTION. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a

PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

*[Signature pages follow].*

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

**AUTHORITY:**

TALLYN'S REACH AUTHORITY, a contractual authority and political subdivision of the State of Colorado

DocuSigned by:

David Patterson

7BD319407C7A455...

\_\_\_\_\_  
Officer of the Authority

ATTEST:

DocuSigned by:

[Signature]

5D0F27EA0668456...

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

DocuSigned by:

Blair Dickhoner

DBCBC3D5CA84CA...

\_\_\_\_\_  
General Counsel for the Authority

*District's Signature Page to Independent Contractor Agreement for Annual Bed Transition to Perennial Beds Services with BrightView Landscape Services, Inc., dated March 15, 2022*

**CONTRACTOR:**

BrightView Landscape Services, Inc., a Colorado corporation

MICHAEL KOMPINSKI

[Signature]  
Printed Name

Branch Manager  
Title

STATE OF COLORADO )

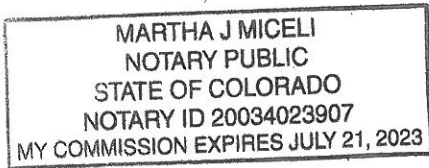
COUNTY OF Douglas )

ss.

The foregoing instrument was acknowledged before me this 21st day of March, 2022, by Michael Kompinski, as the Branch Manager of BrightView Landscape Services, Inc.

Witness my hand and official seal.

My commission expires: July 21, 2023



Martha J Miceli  
Notary Public

*Contractor's Signature Page to Independent Contractor Agreement for Annual Bed Transition to Perennial Beds Services with Tallyn's Reach Authority, dated March 15, 2022*

**EXHIBIT A**

**SCOPE OF SERVICES/COMPENSATION SCHEDULE**



March 08, 2022  
Page 1 of 7

**Proposal for Extra Work at  
Tallyn's Reach Authority**

<b>Property Name</b>	Tallyn's Reach Authority	<b>Contact</b>	Celeste Terrell
<b>Property Address</b>	24900 E Park Crescent Dr. Aurora, CO 80016	<b>To</b>	Tallyn's Reach Authority
		<b>Billing Address</b>	370 Interlocken Blvd Ste 500 Broomfield, CO 80021
<b>Project Name</b>	Perennial Installation		
<b>Project Description</b>	Annual bed transition to Perennial beds, for bed numbers 2,3,4,5,18,20. includes additional new beds		

**Scope of Work**

QTY	UoM/Size	Material/Description
<b>Misc.</b>		
1.00	LUMP SUM	Drive Time Labor
1.00	LUMP SUM	Freight/Delivery
1.00	LUMP SUM	Dump Rate
<b>Bed #2</b>		
1.00	LUMP SUM	Demolition-Labor
5.00	EACH	BLACK EYED SUSAN - 1 gal. Shrub/Perennial Installed
10.00	EACH	CONEFLOWER, PURPLE - 1 gal. Shrub/Perennial Installed
16.00	EACH	DAISY, SNOW CAP - 1 gal. Shrub/Perennial Installed
11.00	EACH	LAVENDAR, ENGLISH - 1 gal. Shrub/Perennial Installed
1.00	CUBIC YARD	Washington Cedar - CUBIC YARD Mulch Installed
<b>Bed #3</b>		
1.00	LUMP SUM	Demolition-Labor
6.00	EACH	BURNING BUSH, DWARF - 6 gal. Shrub/Perennial Installed
15.00	EACH	BLACK EYED SUSAN - 1 gal. Shrub/Perennial Installed
14.00	EACH	DAISY, SNOW CAP - 1 gal. Shrub/Perennial Installed
10.00	EACH	LAVENDAR, ENGLISH - 1 gal. Shrub/Perennial Installed
2.00	CUBIC YARD	Washington Cedar - CUBIC YARD Mulch Installed
<b>Bed #4</b>		
1.00	LUMP SUM	Demolition-Labor
13.00	EACH	CONEFLOWER, PURPLE - 1 gal. Shrub/Perennial Installed
13.00	EACH	BLANKETFLOWER, GOBLIN - 1 gal. Shrub/Perennial Installed

**THIS IS NOT AN INVOICE**

This proposal is valid for 60 days unless otherwise approved by BrightView Landscape Services, Inc.  
8888 Mosenerbocker Road, Suite A, Parker, CO 80134 ph: (303) 641-3003 fax: (303) 641-3177





March 08, 2022

Page 2 of 7

## Proposal for Extra Work at Tallyn's Reach Authority

15.00	EACH	PHLOX, CREEPING (WHITE) - 1 gal. Shrub/Perennial Installed
1.00	CUBIC YARD	Washington Cedar - CUBIC YARD Mulch Installed
<b>Bed #5</b>		
1.00	LUMP SUM	Demolition-Labor
6.00	EACH	BURNING BUSH, DWARF - 5 gal. Shrub/Perennial Installed
11.00	EACH	CONEFLOWER, PURPLE - 1 gal. Shrub/Perennial Installed
10.00	EACH	BLANKETFLOWER, GOBLIN - 1 gal. Shrub/Perennial Installed
14.00	EACH	PHLOX, CREEPING (WHITE) - 1 gal. Shrub/Perennial Installed
2.00	CUBIC YARD	Washington Cedar - CUBIC YARD Mulch Installed
<b>Bed #18</b>		
1.00	LUMP SUM	Demolition-Labor
15.00	EACH	LAVENDAR, ENGLISH - 1 gal. Shrub/Perennial Installed
15.00	EACH	COREOPSIS, MOON BEAM - 1 gal. Shrub/Perennial Installed
0.50	CUBIC YARD	Washington Cedar - CUBIC YARD Mulch Installed
<b>Bed #20</b>		
1.00	LUMP SUM	Demolition-Labor
13.00	EACH	LAVENDAR, ENGLISH - 1 gal. Shrub/Perennial Installed
12.00	EACH	COREOPSIS, MOON BEAM - 1 gal. Shrub/Perennial Installed
0.50	CUBIC YARD	Washington Cedar - CUBIC YARD Mulch Installed
<b>E. and W. corner of Coolidge and Glasgow</b>		
1.00	LUMP SUM	Demolition-Labor
21.00	EACH	BLANKETFLOWER, GOBLIN - 1 gal. Shrub/Perennial Installed
50.00	EACH	PHLOX, CREEPING (WHITE) - 1 gal. Shrub/Perennial Installed
60.00	LINEAR FEET	Green Pro - Edging Installed
1.00	CUBIC YARD	Washington Cedar - CUBIC YARD Mulch Installed
<b>Coolidge and Arapahoe Rd.</b>		
1.00	LUMP SUM	Demolition-Labor
30.00	EACH	LAVENDAR, ENGLISH - 1 gal. Shrub/Perennial Installed
22.00	EACH	COREOPSIS, MOON BEAM - 1 gal. Shrub/Perennial Installed
20.00	LINEAR FEET	Green Pro - Edging Installed

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8888 Notzeböcker Road, Suite A, Parker, CO 80134-ph. (303) 949-3003 fax (303) 941-3177



March 08, 2022

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### Proposal for Extra Work at Tallyn's Reach Authority

1.00	CUBIC YARD	Washington Cedar - CUBIC YARD Mulch Installed
<b>Monument at Glasgow and Arapahoe Rd.</b>		
1.00	LUMP SUM	Demolition-Labor
8.00	EACH	BURNING BUSH, DWARF - 5 gal. Shrub/Perennial Installed
16.00	EACH	BLACK EYED SUSAN - 1 gal. Shrub/Perennial Installed
19.00	EACH	DAISY, SNOW CAP - 1 gal. Shrub/Perennial Installed
13.00	EACH	LAVENDAR, ENGLISH - 1 gal. Shrub/Perennial Installed
50.00	LINEAR FEET	Green Pro - Edging Installed
1.00	CUBIC YARD	Washington Cedar - CUBIC YARD Mulch Installed

#### Monument at Arapahoe Rd. and Aurora Pkwy

1.00	LUMP SUM	Demolition-Labor
6.00	EACH	BURNING BUSH, DWARF - 5 gal. Shrub/Perennial Installed
16.00	EACH	BLACK EYED SUSAN - 1 gal. Shrub/Perennial Installed
19.00	EACH	DAISY, SNOW CAP - 1 gal. Shrub/Perennial Installed
13.00	EACH	LAVENDAR, ENGLISH - 1 gal. Shrub/Perennial Installed
50.00	LINEAR FEET	Green Pro - Edging Installed
1.00	CUBIC YARD	Washington Cedar - CUBIC YARD Mulch Installed

Irrigation is not included in this proposal. Since we are not familiar with the system onsite, we don't know what irrigation is in each bed and what will need to be updated and changed. all irrigation will be done at time and material rates per the maintenance contract.

#### Images

Bed 2 concept drawing

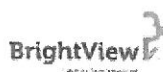


Bed 3 Concept



#### THIS IS NOT AN INVOICE

This proposal is valid for 60 days unless otherwise approved by BrightView Landscape Services, Inc.  
8888 Morzerbocker Road, Suite A, Parker, CO 80134 ph: (303) 847-3023 fax: (303) 841-3177



March 08, 2022  
Page 4 of 7

### Proposal for Extra Work at Tallyn's Reach Authority

**Bed 4 Concept**



**Bed 5 Concept**



**Bed 18 Concept**



**Bed 20 Concept**



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5885 Mosserbocker Road, Suite A, Parker, CO 80134 ph: (303) 841-3003 fax: (303) 841-3177



March 08, 2022

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### Proposal for Extra Work at Tallyn's Reach Authority

**E side Bed Corner of Coolidge Ct and Arapahoe**



**W Side Coolidge ct and Arapahoe**



**W Side coolidge and glasgow bed 2**



**W side coolidge and glasgow bed 1**



**THIS IS NOT AN INVOICE**

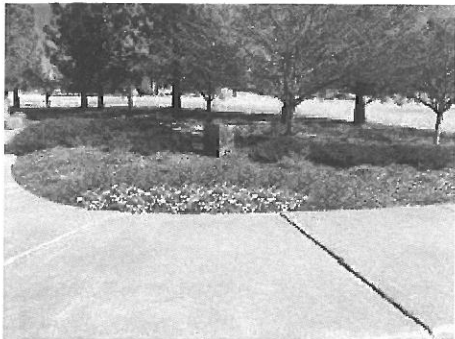
This proposal is valid for 60 days unless otherwise approved by BrightView Landscape Services, Inc.  
8888 Notzeböcker Road, Suite A, Parker, CO 80134 ph: (303) 841-3003 fax (303) 841-3177



March 08, 2022  
Page 5 of 7

### Proposal for Extra Work at Tallyn's Reach Authority

E side glasgow and coolidge



monument glasgow and arapahoe rd



For internal use only

SO# 7754561  
JOB# 400300615  
Service Line 130

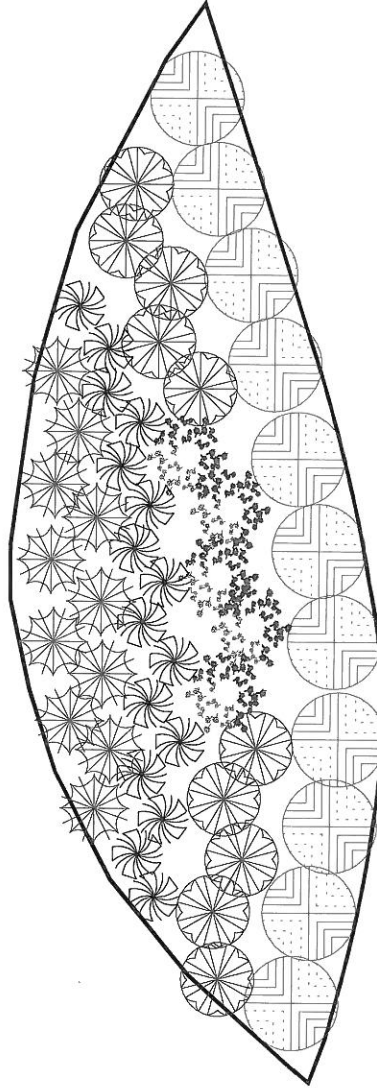
Total Price \$23,396.36

**THIS IS NOT AN INVOICE**

This proposal is valid for 60 days unless otherwise approved by BrightView Landscape Services, Inc.  
8888 Mollenbocker Road, Suite A, Parker, CO 80134 ph. (303) 841-3003 fax (303) 841-2177

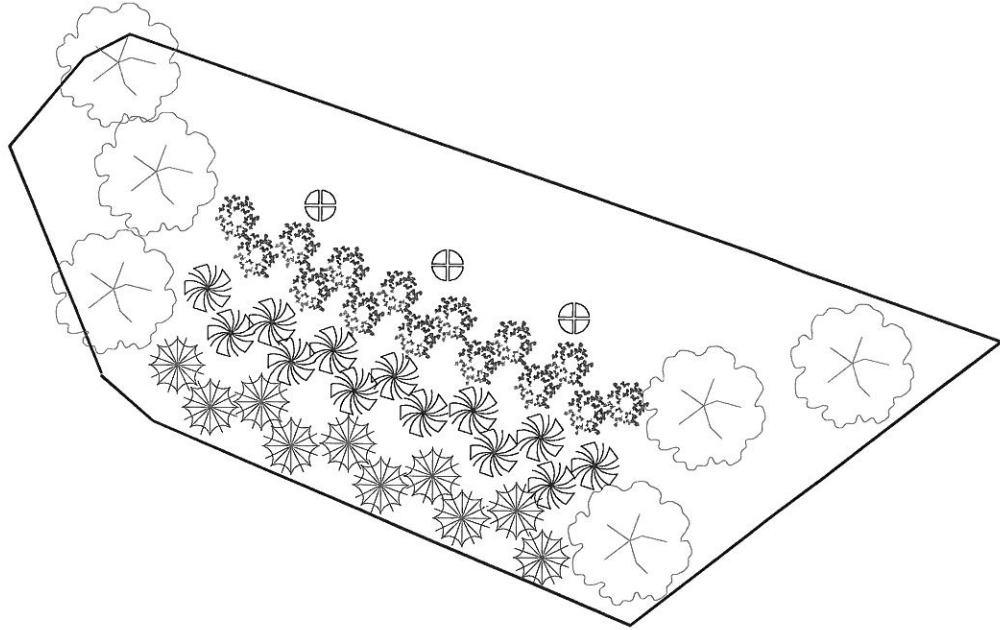
# LEGEND

COMMON NAME	QTY
FLOWER, PERENNIAL	
BLACK EYED SUSAN	5
CONEFLOWER, PURPLE	10
DAISY, SNOW CAP	16
GRASS, KARL FORESTER (EXISTING TO REMAIN)	11
LAVENDER	11



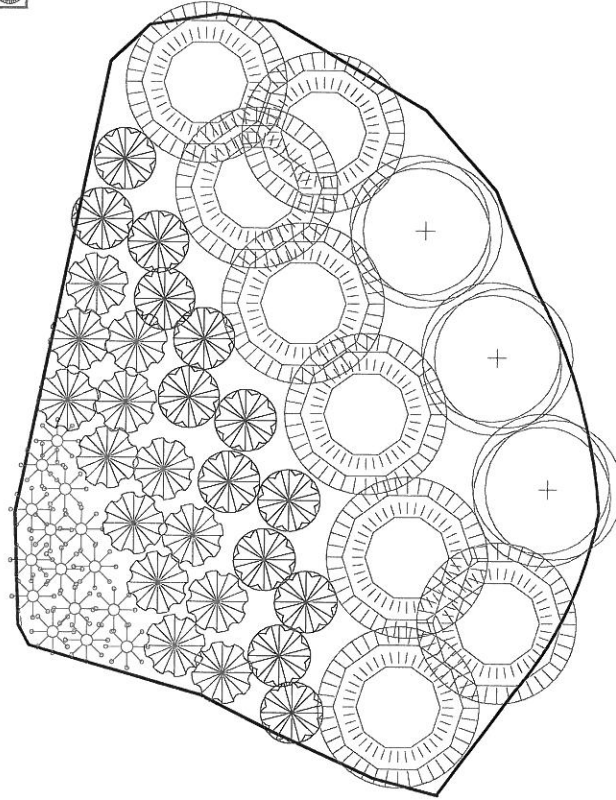
Revision #: Date: 2/21/2022	Scale: 1/4" = 1'	Landscape Plan: Bed #2 Tallyn's Reach Perennial Beds	Landscape Design by: Sara Rutman Brightview
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LEGEND	
COMMON NAME	QTY
FLOWER, PERENNIAL	
BLACK EYED SUSAN	30
DAISY, SNOW CAP	14
LAVENDER	10
SHRUB, DECIDUOUS	
BURNING BUSH DWARF	6



Revision #: Date: 2/21/2022	Scale: 1" = 6'	Landscape Plan: Bed #3 <b>Tallyn's Reach Perennial Beds</b>	Landscape Design by: Sara Rutman <b>Brightview</b>
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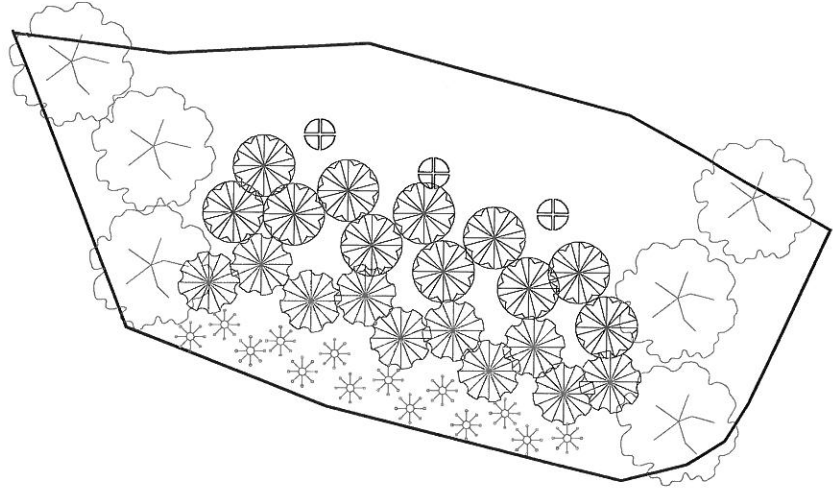
LEGEND	
COMMON NAME	QTY
FLOWER, PERENNIAL	
BLANKETFLOWER	13
CONEFLOWER, PURPLE	13
PHLOX, CREEPING 'WHITE'	15
SHRUB, DECIDUOUS	
DOGWOOD (EXISTING TO REMAIN)	3
SHRUB, EVERGREEN CONIFER	
JUNIPER (EXISTING TO REMAIN)	8



Revision #: Date: 2/14/2022	Scale: 1" = 6'	Landscape Plan: Bed #4 <b>Tallyn's Reach Perennial Beds</b>	Landscape Design by: Sara Rutman <b>Brightview</b>
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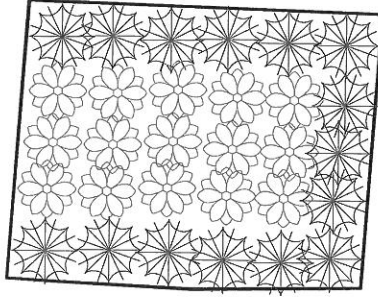


LEGEND	
COMMON NAME	QTY
FLOWER, PERENNIAL	
 BLANKETFLOWER	10
 CONEFLOWER, PURPLE	11
 PHLOX, CREEPING WHITE	14
SHRUB, DECIDUOUS	
 BURNING BUSH DWARF	6



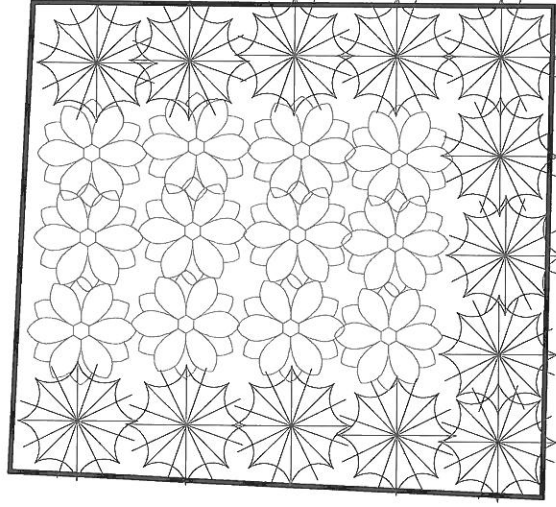
Revision #: Date: 2/21/2022	Scale: 1" = 6'	Landscape Plan: Bed #5 <b>Tallyn's Reach Perennial Beds</b>	Landscape Design by: Sara Rutman <b>Brightview</b>
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<b>LEGEND</b>	
COMMON NAME	QTY
FLOWER, PERENNIAL	
 COREOPSIS, MOONBEAM	15
 LAVENDER	15



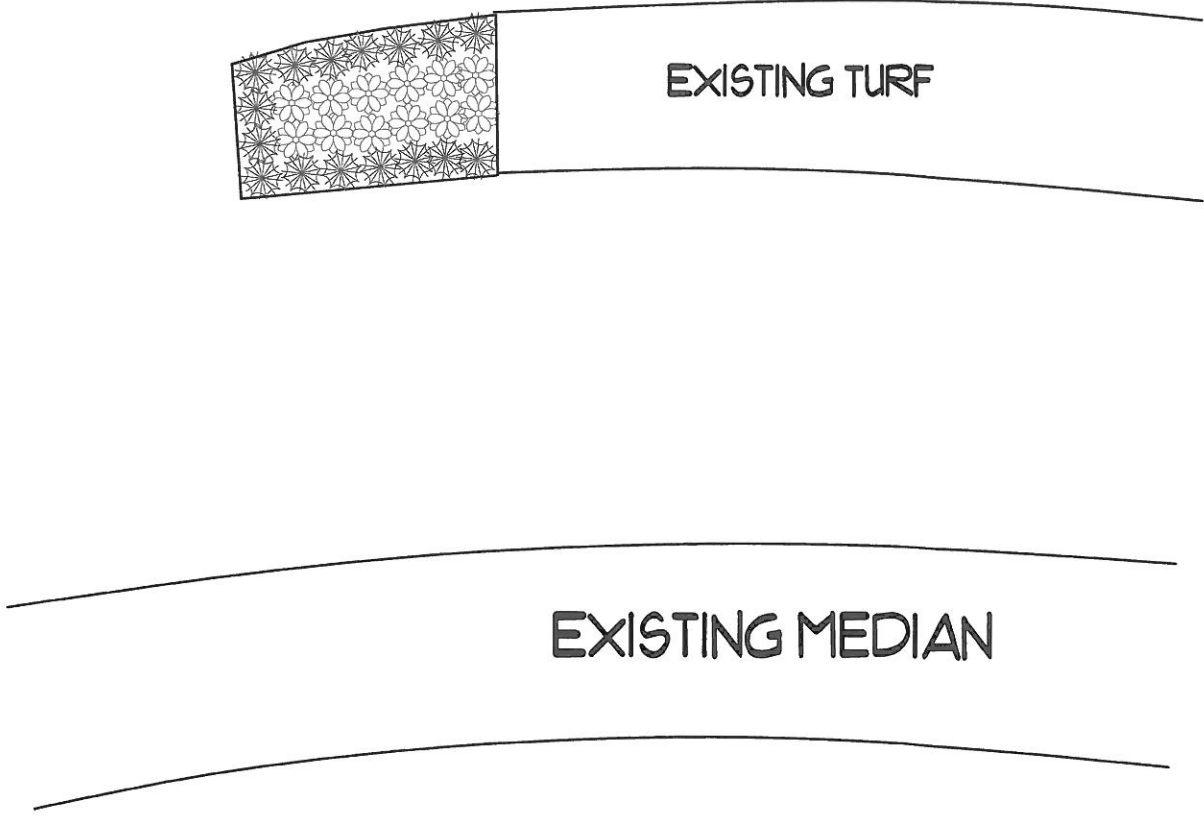
Revision #: Date: 2/21/2022	Scale: 1" = 5'	Landscape Plan: Bed #18 <b>Tallyn's Reach Perennial Beds</b>	Landscape Design by: Sara Rutman <b>Brightview</b>
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LEGEND	
COMMON NAME	QTY
FLOWER, PERENNIAL	
 COREOPSIS, MOONBEAM	12
 LAVENDER	13



Revision #: Date: 2/21/2022	Scale: 3/8" = 1'	Landscape Plan: Bed #20 <b>Tallyn's Reach Perennial Beds</b>	Landscape Design by: Sara Rutman <b>Brightview</b>
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LEGEND	
COMMON NAME	QTY
FLOWER, PERENNIAL	
 COREOPSIS, MOONBEAM	22
 LAVENDER	30



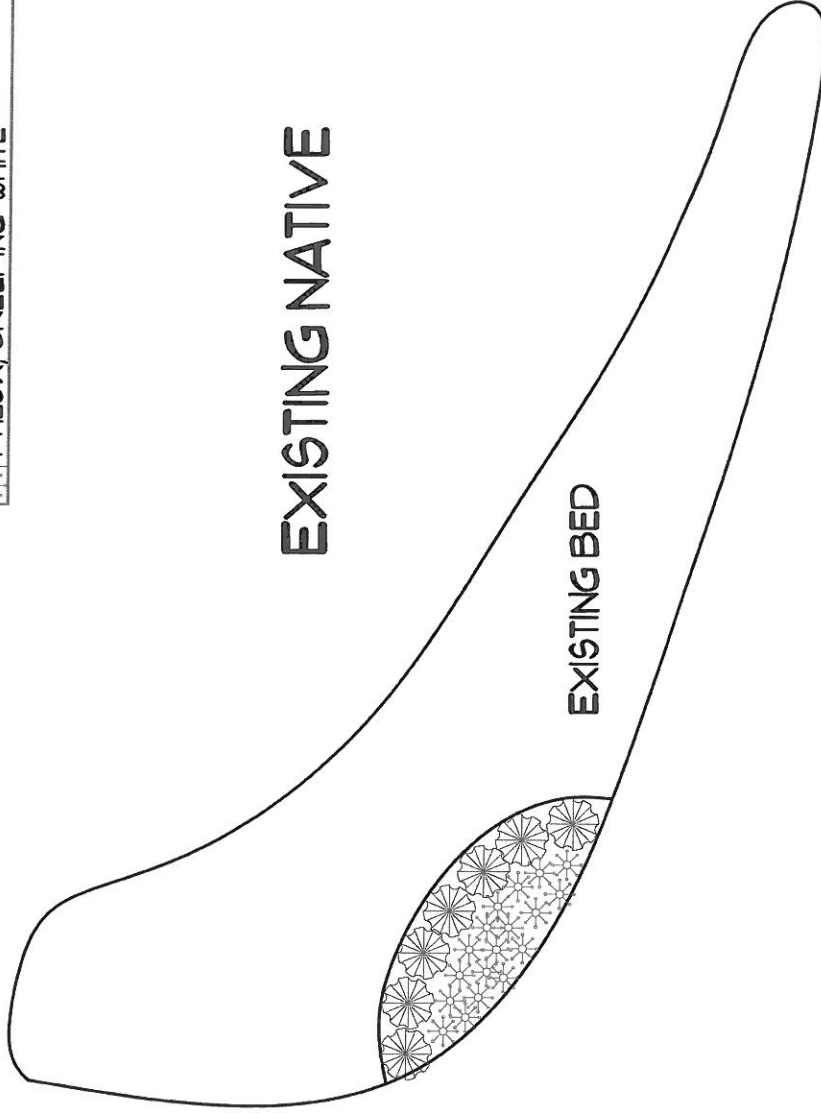
EXISTING TURF

EXISTING MEDIAN

EXISTING TURF

Revision #:	Scale:	Landscape Plan: Coolidge & Arapahoe Rd. Tallyn's Reach Perennial Beds	Landscape Design by: Sara Rutman Brightview
Date: 3/8/2022	1/8" = 1'		

LEGEND	
COMMON NAME	QTY
FLOWER, PERENNIAL	
 BLANKETFLOWER	7
 PHLOX, CREEPING 'WHITE'	18

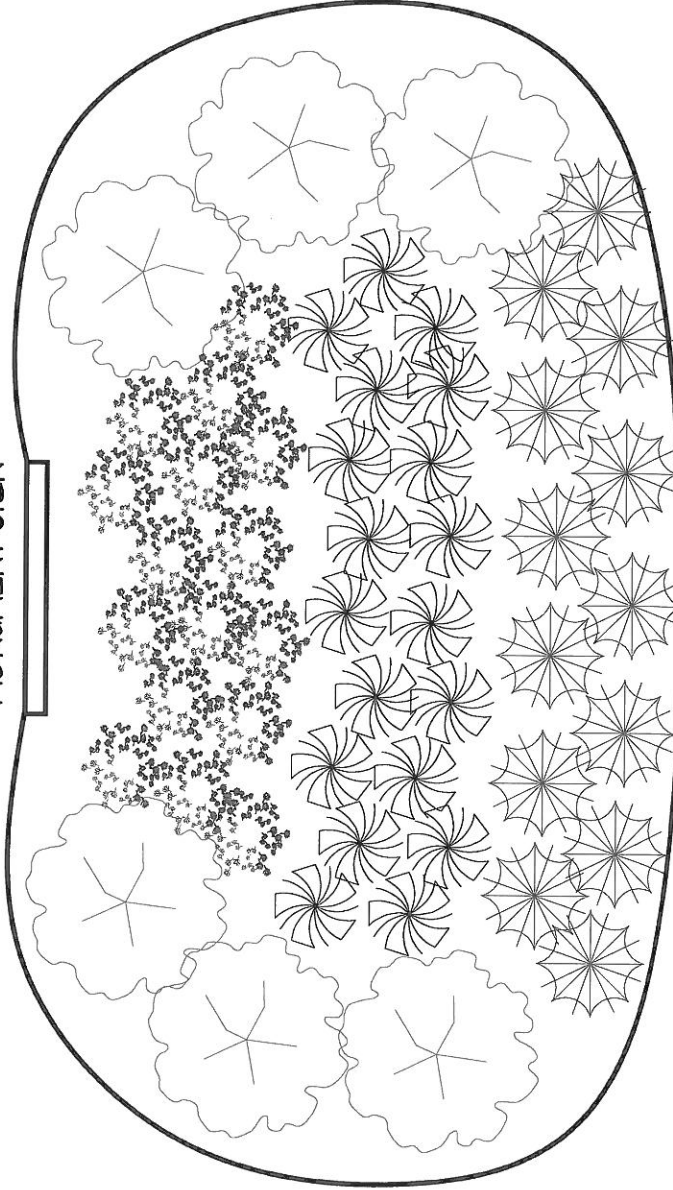


Revision #:	Scale:	Landscape Plan: E. Side Coolidge & Glasgow	Landscape Design by: Sara Rutman
Date: 3/8/2022	1" = 6'	Tallyn's Reach Perennial Beds	Brightview

# LEGEND

COMMON NAME	QTY
FLOWER, PERENNIAL	
BLACK EYED SUSAN	16
DAISY, SNOW CAP	19
LAVENDER	13
SHRUB, DECIDUOUS	
BURNING BUSH DWARF	6

MONUMENT SIGN

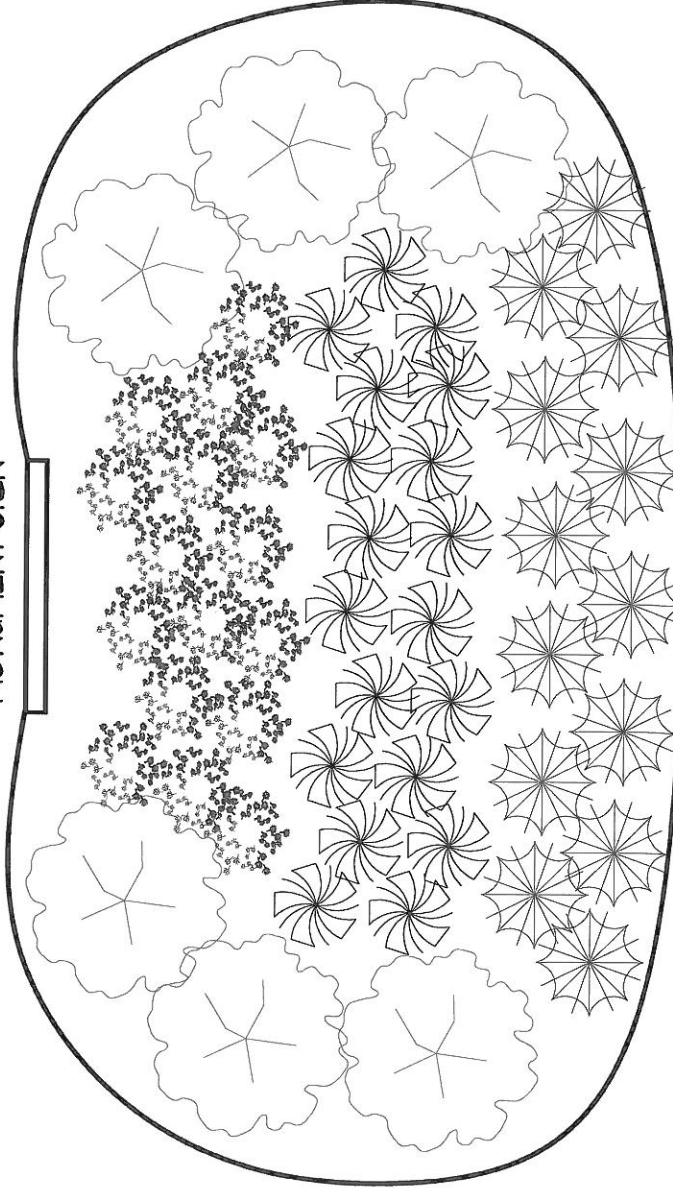


Revision #:	Scale:	Landscape Plan: Aurora pky & Arapahoe Rd.	Landscape Design by: Sara Rutman
Date: 3/8/2022	1" = 3'	Tallyn's Reach Perennial Beds	Brightview

# LEGEND

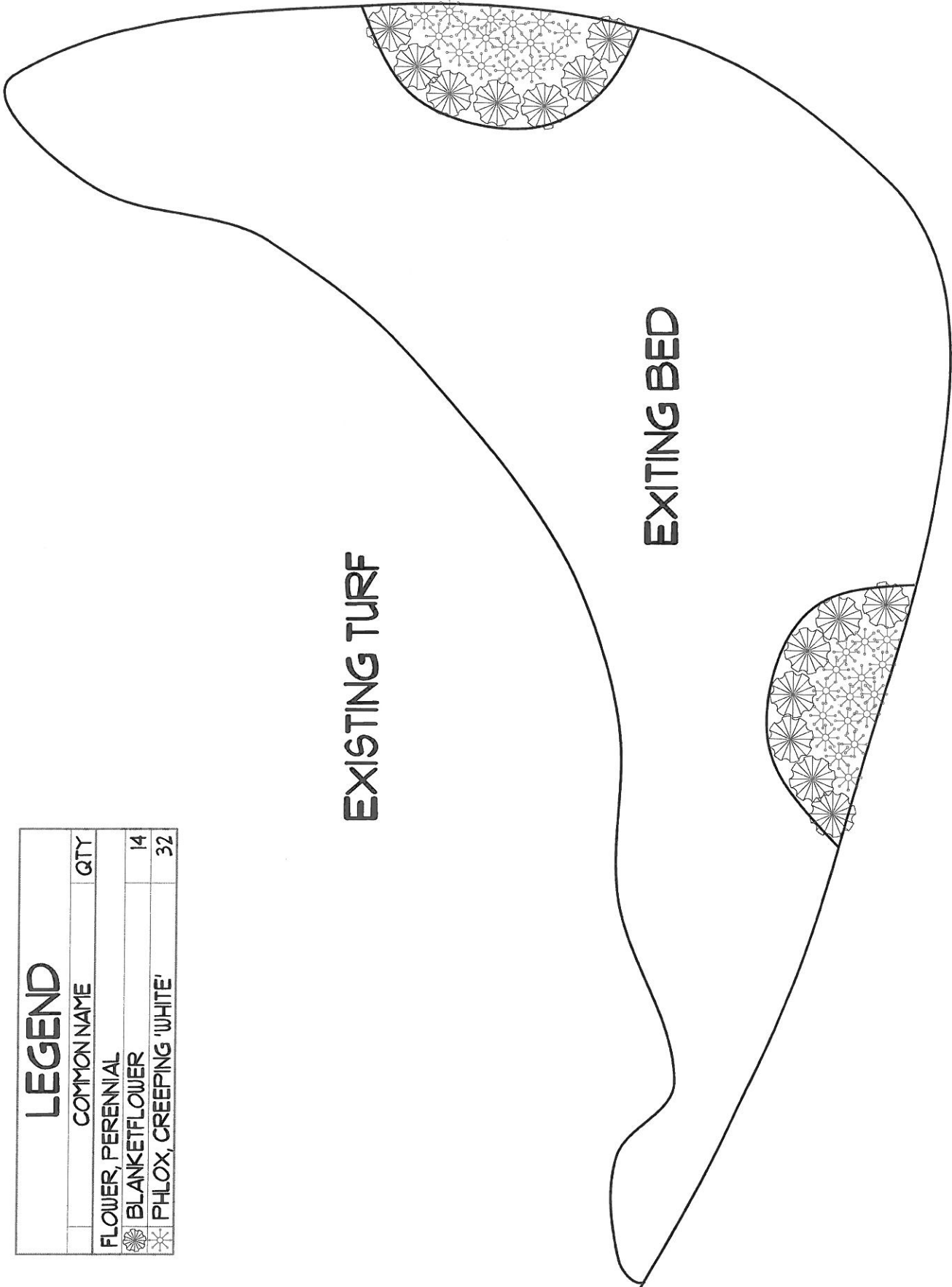
COMMON NAME	QTY
FLOWER, PERENNIAL	
BLACK EYED SUSAN	16
DAISY, SNOW CAP	19
LAVENDER	13
SHRUB, DECIDUOUS	
BURNING BUSH DWARF	6

MONUMENT SIGN



Revision #:	Scale:	Landscape Plan: Glasgow and Arapahoe Rd.	Landscape Design by: Sara Rutman
Date: 3/8/2022	1" = 3'	Tallyn's Reach Perennial Beds	Brightview

LEGEND		
COMMON NAME	QTY	
FLOWER, PERENNIAL		
 BLANKETFLOWER	14	
 PHLOX, CREEPING 'WHITE'	32	



Revision #:	Scale:	Landscape Plan: W. Side Coolidge & Glasgow	56
Date: 3/8/2022	1" = 5'	Tallyn's Reach Perennial Beds	
		Brightview	
		Design by: Sara Rutman	



March 08, 2022

Page 7 of 7

**TERMS & CONDITIONS**

1. The Contractor shall recognize and perform in accordance with written terms, written specifications and drawings only, contained or referred to herein. All materials shall conform to full specifications.
2. **Work Force:** Contractor shall designate a qualified representative with experience in landscape maintenance/constructor upgrades or when applicable in tree management. The workforce shall be competent and qualified and shall be legally authorized to work in the U.S.
3. **License and Permits:** Contractor shall maintain a Landscape Contractor's license if required by State or local law, and will comply with all other license and permit requirements of the City, State and Federal Governments, as well as all other requirements of law.
4. **Taxes:** Contractor agrees to pay all applicable taxes, including sales tax where applicable on material supplied.
5. **Insurance:** Contractor agrees to provide General liability insurance, Automobile Liability insurance, Worker's Compensation insurance, and any other insurance required by law or Client/Owner, as specified in writing prior to commencement of work. If not specified, Contractor will furnish insurance with \$1,000,000 limit of liability.
6. **Liability:** Contractor shall indemnify the Client/Owner and its agents and employees from and against any third party liabilities that arise out of Contractor's work to the extent such liabilities are adjudicated to have been caused by Contractor's negligence or willful misconduct. Contractor shall not be liable for any damage that occurs from Acts of God as defined as those caused by windstorm, hail, fire, flood, earthquake, hurricane and freezing, etc. Under these circumstances, Contractor shall have the right to renegotiate the terms and prices of this agreement within sixty (60) days. Any legal trespass, damage and/or damages resulting from work requested that is not on property owned by Client/Owner or not under Client/Owner management, and control shall be the sole responsibility of the Client/Owner.
7. **Subcontractors:** Contractor reserves the right to hire qualified subcontractors to perform specialized functions or work requiring specialized equipment.
8. **Additional Services:** Any additional work not shown in the above specifications involving work costs will be executed only upon signed written orders and will become an extra charge over and above the estimate.
9. **Access to Jobsite:** Client/Owner shall provide all offices to perform the work. Client/Owner shall furnish access to all parts of jobsite where Contractor is to perform work as required by the Contract or other functions related thereto during normal business hours and other reasonable periods of time. Contractor will perform the work as reasonably practical after the owner makes the site available for performance of the work.
10. **Invoicing:** Client/Owner shall make payment to Contractor within fifteen (15) days upon receipt of invoice. In the event the schedule for the completion of the work shall require more than thirty (30) days, a progress bill will be provided by month and not less be paid within fifteen (15) days upon receipt of invoice.
11. **Termination:** This Work Order may be terminated by the either party with or without cause, upon seven (7) work days advance written notice. Client/Owner will be required to pay for all materials purchased and work completed to the date of termination and reasonable charges incurred in mobilizing.
12. **Assignment:** The Owner/Client and the Contractor respectively and hereunder, their partners, successors, assigns and legal representatives to the other party with respect to all provisions of this Agreement. Neither the Owner/Client nor the Contractor shall assign or transfer any interest in this Agreement without the written consent of the other provided, however, that consent shall not be required to assign this Agreement to any company which controls, is controlled by or is under common control with Contractor or in connection with assignment to an affiliate or pursuant to a merger, sale of all or substantially all of its assets or equity securities, consolidation, change of control or corporate reorganization.
13. **Disclaimer:** This proposal was estimated and priced based upon a site visit and visual inspection from ground level using ordinary means at or about the time this proposal was prepared. The price quoted in this proposal for the work described, is the result of that ground level visual inspection and therefore our company will not be liable for any additional costs or damages for additional work not described herein, or liable for any incidents/damages resulting from conditions that were not ascertainable by said ground level visual inspection by ordinary means at the time said inspection was performed. Contractor cannot be held responsible for unknown or otherwise hidden defects. Any corrective work proposed herein cannot guarantee exact results. Professional engineering, architectural and/or landscape design services ("Design Services") are not included in this Agreement and shall not be provided by the Contractor. Any design defects in the Contract Documents are the sole responsibility of the Owner. If the Client/Owner must engage a licensed engineer, architect and/or landscape design professional, any costs associated thereto Design Services will be paid by the Client/Owner directly to the designer involved.

14. **Cancellation:** Notice of Cancellation of work must be received in writing before the crew is dispatched to their location or Client/Owner will be liable for a minimum travel charge of \$150.00 and liable to Client/Owner.

The following sections shall apply where Contractor provides Customer with tree care services:

15. **Tree & Stump Removal:** Trees removed will be cut as close to the ground as possible based on conditions in or near to the bottom of the tree trunk. Additional charges will be levied for unseen hazards such as, but not limited to concrete bricks, dead trunks, metal rods, etc. If requested mechanical grinding of visible tree stump will be done to a defined width and depth below ground level at an additional charge to the Client/Owner. Defined barkfill and landscape material may be specified. Client/Owner shall be responsible for contacting Under-ground Service Alert to locate underground utility lines prior to start of work. Contractor is not responsible damage done to underground utilities such as not limited to, electric, water, pipes, and irrigation canals. Contractor will repair damaged irrigation lines at the Client/Owner's expense.
16. **Waiver of Liability:** Requests for crown thinning in excess of twenty-five percent (25%) or work not in accordance with ISA (International Society of Arboriculture) standards will require a signed waiver of liability.

**Acceptance of This Contract:** Contractor is authorized to perform the work stated on the face of this Contract. Payment will be 100% due at time of billing. If payment has not been received by BrightView within fifteen (15) days after billing, BrightView shall be entitled to all costs of collection, including reasonable attorney's fees and it shall be relieved of any obligation to continue performance under this or any other Contract with Client/Owner. Interest at a per annum rate of 1.5% per month (18% per year), or the highest rate permitted by law, may be charged on unpaid balance 30 days after billing.

**NOTICE: FAILURE TO MAKE PAYMENT WHEN DUE FOR COMPLETED WORK ON CONSTRUCTION JOBS MAY RESULT IN A MECHANIC'S LIEN ON THE TITLE TO YOUR PROPERTY**

<b>CUSTOMER</b>	<b>Property Manager</b>
Signature	Name
Celeste Terrell	March 08, 2022
Accountancy	Job #
BrightView Landscape Services, Inc. "BrightView"	400300615
	Proposed Price \$23,396.38
	SO # 7754561
<b>Account Manager</b>	
Signature	Date
Sara Rutman	March 08, 2022

EXHIBIT B

CONTRACTOR'S COMPLETED W-9

Form **W-9**  
(Rev. October 2018)  
Department of the Treasury  
Internal Revenue Service

**Request for Taxpayer Identification Number and Certification**

▶ Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Give Form to the requester. Do not send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this area blank.  
**Brightview Landscape Services, Inc.**

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.

Individual/sole proprietor or single-member LLC  
 C Corporation  
 S Corporation  
 Partnership  
 Trust/estate  
 Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ \_\_\_\_\_  
Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.  
 Other (see instructions) ▶ \_\_\_\_\_

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  
Exempt payee code (if any) \_\_\_\_\_  
Exemption from FATCA reporting code (if any) \_\_\_\_\_  
(Relates to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.  
**PO Box 31001-2463**  
City, state, and ZIP code  
**Pasadena, CA 91110-2463**

6 Requester's name and address (optional)

7 List account number(s) here (optional)

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
OR									
Employer identification number									
8	4	-	0	6	1	7	6	5	3

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here      Signature of U.S. person ▶      Date ▶ 1/8/19

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.*

## EXHIBIT C

### INSURANCE REQUIREMENTS

NOTE: All insurance required and provided hereunder shall also comply with the provisions of Section 11 of this Agreement.

1. Standard Worker's Compensation and Employer's Liability Insurance covering all employees of Contractor involved with the performance of the Services, with policy amounts and coverage in compliance with the laws of the jurisdiction in which the Services will be performed.
2. Commercial General Liability Insurance with minimum limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 designated location, general aggregate; and \$1,000,000 umbrella. Such insurance will include coverage for contractual liability, personal injury and broad form property damage, and shall include all major divisions of coverage and be on a comprehensive basis including, but not limited to:
  - a. premises operations;
  - b. personal injury liability without employment exclusion;
  - c. limited contractual;
  - d. broad form property damages, including completed operations;
  - e. medical payments;
  - f. products and completed operations;
  - g. independent consultants coverage;
  - h. coverage inclusive of construction means, methods, techniques, sequences, and procedures, employed in the capacity of a construction consultant; and

**This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.**

3. Comprehensive Automobile Liability Insurance covering all owned, non-owned and hired automobiles used in connection with the performance of the Services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage. **This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.**
4. If applicable: Contractor shall secure and maintain a third party fidelity bond in favor of the Authority covering the Contractor and its employees and agents who may provide or be responsible for the provision of Services where such activities contemplate the responsibility for money or property of the Authority. Such bond shall protect the Authority against any fraudulent or dishonest act which may result in the loss of money, securities, or other property belonging to or in the possession of the Authority. Said bond

shall be in an amount as determined by the Authority, from a surety acceptable to the Authority.

5. Any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement.

EXHIBIT C-1

CERTIFICATE(S) OF INSURANCE



CERTIFICATE OF LIABILITY INSURANCE

DATE:MM/DD/YYYY  
12/07/2021

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> Aon Risk Services Northeast, Inc. New York NY Office One Liberty Plaza 165 Broadway, Suite 3201 New York NY 10006 USA		<b>CONTACT NAME:</b> PHONE: FAX: E-MAIL ADDRESS:	
		(A/C No. Ext): (866) 265-7122	(A/C No.): (800) 363-0105
<b>INSURED</b> BrightView Landscape Services, Inc. Location #40010 8888 Moltenbecker Road, Suite A Parker CO 80134 USA		<b>INSURER'S AFFORDING COVERAGE</b>	
		<b>INSURER A:</b> Great American Insurance Co.	NAIC #: 16691
		<b>INSURER B:</b> ACE American Insurance Company	27667
		<b>INSURER C:</b> American Guarantee & Liability Ins Co	26247
		<b>INSURER D:</b>	
		<b>INSURER E:</b>	
		<b>INSURER F:</b>	

**COVERAGES** **CERTIFICATE NUMBER:** 570089824051 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED 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. **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT & RULES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PFC <input type="checkbox"/> JECT <input checked="" type="checkbox"/> LDC OTHER:		XSLG72473826001 SIR applies per policy terms & conditions			EACH OCCURRENCE \$2,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$2,000,000 MED EXP (Per one person) \$10,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$5,000,000 PRODUCTS - COM/CP/AGG \$5,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> AUTO ONLY <input type="checkbox"/> NON-OWNED <input type="checkbox"/> OTHER AUTOS <input type="checkbox"/> AUTO ONLY		ISA H255R1593	10/01/2021	10/01/2022	COMBINED SINGLE LIMIT (Per accident) \$5,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per person)
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION		AUC508596817	10/01/2021	10/01/2022	EACH OCCURRENCE \$3,000,000 AGGREGATE \$3,000,000
B	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/OWNER EXCLUDED? (Mandatory in NE) If yes describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	WRC67804041 WC - AD5 SCFC67804089 WC - WI	10/01/2021	10/01/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$2,000,000 E.L. DISEASE EA EMPLOYEE \$2,000,000 E.L. DISEASE POLICY LIMIT \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Tallyn's Search Authority is included as Additional Insured in accordance with the policy provisions of the General Liability policy.

<b>CERTIFICATE HOLDER</b>  Tallyn's Search Authority c/o Clifton Allen Larson 8380 E. Crescent Parkway, Suite 300 Greenwood Village CO 80111 USA	<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 
---	--

Holder Identifier : DC  
Certificate No : 570089824051

EXHIBIT D

CERTIFICATE OF GOOD STANDING WITH COLORADO SECRETARY OF STATE

OFFICE OF THE SECRETARY OF STATE  
OF THE STATE OF COLORADO

**CERTIFICATE OF FACT OF GOOD STANDING**

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

BrightView Landscape Services, Inc.

is a

Corporation

formed or registered on 01/03/1972 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 19871251562 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 03/14/2022 that have been posted, and by documents delivered to this office electronically through 03/15/2022 @ 17:16:46 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 03/15/2022 @ 17:16:46 in accordance with applicable law. This certificate is assigned Confirmation Number 13869607 .



*Jena Griswold*

Secretary of State of the State of Colorado

\*\*\*\*\*End of Certificate\*\*\*\*\*  
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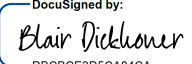
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**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2  
Arapahoe County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2021**

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2  
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YEAR ENDED DECEMBER 31, 2021**

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**INSERT INDEPENDENT AUDITOR'S REPORT**

## **BASIC FINANCIAL STATEMENTS**

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments - Restricted	\$ 128,579
Receivable - County Treasurer	6,550
Property Taxes Receivable	740,689
Total Assets	875,818
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Cost of Refunding	31,684
Total Deferred Outflows of Resources	31,684
<b>LIABILITIES</b>	
Accrued Interest Payable	1,199
Noncurrent Liabilities:	
Due Within One Year	620,000
Total Liabilities	621,199
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax Revenue	740,689
Total Deferred Inflows of Resources	740,689
<b>NET POSITION</b>	
Restricted for:	
Debt Service	133,930
Unrestricted	(588,316)
Total Net Position	\$ (454,386)

See accompanying Notes to Basic Financial Statements.



**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
Interest and Related Costs on Long-Term Debt	\$ 342,871	\$ -	\$ -	\$ -	\$ (342,871)
Total Governmental Activities	\$ 342,871	\$ -	\$ -	\$ -	(342,871)
 <b>GENERAL REVENUES</b>					
Property Taxes					1,164,479
Specific Ownership Taxes					80,255
Net Investment Income					518
Total General Revenues					1,245,252
 <b>CHANGE IN NET POSITION</b>					
					902,381
Net Position - Beginning of Year					(1,356,767)
 <b>NET POSITION - END OF YEAR</b>					
					\$ (454,386)

See accompanying Notes to Basic Financial Statements.

(2)

DRAFT, NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2  
BALANCE SHEET  
GOVERNMENTAL FUND  
DECEMBER 31, 2021**

	General Fund
<b>ASSETS</b>	
Cash and Investments - Restricted	\$ 128,579
Receivable - County Treasurer	6,550
Property Taxes Receivable	740,689
Total Assets	\$ 875,818
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Total Liabilities	\$ -
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax Revenue	740,689
Total Deferred Inflows of Resources	740,689
<b>FUND BALANCES</b>	
Restricted For:	
Debt Service	135,129
Total Fund Balances	135,129
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 875,818
 Amounts reported for governmental activities in the statement of net position are different because:	
 Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Loans Payable	(620,000)
Cost of Refunding	31,684
Accrued Loan Interest Payable	(1,199)
Net Position of Governmental Activities	\$ (454,386)

See accompanying Notes to Basic Financial Statements.

(3)

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**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>General Fund</u>
<b>REVENUES</b>	
Property Taxes	\$ 1,164,479
Specific Ownership Taxes	80,255
Net Investment Income	518
Total Revenues	<u>1,245,252</u>
<b>EXPENDITURES</b>	
County Treasurer's Fees	17,474
Transfers to TRA	250,000
Loan Principal - Series 2012	905,000
Loan Interest - Series 2012	35,871
Yield Maintenance Fee	6,554
Total Expenditures	<u>1,214,899</u>
<b>NET CHANGE IN FUND BALANCE</b>	30,353
Fund Balance - Beginning of Year	<u>104,776</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 135,129</u></u>

See accompanying Notes to Basic Financial Statements.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Governmental Funds \$ 30,353

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items is as follows:

Bond Principal, Current Year	905,000
Amortization of Cost of Refunding	(34,762)
Change in Accrued Interest Payable	<u>1,790</u>

Change in Net Position of Governmental Activities \$ 902,381

*See accompanying Notes to Basic Financial Statements.*

(5)

DRAFT, NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Original And Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 1,164,478	\$ 1,164,479	\$ 1
Specific Ownership Taxes	81,513	80,255	(1,258)
Net Investment Income	500	518	18
Total Revenues	<u>1,246,491</u>	<u>1,245,252</u>	<u>(1,239)</u>
<b>EXPENDITURES</b>			
County Treasurer's Fees	17,467	17,474	(7)
Transfers to TRA	250,000	250,000	-
Loan Interest - Series 2012	35,871	35,871	-
Loan Principal - Series 2012	905,000	905,000	-
Trustee Fees	2,000	-	2,000
Yield Maintenance Fee	7,600	6,554	1,046
Total Expenditures	<u>1,217,938</u>	<u>1,214,899</u>	<u>3,039</u>
<b>NET CHANGE IN FUND BALANCE</b>	28,553	30,353	1,800
Fund Balance - Beginning of Year	<u>99,805</u>	<u>104,776</u>	<u>4,971</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 128,358</u></u>	<u><u>\$ 135,129</u></u>	<u><u>\$ 6,771</u></u>

See accompanying Notes to Basic Financial Statements.

(6)

DRAFT, NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Tallyn's Reach Metropolitan District No. 2 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on November 6, 1998, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to provide water, street, traffic and safety control, television relay and translator, transportation, parks and recreation, and sanitation improvements that benefit the citizens of the District. At the time of formation, Tallyn's Reach Metropolitan District No. 1 (District No. 1) and the Tallyn's Reach Metropolitan District No. 3 (District No. 3) were also formed. All three districts are governed by the same Service Plan, which provides that District No. 1 is the "Operating District" and the District and District No. 3 are the "Taxing Districts". The Taxing Districts are to provide funding to the Operating District for the construction, operation and maintenance of various public improvements and the Operating District is expected to manage such construction, operation and maintenance. During 2018 the District and District No. 3 formed Tallyn's Reach Authority to perform the duties and obligations of the Operating District. Subsequently all contracts and agreements were modified such that all responsibilities and obligations of Tallyn's Reach Metropolitan District No. 1 were assigned to Tallyn's Reach Authority and Tallyn's Reach Metropolitan District No. 1 was subsequently dissolved. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets, and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds. This is a presentation change from prior years for the District where all related activity was reflected in the General Fund.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Equity**

**Net Position**

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.



**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the board of directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Cash and Investments - Restricted	\$ 128,579
Total Cash and Investments	<u>\$ 128,579</u>

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 128,066
Investments	513
Total Cash and Investments	<u>\$ 128,579</u>

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2021, the District's cash deposits had a bank and carrying balance of \$128,066.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments**

The District has adopted a formal investment policy which is consistent with state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	\$ 513
Total		<u>\$ 513</u>

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE. COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601. COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**NOTE 4 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2021:

	Balance at January 1, 2021	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
General Obligation Loans Payable:					
2012 Loan	\$ 1,525,000	\$ -	\$ 905,000	\$ 620,000	\$ 620,000
Total Loans Payable	<u>\$ 1,525,000</u>	<u>\$ -</u>	<u>\$ 905,000</u>	<u>\$ 620,000</u>	<u>\$ 620,000</u>

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$5,905,000 General Obligation Refunding Loan – 2012**

\$5,905,000 General Obligation Refunding Loan, Series 2012, dated August 6, 2012, with a maturity date of December 1, 2023 and a fixed interest rate of 2.32%, consisting of interest due on June 1 and December 1 calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable accrual period. The District may, at its option, prepay the 2012 Loan in whole or in part on any interest payment date at a prepayment price equal to the sum of the (a) the principal so prepaid; (b) accrued interest thereon at the rate then borne by the 2012 Loan to the date of such prepayment; (c) a Prepayment Penalty, if any, equal to 3% of the outstanding principal, and (d) a Yield Maintenance Fee, if any.

The Pledged Revenue for the repayment of the 2012 Loan is a debt service mill levy fixed at 48.96 mills (which can be adjusted to account for changes in law) and specific ownership taxes. The 2012 Loan requires that a Loan Payment Fund be credited an amount of Pledged Revenue each loan year which is equal to the loan requirements for the then current year. The 2012 Loan is secured by collateral made up of (a) the Pledged Revenue, (b) all amounts on deposit in the Loan Payment Fund; and (c) all monies of the District legally available.

In the government-wide statements, the District incurred a loss on bond refunding in the amount of \$473,108 which has been deferred and is being amortized over the life of the new debt. As of December 31, 2021, accumulated amortization totaled \$441,424.

**Authorized Debt**

As of December 31, 2021, the District had no remaining voted debt authorization.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 5 NET POSITION**

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2021, as follows:

Restricted Net Position:

Debt Service	\$ 133,930
Total Restricted Net Position	<u>\$ 133,930</u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of loans issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**NOTE 6 AGREEMENTS**

**Amended and Restated Joint Resolution Concerning the Imposition of District Development Fees**

On August 24, 1999, and as amended and/or restated during 2000, 2001, 2002, 2003, 2005, 2007, 2010, and 2012, the District entered into a Joint Resolution Concerning the Imposition of District Development Fees with District No. 1 and District No. 3. The agreement establishes development fees, transfer fees and monthly operations fees to be imposed on all residents of the Districts.

On December 3, 2013, the District approved an Amended and Restated Joint Resolution Regarding the Imposition of District Fees along with District No. 1 and District No. 3 which further clarified the District fees and established a schedule of fees for 2015 which is adjusted on an annual basis.

For 2021, the District established an operations fee of \$200 per quarter for single family residences and \$100 per quarter for apartment homes which is imposed by Tallyn's Reach Authority.

**Tallyn's Reach Authority Establishment Agreement**

On February 12, 2018, the District and District No. 3 (collectively "the Districts") entered into the Tallyn's Reach Authority Establishment Agreement for the purpose of establishing the Tallyn's Reach Authority which is organized for the purpose of planning, financing, designing, constructing, installing, operating, maintaining, repairing and replacing public improvements and facilities and providing services to the residents of the Districts. During 2018, Tallyn's Reach Metropolitan District No. 1 assigned all of its assets, liabilities, rights and obligations to the Authority after which the Tallyn's Reach Metropolitan District No. 1 was dissolved.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 7 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for property liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On November 7, 2000, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

**OTHER INFORMATION**



**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2021**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Percent Increase (Decrease)	Total District Mill Levy	Total Property Taxes		Percent Collected to Levied
				Levied	Collected	
2017	\$ 16,591,914	3.78%	48.960	\$ 812,340	812,340	100.00 %
2018	17,322,969	4.41	54.128	937,658	937,658	100.00
2019	17,330,720	0.04	54.128	938,077	938,077	100.00
2020	20,959,797	20.94	54.500	1,142,309	1,141,928	99.97
2021	21,366,577	1.94	54.500	1,164,478	1,164,479	100.00
Estimate for Calendar Year Ending December 31, 2022	\$ 22,755,413	6.50	32.550	\$ 740,689		

**Note:**

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**DECEMBER 31, 2021**

	\$5,905,000 General Obligation Refunding Loan Dated August 6, 2012 Principal due December 1 Interest Rate 2.32% Payable June 1 and December 1		
<u>Loans and Interest Maturing in the Year Ending December 31.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 620,000	\$ 14,384	\$ 634,384
Total	<u>\$ 620,000</u>	<u>\$ 14,384</u>	<u>\$ 634,384</u>

**CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION –  
UNAUDITED**

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 2  
SELECTED DEBT RATIOS OF THE DISTRICT  
(UNAUDITED)  
DECEMBER 31, 2021**

Direct Debt	<u>\$ 620,000</u>
2021 District Assessed Valuation	\$ 22,755,413
Direct Debt to Assessed Valuation	2.72%
2021 District Estimated Statutory "Actual" Value (1)	\$ 307,783,880
Direct Debt to Estimated Statutory "Actual" Value	0.20%

(1) Statutory "actual value has been calculated using a statutory formula under which assessed valuation is calculated as 7.15% of the statutory "actual" value of residential property and 29% of the statutory "actual" value of all other classes of property (with certain specific exceptions). Statutory "actual" value is not intended to represent market value.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
Arapahoe County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2021**

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
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**INSERT INDEPENDENT AUDITOR'S REPORT**

(1)

## **BASIC FINANCIAL STATEMENTS**



**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

	Governmental Activities
<b>ASSETS</b>	
Investments - Restricted	\$ 958,570
Receivable - County Treasurer	20,391
Property Taxes Receivable	2,978,211
Total Assets	3,957,172
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Loss on Refunding	2,875,054
Total Deferred Outflows of Resources	2,875,054
<b>LIABILITIES</b>	
Accrued Interest Payable	106,785
Noncurrent Liabilities:	
Due Within One Year	1,852,000
Due in More Than One Year	41,784,103
Total Liabilities	43,742,888
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	2,978,211
Total Deferred Inflows of Resources	2,978,211
<b>NET POSITION</b>	
Restricted for:	
Debt Service	872,176
Unrestricted	(40,761,049)
Total Net Position	\$ (39,888,873)

See accompanying Notes to Basic Financial Statements.

(1)

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
Interest and Related Costs on Long-Term Debt	\$ 2,324,627	\$ -	\$ -	\$ -	\$ (2,324,627)
Total Governmental Activities	\$ 2,324,627	\$ -	\$ -	\$ -	(2,324,627)
<b>GENERAL REVENUES</b>					
Property Taxes					3,625,071
Specific Ownership Taxes					249,838
Net Investment Income					2,973
Total General Revenues					3,877,882
<b>CHANGE IN NET POSITION</b>					
Net Position - Beginning of Year					(41,442,128)
<b>NET POSITION - END OF YEAR</b>					
					\$ (39,888,873)

See accompanying Notes to Basic Financial Statements.

(2)

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
BALANCE SHEET  
GOVERNMENTAL FUND  
DECEMBER 31, 2021**

	<u>General Fund</u>
<b>ASSETS</b>	
Investments - Restricted	\$ 958,570
Receivable - County Treasurer	20,391
Property Taxes Receivable	<u>2,978,211</u>
Total Assets	<u><u>\$ 3,957,172</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Total Liabilities	<u>\$ -</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	<u>2,978,211</u>
Total Deferred Inflows of Resources	<u>2,978,211</u>
<b>FUND BALANCE</b>	
Restricted for:	
Debt Service	<u>978,961</u>
Total Fund Balance	<u>978,961</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 3,957,172</u></u>
 Amounts reported for governmental activities in the statement of net position are different because:	
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds	
Loss on Refunding	2,875,054
Bonds Payable	(6,420,000)
Bond Premium (Net of Amortization)	(691,103)
Loans Payable	(36,525,000)
Accrued Bond Interest Payable	(22,267)
Accrued Loan Interest Payable	<u>(84,518)</u>
Net Position of Governmental Activities	<u><u>\$ (39,888,873)</u></u>

See accompanying Notes to Basic Financial Statements.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND**  
**YEAR ENDED DECEMBER 31, 2021**

	General Fund
<b>REVENUES</b>	
Property Taxes	\$ 3,625,071
Specific Ownership Taxes	249,838
Net Investment Income	2,973
Loan Issuance - 2021A-1	6,220,000
Loan Issuance - 2021A-2	8,025,000
Total Revenues	18,122,882
<b>EXPENDITURES</b>	
County Treasurers' Fee	54,411
Paying Agent Fees	300
Bond Interest - Series 2019	281,950
Bond Principal - Series 2019	295,000
Loan Interest - 2020A	211,146
Loan Principal - 2020A	482,000
Loan Interest - 2020B	488,986
Loan Principal - 2020B	238,000
Loan Interest - Series 2021A-1	106,251
Loan Principal - Series 2021A-1	275,000
Loan Interest - Series 2021A-2	114,011
Loan Principal - Series 2021A-2	400,000
Cost of Issuance	210,873
Loan Funding - Escrow Payment	14,028,048
Total Expenditures	17,185,976
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>936,906</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>936,906</b>
Fund Balance - Beginning of Year	42,055
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 978,961</b>

See accompanying Notes to Basic Financial Statements.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balance - Governmental Fund \$ 936,906

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Refunding Principal Payment	11,859,000
Loan Issuance	(14,245,000)
Loss on Refunding - Series 2021A-1 Loan	167,220
Bond Principal Payment - Series 2019	295,000
Loan Principal Payment - Series 2020A	482,000
Loan Principal Payment - Series 2020B	238,000
Loan Principal Payment - Series 2021A-1	275,000
Loan Principal Payment - Series 2021A-2	400,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Amortization of Bond Premium - Series 2019	86,140
Amortization of Loss on Refunding	(387,338)
Accrued Interest on Debt - Change in Liability	<u>1,446,327</u>

Change in Net Position of Governmental Activities \$ 1,553,255

See accompanying Notes to Basic Financial Statements.

(5)

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 3,625,071	\$ 3,625,071	\$ 3,625,071	\$ -
Specific Ownership Taxes	253,755	253,755	249,838	(3,917)
Net Investment Income	2,500	2,500	2,973	473
Loan Issuance - 2021A-1	-	6,500,000	6,220,000	(280,000)
Loan Issuance - 2021A-2	-	8,100,000	8,025,000	(75,000)
Total Revenues	<u>3,881,326</u>	<u>18,481,326</u>	<u>18,122,882</u>	<u>(358,444)</u>
<b>EXPENDITURES</b>				
County Treasurers' Fee	54,376	54,376	54,411	(35)
Paying Agent Fees	3,000	6,000	300	5,700
Miscellaneous	-	7,542	-	7,542
Cost of Issuance	-	250,000	210,873	39,127
Bond Interest - Series 2016A	390,560	-	-	-
Bond Principal - Series 2016A	1,436,308	-	-	-
Bond Interest - Series 2019	281,950	281,950	281,950	-
Bond Principal - Series 2019	295,000	295,000	295,000	-
Loan Interest - Series 2020A	211,146	211,146	211,146	-
Loan Principal - Series 2020A	482,000	482,000	482,000	-
Loan Interest - Series 2020B	488,986	488,986	488,986	-
Loan Principal - Series 2020B	238,000	238,000	238,000	-
Loan Interest - Series 2021A-1	-	105,000	106,251	(1,251)
Loan Principal - Series 2021A-1	-	265,000	275,000	(10,000)
Loan Interest - Series 2021A-2	-	120,000	114,011	5,989
Loan Principal - Series 2021A-2	-	395,000	400,000	(5,000)
Loan Funding - Escrow Payment	-	15,300,000	14,028,048	1,271,952
Total Expenditures	<u>3,881,326</u>	<u>18,500,000</u>	<u>17,185,976</u>	<u>1,314,024</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(18,674)	936,906	955,580
Fund Balance - Beginning of Year	-	42,055	42,055	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 23,381</u>	<u>\$ 978,961</u>	<u>\$ 955,580</u>

See accompanying Notes to Basic Financial Statements.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Tallyn's Reach Metropolitan District No. 3 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on November 6, 1998, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to provide water, street, traffic and safety control, television relay and translator, transportation, parks and recreation, and sanitation improvements that benefit the citizens of the District. At the time of formation, Tallyn's Reach Metropolitan District No. 1 (District No. 1) and the Tallyn's Reach Metropolitan District No. 2 (District No. 3) were also formed. All three districts are governed by the same Service Plan, which provides that District No. 1 is the "Operating District" and the District and District No. 2 are the "Taxing Districts". The Taxing Districts are to provide funding to the Operating District for the construction, operation and maintenance of various public improvements and the Operating District is expected to manage such construction, operation and maintenance. During 2018 the District and District No. 2 formed Tallyn's Reach Authority to perform the duties and obligations of the Operating District. Subsequently all contracts and agreements were modified such that all responsibilities and obligations of Tallyn's Reach Metropolitan District No. 1 were assigned to Tallyn's Reach Authority and Tallyn's Reach Metropolitan District No. 1 was subsequently dissolved. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues,

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets, and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.



**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its budget for the year ended December 31, 2021.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the subsequent year when they are available or collected.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows/Inflows of Resources (Continued)**

This item is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt (see Note 3).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Amortization**

**Original Issue Premium**

In the government-wide financial statements, bond premiums are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental types recognize bond premiums and discounts, as well as bond issue costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**Loss on Refunding**

In the government-wide financial statements, the deferred loss on bond refunding is being amortized using the interest method over the life of the new bonds. The amortization amount is a component of interest expense and the unamortized deferred loss is reflected as a deferred outflows of resources.

**Equity**

**Net Position**

For the government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance**

Fund balance of governmental funds should be reported in classification that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments - Restricted	<u>\$ 958,570</u>
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Cash and investments as of December 31, 2021, consist of the following:

Investments	<u>\$ 958,570</u>
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**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District follows state statutes for deposits. As of December 31, 2021, the District had no deposits.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments**

The District has adopted a formal investment policy which is consistent with state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- \* Local government investment pools

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	
Colorado Local Government Liquid Asset Trust (COLOTRUST)	\$ 958,530
Colorado Surplus Asset Fund Trust (CSAFE)	40
Total	<u>\$ 958,570</u>

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE. COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601. COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2021:

	Balance - December 31, 2020	Net Issues/ Additions	Retirements/ Refundings	Balance - December 31, 2021	Current Portion
Series 2016A - GO Bonds	\$ 5,574,000	\$ -	\$ 5,574,000	\$ -	\$ -
Series 2016B - GO Bonds	6,285,000	-	6,285,000	-	-
Accrued Interest - Series 2016B	1,479,090	-	1,479,090	-	-
Series 2019 - GO Bonds	6,715,000	-	295,000	6,420,000	310,000
Series 2019 - Premium	777,243	-	86,140	691,103	-
Series 2020A - Loan	7,645,000	-	482,000	7,163,000	508,000
Series 2020B - Loan	16,030,000	-	238,000	15,792,000	299,000
Series 2021A-1 - Loan	-	6,220,000	275,000	5,945,000	410,000
Series 2021A-2 - Loan	-	8,025,000	400,000	7,625,000	325,000
<b>Total</b>	<b><u>\$ 44,505,333</u></b>	<b><u>\$ 14,245,000</u></b>	<b><u>\$ 15,114,230</u></b>	<b><u>\$ 43,636,103</u></b>	<b><u>\$ 1,852,000</u></b>

The detail of the District's general obligation bonds outstanding during 2021 is as follows:

**\$10,245,000 Subordinate Limited Tax General Obligation Bonds – Series 2016A**

On August 31, 2016, the District issued \$10,245,000 Subordinate Limited Tax General Obligation Bonds, Series 2016A (Series 2016A Bonds), dated August 31, 2016. The Series 2016A Bonds bear interest at 6.75% and mature on November 1, 2038. Payment of principal and interest on these Bonds is due on December 15 of each year and is subordinate to the payment of the Senior Obligations, which consist of the Series 2012 Bonds and the Series 2013 Bonds. In addition, the Series 2016A Bonds are "cash flow" bonds such that principal and interest thereon is payable only to the extent of available Subordinate Pledged Revenue which consists of all moneys derived from the imposition by the District of the Required Mill Levy less the property tax revenue necessary to pay debt service on all Senior Obligations. The Required Mill Levy is 48.960 mills, subject to adjustment, less the amount of the Senior Obligation Required Mill Levy. Any unpaid interest on the 2016A Bonds compounds on December 15. The Series 2016A Bonds were issued for the purpose of financing the reimbursement of construction costs of public improvements benefiting the District and paying costs of issuance of the bonds.

On May 18, 2021, the District advance refunded and defeased (debt legally satisfied) \$5,574,000 of the 2016A Bonds with an average interest rate of 6.75% by the issuance of 2021A-1 Taxable (Converting to Tax-Exempt) Refunding Loan dated May 18, 2021 with an average interest rate of 2.74% to 3.47%.



**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$6,285,000 Junior Subordinate Limited Tax General Obligation Bonds – Series 2016B**

On August 31, 2016, the District issued \$6,285,000 Junior Subordinate Limited Tax General Obligation Bonds, Series 2016B (Series 2016B Bonds), dated August 31, 2016. The Series 2016B Bonds bear interest at 4.99% payable annually on December 20 and mature on December 20, 2035. Payment of principal and interest on these Bonds is subordinate to the payment of the Senior Obligations, which consist of the Series 2012 Bonds, the Series 2013 Bonds and any other Senior Obligations outstanding. Principal and interest thereon is payable only to the extent of available Junior Pledged Revenue which consists of all moneys derived from the imposition by the District of the Junior Mill Levy, the related Specific Ownership Tax Revenue, and any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Bond Account. The Series 2016B Bonds were issued for the purpose of financing the reimbursement of construction costs of public improvements benefiting the District and paying costs of issuance of the bonds.

On May 18, 2021, the District advance refunded and defeased (debt legally satisfied) \$6,285,000 of the 2016B Bonds with an average interest rate of 4.99% by the issuance of 2021A-2 Tax-Exempt Refunding Loan dated May 18, 2021 with an average interest rate of 2.65%.

**\$7,255,000 General Obligation Refunding Bonds – Series 2019**

On June 12, 2019, the District issued \$7,255,000 General Obligation Refunding Bonds Series 2019 (Series 2019 Bonds) at a premium of \$867,660 with maturities through December 1, 2036. Interest rates on the Series 2019 Bonds range between 2.000% and 5.000% with yields ranging between 1.700% and 3.120%. Interest is payable on June 1 and December 1 of each year beginning December 1, 2019. Proceeds of the bond issue were used to fully refund the outstanding Series 2007 bonds and pay costs of issuance of the Series 2019 Bonds.

The Pledged Revenue for the repayment of the Series 2019 Bonds is a maximum debt service mill levy of 54.500. The Series 2019 Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2034, and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, commencing on December 1, 2029, upon payment of the principal amount thereof (without redemption premium) plus accrued interest.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$7,645,000 Taxable Refunding Loan – 2020A**

On November 20, 2020 (closing date), the District entered into a Loan Agreement (2020A Loan) with BBVA Mortgage Corporation (the Lender) for a loan of \$7,645,000. The 2020A Taxable (Convertible to Tax-Exempt) Loan is evidenced by a promissory note. The 2020A Loan was issued to provide funds to refund the District's previous Bonds. The 2020A Loan matures on December 1, 2033. Principal payments are due on December 1 of each year beginning December 1, 2021. Interest is payable on June 1 and December 1 of each year beginning June 1, 2021. The 2020A Loan bears interest at a rate of 2.68% per annum calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable accrual period. The 2020A Loan will become tax-exempt on September 1, 2022, and the interest rate will be converted to 2.12% per annum. The District may, at its option, prepay the 2020A Loan in whole or in part on any interest payment date at a prepayment price equal to the sum of the (a) the principal so prepaid; (b) accrued interest thereon at the rate then borne by the 2020A Loan to the date of such prepayment. Upon an Event of Default, the 2020A Loan shall, if elected by the Lender, bear interest at a rate per annum equal to the interest rate then in effect on the 2020A Loan plus 4.00%. If interest on the 2020A Loan (following any applicable Conversion Date) is determined to not be exempt from taxation as a result of any action or omission of action on the part of the District as provided, then the interest rate on the 2020A Loan, if elected by the Lender, shall convert to a rate per annum equal to the rate otherwise then in effect on the 2020A Loan divided by 79%.

The Pledged Revenue for the repayment of the 2020A Loan is a maximum debt service mill levy of 54.500 mills (which can be adjusted to account for changes in law) and specific ownership taxes.

In the government-wide statements, the District incurred a loss on bond refunding in the amount of \$1,027,996, which has been deferred and is being amortized over the life of the Loan. As of December 31, 2021, accumulated amortization totaled \$318,697.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$16,030,000 Taxable Refunding Loan – 2020B**

On November 20, 2020 (closing date), the District entered into a Loan Agreement (2020B Loan) with BBVA Mortgage Corporation (the Lender) for a loan of \$16,030,000. The 2020B Taxable (Convertible to Tax-Exempt) Loan is evidenced by a promissory note. The 2020B Loan was issued to provide funds to refund the District's previous Bonds. The 2020B Loan matures on December 1, 2038. Principal payments are due on December 1 of each year beginning December 1, 2021. Interest is payable on June 1 and December 1 of each year beginning June 1, 2021. The 2020B Loan bears interest at a rate of 2.96% per annum calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable accrual period. The 2020B Loan will become tax-exempt on September 1, 2023, and the interest rate will be converted to 2.34% per annum. The District may, at its option, prepay the 2020B Loan in whole or in part on any interest payment date at a prepayment price equal to the sum of the (a) the principal so prepaid; (b) accrued interest thereon at the rate then borne by the 2020B Loan to the date of such prepayment. Upon an Event of Default, the 2020B Loan shall, if elected by the Lender, bear interest at a rate per annum equal to the interest rate then in effect on the 2020B Loan plus 4.00%. If interest on the 2020B Loan (following any applicable Conversion Date) is determined to not be exempt from taxation as a result of any action or omission of action on the part of the District as provided, then the interest rate on the 2020B Loan, if elected by the Lender, shall convert to a rate per annum equal to the rate otherwise then in effect on the 2020B Loan divided by 79%.

The Pledged Revenue for the repayment of the 2020B Loan is a maximum debt service mill levy of 54.500 mills (which can be adjusted to account for changes in law) and specific ownership taxes.

In the government-wide statements, the District incurred a loss on bond refunding in the amount of \$2,476,917, which has been deferred and is being amortized over the life of the new debt. As of December 31, 2021, accumulated amortization totaled \$466,596.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$6,220,000 Tax-Exempt Refunding Loan – 2021A-1**

On May 12, 2021 (“Closing Date”), the District entered into a Loan Agreement (“2021A-1 Loan”) with BBVA Mortgage Corporation (“Lender”) for a loan of \$6,220,000. The 2021A-1 Taxable (Converting to Tax-Exempt) Loan is evidenced by a promissory note. The 2021A-1 Loan was issued to provide funds to refund the District’s previous Bonds. The 2021A-1 Loan matures on December 1, 2037. Principal payments are due on December 1 of each year beginning December 1, 2021. Interest is payable on June 1 and December 1 of each year beginning June 1, 2021. The 2021A-1 Loan bears interest at a rate of 2.74% per annum calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable accrual period. The District may, at its option, prepay the 2021A-1 Loan in whole on any interest payment date before June 1, 2026 at a prepayment price equal to par plus accrued interest thereon together with any applicable Yield Maintenance Fee that may apply. If such prepayment occurs on or after December 1, 2026, the prepayment price shall equal par plus accrued interest thereon together with any applicable Yield Maintenance Fee but only through and including June 1, 2029. The District may, at its option, prepay the 2021A-1 loan in part by up to 10% of the initial par amount each year at a prepayment price equal to such principal amount plus accrued interest thereon without Premium or Yield Maintenance Fee. Any partial prepayment in excess of such permitted partial prepayment amount each year shall also be permitted but shall be subject only to any applicable Yield Maintenance Fee that may apply to such additional partial prepayment amount and then only if such additional partial prepayments occur prior to December 1, 2029. Upon an Event of Default, the Loans shall, if elected by the Lender, bear interest at a rate per annum equal to the interest rate then in effect on the Loans plus 4.00%. If interest on the Loans (following any applicable Conversion Date) is determined to not be exempt from taxation as a result of any action or omission of action on the part of the District as provided, then the interest rate on the Loans, if elected by the Lender, shall convert to a rate per annum equal to the rate otherwise then in effect on each of the Loans divided by 79%.

As of September 16, 2021, the Loan is Tax-Exempt.

The Pledged Revenue for the repayment of the 2021A-1 Loan is a maximum debt service mill levy of 54.500 mills (which can be adjusted to account for changes in law) and specific ownership taxes.

In the government-wide statements, the District incurred a loss on bond refunding in the amount of \$167,220, which has been deferred and is being amortized over the life of the new debt. As of December 31, 2021, accumulated amortization totaled \$11,786.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$8,020,000 Tax-Exempt Refunding Loan – 2021A-2**

On May 12, 2021 (“Closing Date”), the District entered into a Loan Agreement (“2021A-2 Loan”) with BBVA Mortgage Corporation (“Lender”) for a loan of \$8,020,000. The 2021A-2 Tax-Exempt Loan is evidenced by a promissory note. The 2021A-2 Loan was issued to provide funds to refund the District’s previous Bonds. The 2021A-2 Loan matures on December 1, 2035. Principal payments are due on December 1 of each year beginning December 1, 2021. Interest is payable on June 1 and December 1 of each year beginning June 1, 2021. The 2021A-2 Loan bears interest at a rate of 2.65% per annum calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable accrual period. The District may, at its option, prepay the 2021A-2 Loan in whole on any interest payment date before June 1, 2026 at a prepayment price equal to par plus accrued interest thereon together with any applicable Yield Maintenance Fee that may apply. If such prepayment occurs on or after December 1, 2026, the prepayment price shall equal par plus accrued interest thereon together with any applicable Yield Maintenance Fee but only through and including June 1, 2028. The District may, at its option, prepay the 2021A-2 loan in part by up to 10% of the initial par amount each year at a prepayment price equal to such principal amount plus accrued interest thereon without Premium or Yield Maintenance Fee. Any partial prepayment in excess of such permitted partial prepayment amount each year shall also be permitted but shall be subject only to any applicable Yield Maintenance Fee that may apply to such additional partial prepayment amount and then only if such additional partial prepayments occur prior to December 1, 2028. Upon an Event of Default, the Loans shall, if elected by the Lender, bear interest at a rate per annum equal to the interest rate then in effect on the Loans plus 4.00%. If interest on the Loans (following any applicable Conversion Date) is determined to not be exempt from taxation as a result of any action or omission of action on the part of the District as provided, then the interest rate on the Loans, if elected by the Lender, shall convert to a rate per annum equal to the rate otherwise then in effect on each of the Loans divided by 79%.

The Pledged Revenue for the repayment of the 2021A-2 Loan is a maximum debt service mill levy of 54.500 mills (which can be adjusted to account for changes in law) and specific ownership taxes.

**Debt Authorization**

As of December 31, 2021, the District had remaining voted debt authorization of approximately \$41,125,000. Per the District’s Service Plan, the District cannot issue debt in excess of \$57,753,600, resulting in outstanding authorization of \$5,014,971 after the issuance of the Series 2019 Bonds.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 5 NET POSITION**

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2021, as follows:

Restricted Net Position:

Debt Service	\$ 872,176
Total Restricted Net Position	<u>\$ 872,176</u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds and loans issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**NOTE 6 AGREEMENTS**

**Amended and Restated Joint Resolution Concerning the Imposition of District Development Fees**

On August 24, 1999, and as amended and/or restated in 2000, 2001, 2002, 2003, 2005, 2007, 2010 and 2012, the District entered into a Joint Resolution Concerning the Imposition of District Development Fees with District No. 1 and District No. 2. The agreement establishes development fees, transfer fees and monthly operations fees to be imposed on all residents of the Districts.

On December 3, 2013, the District approved an Amended and Restated Joint Resolution Regarding the Imposition of District Fees along with District No. 1 and District No. 2 which further clarified the District fees and established a schedule of fees for 2015 which is adjusted on an annual basis. For 2021, the District established an operations fee of \$200 per quarter for single family residences and \$100 per quarter for apartment homes which is imposed by Tallyn's Reach Authority.

**Tallyn's Reach Authority Establishment Agreement**

On February 12, 2018, District No. 2 and the District (collectively "the Districts") entered into the Tallyn's Reach Authority Establishment Agreement for the purpose of establishing the Tallyn's Reach Authority which is organized for the purpose of planning, financing, designing, constructing, installing, operating, maintaining, repairing and replacing public improvements and facilities and providing services to the residents of the Districts. During 2018 Tallyn's Reach Metropolitan District No. 1 assigned all of its assets, liabilities, rights and obligations to the Authority after which the Tallyn's Reach Metropolitan District No.1 was dissolved.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 7 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors or omissions, injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for property, liability, and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, The Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for allowable increases based upon inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. As all operating costs are paid by District No. 1, therefore the District has no 3% reserve.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate fiscal year spending limits will require judicial interpretation.

On November 7, 2000, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

**OTHER INFORMATION**



**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
DEBT SERVICE FUND  
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
YEAR ENDED DECEMBER 31, 2021**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	<u>Total Mills Levied Debt Service</u>	<u>Total Property Taxes</u>		Percent Collected to Levied
			Levied	Collected	
2017	55,033,073	48.960	2,694,419	2,694,419	100.00
2018	59,345,649	54.128	3,212,261	3,211,487	99.98
2019	59,856,167	54.128	3,239,895	3,239,857	100.00
2020	65,709,315	54.500	3,581,158	3,580,414	99.98
2021	66,515,064	54.500	3,625,071	3,625,071	100.00
Estimated for Year Ending December 31, 2022	\$ 68,448,880	43.510	\$ 2,978,211		

**NOTE:**

Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2021**

\$7,255,000 General Obligation Refunding Bonds Series 2019 Interest Rate 2.000% - 5.000% Payable June 1 and December 1 Principal Due December 1			
Year Ending December 31,	Principal	Interest	Total
2022	\$ 310,000	\$ 267,200	\$ 577,200
2023	325,000	251,700	576,700
2024	345,000	235,450	580,450
2025	360,000	218,200	578,200
2026	365,000	211,000	576,000
2027	380,000	196,400	576,400
2028	400,000	181,200	581,200
2029	415,000	163,950	578,950
2030	435,000	143,200	578,200
2031	460,000	121,450	581,450
2032	480,000	98,450	578,450
2033	505,000	74,450	579,450
2034	530,000	49,200	579,200
2035	545,000	33,300	578,300
2036	565,000	16,950	581,950
Total	\$ 6,420,000	\$ 2,262,100	\$ 8,682,100

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)**  
**DECEMBER 31, 2021**

\$7,645,000 Taxable (Converting to Tax-Exempt)  
Refunding Loan  
Series 2020A  
Interest Rate 2.12% - 2.68%  
Payable June 1 and December 1  
Principal Due December 1

<u>Year Ending December 31.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 508,000	\$ 181,940	\$ 689,940
2023	545,000	141,086	686,086
2024	553,000	129,532	682,532
2025	566,000	117,808	683,808
2026	577,000	105,809	682,809
2027	603,000	93,577	696,577
2028	603,000	80,793	683,793
2029	625,000	68,010	693,010
2030	625,000	54,760	679,760
2031	639,000	41,510	680,510
2032	658,000	27,963	685,963
2033	661,000	14,013	675,013
Total	<u>\$ 7,163,000</u>	<u>\$ 1,056,801</u>	<u>\$ 8,219,801</u>

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)**  
**DECEMBER 31, 2021**

\$16,030,000 Taxable (Converting to Tax-Exempt) Refunding Loan Series 2020B Interest Rate 2.34% - 2.96% Payable June 1 and December 1 Principal Due December 1			
Year Ending December 31,	Principal	Interest	Total
2022	\$ 299,000	467,443	\$ 766,443
2023	336,000	434,579	770,579
2024	456,000	354,674	810,674
2025	468,000	344,003	812,003
2026	523,000	333,052	856,052
2027	521,000	320,814	841,814
2028	584,000	308,623	892,623
2029	591,000	294,957	885,957
2030	662,000	281,128	943,128
2031	673,000	265,637	938,637
2032	730,000	249,888	979,888
2033	757,000	232,806	989,806
2034	1,495,000	215,093	1,710,093
2035	1,531,000	180,110	1,711,110
2036	1,609,000	144,285	1,753,285
2037	2,229,000	106,634	2,335,634
2038	2,328,000	54,475	2,382,475
Total	\$ 15,792,000	\$ 4,588,201	\$ 20,380,201

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)**  
**DECEMBER 31, 2021**

\$6,220,000 Taxable (Converting to Tax-Exempt) Refunding Loan Series 2021A-1 Interest Rate 2.74% - 3.47% Payable June 1 and December 1 Principal Due December 1			
Year Ending December 31,	Principal	Interest	Total
2022	\$ 410,000	162,893	\$ 572,893
2023	425,000	151,659	576,659
2024	445,000	140,014	585,014
2025	365,000	127,821	492,821
2026	290,000	117,820	407,820
2027	295,000	109,874	404,874
2028	310,000	101,791	411,791
2029	320,000	93,297	413,297
2030	340,000	84,529	424,529
2031	350,000	75,213	425,213
2032	365,000	65,623	430,623
2033	375,000	55,622	430,622
2034	395,000	45,347	440,347
2035	405,000	34,524	439,524
2036	425,000	23,427	448,427
2037	430,000	11,782	441,782
Total	\$ 5,945,000	\$ 1,401,236	\$ 7,346,236

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)**  
**DECEMBER 31, 2021**

\$8,020,000 Taxable Tax-Exempt Refunding Loan Series 2021A-2 Interest Rate 2.65 Payable June 1 and December 1 Principal Due December 1			
Year Ending December 31,	Principal	Interest	Total
2022	\$ 325,000	201,930	\$ 526,930
2023	330,000	193,318	523,318
2024	350,000	184,573	534,573
2025	510,000	175,298	685,298
2026	640,000	161,783	801,783
2027	660,000	144,823	804,823
2028	690,000	127,333	817,333
2029	715,000	109,048	824,048
2030	715,000	90,100	805,100
2031	495,000	71,153	566,153
2032	520,000	58,035	578,035
2033	535,000	44,255	579,255
2034	560,000	30,078	590,078
2035	575,000	15,238	590,238
Total	\$ 7,620,000	\$ 1,606,960	\$ 9,226,960

**TALLYN'S REACH METROPOLITAN DISTRICT NO. 3**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)**  
**DECEMBER 31, 2021**

<u>Year Ending December 31,</u>	<u>Totals</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	1,852,000	1,281,406	3,133,406
2023	1,961,000	1,172,342	3,133,342
2024	2,149,000	1,044,243	3,193,243
2025	2,269,000	983,130	3,252,130
2026	2,395,000	929,464	3,324,464
2027	2,459,000	865,488	3,324,488
2028	2,587,000	799,740	3,386,740
2029	2,666,000	729,262	3,395,262
2030	2,777,000	653,717	3,430,717
2031	2,617,000	574,963	3,191,963
2032	2,753,000	499,959	3,252,959
2033	2,833,000	421,146	3,254,146
2034	2,980,000	339,718	3,319,718
2035	3,056,000	263,172	3,319,172
2036	2,599,000	184,662	2,783,662
2037	2,659,000	118,416	2,777,416
2038	2,328,000	54,475	2,382,475
Total	<u>\$ 42,940,000</u>	<u>\$ 10,915,298</u>	<u>\$ 53,855,298</u>

**RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF  
TALLYN’S REACH METROPOLITAN DISTRICT NO. 2  
TO INITIATE THE CONSOLIDATION OF TWO OR MORE  
SPECIAL DISTRICTS**

---

WHEREAS, Tallyn’s Reach Metropolitan District No. 2 (the “Initiating District”) is a quasi-municipal corporation and political subdivision of the State of Colorado and is a duly organized and existing special district pursuant to §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, the Board of Directors of the Initiating District desires that Tallyn’s Reach Metropolitan District No. 3, ( the “Concurring District”) and the Initiating District be consolidated into a single consolidated district, pursuant to the provisions of §§ 32-1-601, *et seq.*, C.R.S. (the Initiating District and Concurring District shall be collectively referred to herein as the “Districts”); and

WHEREAS, on September 14, 1998, the City Council (“Council”) of the City of Aurora (the “City”) approved that certain Consolidated Service Plan (the “Original Service Plan”) for Promontory Metropolitan Districts Nos. 1, 2 and 3 (the “Promontory Districts”); and

WHEREAS, on March 31, 1999, the Arapahoe County District Court (the “District Court”) granted an Order Approving Name Change for each of the Promontory Districts thereby changing their respective names to the Tallyn’s Reach Metropolitan District Nos. 1, 2 and 3; and

WHEREAS, the City Council approved a First Modification to the Consolidated Service Plan for Tallyn’s Reach Metropolitan District Nos. 1, 2, and 3 on August 11, 2003 (the “First Modification”) (and collectively with the Original Service plan, the “Service Plan”).

WHEREAS, in accordance with the Service Plan, Tallyn’s Reach Metropolitan District No. 2 and Tallyn’s Reach Metropolitan District No. 3 were originally proposed to serve as the “Financing Districts”, and were responsible for raising revenues necessary to support the financing of the capital improvements and necessary operations pursuant to the Service Plan; and

WHEREAS, the Initiating District and Concurring District are so situated that said the Districts may operate effectively and economically as a consolidated district (the “Consolidated District”); and

WHEREAS, the public health, safety, prosperity, and general welfare of the future inhabitants of the Districts will be better served by the proposed Consolidated District; and

WHEREAS, pursuant to § 32-1-602(2)(b) C.R.S., in order to be included within the proposed Consolidated District, the Concurring District must pass a resolution concurring with



this Resolution, and send a copy of such resolution to the Initiating District within 180 days of the date of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE INITIATING DISTRICT AS FOLLOWS:

1. That the Board of Directors hereby initiates the consolidation of the Initiating District and Concurring District.
2. That the Board of Directors hereby declares that the Initiating District and the Concurring District are so situated that the Districts may operate effectively and economically as the proposed Consolidated District.
3. That the Board of Directors hereby declares that the public health, safety, prosperity, and general welfare of the future inhabitants of the Initiating District will be better served by consolidation of the Districts.
4. That the name of the proposed Consolidated District shall be Tallyn's Reach Metropolitan District.
5. That the Consolidated District shall have the authority and power to provide the services allowed under the Service Plan to the Initiating District and the Concurring District as held in common by both Districts.
6. That the board of directors of the proposed Consolidated District will consist of five directors.
7. That the following special condition shall attach to the proposed Consolidated District:
  - a) The Initiating District, Concurring District and the proposed Consolidated District shall at all times comply with the requirements set forth in the Service Plan in addition to the requirements set forth in § 32-1-601, *et seq.* C.R.S.
8. That the Concurring District shall have six months to adopt a resolution concurring in the consolidation of the Districts.
9. That within thirty days of the receipt of the Concurring District's resolution the Board of Directors of the Initiating District shall cause a copy of this Resolution and the concurring resolution to be filed with the Arapahoe County Board of County Commissioners and the District Court, pursuant to § 32-1-602(2)(c) C.R.S.

APPROVED AND ADOPTED THIS 19<sup>th</sup> DAY OF APRIL, 2022.

**TALLYN'S REACH METROPOLITAN  
DISTRICT NO. 2**

---

Officer of the District

ATTEST:

---

APPROVED AS TO FORM:

**WHITE BEAR ANKELE TANAKA & WALDRON**  
Attorneys at Law

---

General Counsel to the District

***Tallyn's Reach Metropolitan District No. 2's Signature Page to Consolidation Resolution***

**RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF  
TALLYN’S REACH METROPOLITAN DISTRICT NO. 3  
CONCURRING WITH THE CONSOLIDATION OF TWO OR MORE  
SPECIAL DISTRICTS**

---

WHEREAS, Tallyn’s Reach Metropolitan District No. 3 (the “Concurring District”) is a quasi-municipal corporation and political subdivision of the State of Colorado and is a duly organized and existing special district pursuant to §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, on April 19, 2022 the Board of Directors of Tallyn’s Reach Metropolitan District No. 2 (the “Initiating District”) passed a *Resolution to Initiate the Consolidation of Two or More Districts* (the “Consolidation Resolution”); and

WHEREAS, pursuant to the Consolidation Resolution, the Board of Directors of the Initiating District proposed the consolidation of the Initiating District and the Concurring District into a single consolidated district, pursuant to the provisions of §§ 32-1-601, *et seq.*, C.R.S. (the “Consolidated District”); and

WHEREAS, on April 19, 2022 the Board of Directors of the Initiating District provided the Consolidation Resolution to the Concurring District; and

WHEREAS, pursuant to the Consolidation Resolution, if the Concurring District desires to be included within the proposed Consolidated District, the Board of Directors of the Concurring District (the “Board of Directors”) is required to pass a resolution concurring to the same and provide a copy of such resolution to the Initiating District within six months of the date of the Consolidation Resolution; and

WHEREAS, the public health, safety, prosperity, and general welfare of the inhabitants within the Concurring District will be better served by the proposed Consolidated District; and

WHEREAS, pursuant to § 32-1-602(2)(b) C.R.S., the Board of Directors desires to pass this resolution concurring with the Consolidation Resolution and relatedly the Concurring District’s inclusion into the Consolidated District (this “Concurring Resolution”).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CONCURRING DISTRICT AS FOLLOWS:

1. That the Board of Directors hereby concurs with the Consolidation Resolution and the Concurring District’s inclusion into the Consolidated District.

2. That the Board of Directors hereby declares that the public health, safety, prosperity, and general welfare of the inhabitants within the Concurring District will be better served by the proposed Consolidated District.

3. That immediately upon approval of this Concurring Resolution, such Concurring Resolution shall be provided to the Initiating District.

4. That within thirty days of the receipt of this Concurring Resolution, the Board of Directors of the Initiating District shall cause a copy of the Consolidation Resolution and this Concurring Resolution to be filed with the Arapahoe County Board of County Commissioners and the Arapahoe County District Court, pursuant to § 32-1-602(2)(c) C.R.S.

*[Remainder of Page Intentionally Left Blank. Signature Page Follows].*

APPROVED AND ADOPTED THIS 19<sup>th</sup> DAY OF APRIL, 2022.

**TALLYN'S REACH METROPOLITAN  
DISTRICT NO. 3**

---

Officer of the District

ATTEST:

---

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

---

General Counsel to the District

*Tallyn's Reach Metropolitan District No. 3's Signature Page to Concurring Resolution*

**RESOLUTION  
OF THE BOARD OF DIRECTORS OF  
TALLYNS REACH METROPOLITAN DISTRICT NO. 2**

**APPOINTING BOARD MEMBERS TO SERVE ON THE BOARD OF DIRECTORS  
OF THE TALLYN’S REACH AUTHORITY**

---

WHEREAS, Tallyn’s Reach Metropolitan District No. 2 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing pursuant to §§ 32-1-101, *et seq.*, C.R.S. (the “**Special District Act**”); and

WHEREAS, on February, 12, 2018, the District, together with Tallyn’s Reach Metropolitan District No. 3, entered into the Tallyn’s Reach Authority Establishment Agreement (the “**Establishment Agreement**”) to establish the Tallyn’s Reach Authority (the “**Authority**”), a separate legal entity that is a political subdivision of the State of Colorado; and

WHEREAS, pursuant to Section 2.03 of the Establishment Agreement the District is entitled to appoint two directors, and to appoint one director jointly with Tallyn’s Reach Metropolitan District No. 3 (“**District No. 3**”), to the Authority Board of Directors (the “**Authority Board**”).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TALLYN’S REACH METROPOLITAN DISTRICT NO. 2 AS FOLLOWS:

1. The Board of Directors of the District hereby appoints the following individuals to the below terms of office on the Authority Board:

David Paterson – Serving a term until the regular District election in 2023

B.J. Pell – Serving a term until the regular District election in 2025

2. The Board of Directors of the District, jointly with the Board of Directors of District No. 3, hereby appoints the following individual to the below term of office on the Authority Board:

Craig Wagner – Serving a term until the regular District election in 2023

*Signature Page Follows*

RESOLVED, ADOPTED AND APPROVED this 19<sup>th</sup> day of April, 2022.

**TALLYN'S REACH METROPOLITAN  
DISTRICT NO. 2**

\_\_\_\_\_  
Officer of the District

**ATTEST:**

\_\_\_\_\_

**APPROVED AS TO FORM:**

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

\_\_\_\_\_  
General Counsel to the District

*Signature Page to Resolution of the Board of Directors of Tallyn's Reach Metropolitan District  
No. 2 Appointing Board Members to the Tallyn's Reach Authority*

**RESOLUTION  
OF THE BOARD OF DIRECTORS OF  
TALLYNS REACH METROPOLITAN DISTRICT NO. 3**

**APPOINTING BOARD MEMBERS TO SERVE ON THE BOARD OF DIRECTORS  
OF THE TALLYN’S REACH AUTHORITY**

---

WHEREAS, Tallyn’s Reach Metropolitan District No. 3 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing pursuant to §§ 32-1-101, *et seq.*, C.R.S. (the “**Special District Act**”); and

WHEREAS, on February, 12, 2018, the District, together with Tallyn’s Reach Metropolitan District No. 2, entered into the Tallyn’s Reach Authority Establishment Agreement (the “**Establishment Agreement**”) to establish the Tallyn’s Reach Authority (the “**Authority**”), a separate legal entity that is a political subdivision of the State of Colorado; and

WHEREAS, pursuant to Section 2.03 of the Establishment Agreement the District is entitled to appoint two directors, and to appoint one director jointly with Tallyn’s Reach Metropolitan District No. 2 (“**District No. 2**”), to the Authority Board of Directors (the “**Authority Board**”).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TALLYN’S REACH METROPOLITAN DISTRICT NO. 3 AS FOLLOWS:

1. The Board of Directors of the District hereby appoints the following individuals to the below terms of office on the Authority Board:

Harry Yosten – Serving a term until the regular District election in 2025

Mike Dell’Orfano – Serving a term until the regular District election in 2025

2. The Board of Directors of the District, jointly with the Board of Directors of District No. 2, hereby appoints the following individual to the below term of office on the Authority Board:

Craig Wagner – Serving a term until the regular District election in 2023

*Signature Page Follows*



RESOLVED, ADOPTED AND APPROVED this 19<sup>th</sup> day of April, 2022.

**TALLYN’S REACH METROPOLITAN  
DISTRICT NO. 3**

\_\_\_\_\_  
Officer of the District

**ATTEST:**

\_\_\_\_\_

**APPROVED AS TO FORM:**

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

\_\_\_\_\_  
General Counsel to the District

*Signature Page to Resolution of the Board of Directors of Tallyn’s Reach Metropolitan District  
No. 3 Appointing Board Members to the Tallyn’s Reach Authority*

## **Landscape Committee Report to the Board: 4/19/22**

1. BJ & Harry are working on Brightview contract for median xeriscaping
2. Contract signed for West Quad beautification: Colorado DesignScapes. Includes 2 large monuments & cobble work on Arapahoe by E-470
3. BJ working on ColoradoStoneWorks contract for small monument on Briarwood (using \$20k of tree budgets). Perennial flower bed around it.
4. Question for Board: Lights on dog stations? Cost \$100 x 29 stations. Committee is lukewarm on the subject. 4 new stations in W & N/E Quads.
5. Small wall on Aurora Parkway didn't get done in 2021 so underbudget last year, will get done this year but will be over Capital budget about \$100k. Project greatly delayed by COA new requests of our engineer.
6. Sanctuary has agreed verbally to transfer meter/water costs. CCSD no and Xcel not yet. City not yet either.
7. Water will be on soon as pre-season repairs continue. The "stop&waste" \$30k project (replacing 9 failed controls as deep as 12' down) is done making TR now compliant with COA rules on dealing with water meters.
8. Annual and perennial flowers planting will start soon.
9. Bill is working with adjacent owner Chad Andrus on Fultondale & Ottawa re: bad looking Authority parcel with dead trees and poor natives.
10. Julie Huygen has joined the Committee as its 7<sup>th</sup> member.
11. New picnic tables for pool area, to arrive by midsummer

BJ, Harry, Bill, Brian C, Brian B, Jeff, Julie

### **CLA (Nick & Celeste) working on Landscaping projects too:**

1. Downed street light on Arapahoe
2. Central Quad Brightview contract for mulch
3. Work on N/E Quad post & sign contract will begin soon
4. Work on Test sites 1-3 turf-native conversions starts when grass greens up
5. Contract being sought for private street s(hammerheads) repairs
6. Contract being sought for Buchanan Court repairs
7. ESRI mapping system soon available for use in identifying tree removal and replacements. Estimate: up to 70 trees.
8. Brightview porter will be onsite very soon.
9. Shade structure permit is in final approval with the City.

10. Drainage issue reported behind 6896 S Biloxi Ct. This is in the Phillips 66 area. We will be meeting with the owner and reviewing the drainage issue.