

TALLYN'S REACH AUTHORITY
TALLYN'S REACH METROOPLITAN DISTRICT NOS. 2 AND 3
www.TallynsReachMetroDistrict.com

NOTICE OF SPECIAL JOINT MEETING AND AGENDA

DATE: January 31, 2023

TIME: 5:00 p.m.

LOCATION: To be held virtually only.

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_YzFkNGNkMDctYzAwZC00ODUxLThkMGEtOGM5MDFiOTI4YTFm%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: 997 053 208#

AUTHORITY: Board of Directors	Office	Term Expires
David Patterson	President	May 2023
BJ Pell	Vice Pres. / Assistant Secretary	May 2025
Harry Yosten	Treasurer	May 2025
Mike Dell'Orfano	Assistant Secretary	May 2025
Brian Crandall	Assistant Secretary	May 2023

DISTRICT 2: Board of Directors	Office	Term Expires
BJ Pell	President	May 2025
William Barcus	Vice President / Treasurer	May 2025
Brian Baisch	Secretary	May 2025
VACANT	Assistant Secretary	May 2023
VACANT	Assistant Secretary	May 2023

DISTRICT 3: Board of Directors	Office	Term Expires
Mike Dell'Orfano	President	May 2025
Harry Yosten	Vice President / Treasurer	May 2025
David Patterson	Secretary	May 2023
Julie Huygen	Assistant Secretary	May 2023
Brian Crandall	Assistant Secretary	May 2023/2025

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. **MDs 2 & 3:** Approval of Minutes of the Joint Regular Meeting on November 15, 2022 (enclosure).
- B. **MD 6:** Approval of Minutes of the Regular Meeting on November 15, 2022 and Minutes of the Special Meeting on November 29, 2022 (enclosures).

III. FINANCIAL MATTERS

IV. LEGAL MATTERS

- A. Review and consider engagement of legal firm for unpaid fee collection services:
 - a. Altitude Community Law P.C. (enclosure).
 - b. IDEA Law Group, LLC (foreclosure only) (enclosure).
 - c. Orten Cavanagh Holmes & Hunt, LLC (enclosure).
 - d. Winzenburg Leff Purvis & Payne, LLP (enclosure).

- B. Update on Cherry Creek School District and City of Aurora Property Maintenance Discussions

V. MANAGER MATTERS

- A. Discuss potential appointment of a Local Governmental Designee (liaison) to the Colorado Oil & Gas Conservation Commission.

VI. OTHER MATTERS

- A. Discuss snow removal on 25 private streets.
- B. **MDs 2 & 3:** Confirm quorum for next regular Board meeting – November 21, 2023 at 5:30 p.m.
- C. **Authority:** Confirm quorum for next regular Board meeting – March 21, 2023 at 6:00 p.m.

VII. ADJOURNMENT

AUTHORITY - The next regular meeting is scheduled for March 21, 2023 at 6:00 p.m.
MDs 2 and 3 - The next regular meeting is scheduled for November 21, 2023 at 5:30 p.m.

RECORD OF PROCEEDINGS

MINUTES OF A JOINT REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
TALLYN'S REACH METROPOLITAN DISTRICT NOS. 2 AND 3
(THE "DISTRICTS")
HELD
NOVEMBER 15, 2022

A joint regular meeting of the Board of Directors of the Tallyn's Reach Metropolitan District Nos. 2 and 3 (referred to hereafter as the "Board" and/or "Boards") was convened on Tuesday, November 15, 2022, at 5:30 p.m. This Board meeting was held at Tallyn's Reach Clubhouse, 24900 E. Park Crescent Dr. Aurora, CO 80016, and via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors in Attendance for MD 2:

BJ Pell, President
William Barcus, Vice President/Treasurer
Brian Baisch, Secretary

Directors in Attendance for MD 3:

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

Also in Attendance Were:

Blair Dickhoner, Esq.; White Bear Ankele Tanaka & Waldron ("WBA")
Celeste Terrell, Nic Carlson and Terri Boroviak; CliftonLarsonAllen LLP ("CLA")
Isabell Rodau and Kimberly Armitage; YMCA
Angela Cassias and Revekka Balancier; Axiom of Purpose

Public in Attendance:

Doug Rodgers, Kelly Smith, Lisa Kveitok, Scott Steckler and Cindy F.

ADMINISTRATIVE MATTERS

Call to Order and Agenda: The meeting was called to order at 5:33 p.m. by Ms. Terrell.

Following review and discussion, upon a motion duly made by Director Crandall, seconded by Director Pell and, upon vote, unanimously carried, the Board approved the Agenda, as presented.

Disclosures of Potential Conflicts of Interest: Attorney Dickhoner advised the Boards 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

RECORD OF PROCEEDINGS

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. Attorney 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.

Quorum, Location of Meeting and Posting of Meeting Notices: A quorum for each Board for the meeting, the meeting location and posting of meeting notice were confirmed.

Public Comment: None.

CONSENT AGENDA

Ms. Terrell reviewed the Consent Agenda with the Boards 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 and seconded, upon vote and unanimously carried, the Boards approved and/ or ratified the following items on the Consent Agenda, as appropriate:

- A. **MDs 2 & 3:** Approval of Minutes of July 19, 2022 Joint Meeting.
- B. **MD 2:** Ratify Approval of Resolution No. 2022-07-19, Submitting Ballot Titles Regarding Consolidation of Districts and an Operations and Maintenance Mill Levy.
- C. **MD 3:** Ratify Approval of Resolution No. 2022-07-19, Submitting Ballot Titles Regarding Consolidation of Districts and an Operations and Maintenance Mill Levy.
- D. **MDs 2 & 3:** Adoption of Resolution No. 2022-11-01, Annual Administrative Matters for 2023.

FINANCIAL MATTERS

Unaudited Financial Statements as of September 30, 2022 and Schedule of Cash Position Updated as of November 1, 2022: Ms. Boroviak reviewed the financial statements with the Boards. Following discussion, upon a motion duly made and seconded, upon vote and unanimously carried, the Boards accepted the unaudited financial statements as of September 30, 2022 and schedule of cash positions updated as of November 1, 2022.

Public Hearings to Consider Amendments of the 2022 Budgets. Resolutions to Amend the 2022 Budgets: An amendment to the 2022 Budget was not needed for either District.

Public Hearings on the Proposed 2023 Budgets and Resolution Nos. 2022-11-02 to Adopt the 2023 Budgets and Appropriate Sums of Monies: The public hearings were opened to consider the proposed 2023 Budgets at 5:51 p.m.

RECORD OF PROCEEDINGS

It was noted that Notice stating that the Boards would consider adoption of the 2023 budgets and the date, time and place of the public hearings was published pursuant to statute. No written objections were received prior to the public hearing.

No public comments were received, and the public hearings were closed at 6:05 p.m.

Ms. Boroviak reviewed the proposed 2023 budgets with the Boards.

Following discussion, upon a motion duly made by Director Pell, seconded by Director Barcus and, upon vote, unanimously carried, the District No. 2 Board approved the 2023 Budget and adopted Resolution No. 2022-11-02 to Adopt the 2023 Budget and Appropriate Sums of Money.

Following discussion, upon a motion duly made by Director Yosten, seconded by Director Crandall and, upon vote, unanimously carried, the District No. 3 Board approved the 2023 Budget and adopted Resolution No. 2022-11-02 to Adopt the 2023 Budget and Appropriate Sums of Money.

District Accountant to Prepare the DLG-70 Certification of Tax Levies Forms for Certification to the Board of County Commissioners and Other Interested Parties: Following discussion, upon a motion duly made and seconded, upon vote and unanimously carried, Boards authorized the District Accountant to prepare the DLG-70 Certification of Tax Levies Forms.

Board Member to Sign the DLG-70 Certifications of Tax Levies: Following discussion, upon a motion duly made and seconded, upon vote and unanimously carried, the Boards appointed the District Accountant to sign the DLG-70 Certifications of Tax Levies.

Engagement Letter with Wipfli LLP to Prepare 2022 Audits: Following discussion, upon a motion duly made and seconded, upon vote and unanimously carried, the Boards engaged Wipfli LLP to prepare the 2022 Audits.

District Accountant to Prepare the 2024 Budgets: Following discussion, upon a motion duly made and, upon vote, unanimously carried and seconded, upon vote and unanimously carried, the Boards appointed the District Accountant to prepare the 2024 Budgets.

LEGAL MATTERS

Resolution Nos. 2022-11-03 Calling a Regular Election for Directors on May 2, 2023, DEO and DEO to Perform All Tasks Required for the Conduct of a Mail Ballot Elections: Attorney Dickhoner reviewed the election resolutions with the Boards. Following discussion, upon a motion duly made and seconded, upon vote and unanimously carried, the Districts

RECORD OF PROCEEDINGS

adopted Resolution Nos. 2022-11-03 Calling a Regular Election for Directors on May 2, 2023, appointed Ashley Frisbie as Designated Election Official (“DEO”) and authorized the DEO to perform all tasks required for the conduct of a mail ballot elections.

Results of Consolidated Election and Next Steps: Attorney Dickhoner reported the measures did not pass so there are no additional steps to be taken.

MANAGER MATTERS

2023 Insurance Renewals and Memberships in the Special District Association: Ms. Terrell reviewed the insurance renewal with the Boards. Following discussion, upon a motion duly made and seconded, upon vote and unanimously carried, the Boards approved the 2023 insurance renewals and authorized memberships in the Special District Association.

OTHER MATTERS

Quorum for Next Regular Board Meeting on November 21, 2023 at 5:30 p.m.: Ms. Terrell reviewed the next regular Board meeting date. The Boards confirmed a quorum for November 21, 2023 at 5:30 p.m.

ADJOURNMENT

There being no further business to come before the Boards, upon a motion duly made and seconded, upon vote and unanimously carried, the Boards adjourned the meeting at 6:12 p.m.

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

Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE TALLYN'S REACH AUTHORITY HELD NOVEMBER 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, November 15, 2022, at 6:00 p.m. This regular meeting was held at the Tallyn's Reach Clubhouse, 24900 E. Park Crescent Drive, Aurora, Colorado 80016 and via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors in Attendance for the Authority:

David Patterson, President
 BJ Pell, Vice-President/Assistant Secretary, attending in person
 Harry Yosten, Treasurer, attending in person
 Mike Dell'Orfano, Assistant Secretary, attending in person
 Brian Crandall, Assistant Secretary

Also in Attendance Were:

Blair Dickhoner, Esq.; White Bear Ankele Tanaka & Waldron ("WBA")
 Celeste Terrell, Nic Carlson, and Terri Boroviak; CliftonLarsonAllen LLP ("CLA")
 Bill Barcus; Resident and Board Member of Tallyn's Reach MD 2
 Julie Huygen; Resident and Board Member of Tallyn's Reach MD 3
 Taylor Goertz; IMEG Corp.
 Isabell Rodau and Kimberly Armitage; YMCA
 Revekka Balancier and Angela Cassias; Axiom of Purpose

Public in Attendance Were:

Cindy F., Doug Rodgers, Kelly Smith, Lisa Kveitok, Scott Steckler, Amber Golden, Collin Westerfield, Jim Velasco, Susan Marenva, Wendy Hahn, and Renee Lewis.

ADMINISTRATIVE MATTERS

Call to Order: The meeting was called to order at 6:12 p.m.

Agenda: Following review and discussion, upon a motion duly made by Director Yosten, seconded by Director Crandall and, upon vote, unanimously carried, the Board approved the Agenda, as amended, to move Axiom and IMEG to Items 5.C. and D. on the Agenda.

RECORD OF PROCEEDINGS

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 WBA 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 quorum or to otherwise enable the Board to act.

Quorum: A quorum was confirmed for the meeting.

EXECUTIVE SESSION

Executive Session of the Board of Directors for the Purpose of Receiving Legal Advice Pursuant to Section 24-6-402(4)(b), Colorado Revised Statutes as it Relates to a Letter Received from TREA SH Tallyn's Reach, LLC (Sanctuary) on October 28, 2022 Regarding the Operations Fee: Pursuant to Sections 24-6-402(4)(b), C.R.S., upon motion duly made by Director Yosten, seconded by Director Crandall and, upon vote, unanimously carried, the Board convened in Executive Session at 6:17 p.m. for the purpose of receiving legal advice related to a letter received from TREA SH Tallyn's Reach, LLC (Sanctuary) on October 28, 2022 regarding the Operations Fee.

The Board reconvened in public session at 6:41 p.m.

PUBLIC COMMENT

Amber Golden – shared concerns regarding proposed oil and gas lease and asked the Board to consider declining.

Collin Westerfield – Expressed concerns regarding proposed oil and gas lease and proposed allowing the oil and gas lease to be put to a community vote.

Jim Velasco – Expressed concern regarding oil and gas lease and proposed the Authority conduct a community survey to gauge support.

Susan Marenya – Expressed concern regarding oil and gas lease and asked the Board to consider declining the lease and proposed conducting a survey.

RECORD OF PROCEEDINGS

Wendy Hahn – Expressed concern regarding oil and gas lease and implored Board to consider declining the lease.

Renee Lewis – Shared her experience living near other fracking sites and expressed concerns regarding the oil and gas lease. Ms. Lewis asked the Board to consider declining the lease.

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 Yosten, seconded by Director Crandall and, upon vote, unanimously carried, the following items on the Consent Agenda were approved, ratified and/or adopted, as appropriate.

- A. Approval of Minutes of the Regular Meeting on September 20, 2022.
- B. Ratify approval of Independent Contractor Agreement with Brightview Landscape Services, Inc. for native test site seeding and cottonwood pruning in the amount of \$23,545.93.
- C. Ratify approval of Independent Contractor Agreement with Brightview Landscape Services, Inc. for 2022-2023 snow removal services.
- D. Ratify approval of Independent Contractor Agreement with SavATree, LLC for 2022 holiday décor.
- E. Adoption of Resolution No. 2022-11-01, Annual Administrative Matters for 2023.

LOCAL CRIME REPORT

Aurora District 3 Police Department: Officer Ludkin presented crime statistics noting that crime is low in Tallyn’s Reach compared to surrounding communities. No murders or sex assaults reported in last two years, 8 aggravated assaults were noted in the past year, no robberies were noted, 6 burglaries this year, 8 motor vehicle thefts were noted this year. Crime in District 3 was notably higher in all accounts.

Status of Security Services: Director Dell’Orfano updated the Board noting that himself and Director Crandall propose tabling Flock cameras for the time being. Directors Dell’Orfano and Crandall, along with Mr. Carlson will continue to look at proposals for security services. Following discussion, the Board directed CLA staff and Directors Dell’Orfano and Crandall to continue looking into options and report back in 2023.

RECORD OF PROCEEDINGS

Consolidated Election and Next Steps: Ms. Balancier and Ms. Casias of Axiom of Purpose reviewed the summary of ballot measures with the Board and reflections for future projects.

IMEG Update: Mr. Goetz updated the Board on the following items:

- Evaluation of and recommendations for 2023 street improvements. The Board directed Mr. Taylor to return at the next meeting in the Spring with a proposal for their recommended balance approach.
- Buchanan Court project is on hold while IMEG works on drainage calculations. IMEG plans to submit next application in the coming weeks.
- Retaining wall project is on hold while IMEG works through grading details with the City of Aurora.

LEGAL MATTERS

Oil and Gas Lease with Axis Exploration LLC (“Axis”): The Board received a report from special counsel on the lease offer for TR's mineral interests received in July 2022. At that point in time the Board was not aware it owned any mineral interests in its common grounds but has now discovered it owns over 70 surface acres with 40 mineral acres containing oil and gas deposits over a mile and a half below the surface. The Board had retained special counsel to advise it on mineral interest ownership and to negotiate terms of a potential lease.

Special counsel advised that the permitting of oil and gas drilling in Colorado lies exclusively with the Colorado Oil and Gas Commission. Signing a lease is not determinative of whether drilling can occur. Colorado has a pooling law which allows drilling to occur even if not all owners of mineral interests have signed leases. In effect, signing a lease is only a choice as to how to get paid: by the terms of the lease or by the terms of the pooling laws if and only if COOGC approves drilling.

More information is needed by the Board before an informed opinion can be made on the proper way to proceed for the mineral interests which are owned by the Authority. At the September Board meeting the Board had already arranged to host a meeting where mineral interest owners and other residents of Tallyn’s Reach could receive information from the Oil and Gas developer if the COOGC approves drilling. All residents are encouraged to bring any concerns to COOGC.

The Board entered into an extended discussion. Upon a motion duly made by Director Crandall, seconded by Director Pell and, upon vote,

RECORD OF PROCEEDINGS

unanimously carried, the Board directed staff to investigate data on acreage owned by the Authority, the total acreage of the proposed drilling and spacing unit, additional information on lessor/lessee liability issues, and to coordinate a special meeting to be held once information is available.

If COOGC approves drilling, the Board discussed posting any oil and gas revenues to be received, whether by terms of a lease or by terms of the pooling laws, 90% to the Capital Account and 10% to the General Account.

Agreement with Cherry Creek School District (“CCSD”): Attorney Dickhoner noted that there is nothing to report at this time as CCSD has not responded as of yet.

Consolidated Election and Next Steps: This matter was discussed earlier in the meeting.

Third Amendment to Amended and Restated Resolution No. 2022-11-02 Concerning the Imposition of Authority Fees: The Authority fees were discussed in depth during the 2023 Budget discussion and approved as described in that portion of these Minutes.

FINANCIAL MATTERS

Claims: Ms. Terrell provided an overview of the claims. Following review and discussion, upon a motion duly made by Director Yosten, seconded by Director Dell’Orfano and, upon vote, unanimously carried, the Board approved the claims as presented.

Unaudited Financial Statements and Schedule of Cash Position: Ms. Boroviak reviewed the unaudited financial statements as of September 30, 2022 and the schedule of cash position updated as of October 27, 2022. Following review and discussion, upon a motion duly made by Director Yosten, seconded by Director Dell’Orfano and, upon vote, unanimously carried, the Board approved the unaudited financial statements as of September 30, 2022 and the schedule of cash position updated as of October 27, 2022, as presented.

Public Hearing on Amendment to 2022 Budget: It was noted that no amendment was needed on the 2022 Budget.

Public Hearing on 2023 Budget and Resolution No. 2022-11-03 to Adopt the 2023 Budget: The public hearing to consider the proposed 2022 Budget was opened at 9:12 p.m.

RECORD OF PROCEEDINGS

It was noted that Notice stating that the Board would consider adoption of the 2023 Budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing.

No public comments were received, and the public hearing was closed at 9:12 p.m.

Ms. Boroviak presented the 2023 Budget to the Board.

The proposed 2023 budget was discussed. The budget has two funds. The Capital Fund which is used to pay for long term expenses arising from the ownership of assets including the clubhouse, the pool, the tennis courts and playground, 25 private streets, 12 retention and detention ponds with a dam and flood control infrastructure, over 100 acres of native grasses and over 40 acres of irrigated turf and shrub beds. The Capital Fund also is used to pay for long term updates to the irrigation system including 32 smart controllers. The General Fund is used to pay for ordinary maintenance expenses for all Authority assets. The Authority receives funding for the two Funds in two ways, an annual tax revenue transfer to the Authority from District No. 2 and District No. 3 in the amount of \$250,000 apiece, and quarterly fees assessed to all residences.

The budget as presented proposed a new category of fees, dedicated to the Capital Fund with an initial \$15 per quarter for 1854 homes and around \$13.50 for 510 apartments. The proposed budget included no 2023 General Fund fee increase. The board deferred creating the new category at this time. The Board discussed a methodology for assessing fees to the 510 apartments. Apartment residents enjoy almost all of the community amenities which single-family home residents (owners and renters) enjoy, except the apartment residents do not have access to the community pool. The Board elected to assess the apartment residents a discount rate from single-family home rates, due to the lack of access to the community pool. The discounted rate should be established by a reduction reflecting the percentage of the overall budget that is devoted to community pool expenses.

The 2023 proposed budgeted expenses were discussed in detail. Many costs are rising due to inflation and increased desirable services. Inflation adjustments alone are in a range of 4% to 10%. New services in 2023 include more pool guards, and an increase in converting non-functional bluegrass turf to native grasses. The Board reduced

RECORD OF PROCEEDINGS

proposed budgeted Capital Fund items by \$300,000 and reduced proposed budgeted General Fund items by \$137,000. Total reductions in spending equaled about 12% of the original proposed 2023 budget. Both Funds reduced some pool expenses. The Board also reduced the General Fund transfer to the Capital Fund from \$500,000 in 2022 to \$300,000 in 2023. Further discussions on Capital Fund needs, and how to create additional income to address Capital needs, will occur in 2023 after the current Reserve Study can be updated. An owner opinion survey is expected to be circulated in 2023 with Capital Reserves (the Capital Fund) as a topic of inquiry.

Following review and discussion, upon a motion duly made by Director Crandall, seconded by Director Dell'Orfano and, upon vote of 4 to 1 with Director Patterson voting nay, the Board approved to raise General Fund fees by \$15 per quarter to \$235 per quarter per single-family home, and for apartment units by the discount percentage established by the community pool budgeted expenses calculation. When the budget reductions as discussed are implemented, the apartment unit fees are expected to be \$213 per quarter. This would be an approximate discount of 9.3% from single-family home fees.

Following further discussion, upon a motion duly made by Director Crandall, seconded by Director Pell and, upon vote, unanimously carried, the Board approved the 2023 Budget, subject to revisions of cuts as discussed, and adopted Resolution No. 2022-11-03.

Engagement Letter with Wipfli LLP to Prepare the 2022 Audit:

Following review, upon a motion duly made by Director Crandall, seconded by Director Pell and, upon vote, unanimously carried, the Board approved the engagement letter with Wipfli LLP to prepare the 2022 Audit for an amount of \$5,400.

Preparation of 2024 Budget: Following discussion, the Board appointed the District Accountant to prepare the 2024 Budget.

MANAGER MATTERS **Pool Updates:** Ms. Rodau provided updates to the Board.

YMCA Budget/Staffing for 2023 – Following discussion, upon a motion duly made by Director Crandall, seconded by Director Pell and, upon vote, unanimously carried, the Board approved the hiring of 5 lifeguards for the 2023 season.

RECORD OF PROCEEDINGS

IMEG Update: This matter was discussed earlier in the meeting.

Independent Contractor Agreement with IMEG Corp. for Storm Pond Assessment: Following discussion, upon a motion duly made by Director Pell, seconded by Director Crandall and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement with IMEG Corp. for storm pond assessment.

Open Space Management Proposal for Weed and Native Plant Management Program 2023 with Ark Ecological Services, LLC: Following discussion, upon a motion duly made by Director Pell, seconded by Director Crandall and, upon vote, unanimously carried, the Board approved the Open Space Management Proposal for Weed and Native Plant Program 2023 with Ark Ecological Services, LLC, but reduced the cost to \$100,000.

2023 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 by Director Pell, seconded by Director Crandall and, upon vote, unanimously carried, the Boards approved of the 2023 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.

Proposal for 2023 Irrigation Management with ET Irrigation Management Specialist LLC: Following review, upon a motion duly made by Director Dell'Orfano, seconded by Director Crandall and, upon vote, unanimously carried, the Board approved the proposal for 2023 Irrigation Management with ET Irrigation Management Specialist LLC.

Non-Resident Clubhouse Rentals: Following discussion, upon a motion duly made by Director Pell, seconded by Director Crandall and, upon vote, unanimously carried, the Board approved to set non-residential rates at \$140 per hour with a 3-hour minimum for clubhouse rental, and directed YMCA staff to coordinate resident reservation system.

RECORD OF PROCEEDINGS

Statements of Work with CliftonLarsonAllen LLP for 2023 Accounting and Management Services: Mr. Carlson reviewed with the Board. Following review and discussion, upon a motion duly made by Director Pell, seconded by Director Dell’Orfano and, upon vote, unanimously carried, the Board approved the Statements of Work with CliftonLarsonAllen LLP for 2023 accounting and management services.

OTHER MATTERS

Authority – Quorum for Next Regular Board Meeting on March 21, 2023 at 6:00 p.m.: The Board confirmed an anticipated quorum and reported that the meeting will be held in person and virtually.

ADJOURNMENT

There being no further business to come before the Board, the Board adjourned the meeting at 11:10 p.m.

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

Secretary for the Meeting – Tallyn’s Reach Authority

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
TALLYN'S REACH AUTHORITY
HELD
NOVEMBER 29, 2022

A special meeting of the Board of Directors of the Tallyn's Reach Authority, (referred to hereafter as the "Board") was convened on Tuesday, November 29, 2022, at 5:00 p.m. This special meeting was held at the Tallyn's Reach Clubhouse, 24900 E. Park Crescent Drive, Aurora, Colorado 80016 and via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors in Attendance for the Authority:

David Patterson, President, attending in person
BJ Pell, Vice-President/Assistant Secretary, attending in person
Harry Yosten, Treasurer
Mike Dell'Orfano, Assistant Secretary, attending in person
Brian Crandall, Assistant Secretary

Also in Attendance Were:

Blair Dickhoner, Esq.; White Bear Ankele Tanaka & Waldron ("WBA")
Celeste Terrell; CliftonLarsonAllen LLP ("CLA")
Nic Carlson; CliftonLarsonAllen LLP ("CLA") attending in person
Cameron Grant, Esq.; Lyons Gaddis Kahn Hall Jeffers Dworak & Grant, P.C.

Public in Attendance Were:

Collin Westerfield; Resident – 72536 S. Irvington Court
Amber Golden; Resident – 7023 S. Irvington Court
Eliza Hamrick; Resident – 6477 S. Jerico Way
Suzanne Marenva; Resident – 23408 E. Briarwood
Kim Fradette; Resident – 25292 E. Glasgow
Ann Fiala; Resident – 6986 S. Buchanan Court
Trevor Platt; Resident – 7674 S. Eaton Park Court
Steve McDonald; Resident – 2457 E. Frost Drive
Lisa Kvietek; Resident – 24965 E. Roxbury Place
Jack Weaver; Resident – 25047 E. Davies Drive
All residents listed above attended in person.

Brian Matise; Resident – 5378 S. Harvest Way
Jim & Katherine Felasco; Residents – 7283 S. Irvington Court
Celeste Tucker; Resident – 24409 E. Fremont Drive

RECORD OF PROCEEDINGS

Conrad Huygen; Resident – 25280 E. Ottawa Drive
 Kelly Smith; Resident – 7417 S. Millbrook Street
 Heather Spanerella; Resident – 6870 S. Elegante Court
 All residents listed above attended virtually.

ADMINISTRATIVE MATTERS

Call to Order: Director Patterson called the meeting to order at 5:04 p.m.

Agenda: Following review and discussion, upon a motion duly made by Director Patterson, seconded by Director Pell and, upon vote, unanimously carried, the Board approved the Agenda, as presented.

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 WBA 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 quorum or to otherwise enable the Board to act.

Quorum: A quorum was confirmed for the meeting.

PUBLIC COMMENT

All members of the public in attendance expressed dissent with the potential mineral lease and one resident requested the Board delay their decision.

LEGAL MATTERS

Oil and Gas Lease with Axis Exploration LLC ("Axis"): The Board discussed the potential lease and directed questions to special and general counsel.

The Board received the information requested at the last meeting including data that Axis has already leased over 45% of the acreage involved which will, by Colorado law, allow it to go forward with a drilling permit request to the Colorado Oil and Gas Commission. A lease with the Authority would not affect its ability one way or the other to go forward with a drilling permit request.

RECORD OF PROCEEDINGS

Special counsel advised, and the Board discussed, the fact that the decision to sign or not sign the proposed lease is not determinative of whether drilling or fracking will take place. The permitting of drilling and fracking lies exclusively with the Colorado Oil and Gas Commission (“COOGC”), not with the Authority. The decision at this meeting is to determine how to be paid for the oil and gas rights which the Authority owns if, and only if, COOGC approves the permit for Axis.

If COOGC approves the permit, the Authority choices are to accept the terms of the negotiated lease with Axis, or to accept the terms of the Colorado Pooling laws. Special counsel advised the Board on the terms of the Colorado Pooling laws. The choice should be made before COOGC decides on the permit because if the permit is declined, then the proffered lease bonus payment would likely be withdrawn. The \$127,000 lease bonus payment however is non-refundable even if COOGC declines the drilling permit.

After discussion as to which method of payment was in the best interest of the Authority if the COOGC approves drilling, a motion was duly made by Director Yosten, Board Treasurer, seconded by Director Pell and, upon a vote of 3 to 2, with Directors Patterson and Dell’Orfano voting nay, the Board approved to sign the lease and accept the \$127,000 non-refundable bonus payment. Director Yosten had proposed at the earlier budget meeting that 90% of any mineral interest payments be posted to the Authority Capital Fund (the reserves), with 10% to the General Operating Fund.

The Board again recommended that residents who have concerns about drilling or fracking or pooling should attend the COOGC hearings when Axis requests permits for its drilling program.

ADJOURNMENT

There being no further business to come before the Board, the Board adjourned the meeting at 6:28 p.m.

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

Secretary for the Meeting – Tallyn’s Reach Authority



November 8, 2023

Via Email

White Bear Ankele Tanaka & Waldron
2154 E. Commons Ave., Suite 2000
Centennial, CO 80122

Denver Office

Jeffrey B. Smith

Direct 303.991.2066

jsmith@altitude.law

Re: Altitude Community Law P.C. Legal Services Proposal for Metropolitan District

Dear Members of the Board:

Thank you for your interest in the legal services we can provide for your district. Enclosed are materials describing our experience, philosophy, services and fees. We offer a variety of fee programs, including flat fees and retainers, to suit the needs of individual districts. To determine what fee program may best suit your district, please give me a call after you have had a chance to review the enclosed material.

How we will work with you. Our experience enables us to partner with your metro district and your team to provide tailored, creative solutions that best meet the metro district's unique needs. As the trusted leader in community association law in Colorado, we have over 200 years combined experience and have successfully represented more than 2,500 associations. As many of the legal issues and practices of associations overlap with metro districts, we will apply the same expertise to your metro district. We make every effort to understand your issues and constraints and will alert you when we see an opportunity or potential problem that is beyond the metro district's immediate need, while keeping your budget in mind.

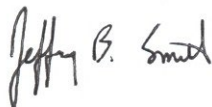
Value-added benefits of partnering with Altitude Community Law P.C. We are committed to providing our clients with up-to-date information, education and tools to help you govern your metro district proactively and positively. We offer education programs designed exclusively for board and committee members. While primarily for community associations, many of the same practice pointers apply to district board members. The 2023 education schedule is available on our website, www.altitude.law/education.

Next steps. If you desire to hire our firm, please complete and return the 2023 Legal Services and Fee Summary Agreement (starts on page 3). To take advantage of one of our retainer programs, check the appropriate retainer box on page 7.

Page 2
November 8, 2023

Primary Attorney. If you decide to move forward with Altitude Community Law P.C., I will be your assigned Primary Attorney. As your primary attorney, my goal is to make sure your relationship with Altitude is as successful as possible. Feel free to contact me with questions or comments after you've had a chance to review the enclosed materials. We would be happy to attend a board meeting to meet you, listen to your concerns and discuss how we can assist your district.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey B. Smith". The signature is written in a cursive style with a large, stylized 'J' and 'S'.

Jeffrey B. Smith
Altitude Community Law P.C.

JBS/ss
Enc.
07592006.DOCX



2023 NOTICE OF LEGAL SERVICES AND FEE SUMMARY

The following is a summary of fees and charges for legal services being offered by Altitude Community Law for 2023. For more details, contact your Primary Attorney or email us today at hoalaw@altitude.law.

Our retainer programs reduce your district's legal expenditures and simplify the budgeting process by establishing a fixed monthly fee. This fee purchases the essential legal services your district requires, making us available to you as needed. We offer three retainer packages to better fit your needs.

RETAINER SERVICES AND BENEFITS

For a monthly fee of \$230, retainer clients receive the following legal services and benefits without further charges:

Phone Calls. We will engage in unlimited telephone consultations with a designated board member or district manager regarding legal and other questions and status of ongoing work we are performing for you, exclusive of litigation, foreclosure, covenant enforcement, and document amendments. Written consultations/communications such as emails, written correspondence, and calls with multiple board members at the same time will be billed at our reduced hourly rates, as will our time to review governing documents, correspondence, etc., if necessary to answer a question.

Reduced Hourly Rates. For legal services billed hourly beyond what is included in the retainer, we will provide those services at \$20 per hour less than our non-retainer rates for attorneys and \$10 per hour less than our non-retainer rates for paralegals. No rate change for legal assistants.

In-Office Consultation. We will meet with a designated board member and/or the district's manager in our office for 30 minutes on any new matter. If the meeting extends beyond the 30 minutes, you will be billed at our reduced hourly rates.

Attendance at Board Meeting. At your request, we will attend one board meeting per twelve-month period for up to one hour. As a retainer client, we will prioritize attending the board meeting of your choosing. If our attendance exceeds one hour, you will be billed at our reduced hourly rates.

Audit Response Letter. We will prepare a letter to your financial auditor in connection with your annual audit indicating pending or threatened litigation. We will also review your annual financial audit upon completion.

Periodic Report. We will prepare and file your periodic report with the Secretary of State if you have designated us as your registered agent.

DORA Renewal. We will prepare and file your renewal report with DORA if requested.

RETAINER PLUS SERVICES AND BENEFITS

For a monthly fee of \$300, we will provide the following legal services and benefits without further charges:

In addition to the services provided to Retainer clients, Retainer Plus clients will receive the following additional services:

Email Consultations. We will engage in 30 (thirty) minutes of email consultations every month with a designated board member and the district's manager regarding legal and other questions and the status of ongoing work that we are performing on your behalf, exclusive of litigation, foreclosure, covenant enforcement, and document amendment matters. Additional written consultations and communications will be billed at our reduced hourly rates. If it is necessary to review governing documents, correspondence, etc. to answer a question, you will be billed at our reduced hourly rates.

SB100 Policy Update. We will provide one free SB100 Policy update for your district.

Credit Card Payments. For Retainer Plus clients, we will accept homeowner payments via credit card.

PREMIUM RETAINER SERVICES AND BENEFITS

For a monthly fee of \$550, we will provide the following legal services and benefits without further charges:

In addition to the services provided to Retainer and Retainer Plus clients, Premium Retainer clients will receive the following additional services:

Email Exchanges. We will communicate with your designated board member and the district's manager via email up to 60 (sixty) additional minutes every month which includes minor research.

Attendance at One Additional Board Meeting per Year. At your request, we will attend a total of two board meetings per twelve-month period for up to one hour each. If our attendance exceeds one hour, you will be billed at our reduced hourly rates.

Other needed revisions to Policies required by new legislation reduced by \$100.

RETAINER SERVICES GENERALLY

Clients on retainer will remain on their chosen level of retainer until we are notified otherwise in writing.

FIXED FEE SERVICES

Altitude Community Law offers fixed fee services. The District will pay Altitude Community Law (the Firm) for performance of the services as outlined in a proposal for services, plus costs. The metro district understands that it is not entering into an hourly fee agreement for that specified service, except as otherwise set forth. This means the Firm will devote such time to the matter as is necessary, but the Firm's fee will not be increased or decreased based upon the number of hours spent.

NON-RETAINER SERVICES AND BILLING TERMS

If you desire representation on a non-retainer basis, you will be billed hourly for all work performed unless a fixed fee (such as collection matters or amendment of documents) has been agreed to in advance. Our hourly rates for 2023 non-retainer clients are \$115 - \$155 for legal assistants/paralegals, \$330 - \$350 for attorneys. Non-retainer clients are billed hourly for all phone calls. Our attendance at meetings will be billed hourly. Our travel time to and from the attorney's primary office location will also be billed hourly if in-person attendance is requested instead of remote or virtual attendance.

TERMINATION OF REPRESENTATION

You may terminate our representation at any time by notifying us in writing and we may resign from representation by notifying you in writing. In either case, you understand that court or administrative rules may require us to obtain a judicial or administrative order to permit our withdrawal. We agree that upon receipt of your termination notice, we will take such action as is necessary to withdraw from representing you, including requesting any necessary judicial or administrative order for withdrawal. However, whether you terminate our representation, we cease performing further work and/or withdraw from representing you, as allowed under the Colorado Rules of Professional Conduct or for your failure to comply with the terms of this Agreement, you understand and agree that you continue to be responsible to us for the payment of all fees and expenses due and owing and incurred in withdrawing from representing you, including any fees and expenses we incur to obtain, and/or during the time we are seeking to obtain, any necessary judicial or administrative order to approve our withdrawal.

If you so request, we will send to you your files in an electronic format as soon as a particular matter is concluded. If you do not request your files, the firm will keep the files for a minimum of ten (10) years, after which it may retain, destroy or otherwise dispose of them.

PRIVACY POLICY

Attorneys, like other professionals who provide certain financial services, are now required by federal and state laws to inform their clients of their policies regarding privacy of client information. Attorneys have been and continue to be bound by professional standards of confidentiality that are even more stringent than those required by this new law. Thus, we have always protected the privacy of your confidential information.

In the course of providing legal services, we sometimes receive significant nonpublic personal information from our clients. As a client of Altitude Community Law, you should know that all such information we receive from you is held in confidence. We do not disclose such information to anyone outside the firm except when required or authorized by applicable law or the applicable rules of professional conduct governing lawyers, or when authorized by you in writing.

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information, we maintain, physical, electronic and procedural safeguards that comply with our professional standards.

If you have any questions or would like more information about our privacy policies and practices, please let us know.

GENERAL TERMS FOR ALL CLIENTS

We represent the district as a corporate entity. We will take our direction for work as instructed by the manager or the board. We do not represent any individual board members or homeowners.

Clients are required to reimburse us for cost advances and other out-of-pocket expenses. Reimbursement is made at actual cost for outside charges such as court recording fees, filing fees, service of process charges, computerized legal research, expert witness fees, title searches, deposition reporting and transcription fees, outside photocopying, etc. Typically, we do not charge for internal photocopies, faxes, postage and long-distance telephone calls unless these charges are extraordinary. We provide monthly statements for services and expense incurred. Unless other arrangements are made and agreed upon in writing, all charges are due and payable upon your receipt of the statement. A finance charge of 12% per annum may be imposed upon any amount not paid within 30 days of becoming due. Fees may be modified upon 30 days prior written notice. If it becomes necessary to file suit to recover unpaid attorney fees, the prevailing party shall be entitled to receive its attorney fees.

In the event we have not been provided with, or our files do not contain, all of the recorded documents of the District, we retain the right to obtain any such recorded documents to supplement our file without the District's approval and at the District's cost. The District's cost will include, but not be limited to, hourly charges for procuring the documents and copying costs. In order to provide you with the most efficient and effective service we will, at all times, unless otherwise directed, work through your manager if appropriate.

Should you have any questions, please do not hesitate to call any of our attorneys. We are happy to answer any of your questions or meet with you at no charge to discuss our services and fees in greater detail.

RESPONSE REQUIRED

If you desire to engage our services, please indicate below which type of service you prefer by checking the appropriate box, execute the acceptance and return it to us via mail, e-mail or fax.

Legal Services: (select one)

- Retainer Services
- Retainer Plus Services
- Premium Retainer Services
- Non-Retainer

Collection Services:

Please see attached Fee Structure

Billing Preference: (select one)

- Paper and Mailed
- Electronic and Emailed

Email address: _____

(please note, only one email address per management company or self-managed district will be used)

Agreed to and accepted this ____ day of _____, 20 ____.

Print District Name

By: _____
President/Manager



**EXHIBIT A TO LEGAL SERVICES AND FEE SUMMARY AGREEMENT
FOR 2023 LEGAL COLLECTION SERVICES**

Fee Structure

This is a flat fee agreement for collection services. The District will pay Altitude Community Law (the Firm) for performance of the services described below, plus costs. The District understands that it is not entering into an hourly fee agreement for collection services, except as otherwise set forth below. This means the Firm will devote such time to the representation as is necessary, but the Firm's fee will not be increased or decreased based upon the number of hours spent.

The District has the right to terminate the representation at any time and for any reason, and the Firm may terminate the representation in accordance with Rule 1.16 of the Colorado Rules of Professional Conduct. In the event that the District terminates the representation without wrongful conduct by the Firm that would cause the Firm to forfeit any fee, or the Firm justifiably withdraws in accordance with Rule 1.16 from representing the District, the District shall pay, and the Firm shall be entitled to, the fee or part of the fee earned by the Firm as described in paragraph 1 above, up to the time of termination. If the representation is terminated between the completion of increments (if any), the District shall pay a fee based on our standard hourly rate set forth in our standard fee agreement. However, such fees shall not exceed the amount that would have been earned had the representation continued until the completion of the increment, and in any event all fees shall be reasonable. Once the work is performed, the Fee will be deemed earned and is due upon receipt of an invoice.

Case Intake, Review and Assessment - No charge

We do not charge you to review new collection cases and make recommendations. However, if we receive open collection files from another attorney, there will be a \$25 set-up and review fee per file. This fee will be waived if you are a retainer client.

At the rates set here in, upon receiving a new turnover, we will perform the following work for due diligence and to put the District in the best possible collection position: Assessment Lien Package (if a lien has not already been recorded), Demand Letter, Public Trustee Search, and Bankruptcy Search. Next steps after this work depends on the homeowner's response, balance due, history, information acquired, and other factors.

Demand Letter - \$155

Preparation of a demand letter includes reviewing the ledger or equivalent record to ascertain the amounts owed including interest, late charges, fines and charge backs, if relevant, and review prior notice given to owner to meet statutory requirements; drafting and mailing the demand letter to the homeowner; follow-up, including telephone calls with the management company and homeowner, negotiation of an acceptable payment plan; follow up letter (as needed) to confirm payment arrangements. All correspondence other than the initial demand and payment plan letter is \$50 per letter (e.g., follow up demand letter, breach of payment plan letter).

Super Lien Demand Letter - \$110

Preparation of a demand letter post foreclosure includes reviewing ledger to ascertain amounts owed; verifying party to whom demand should be sent; drafting and mailing demand letter: or if request is received from a lender for the super lien amount, drafting a response. All discussions with the owner or lender after the letter are billed hourly.

Assessment Lien Package - \$110

This charge includes preparing both the lien and the lien release. It also includes verification of ownership with either the assessor's office or title company.

Lawsuit: - \$455 plus costs

This charge includes preparing the summons and complaint, filing these papers with the court, appearing at the return date and obtaining default judgment. It also includes all negotiations and telephone conferences with the owners prior to an answer being filed with the court.

Lawsuit: Trial - Hourly rates apply

All preparation for trial and appearances in court are billed on an hourly basis. If the District prevails at trial, it can recover its attorney fees and costs from the delinquent owner.

Interrogatories - \$130

We prepare and file a motion with the court to request the court to order an owner to answer a series of questions from us about the owner's assets. We will use the answer to help satisfy any judgment obtained by the District. We will also arrange for service of the order on the client and monitor and evaluate answers received from the owner.

Contempt Citation - \$155

If an owner fails to answer the interrogatories as ordered by the court, we will prepare and file all the necessary paperwork to require the owner to appear before the judge to explain why the questions were not answered. Our fee also includes our appearance at court, subsequent appearance if the owner fails to appear initially and review and evaluation of the answers once received from the owner.

Garnishments - \$155 (each)

We will identify entities (usually banks, employers or tenants) which owe or have money of the owner and prepare documentation to be filed with the court to order the entity to release all or a portion of the money they hold for or are obligated to pay the owner to the district. We will arrange for service of the necessary documentation and will monitor for responses.

Payment Plans - \$125-\$225 (each)

We will charge a fee depending upon the length of the payment plan to prepare the necessary documentation, monitor and process payments and close the file. Unless we are instructed otherwise, we may agree to payment plans of up to 24 months with any homeowner. We request that interest and late fees not be added to the ledger during payment plans, as long as the homeowner pays as agreed. Monthly payments amounts are calculated based on no additional interest or late fees being incurred during the payment plan.

Motions - \$150-\$250

Occasionally, certain motions may be necessary in a case in order to get the court to issue a ruling without further legal action. These will be prepared, filed, monitored and argued before the court, if necessary.

Outbound Phone Calls - \$55

Once we obtain a phone number for an owner, we will make up to 3 outbound calls to an owner to secure payment. All other calls with an owner will be at no charge.

Payoff Calculations - \$130

It is important for your management company or treasurer to confirm all payoff amounts with us prior to issuing status letters or advising owners of balances so that all legal costs and fees can be included. We will also insure that all fees necessary to close or dismiss a file are included. Rush charges do apply.

Monitoring Lender Foreclosure - \$220 (one-time charge)

It is important to monitor lender foreclosure through the sale and redemption period. We obtain periodic ownership and encumbrance reports, if needed, and routinely verify the status of the foreclosure action. We advise you of the district's rights and options throughout the process. Once a sale is completed, we advise the district of the new owner and the district's rights.

Monitoring Bankruptcy - \$230 Chapter 7; \$360 Chapter 13 (one-time charge)

We prepare and file a Proof of Claim, if necessary, monitoring the bankruptcy through discharge. Our services include reviewing the plan (if Chapter 13) to make sure it includes provisions for payment of pre- and post-petition assessments, and checking with the trustee and debtor's attorney to determine if property has been abandoned. If it becomes necessary to file any motion with the court, we charge fixed fees as follows:

Motion to Dismiss: \$595

Motion for Relief from Stay: \$795

Objection to Plan: \$395

All preparation for and appearances in court are charged on an hourly basis.

Assessment Increase Notice - \$395

We prepare notice to the bankruptcy court of any increase in the ongoing debt owed to the district upon receipt of notice from you, including filing a proof of claim and letter to the bankruptcy attorney or debtor.

Public Trustee/Bankruptcy Search - \$30 (each)

Verifying whether a property is in foreclosure or subject to a bankruptcy before filing a lawsuit can save the district hundreds of dollars. So, we will search both the public trustee and bankruptcy records and then advise the district if different action is necessary.

Receiverships (County Court) - \$450 initial, then hourly. Court costs are approximately \$250

We will prepare pleadings and appear in court to obtain appointment of a receiver to collect rents where the property is abandoned or being rented by the owner. Once appointed, we supervise disbursement of the monies collected by the receiver at an hourly rate.

Lien/Judicial Foreclosures (District Court) - Hourly rates apply

We recommend that foreclosure be considered as a viable collection remedy in all problem cases. Our fee is based on the complexity of your circumstances and should reflect the value you will receive from the monetary result of the foreclosure.

Lien Sales - \$500

We list all liens that are potentially available for sale on our website at <https://Altitude.Law/general-topics/liens-for-sale/> at no cost. In the event a lien is sold we collect our fee from the purchaser of the lien. In order to handle quickly, within the legal time limits, we reserve the right to sell liens, without prior approval if the purchase price is equal to or more than the balance due.

Status Report - \$75/month (if not accessed electronically)

We provide online access to each district's collection status report. For more information please contact us. If your district chooses to have us prepare your status report, there will be a monthly fee.

Asset/Person Locations - \$25-100

From time to time we must locate debtors and/or their assets in order to secure payment for you. We will use various databases for which there is a cost to us, to secure possible leads. This information is then reviewed and analyzed to develop the best strategy for quickly and efficiently securing payments.



SERVING HOMEOWNERS ASSOCIATIONS

Altitude Community Law P.C. is the premier law firm which serves legal needs of community associations. More than 2,500 associations throughout Colorado have chosen us to guide them through the formation, transition and operation of their organizations. Our association clients include condominium, townhome and detached single family associations across the state. We also provide debt recovery and covenant enforcement services to districts.

Communities ranging in size from two units to more than 90,000 units have enjoyed the personal attention we provide, along with the depth and breadth of knowledge that only years of experience can yield. More than any law firm, we focus on homeowners associations and covenant controlled communities. We have prepared in excess of 500 sets of rules and architectural control guidelines and assisted over 500 associations in amending or restating their legal documents.

With several offices throughout Colorado, we are able to service our clients in a timely, efficient, and responsive manner.

OUR TEAM

Altitude Community Law was founded in 1988. Our attorneys work as a team to help you in the formation of a new community association, in running your existing association, or resolving disputes involving your association. Adding to the firm's 200 plus years of combined experience are attorneys Elina B. Gilbert, Melissa M. Garcia, David A. Firmin, David A. Closson, William H. Short, Debra J. Oppenheimer, Kiki N. Dillie, Jeffrey B. Smith, Maris S. Davies, Kate M. Leason, Amanda K. Ashley, Sheridan N. Classick, Jeremy B. Fletcher, Angela N. Hopkins, Arianne K. Gronowski and Callee G. Falcon.

CLIENT SERVICE - OUR NUMBER ONE PRIORITY

Each member of our firm is committed to providing you with the best legal representation in our field at competitive rates that fit your budget. We also understand that each client has different needs and expectations, and good client servicing is in the eyes of the client, not in the eyes of the firm.

That's why we're committed to getting to know the board

members of your association so that we can understand and meet your needs. By returning your calls promptly, communicating with you regularly, and offering various educational workshops annually, we are always looking for ways to better serve you and to exceed your expectations in a law firm.

By working with you, we can help you accomplish your goals on behalf of your association, and we can make your role as a board member easier by providing you with the tools you need to do your job effectively.

**PREVENTION -
THE BEST LEGAL
APPROACH**

The first and best legal solution is preventing disputes and other legal problems. With a strong emphasis on prevention, we draw from our experience to help you lay a proper foundation for the future and avoid costly and destructive pitfalls.

And, while we emphasize prevention, we are also fully prepared to fight for your cause if the need arises. We can represent you to resolve disputes through mediation, arbitration or litigation.

**COMMITMENT
TO
EDUCATION**

Education of both community managers and board members has been the backbone of the firm since its inception. At Altitude, we believe that education is the best way to avoid problems in communities and we continually strive to provide the best and most accessible education to not only our clients, but to any directors or managers that want to better understand the industry. Altitude Community Education (ACE) provides numerous lunch forums, webinars, classes, and other educational opportunities to ensure your community's success. For more information please refer to our Education Tab on the Altitude website.

**COUNSEL FOR
ASSOCIATIONS
AT ALL STAGES**

We advise associations at all stages of growth; from pre transition to the mature association. Many areas of law converge to govern community associations. We can help you address issues at all stages of a homeowner association's development. In addition to our experience, we have been an advocate for community associations at the Capitol. Our attorneys serve on the Legislative Action Committee for CAI and are aggressively involved in monitoring and testifying in the legislature concerning bills affecting community associations.

TRANSITION OF CONTROL

One of the most pivotal times for a community association is during its transition from developer to homeowner control. The developer controls a common interest community during its formation. As lots or units are sold, transition from developer to homeowner control begins, with owners bearing the responsibility for the association's operation. Ideally this is a process rather than an isolated event. Over time, owners gradually become involved in the governance of the association. Altitude Community Law has assisted hundreds of associations with this process making for a smooth and problem-free transition.

THE MATURE COMMUNITY ASSOCIATION

Mature associations function best when they provide services to owners (as set forth in the governing legal documents) and responsibly enforce their governing documents and anticipate changing needs.

REVIEWING, AMENDING AND INTERPRETING DOCUMENTS

By periodically reviewing, amending or revising your association's articles of incorporation, bylaws, covenants, and rules, Altitude Community Law can help you build a strong, legally-sound foundation for your community. We can assist you by understanding your goals and redrafting, writing or amending rules, architectural control guidelines and covenants that address your association's needs within the framework of local, state and federal laws. We can also aid you in the proper interpretation and clarification of your governing documents.

COVENANT ENFORCEMENT

Two principles apply when addressing enforcement of covenants and rules. Covenants and rules must be carefully written to be enforceable and must be enforced consistently to retain their strength. The same principles apply when dealing with architectural control or design enforcement.

At Altitude Community Law, we can assist you in these important areas through use of our alternate dispute resolution services, or if need be, through our litigation services.

CREATIVE PROBLEM SOLVING

We've handled a wide variety of covenant enforcement issues and achieved many successes for our association clients. From painting and landscaping, to pets and parking, we have experience with virtually every imaginable covenant violation. While our goal is to resolve disputes outside of court, when litigation is necessary, we're strong advocates for associations. Not only do we have years of courtroom experience, but we also have years of industry

experience-insight that enables us to utilize creative solutions, as well as anticipate the challenges of a covenant violation lawsuit.

DEBT RECOVERY

Financial well-being hinges on timely collection of association assessments. In addition to traditional collections methods such as demand letters, liens, and personal lawsuits, we've developed successful alternatives to use when traditional methods fail, including the use of receiverships and foreclosures. In the last two years we've collected approximately \$9 million in delinquent assessments and fees for our clients. No other firm can claim this degree of success.

Every collection matter in our office is handled by an attorney, not the paralegal-driven model that many law firms use. This difference provides for better representation, higher quality work and better results for our clients.

We are also the first firm to provide clients with online status reports of their collection accounts. The information is real-time account history accessed through a secure online system.

INSURANCE AUDIT

At every stage of an association's maturity, it is important that the association have adequate insurance not only for the structures and improvements, but also for the board of directors. We can review your current policies for adequate coverage and to determine if your coverage complies with the requirements in your governing documents.

An association that isn't properly insured for general liability and property coverage, director and officer coverage, fidelity insurance, and gap coverage may be susceptible to lawsuits filed by owners. Our insurance audit can assist your association not only by determining any weaknesses in your coverage, but by recommending a more comprehensive insurance plan that will meet your needs and budget.

DISPUTE RESOLUTION/ LITIGATION

We emphasize prevention of legal problems through thoughtful and thorough advice and counsel given prior to taking action or entering into transactions. When a legal problem does arise, we will assist you in finding the most practical and cost-effective solution. Our trial attorneys are not only experienced, but also have a long track record of winning in the courtroom. Our goal is to resolve disputes

outside of court whenever possible, and all Altitude Community Law attorneys have had formal training in mediation and negotiation.

But when a resolution cannot be found, we bring our extensive litigation experience to bear on behalf of our clients. We assess with you the benefits of litigation and weigh them against the costs and risks.

A wide variety of problems and needs come up in the course of governing and operating a homeowners association. Often the solution is not obvious. We enjoy taking both a creative and proactive approach and working with you to find legal solutions that allow you to do what your association wants to do. Altitude Community Law has gained a reputation for using ground-breaking methods and solving old problems in refreshing new ways.

Pertinent examples of such creative problem solving include:

- Negotiated and closed the first bond financing in the country by a homeowners association of 15 million dollars for various capital improvements.
- Negotiated and drafted a favorable annexation agreement that provided for substantial payment to the association.
- Identified and implemented procedures to collect working capital contribution from developer for use by association in a build-out community.
- Amended legal documents for a condominium community to create and sell a unit out of the common elements, with the proceeds going to the Association.
- Consolidated two associations into one, eliminating duplicate costs and overhead.

FINANCIAL CONSIDERATIONS

From the beginning of our relationship with you, we welcome an open dialogue about the subject of fees and costs. We know how essential legal services are to your successful operation. We also know you must work within an established budget.

**HOW WE
CHARGE FOR
OUR
SERVICES**

We have made every effort to package our services in a meaningful way that reflects their value to you. We strongly urge all associations to elect to be on one of our popular retainer programs. The retainer programs are set at levels to be a maximum benefit to your community. They further simplify the budgeting process by establishing a fixed monthly fee for certain services.

Additionally, whether you are on one of our retainer programs or not, fees for specific work are frequently quoted on a flat or fixed fee basis. We will work with you to select from these convenient options, or to create an alternative arrangement tailored to suit your needs.

Altitude Community Law

Shareholder in Charge of Finance



David A. Firmin :: Shareholder

Education: University of Denver (B.A., 1991); University of Denver (J.D., 1998).

Member: Colorado Bar Association; Southwestern Colorado Bar Association; Community Associations Institute.

Practice Areas: Condominium and Homeowners' Association Law.

Shareholder in Charge of Practice



Elina B. Gilbert :: Shareholder

Education: University of Michigan, Ann Arbor, Michigan (B.A., 1993); University of Detroit Mercy School of Law (J.D., Cum Laude, 1997).

Member: American Bar Association; Michigan Bar Association; Community Associations Institute; College of Community Association Lawyers.

Practice Areas: Condominium and Homeowners' Association Law.

Debt Recovery



Kiki N. Dillie :: Shareholder - Debt Recovery Department Head

(she / her / hers)

Education: University of Colorado (B.A., 2002); University of Colorado School of Law (J.D., 2008).

Member: Colorado Bar Association; Colorado Creditor Bar Association; Community Associations Institute.

Practice Areas: Collections.



Sheridan N. Classick :: Attorney

Education: Metropolitan State University of Denver (B.A., 2015); Gonzaga School of Law (J.D., 2018).

Member: Colorado Bar Association; Denver Bar Association; Community Associations Institute.

Practice Areas: Collections.



Callee G. Falcon :: Attorney

Education: Oklahoma State University (B.A., 2015); University of Oklahoma College of Law (J.D., 2022).

Member: Oklahoma Bar Association.

Practice Areas: Collections.

Litigation/Foreclosure/Covenant Enforcement



Jeffrey B. Smith :: Shareholder - Litigation Department Head

Education: Providence College (B.A., 2005); University of Denver College of Law (J.D., 2008).

Member: Colorado Bar Association; Denver Bar Association; Community Associations Institute; Colorado Defense Lawyers Association.

Practice Areas: Covenant and Rule Enforcement Litigation; Insurance Defense; Civil Litigation; Contract Disputes; Fair Housing Law; Foreclosure.



William ("Bill") H. Short :: Partner

Education: University of Vermont (B.A., 1979); Emory University School of Law (J.D., 1982).

Member: Colorado Bar Association; Denver Bar Association; Community Associations Institute. Colorado Defense Lawyers Association.

Practice Areas: Insurance Defense; D&O Liability; Construction Law; Civil Litigation; Contract Disputes; Fair Housing Law; Covenant and Rule Enforcement Litigation.



Debra J. Oppenheimer :: Partner

Education: Metropolitan State College (B.S., 1986); University of Texas (J.D., 1989).

Member: Colorado Bar Association; El Paso Bar Association; Community Associations Institute.

Practice Areas: Covenant and Rule Enforcement Litigation; Insurance Defense; Civil Litigation; Contract Disputes; Fair Housing Law.



Kate M. Leason :: Attorney

Education: University of Central Florida (B.A., 1987); University of South Florida (M.L.S., 2003); Barry University, Dwayne O'Andreas School of Law (J.D., 2008).

Member: Colorado Bar Association; Denver Bar Association; Community Associations Institute; American Association of Law Libraries.

Practice Areas: Foreclosure.



Jeremy B. Fletcher :: Attorney

(he / him / theirs)

Education: Regis University (B.A., 2012); New England Law | Boston (J.D., 2017).

Member: Colorado Bar Association; Community Associations Institute.

Practice Areas: Covenant and Rule Enforcement Litigation.

Transactional



Melissa M. Garcia :: Shareholder - Business Development Department Head

(she / her / hers)

Education: University of Nevada, Reno (B.A., 1996); California Western School of Law (J.D., 1999).

Member: Community Associations Institute.

Practice Areas: Condominium and Homeowners' Association Law.



David A. Closson :: Shareholder - Business Law Group Department Head

Education: Colorado State University (B.A., 1995); University of Colorado (M.B.A., 2002); University of Colorado (J.D., 2002).

Member: Community Associations Institute.

Practice Areas: Business; Condominium and Homeowners' Association Law.



Maris S. Davies :: Partner - Transactional Department Head

Education: Ithaca College (B.S., 2001); University of Denver (J.D., 2009).

Member: Colorado Bar Association; Community Association Institute.

Practice Areas: Condominium and Homeowners' Association Law.



Amanda K. Ashley :: Partner

Education: Central Methodist University (B.A., 2000); Marquette University Law School (J.D., 2004). **Member:** Colorado Bar Association; Adams County Bar Association; Southwest Colorado Bar Association; Community Associations Institute; Wisconsin Non Resident Lawyer Division; Wisconsin Law Foundation Fellow

Practice Areas: Condominium and Homeowners' Association Law.



Angela N. Hopkins :: Attorney

Education: Metropolitan State University of Denver (B.A., 2015); University of Denver Sturm College of Law (J.D. 2015).

Member: Colorado Bar Association - Real Estate Law Section;

Practice Areas: Condominium and Homeowners Association Law.



Arianne K. Gronowski :: Attorney

(she / her / hers)

Education: University of Colorado, Boulder (B.A., 2001); University of Denver (J.D. 2004).

Member: Colorado Creditor Bar Association

Practice Areas: Condominium and Homeowners Association Law.



BOARD OF DIRECTORS ROSTER

Please complete and email to hoalaw@altitude.law, fax to 303.991.2045 or mail to 555 Zang Street, Suite 100, Lakewood, CO 80228-1011. This information will be used for communication (correspondence, blogs, newsletters, etc.) between our firm and you. It will not be released outside of our firm.

Thank you.

District Name:	Date:
Website:	

PRESIDENT

Name	Phone Number(s)	
Mailing	(H)	(C)
City,	(W)	Fax:
Email		
I do not want to receive: E-newsletter <input type="checkbox"/> Blog <input type="checkbox"/> Periodic Client Alerts <input type="checkbox"/>		Term Expires (mo/yr):

VICE PRESIDENT

Name	Phone Number(s)	
Mailing	(H)	(C)
City,	(W)	Fax:
Email		
I do not want to receive: E-newsletter <input type="checkbox"/> Blog <input type="checkbox"/> Periodic Client Alerts <input type="checkbox"/>		Term Expires (mo/yr):

SECRETARY

Name	Phone Number(s)	
Mailing	(H)	(C)
City,	(W)	Fax:
Email		
I do not want to receive: E-newsletter <input type="checkbox"/> Blog <input type="checkbox"/> Periodic Client Alerts <input type="checkbox"/>		Term Expires (mo/yr):

TREASURER

Name	Phone Number(s)	
Mailing	(H)	(C)
City,	(W)	Fax:
Email		
I do not want to receive: E-newsletter <input type="checkbox"/> Blog <input type="checkbox"/> Periodic Client Alerts <input type="checkbox"/>		Term Expires (mo/yr):

MEMBER AT LARGE/ ADDITIONAL BOARD MEMBER

Name	Phone Number(s)	
Mailing	(H)	(C)
City,	(W)	Fax:
Email		
I do not want to receive: E-newsletter <input type="checkbox"/> Blog <input type="checkbox"/> Periodic Client Alerts <input type="checkbox"/>		Term Expires (mo/yr):



IDEA LAW GROUP, LLC

4100 E Mississippi Ave, Ste 420, Denver, CO 80246 ■ Tel: 877-353-2146
 Colorado, Idaho, New Mexico, Nevada, Washington, Wyoming

Jon Wagner
 White Bear Ankele Tanaka & Waldron
 2154 E Commons Avenue, Suite 2000
 Centennial, CO 80122
 jwagner@wbapc.com

December 1, 2022

Jon,

Below is a basic description of IDEA Law Group, LLCs services and who we are, along with a basic fee structure for completing Colorado foreclosure actions.

IDEA Law Group, LLC is a 100% women owned, operated, and controlled law firm that represents creditors in all aspects of commercial and residential real estate mortgage defaults and all other creditors rights matters. Our law firm members are committed to the Women and Minority Business Enterprise models for the Firm while simultaneously promoting minority, women, veterans, LGBTQ, and persons with disabilities owned businesses through our diverse supplier base and partnerships in our ancillary services. IDEA Law Group firmly believes this uniquely diversified model allows us to meet and exceed our clients' expectations and business needs with superior service in repeatable and scalable processes.

OUR SERVICES

While we handle a variety of legal matters, our main emphasis is creditor representation in the following areas:

- Residential and Commercial Foreclosure: judicial and non-judicial;
- Reverse Mortgage Foreclosures;
- Residential and Commercial Evictions: post-foreclosure evictions, SCRA Compliance checks, cash for keys negotiations, post-foreclosure bankruptcy checks, personal property evictions, and contested eviction litigation;
- Bankruptcy: Proofs of Claim, Motions for Relief, Transfers of Claim;
- REO Closings and Real Estate Finance and Lending Transactions;

- Residential and Commercial Litigation: wrongful foreclosure defense, consumer FDCPA, RESPA, and TILA defense, title curative, quiet title, and priority disputes;
- Loss mitigation, refinance, and loan modification transactions;
- Creditor's rights and compliance matters;
- Loan acquisition due diligence.

OUR COMMITMENT

The members of IDEA Law Group LLC are dedicated to providing consistently excellent service with integrity, innovation, and professionalism in the practice of law. The Firm boasts a combined one hundred and forty years of experience and knowledge in the default legal services industry representing major financial institutions, mortgage lenders, servicer and private investor in routine default related services as well as complex litigation associated with foreclosure, eviction and bankruptcy actions, in strict compliance with applicable local, state and federal laws. The Firm prides itself on providing effective high-quality and personalized legal services to our clients while maintaining its commitment to inclusion, diversity, equality, and access.

Colorado Fee Schedule

Public Trustee foreclosure actions	\$2,200 flat fee plus costs
Judicial Foreclosure actions	Billed by the hour (plus costs) \$325.00/hour for attorney time \$150/hour for paralegal time

All other services are billed on an hourly basis. We are happy to discuss any further needs you may have, services we can provide or address any specific questions. If you are interested and would like a more detailed statement of work we will be happy to provide a legal services agreement for your review.

Thank you,



Jennifer Rogers
IDEA Law Group, LLC

Proposal for
Covenant Enforcement,
Foreclosure, and
Collection Services for

**CLIENTS OF WHITE BEAR
ANKELE TANAKA &
WALDRON**

November 10, 2022



November 10, 2022

Via E-mail (jwagner@wbapc.com)

Jon Wagner, Esq.
White Bear Ankele Tanaka & Waldron
2154 East Commons Avenue, Suite 2000
Centennial, CO 80122

Re: Covenant Enforcement, Foreclosure, and Collection Legal Services Proposal of Orten Cavanagh Holmes & Hunt, LLC

Dear Members of the Board:

Thank you for your interest in the legal services of Orten Cavanagh Holmes & Hunt, LLC. We understand that White Bear Ankele Tanaka & Waldron is seeking special counsel to conduct lien foreclosure, collection work, and prosecute covenant enforcement matters for its special district clientele (“Clients”). Based on this request, we are providing this proposal to share with your Clients.

Legal Services

Our firm has extensive experience in covenant and rule enforcement matters, from the demand letter stage through trial and appeal. We have a dedicated covenant enforcement department including a team of two attorneys and two paralegals. The department is headed by managing partner Jonah Hunt.

Our covenant enforcement team as well as our transactional attorneys regularly counsel clients on covenant matters even before the manager sends initial contact to the potential violator. We have found that these initial discussions help our clients identify potential roadblocks to enforcement so that they may be addressed proactively rather than as a defense in a litigation matter.

Our operating philosophy in these matters is to seek or induce voluntary compliance from the owner if at all possible. When voluntary compliance is not obtainable, we prosecute each case diligently to trial in order to obtain compliance.

Additionally, our firm’s collection team provides a full range of legal remedies available under the law. The department is headed by attorney Hal Kyles. Mr. Kyles has over twenty years’ experience doing plaintiff judicial foreclosure lien foreclosures and collection work throughout Colorado. He is well versed in Colorado foreclosure law including C.R.S. § 38-22-101, which is the enabling statute for special districts to foreclose their statutory liens.

Other services include judgment enforcement through wage and bank garnishment, writs of attachment, etc.

Our operating philosophy is to seek voluntary compliance and payment from the owner when possible. When not obtainable, we prosecute each case diligently to trial in order to recover all sums due to the district.

Engagement of our Law Firm

Foreclosure and collection services are provided on a fixed fee basis. A schedule of fees is included with this proposal. In the event a lawsuit is contested, hourly rates apply.

Covenant enforcement services are provided at an hourly rate. Our hourly rates for 2023 for our principal attorneys range from \$355 - \$385 per hour. The rates for associate attorneys range from \$250 - \$360, and the hourly paralegal rate is \$140.

We have included a general engagement agreement with the description of applicable legal services, but we are happy to provide tailored proposals and engagement agreements specifically for any of your Clients requesting foreclosure and collection services. We welcome any questions regarding our services or our proposed engagement agreement.

We look forward to the opportunity to assist any of White Bear Ankele Tanaka & Waldron's Clients with their covenant enforcement, foreclosure and collection needs.

Sincerely,

ORTEN CAVANAGH HOLMES & HUNT, LLC



Jonah G. Hunt
Managing Partner

Orten Cavanagh Holmes & Hunt recognizes that districts and their managers desire effective and expeditious resolution of covenant and rule violations.

Attorneys at our office have extensive experience in the covenant enforcement process. At every stage, our firm seeks compliance from the owner when possible. Sometimes, it only takes the act of handing the matter over to our attorneys to let the owner know that a district is taking the violation very seriously. A demand letter from our attorneys, which puts the owner on notice, frequently brings the matter to an early conclusion. Effective enforcement starts with communicating with the violator to try to get the violation corrected voluntarily.

Yet, a demand letter and/or notice of covenant violation is not always enough to accomplish compliance. At this stage we consult with the board and management on additional enforcement steps, including filing suit in either county or district court.

Our firm has an established track record of success in covenant enforcement lawsuits, including cases involving unusual or complex nuances, as well as those involving acrimonious owners.

We charge reasonable fees for preparation of demand letters, and when desired, to prepare and record notices of violation or to take the owner to court. We seek to collect attorney fees from the owner whenever possible, if appropriate given the context of the violation. However, compliance is first and foremost our main objective.

Covenant and Rule Enforcement Services

- Consultation with the board and/or management
- Document review and interpretation
- Covenant enforcement policy preparation or revisions
- Demand letters
- Notice of covenant violation – recorded against the owner’s real property
- Settlement stipulation - after demand letter
- County or District court lawsuits (typically injunctive in nature)
- Collection of monetary awards obtained in covenant enforcement litigation
- Credit reports or skip traces by the law firm
- Monthly status reports (no charge)
- Other miscellaneous covenant enforcement services

Orten Cavanagh Holmes & Hunt recognizes that districts and their managers desire effective and expeditious resolution of delinquency cases.

Our collection department has recovered over 5.1 million dollars in the preceding 18 months on behalf of our clients. This success is predicated on processes and procedures which have been refined over the years as well as a dedicated team of employees.

Our firm has an established track record of success in debt collection and foreclosure, including cases involving unusual or complex nuances, as well as those involving acrimonious owners.

Collection and Foreclosure Services

- Consultation with the board and/or management
- Document review and interpretation
- Collection policy preparation or revisions
- Demand letters
- Notice of lien – recorded against the owner’s real property
- Settlement stipulation - after demand letter
- District court foreclosure lawsuits
- Coordination and scheduling of foreclosure sales
- Deed preparation and recording
- Eviction
- Collection of monetary awards obtained
- Credit reports or skip traces
- Monthly status reports (no charge)
- Other miscellaneous collection services

Foreclosure of Lien

- Intent to Foreclose Letter – \$175
- Judicial Foreclosure Lawsuit & Lis Pendens - \$1,200
- Clerk’s Default/Dismissal - \$95 per Defendant
- Settlement Stipulation to Suspend Foreclosure - \$300
- Stipulated Motion Regarding Lien Priority - \$220
- Final Judgment and Decree - \$750
- Sheriff’s Sale Package - \$700
- Bid Letter - \$250
- Eviction Notice - \$110
- Eviction Lawsuit - \$460
- Deed Preparation - \$250
- Service by Publication - \$180
- Other Motions – Hourly
- Appearances – Hourly
- Cure Statement - \$200

Demand Letters and Notice of Lien

- Intake on Referrals – No Charge
- Review Title Report - \$50
- Notice of Lien - \$195
- Demand Letter - \$175
- Combined Demand Letter, Notice of Lien and Ownership & Encumbrance Report - \$380
- Follow Up, Reminder Letters or Default Notice - \$70
- Payment Plan - \$150 (Limited to term of 3 months)

Receiverships

- Receivership - \$500
- Court Ordered Case Status Report - \$130
- Monitor Receiver Compliance – Hourly

County Court Lawsuits

- Lawsuit – \$460
- Settlement Stipulation:
 - Term 12 Months or Less - \$250
 - Term Over 12 Months - \$350
- Combination Settlement Stipulation & Lawsuit - \$600
- Interrogatories or Contempt Citation - \$175
- Wage Garnishment - \$300
- Bank Garnishment - \$300
- Issuance of Bench Warrant - \$170
- Notice of Bench Warrant - \$100
- Obtaining Transcript of Judgment - \$50
- Appoint Military Counsel - \$170

Public Trustee Foreclosures by First Lien Lenders

- Monitor Lender Foreclosure - Hourly
- Bank as New Owner Notice Letter - \$70
- Intent to Redeem - \$250

Owner Bankruptcies

- Transfer of Claim - \$150
- Review of Bankruptcy and Ongoing Monitoring - \$300
- Proof of Claim - \$230
- Objection - \$230
- Relief from Automatic Stay - \$420
- Dismissal - \$320
- Appearances – Hourly

Miscellaneous Collection Services

- Lien Payoff - \$130
- Pending Sale Payoff - \$260
- Revised Payoff Letter - \$100
- Debt Verification Letter – No Charge
- Credit Reports or Skip Trace - \$75
- Response to a Fair Debt Collection Practices Act Dispute or DORA Dispute – Hourly
- Ledger Rebuilding – Hourly
- Release of Notices of Liens Filed by Others - \$80
- Entry of Appearance - \$110
- Monthly Status Reports – No Charge for Online Access
- Lien Assignments - \$500

Collection Costs

Costs are borne by the District.

TERMS

Thank you for selecting Orten Cavanagh Holmes & Hunt, LLC (the “Law Firm”) to provide legal services as requested by the District. Requests for services may be made by the District’s manager or staff, or a designated board member liaison. The following includes the District’s terms of engagement of the Law Firm. Please note that this agreement becomes effective when the Law Firm receives a duly signed copy of the agreement and the Law Firm is not required to provide professional until such receipt.

Representation of the District - The Law Firm represents the District. The Law Firm’s professional responsibilities, and those of its attorneys and paralegals, run to the District. The Law Firm does not represent the board of directors, any individual board members or officers, the manager, the management company, or owners within the District, unless expressly authorized by the District and agreed to by the Law Firm. It is agreed to that the Law Firm will also communicate with and liaise with the District’s general counsel law firm, White Bear Ankele Tanaka & Waldron, as needed or requested.

Law Firm Responsibilities - The Law Firm will provide legal counsel and assistance on matters referred to us. We will rely upon information and guidance the District provides. We will keep the District reasonably informed of progress and developments and respond to its inquiries.

District Responsibilities - In order to enable the Law Firm to provide legal services, the District agrees to disclose fully and accurately all facts and keep our Law Firm apprised of all developments relating to matters referred. The Law Firm has the right to rely on ledgers, information, and documents provided by the District or its agents. The District is responsible for any damages incurred that result from providing inaccurate information or documents.

The District agrees to cooperate fully as needed and to be available to attend meetings, conferences, hearings, and other proceedings on reasonable notice, and stay reasonably informed on all developments relating to matters referred.

Fees of the Law Firm- For services not covered by a specific flat fee, hourly rates apply. The hourly rates for the Law Firm’s professionals range from \$355 - \$385 for principals, \$250 - \$360 for associates, and \$140 for paralegals.

Costs - The District authorizes the Law Firm to advance costs and expenses on its behalf as the Law Firm deems advisable. These advanced costs will be billed to the District monthly for reimbursement. Example expenses may include court costs, fees, service of process costs, title company costs, recording fees, or other expenses. Photocopy costs for litigation services or extraordinary projects will be billed at \$.15 per copy. Mailing costs for extraordinary projects will be billed per item.

Travel - Travel time is billed at ½ the hourly rate from the Law Firm’s Denver or Colorado Springs office. In the event travel extends beyond Denver and Colorado Springs, mileage is charged at IRS rates.

Credit Card or Other Payment Charges - If assessment collections are referred, the District’s general file is billed the merchant charges for the cost and convenience of accepting payments from owners by credit card, ACH, or otherwise. These fees are not chargeable to the accounts of owners.

Billing and Payment - Our fees are not contingent unless the Law Firm is engaged under an agreement providing for contingent payment. If the Law Firm has not received any comment about a statement within 30 days of its receipt, it assumes the District found it acceptable.

Payment is due 30 days from the date of the statement. Services are billed based on hourly rates or specific fee agreements. Invoices for hourly services will show the time spent performing services billed in tenth-of-an-hour increments, with a minimum charge of one-tenth.

Interest, at the rate of 18% per annum, is payable after 60 days.

In the event the Law Firm files suit to recover unpaid legal fees, the prevailing party is entitled to its attorney fees.

Attorney-Client Communication - Our communications and statements generally contain information protected by the attorney-client privilege. As the privilege could be deemed to have been waived if someone other than the District, board members, officers and any manager or management company sees the privileged material, we recommend that you keep all such communications and statements in a separate file marked "Attorney-Client Privileged Materials" and keep the file in a secure place.

Estimates of Fees for Services - From time to time, the District may ask the Law Firm to make an estimate of the fees for completing all or part of a matter. Because it is often difficult to estimate how much time it will take to complete it, the Law Firm treats any estimate as an "educated guess" and not as an assurance that we will be able to do the work for the estimated price. When an estimate is given, we will advise the District when nearing the estimated price, and will also advise if we become aware that the estimate may be exceeded. At that time, the District may decide whether to terminate work on the matter, modify the referral, or proceed to completion with a different cost estimate.

Files at the Law Firm - The Law Firm maintains the District's files in electronic format. The District authorizes the Law Firm to digitize documentation received and destroy paper versions of any document if, at the discretion of the firm, they are no longer necessary to retain. The Law Firm will retain and will not destroy original documents specifically entrusted to us for continued retention as part of our services.

The District further agrees that the Law Firm may retain, destroy, or otherwise dispose of all or any portion of the files 10 years after services were provided on that matter without further notice, provided there are no pending or threatened legal proceedings known to the Law Firm's attorneys that relate to the matter, and its attorneys have not agreed to the contrary. If the District desires to have the electronic file returned to it, please notify the Law Firm of this request within 90 days of execution of this agreement.

Upon request, once all of the Law Firm's fees and costs are paid, the Law Firm will transfer files to another law firm or return files to the District.

No Guarantee - The Law Firm will perform professional services on the District's behalf to the best of its ability, but cannot make and have not made any guarantees regarding the outcome of the work. Any expressions by the Law Firm or its employees about the outcome are our best professional views only and are limited by our factual knowledge at the time they are expressed.

Completion of Matter - After a particular matter is completed, the Law Firm does not (unless the District specifically requests in writing that we do so) undertake to continue to review that matter and update the District concerning legal developments, such as changes in applicable laws or regulations. If the District does ask us to review a specific matter on which we have previously worked, we consider that to be a new representation. Thus, while we may, from time to time, call to your attention issues or legal developments that might be relevant, we are not undertaking to do so as a part of our representation.

Termination of the Law Firm - The District's engagement of the Law Firm may be terminated at any time, by either party. Upon termination, all amounts due and owing and incurred in withdrawing from representation of the District are to be paid upon receipt.

The Law Firm’s engagement is based on the above Terms of Engagement for our covenant enforcement, foreclosure, and collection services. Terms and fees may be updated upon written notice from Orten Cavanagh Holmes & Hunt.

Electronic Delivery of Statements: Monthly billing statements are delivered to the District electronically.

Billing email address: _____

Check here to opt out of electronic delivery. If opted out, statements will be mailed to the billing address.

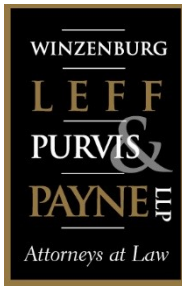
District Billing Address	District Mailing Address (if different)
Address, City, State and Zip Code _____ _____	Address, City, State and Zip Code _____ _____

This Agreement is effective upon receipt by Orten Cavanagh Holmes & Hunt.

Agreed to and accepted on: _____
Date

DISTRICT (PLEASE PRINT FULL NAME)

By: _____ Title
District Authorized Agent



MARCI M. ACHENBACH
 machenbach@wlpplaw.com
 www.cohoalaw.com

November 23, 2022

Via e-mail to: jwagner@wbapc.com

Board of Directors
 c/o Jon Wagner
 White Bear Ankele Tanaka & Waldron
 2154 E. Commons Avenue, #2000
 Centennial, CO 80122

Re: Proposal for Legal Services

Dear Members of the Board of Directors:

For over 40 years Winzenburg, Leff, Purvis & Payne, LLP has specialized in representing community associations and metropolitan and special districts throughout the Denver metropolitan, and Colorado Front Range and mountain areas. We offer our proposal to undertake covenant enforcement and fee collection matters as special legal counsel to the District.

Why Choose Us?

We know that you have several options of law firms that provide legal services to your community. We believe the provision of legal services still requires, and best serves the client, when there is a professional relationship between the client and the lawyer and the lawyer is responsive to the needs of the client. That professional relationship develops over time, but is furthered when certain characteristics exist. Those characteristics include the following:

CLIENT SATISFACTION IS OUR TOP PRIORITY

At Winzenburg, Leff, Purvis & Payne, client satisfaction is our top priority. We promptly return all phone calls, work with you to determine deadlines and meet those deadlines, and provide timely status reports for collection accounts and covenant violation matters. Our attorneys are always available to speak to you concerning legal issues that matter to you.

TRUST

We strive to create a relationship with our clients based on trust. You can trust us to:

- know the law relating to communities, covenant enforcement, and collections, without having to learn at your expense
- represent the District's best interests
- provide timely and effective representation
- provide sound, practical advice along with our legal advice



Focused on Communities

8020 Shaffer Parkway, Suite 300
 Littleton, Colorado 80127
 303.863.1870
 Fax 303.863.1872



Winzenburg Leff Purvis & Payne, LLP

Districts

November 23, 2022

Page 2 of 2

- not sell you unnecessary services

SUPERIOR EXPERIENCE

We have substantial experience in representing common interest communities throughout Colorado in collecting delinquent assessments, dues, fees and other charges, as well as enforcing their restrictive covenants and rules and regulations. Because you already have general counsel for matters such as budgeting, meetings, and governance, our proposed services are limited to covenant enforcement and fee collection matters working in concert with your general counsel.

AFFORDABLE COST

We are committed to providing the highest level of personal attention to our clients in the most economically efficient manner. We will work with you to determine your specific needs and devise a plan to meet these needs within your budget. Our general fee collection schedule includes numerous fixed fees, as you can see in the attachment. Covenant and rule enforcement matters require a more variable time commitment, and our fees for such matters are billed hourly at the following rates: from \$225 to \$360 per hour for our attorneys, \$140 per hour for law clerks (when available), and \$110 per hour for our paralegals.

Please do not hesitate to call if you have any questions regarding our fees, services, or any other specific issues. We welcome the opportunity to serve the District.

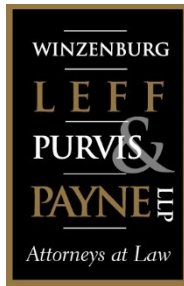
Very truly yours,

WINZENBURG, LEFF, PURVIS & PAYNE, LLP

LSS/kw

Encl.

P.S. This proposal and the enclosures, including our fee schedules, contain proprietary and confidential information to be shared only with the Board of Directors and manager.



2023 TRADITIONAL FEE SCHEDULE DISTRICT CLIENTS

COUNTY COURT COLLECTION FEE SCHEDULE	
County court services will be billed on a monthly basis at fixed fees or hourly rates as they are incurred as follows:	
FEE	SERVICE
No charge	Open and prepare collection file.
No charge	Prepare, update and send monthly status reports to the District.
\$150.00	Fixed fee to review owner account documents, calculate balance due, and prepare and send a demand letter to owner. A \$50.00 additional fee if owner is foreclosing lender.
\$100.00	Fixed Fee to prepare and send debt verification letter to owner after the demand letter expiration date.
\$60.00	Fixed Fee to prepare and send payment reminder letter to owner.
\$175.00	Fixed Fee to prepare and send payment plan agreement to owner prior to initiation of a lawsuit. A monitoring fee of \$15.00 per month will be charged to monitor payments due under the payment plan.
\$75.00	Fixed Fee to prepare and send notice of default letter to owner in the event owner does not comply with the provisions of pre-lawsuit payment plan agreement.
\$425.00	Fixed Fee to: <ul style="list-style-type: none"> • Review file upon expiration of demand letter; • Communicate with District in obtaining ledger; • Reconcile account balance; • Prepare initial County Court Summons and Complaint and Exhibits (“lawsuit”); • Send lawsuit to process server and follow up communications with process server; • E-file lawsuit with Court; • Review file and reconcile account in preparation for Court return date; • Complete docket sheet and appear and travel to/from Court if required; • Review Colorado Courts E-Docket to ascertain if Answer filed by owner; Review Colorado Courts E-Docket to confirm accuracy of judgment entered.
\$75.00	Fixed fee to prepare and file Affidavit of Attorneys’ Fees and Costs with Court for Court return date.
\$125.00	Fixed Fee to prepare and e-file Motion for Default Judgment against owner and to prepare and e-file Affidavit of Attorneys’ Fees and Costs and other supporting documents in support of Motion.
\$250.00	Fixed Fee to negotiate and prepare Settlement Stipulation after the initiation of the lawsuit and prior to an Answer being filed. Fixed Fee includes preparation and filing of Certificates of Mailing and Motion to Dismiss upon compliance with Settlement Stipulation. A





	monitoring fee of \$15.00 per month will be charged to monitor the payments due under the Settlement Stipulation.
\$100.00	Fixed Fee to prepare and send owner Notice of Default in Settlement Stipulation.
\$125.00	Fixed Fee to reconcile the account balance and to prepare and file Motion for Entry of Judgment upon default under the Settlement Stipulation, Affidavit of Fees and Costs and Proposed Order.
\$75.00	Fixed Fee to prepare and send notice of judgment letter to owner.
\$125.00 per owner	Fixed Fee to prepare and file post-judgment interrogatories. Fixed fee includes arranging service on owner and monitoring for an Answer within the deadline provided.
\$125.00	Fixed Fee to prepare and file Motion for Contempt Citation, Proposed Citation and Proposed Order.
\$200.00	Fixed Fee to prepare and file Writ of Garnishment. Fixed fee includes arranging service on the Garnishee, monitoring for an Answer within the deadline provided, monitoring for payments due under the Garnishment, forwarding payments to the District and preparing Notice of Release of Garnishment.
\$175.00	Fixed Fee to negotiate and prepare post-judgment payment plan agreement. A monitoring fee of \$15.00 per month will be charged to monitor payments due under the agreement.
\$225.00	Fixed fee to prepare letter to court requesting transcript of judgment, e-record transcript of judgment in county records, to prepare letter to court requesting certificate of satisfaction of judgment, prepare and e-file satisfaction of judgment with court, prepare and e-record certificate of satisfaction of judgment in county records.
\$100.00	Fixed Fee to reconcile account ledger, calculate balance owed after judgment has been satisfied and to prepare and send letter to owner regarding account balance following Satisfaction of Judgment.
\$100.00 each	Fixed Fee for computerized skip tracing and investigation, credit report and analysis or box breaker.
\$150.00	Fixed Fee to prepare payoff calculation letter (a rush fee of \$75.00 is added if the payoff is required within 48 hours of request).
\$30.00	Fixed Fee to review ownership and encumbrance report.
\$50.00	Fixed Fee to review the accuracy of assessment lien not prepared by our office.
\$30.00 each	Fixed Fee to conduct foreclosure, military or bankruptcy search in preparation for lawsuit.
\$195.00	Fixed Fee to review ledger and calculate super lien, and to prepare and send super lien demand letter to first deed of trust holder. Fixed fee includes monitoring of public trustee foreclosures up to nine months. Monitoring of public trustee foreclosures over nine months will be charged at our hourly rates.
\$600.00	Fixed Fee to obtain and review ledger, calculate balance and prepare and file Notice of Intent to Redeem with supporting documents.
\$150.00	Fixed Fee to review, analyze, and outline recommendations for possible judicial foreclosure.
\$150.00	Fixed Fee to prepare and file Probate Claim.
Hourly rates apply	For additional services that are not provided for in the Fixed Fee rates set forth above.



BANKRUPTCY FEE SCHEDULE	
All fees for bankruptcy services will be billed on a monthly basis at fixed fees or hourly rates as follows:	
FEE	SERVICE
\$175.00	Fixed Fee to prepare Entry of Appearance in a Chapter 7 bankruptcy case.
\$250.00	Fixed fee to prepare and file Entry of Appearance and a Proof of Claim in a Chapter 13 bankruptcy case.
\$350.00	Fixed Fee to prepare and file Motion to Dismiss a Chapter 13 bankruptcy case with supporting documents for owner's failure to make plan payments.
\$375.00	Fixed Fee to prepare and file Motion for Relief from Bankruptcy Stay with supporting documents.
Hourly rates apply	For additional services that are not provided for in the Fixed Fee rates set forth above.

DISTRICT COURT JUDICIAL FORECLOSURE FEE SCHEDULE	
All fees for foreclosures will be billed on a monthly basis at fixed fees or hourly rates as follows:	
FEE	SERVICE
\$2,000.00	Fixed Fee to initiate foreclosure which includes ordering a Litigation Guarantee from a title company, reviewing title to the property, preparing and filing a Summons, Complaint in Foreclosure and Lis Pendens, preparing instructions for service of process on all appropriate parties and verifying service of process.
\$300.00	Fixed Fee for preparation and filing of Motion for service of process by publication per party with supporting documents.
\$100.00	Fixed Fee for preparation and filing of a Motion for Clerk's Default.
\$650.00	Fixed Fee for preparation and filing of Motion for Judgment with supporting documents.
\$225.00	Fixed Fee to negotiate and prepare a Settlement Stipulation. A monitoring fee of \$15.00 per month will be charged to monitor the payments due the Settlement Stipulation.
\$125.00	Fixed Fee to prepare and send a notice of default letter for failing to comply with the Settlement Stipulation.
\$195.00	Fixed fee to prepare letter to court requesting transcript of judgment, e-record transcript of judgment in county records, and to prepare letter to court requesting certificate of satisfaction of judgment, prepare and e-file satisfaction of judgment with court, prepare and e-record certificate of satisfaction of judgment in county records.
\$650.00	Fixed Fee for preparation of all pleadings and documents to commence Sheriff's Sale.
\$400.00	Fixed Fee for preparation of bid and supporting documents to complete Sheriff's Sale.
\$350.00	Fixed Fee for preparation of cure statement for Sheriff's Sale.
\$250.00	Fixed Fee for preparation and filing of pleadings for dismissal of district court lawsuit and request for discharge of Lis Pendens in judicial foreclosure.
\$500.00	Fixed Fee for foreclosure related negotiations with investors and preparation of Assignment of Lien.
Hourly rates apply	For additional services that are not provided for in the Fixed Fee rates set forth above.



RECEIVERSHIP FEE SCHEDULE	
All fees for receiverships will be billed on a monthly basis at fixed fees or hourly rates as follows:	
FEE	SERVICE
\$1,100.00	Fixed Fee for preparation of all pleadings for the appointment of a receiver, review of Order approving receivership and initial follow-up with receiver.
\$300.00	Fixed Fee for preparation and filing of Motion for service of process by publication per party with supporting documents.
\$500.00	Fixed Fee for preparation and filing of Motion for Judgment with supporting documents.
\$100.00	Fixed Fee for preparation and filing of a Motion for Clerk’s Default.
\$195.00	Fixed Fee to negotiate and prepare a Settlement Stipulation. A monitoring fee of \$15.00 per month will be charged to monitor the payments due under the Settlement Stipulation.
\$125.00	Fixed Fee to prepare and send owner notice of default letter for failing to comply with the Settlement Stipulation.
\$195.00	Fixed fee to prepare letter to court requesting transcript of judgment, e-record transcript of judgment in county records, and to prepare letter to court requesting certificate of satisfaction of judgment, prepare and e-file satisfaction of judgment with court, prepare and e-record certificate of satisfaction of judgment in county records.
\$250.00	Fixed Fee for preparation and filing of pleadings for dismissal of lawsuit and request for discharge of receiver.
Hourly rates apply	For additional services that are not provided for in the Fixed Fee rates set forth above.

Costs (e.g. ownership and encumbrance reports, service of process charges, court filings, document recording fees, etc.) are billed on a monthly basis and due and payable upon receipt of the invoice. There is no charge on general collection matters for photocopies, postage, long distance phone calls, incoming or outgoing faxes, and preparation of monthly status reports.

The following are our **2023 hourly rates**:

Marci M. Achenbach	\$240.00 per hour
Amanda M. Doherty	\$225.00 per hour
Molly Foley-Healy	\$375.00 per hour
Zachary A. Goldberg	\$280.00 per hour
Travis B. Keenan	\$350.00 per hour
Suzanne M. Leff	\$340.00 per hour
Kimberly A. Porter	\$350.00 per hour
Brianna L. Schaefer	\$325.00 per hour
Lindsay S. Smith	\$340.00 per hour
Wendy E. Weigler	\$340.00 per hour
Law Clerk (if available)	\$140.00 per hour
Paralegals	\$110.00 per hour