

JORDAN CROSSING METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: (303) 987-0835
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NOTICE OF WORK SESSION AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
M. Alberta Saran	Assistant Secretary	2023/May 2023
VACANT	Assistant Secretary	2023/May 2023
VACANT	President	2022/May 2022
VACANT	Treasurer	2022/May 2022
VACANT	Assistant Secretary	2022/May 2022
Ann E. Finn	Secretary	

DATE: **April 28, 2022**

TIME: **1:00 p.m.**

PLACE: **Colorado Escrow and Title**
10851 South Crossroads Dr., Suite B
Parker, CO 80134

I. ADMINISTRATIVE MATTERS

- A. Present Disclosures of Potential Conflicts of Interest.

- B. Approve Agenda, confirm location of the meeting and posting of meeting notices.

- C. Acknowledge the resignations of Thomas J. Brinkman II, James E. Marshall, Scott Marshall, and D. Shawn Creed.

II. PUBLIC COMMENTS

- A. Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes.

III. BOARD MEMBER ORIENTATION

- 1. What is a special district?

- a. Types/Powers

2. Organization:

- a. History of the District
- b. Service Plan
- c. IGA with Town of Parker

3. Board of Directors:

- a. Board Member Manual
- b. Qualifications
- c. Regular Elections/Terms of Office/Oaths of Office
- d. Officers
- e. Public meetings (packets/schedule/location)
- f. Roberts Rules of Order
- g. Insurance
- h. Indemnification Resolution
- i. Compensation (director fees)
- j. Duties/Fiduciary Obligations
- k. Website

4. Consultants for the District:

- a. Attorney
- b. Accountant
- c. Manager

5. Financial Matters:

- a. 2022 Budget
- b. Mill Levies
- c. O&M Maintenance Responsibilities (HOA)
- d. Debt/Bonds
- e. Capital Improvements
- f. Accounts Payable (procedure for approval)
- g. Financial Statements
- h. Audits

6. Other:

VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
JUNE 7, 2022**

Enclosures:

Summary of District Information
Board Member Manual
Service Plan
2022 Budget
2020 Audit

Jordan Crossing Metropolitan District Summary

Board of Director/Terms of Office:

James E. Marshall – resigned

Thomas J. Brinkman II - resigned

Scott Marshall – resigned

M. Alberta Saran – Term expires, May 2023

D. Shawn Creed – resigned

Officers:

President

Treasurer

Secretary

Assistant Secretaries

Regular Meetings (2022):

Location:

Colorado Escrow and Title

10851 South Crossroads Drive, Suite B

Parker, CO 80134

Dates and Time:

June 7, 2022 at 3:00 p.m.

October 11, 2022 at 3:00 p.m.

Consultants:

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Shareholder

McGeady Becher P.C.

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Manager:

Ann Finn

Senior District Manager

SDMS

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Supporting Community-Based Government



B o a r d

M e m b e r

M a n u a l

A Reference Guide
for Special Districts

2019



SDA Board of Directors

Jim Kullhem

President

Prospect Recreation & Park District

Mitch Chambers

Vice President

Southgate Sanitation District

Kathy Morris

Secretary/Treasurer

Durango Fire Protection District



Sue Blair

Independence Metropolitan District No. 4

Jim Borland

Fort Collins-Loveland Water District

Kent Bosch

Upper Thompson Sanitation District

Mike Feeley

West Metro Fire Protection District

Leo Johnson

Southwest Suburban Denver Water
and Sanitation District

Ronda Lobato

Costilla County Conservancy District

Larry Moore

Eagle Bend Metropolitan District No.2

Bill Simmons

Eagle River Water and Sanitation District

Officers and Staff

James P. Collins

Executive Vice President

Ann Terry

Executive Director

Meredith Quarles

Director of Operations

Michael Valdez

Director of Policy

Megan Lippard

Editor and Communications Manager

Anthony Sandoval

Program Manager

Anneke Miers

Membership Services Coordinator

Vanessa Glass

Administrative Services Coordinator

SDA Publications

SDA News

SDA's newsletter, *SDA News*, is published ten times a year. It contains a variety of helpful articles on everything from changes in labor laws to district success stories to information about upcoming SDA events, just to name a very few. In addition to hard copies which are mailed, an electronic version is also available on the SDA website at www.sdaco.org. Past issues are archived on the SDA website as well.

SDA Board Member Manual

The SDA Board Member Manual is an invaluable resource and reference guide for the statutory responsibilities of special district Board members. Hard copies of the Manual are provided to each district, and an electronic version is available on the SDA website at www.sdaco.org.

SDA Member Directory

The SDA Member Directory is a full listing of all of SDA's member districts, their Board members, and managers. The Directory also lists SDA associate members and their services. The Directory is sorted by district type for district members and by service type for associate members. The entire Directory is available on the SDA website at www.sdaco.org.

SDA's Guide to Special Districts

SDA's *Guide to Special Districts* provides an overview on how special districts were first created; the different types of districts within Colorado; the formation and governance of special districts; and the growth of districts in the state, among several other topics. An electronic version is also available on the SDA website at www.sdaco.org.

Special District Board Member Manual

prepared by

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for

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Supporting Community-Based Government

This Manual is intended to be a general survey of statutory responsibilities for members of the Board of Directors of a Colorado special district. This Manual is neither designed nor intended to be a legal analysis of the subjects contained herein. The passage of time, new court decisions, and future legislation will cause portions of this Manual to become outdated. Further, the answer to any particular legal question turns heavily on all of the facts specific to the issue. The reader is strongly encouraged to seek

the advice and assistance of legal counsel experienced in special district matters as to any legal issues that arise.

This Special District Board Member Manual was prepared as a public service by Collins Cockrel & Cole, P.C. which claims a copyright for all of its contents. The information contained in this Manual is for the benefit of the Special District Association of Colorado, its members, and the clients of Collins Cockrel & Cole, P.C.

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Preface

This Reference Guide primarily focuses on the legal duties, requirements, and procedures applicable to special districts organized under Colorado Revised Statutes (“C.R.S.”). The Special District Association of Colorado (“SDA”) includes many different types of local government entities authorized by Colorado law. While many SDA members are special districts under Title 32, C.R.S. (“the Special District Act”), many members are other types of local government entities. Although the focus of this Reference Guide is the duties, requirements, and procedures of special districts under Title 32, C.R.S., where possible, the Reference Guide recognizes important differences in the duties, requirements, and procedures of other types of local government entities that are members of SDA.

The following types of local government entities are members of SDA and regulated primarily by statutes outside of the Special District Act:

- » Trustees of Library Districts and Directors of Regional Library Authorities are subject to §§24-90-101 to 24-90-606, C.R.S., and, therefore, may have certain duties, requirements, and procedures that are different from those required for Districts governed under Title 32, C.R.S.
- » Supervisors of Soil Conservation Districts are subject to §§35-70-101 to 35-70-122, C.R.S., and, therefore, may have certain duties, requirements, and procedures that are different from those required for Districts governed under Title 32, C.R.S.
- » Directors of Water Conservancy Districts are subject to §§37-45-101 to 37-45-153, C.R.S., and, therefore, may have certain duties, requirements, and procedures that are different from those required for Districts governed under Title 32, C.R.S.
- » Directors of Water Conservation Districts are subject to §§37-46-101 to 37-50-142, C.R.S., and, therefore, may have certain duties, requirements, and procedures that are different from those required for Districts governed under Title 32, C.R.S.
- » Directors of the Urban Drainage and Flood Control District are subject to §§32-11-101 to 32-11-817, C.R.S., and, therefore, may have certain duties, requirements, and procedures that are different from those required for other Districts governed under Title 32, C.R.S.
- » Directors of other types of governmental Authorities and Districts created by law and/or intergovernmental agreement are subject to the statutes; county and municipal home rule charters; resolutions; ordinances; and intergovernmental agreements under which the Authorities and Districts are created. The statutory provisions include, but are not limited to:
 - ◊ Cemetery Districts under §§30-20-801 to 30-20-808, C.R.S.;
 - ◊ Downtown Development Authorities under §§31-25-801 to 31-25-822, C.R.S.;
 - ◊ Municipal Energy Finance Authorities under §§31-25-901 to 31-25-909, C.R.S.; and
 - ◊ Business Improvement Districts under §§31-25-1201 to 31-25-1228, C.R.S.
 - ◊ Regional Transportation Authorities under §§43-4-601 to 43-4-621, C.R.S.

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Chapter I

Board Membership

The Board is the general governing body of the District, which oversees all aspects of the District and carries out the business of the District in public meetings.

A. Qualifications:

To qualify as a Director of a special district, a person must be an “eligible elector” which is defined as a **registered voter** of Colorado **and either**:

1. **A resident** of the District, or
2. **The owner (or the spouse or civil union partner of the owner) of taxable real or personal property** situated in the District.

For the purposes of #2 above, a mobile or manufactured home qualifies as “real property,” and a person who is under contract to purchase taxable property and is obligated to pay the taxes prior to closing shall be considered an “owner.” [§32-1-103\(5\), Colorado Revised Statutes \(“C.R.S.”\)](#).

Director qualifications must be met at the time of the execution of the self-nomination form or letter or at the time of appointment by the Board of Directors, if filling a vacancy, and must be maintained in order to remain qualified as a Director.

Property that is owned by a legal entity such as a corporation, LLC, partnership, or trust does not qualify a person as an eligible elector on the basis of property ownership.

B. Taking Office:

1. Oath or Affirmation:

Each Director, within 30 days after election or appointment, shall take an oath or affirmation of faithful performance. [§32-1-901\(1\), C.R.S.](#)

The oath or affirmation must be administered by a qualified official (any person designated by the Board, any officer of the Board, Notary Public, Judge, Clerk of the Court, or Clerk and Recorder) and filed with the Clerk of the District Court that issued the District’s organizational decree; the County Clerk and Recorder for the counties in which the District is situated; and the Division of Local Government. Before the person is fully seated as a Board member, the oath or affirmation must be filed with such County Clerk(s). [§24-12-101, §24-12-103 and §32-1-901\(1\), C.R.S.; Article XII, Section 9, Colorado Constitution.](#)

2. Bond:

Along with the oath or affirmation, an individual, schedule, or blanket surety bond of not less than \$1,000 must be filed for each Director with the Clerk of the Court and the Division of Local Government, conditioned upon the faithful performance of his/her duties as Director. [§32-1-901\(2\), C.R.S.](#)

The Treasurer must file with the Clerk of the Court and the Division of Local Government a corporate fidelity bond of not less than \$5,000. [§32-1-902\(2\), C.R.S.](#) The bond(s) shall be in amounts determined by the Board, and at the expense of the District. It is common for a District to obtain and file a single blanket position schedule bond, setting forth the required amounts for each of the positions of Director and the amount for the position of Treasurer. The surety bond and fidelity bond requirements are satisfied if the District buys crime coverage. [§24-14-102\(2\), C.R.S.](#)

3. Commencement of Term:

A Director’s regular term of office commences at the next meeting of the Board following the date of the organizational or regular election, upon administration of the oath or affirmation; filing the oath or affirmation with the County Clerk and Recorder(s); and posting the bond, but no later than 30 days following the survey of returns of election or date of regular election if the election has been cancelled. [§§1-13.5-112 and 24-12-101, C.R.S.](#)

C. Vacancies:

A Director’s office shall be deemed vacant upon the occurrence of any one of the following: [§32-1-905\(1\), C.R.S.](#)

1. Failure to meet the qualifications of Director;
2. Failure to satisfy the oath or affirmation and bond or insurance requirements;
3. Written resignation;
4. Failure to remain qualified for the office;
5. Conviction of a felony;
6. Removal from office or voidance of election by Court (subject to appeal);
7. Failure to attend three consecutive regular Board meetings, unless approval of absence is entered in the minutes,

or absence is excused by temporary mental or physical disability or illness, followed by a fourth absence; or

8. Death.

Any vacancy shall be filled by appointment by the remaining Directors. If the Board fails to fill the vacancy within 60 days, the Board of County Commissioners may make the appointment. The Director appointed to fill a vacancy shall serve until the next regular election, at which time the vacancy shall be filled by election for the remainder, if any, of the originally vacated term. [§32-1-905\(2\)\(a\), C.R.S.](#)

Discussions regarding the appointment of a person and his or her qualifications to fill a vacancy on the Board must take place in a public meeting, not in executive session. The appointment must occur by official action of the Board at a properly convened meeting and must be recorded in the minutes of the Board meeting. A notice of appointment shall be delivered to the person appointed, and the notice along with the mailing address of the person so appointed must be filed with the Division of Local Government. [§32-1-905\(3\), C.R.S.](#)

Typically, there is no legal requirement to post or publish notice of a vacancy prior to the District Board appointing someone to fill it. However, prior to conveying title to taxable property in the name of another or entering into a contract to purchase or sell taxable property for the purpose of qualifying such person as an eligible elector in order to fill a vacancy, notice of such vacancy must be published and ten days must pass after the publication of such notice during which no otherwise qualified eligible elector files a letter of interest in filling such position with the Board. [§32-1-808\(2\)\(a\)\(i\), C.R.S.](#)

D. Election of Officers:

After taking oaths/affirmations and filing bonds, the Board shall elect one of its members as Chair of the Board and President of the special district; one of its members as Treasurer of the Board and special district; and a Secretary who may be a member of the Board. The Secretary and the Treasurer may be one person, but, if such is the case, he or she shall be a member of the Board. [§32-1-902\(1\), C.R.S.](#)

E. Term Limits:

Directors are limited to two consecutive terms of office, unless the voters of the District lengthen, shorten, or eliminate that limitation. [Art. XVIII, Sect. 11, Colo. Const.](#) The term-limited elected official cannot run again for election to the same body by moving to a new Director District, redistricting, or a change in the at-large or specific District nature of the seat currently occupied. [Attorney General Opinion No. 2000-5 \(July 10, 2000\)](#). Also see [Attorney General Opinion No. 2005-4 \(August 16, 2005\)](#).

Term limits apply only to elected four-year terms. Term limits do not apply to interim terms that arise due to a vacancy or to elected two-year terms that are created due to a vacancy. [Attorney General Opinion No. 2000-2 \(February 9, 2000\)](#).

F. Increasing Number of Board Members:

A special district having a five-member Board may increase the number of Board members to seven by the adoption of a resolution by the Board and a certified copy of the resolution shall be filed with the Board of County Commissioners or governing

body of the municipality that approved the Service Plan of the special district. The Board shall consider the resolution at a public meeting after publication of notice of the public meeting. If after 45 days after filing the resolution the Board of County Commissioners or governing body of the municipality have not notified the District that such increase in the Board would be a material modification to the District's Service Plan, the Board shall file the resolution with the District Court that issued the District's organizational decree. The Court shall issue an Order establishing the increase in the number of Board members. A certified copy of such Order shall be recorded in the county in which the District was organized. A copy of the recorded Order shall be filed with the Division of Local Government.

Once the District increases to a seven-member Board, the District is not allowed to reduce to a five-member Board. [§32-1-902.5, C.R.S.](#)

G. Fiduciary Obligations:

1. General:

A Director has a general, common-law fiduciary obligation to the District. [§24-18-103, C.R.S.](#) This obligation does not extend to each individual resident of the District, but rather to the District itself. As a fiduciary, the Director has the duty to exercise the utmost good faith, business sense, and astuteness on behalf of the District. A Director is prohibited from taking personal advantage of a situation to benefit himself or prejudice the District.

2. Confidential Information:

Directors will likely become privy to confidential information about the District. When a District seeks legal counsel, the communications between the lawyer and the District are confidential and are protected by the attorney-client privilege. [The Colorado Rules of Professional Conduct, Rule 1.6 and §13-90-107\(1\)\(b\), C.R.S.](#) Discussions regarding specific legal questions in executive session are "privileged." [Id. and Patricia C. Tisdale and Erin M. Smith, The Maverick Council Member: Protecting Privileged Attorney-Client Communications from Disclosure, 23 COLO. LAW. 63, 63 \(1994\).](#)

The attorney-client privilege protects the content of communications with the District's attorney from disclosure in Court. This is an important protection for the District. Be careful, though, because the privilege can be lost by disclosing the confidential communications to a third party. Once the privilege is lost, the content of the communications is no longer considered confidential, and it can be used against the District in future lawsuits.

Keep in mind that the District holds the attorney-client privilege, not the individual Board members. [The Colorado Rules of Professional Conduct, Rule 1.13.](#) Therefore, only the District as a whole can waive the attorney-client privilege by an intentional, official act, such as adoption of a resolution. An inadvertent or unauthorized disclosure of confidential information by one Director does not constitute a waiver of the privilege, meaning the "leaked" information cannot be used against the District in Court. Still, it can be extremely damaging to the District if Directors discuss confidential information with people who are not on the Board, even if it seems harmless to you.

You can protect the District's confidential information by not discussing District affairs with anyone outside of Directors and the District's attorney. You also should not discuss matters discussed in executive session outside of the executive session, even with other Directors.

H. Compensation:

1. Limitations:

For Directors serving a term of office commencing after January 1, 2018, Directors may receive compensation not in excess of \$2,400 per annum, payable not to exceed \$100 per meeting attended. For Directors serving a term of office commencing prior to January 1, 2018, Directors may receive compensation not in excess of \$1,600 per annum, payable not to exceed \$100 per meeting attended. [§32-1-902\(3\)\(a\), C.R.S.](#) Any "perks" received by a Director may be considered compensation and subject to the limitations, unless they are in exchange for value actually received or are considered to be a valid expense otherwise subject to reimbursement. A study session is considered a special meeting for which compensation for attending is allowed, if all the conditions described in Paragraph I on page 12 are met.

No Director shall receive any compensation as an employee of the District. [§32-1-902\(3\)\(b\), C.R.S.](#)

2. Reimbursement:

Reimbursement of actual expenses for Directors shall not be considered compensation. [§32-1-902\(3\)\(b\), C.R.S.](#) Actual expenses may include mileage and out-of-pocket expenses incurred in service as a Director.

3. Gifts:

The law regarding quarterly reports of gifts, honoraria, or other benefits received in connection with a Director's public service excludes special district Directors whose annual compensation does not exceed \$2,400. [§24-6-203\(1\)\(b\)\(I\), C.R.S.](#)

Although most attorneys do not believe it applies to special districts, Amendment 41 adopted in 2006 places further prohibitions on gifts with value exceeding \$53 (adjusted) given to county and municipal officials, employees of local governments, and their immediate family members. This gift ban is unrelated to any official action and is without regard to any intent to corrupt or influence. [Art. XXIX, Sect. 3, Colo. Const.](#)

For a discussion of the rules surrounding gifts to Directors and conflicts of interest, see Chapter II—Conflict of Interest.

I. Bylaws, Rules and Regulations, and Policies:

The Board of Directors may adopt bylaws to govern other aspects of Board membership, and rules and regulations that are not in conflict with state law. [§32-1-1001\(1\)\(m\), C.R.S.](#) Bylaws can be helpful in maintaining order and providing a framework for the Board's actions. Rules and regulations are important to adopt as laws for the operation of the District. The Courts enforce adopted rules and regulations and often yield to the judgment and discretion of the District's Board of Directors in matters of interpretation and application. [Bennett Bear Creek Farm Water and Sanitation District v. City and County of Denver](#), 928 P.2d 1254 (Colo. 1997).

A Court will not imply rules and regulations if they have not been formally adopted by the Board.

Policies and procedures (usually for staff purposes) on personnel matters, handling of District money, investments, authorization to make contracts, etc. are also important for the efficient operation of the District.

J. Recall:

Any Director who has held office for at least six months may be subject to recall. [§32-1-906, C.R.S.](#)

In order to recall a Director, a petition signed by the lesser of 300 or 40% of eligible electors must be filed asserting the grounds for recall, and a recall election must be held pursuant to the provisions of Part 9 of Article 1, Title 32, C.R.S.

Part 9 of Article 1 of Title 32 establishes procedures for conducting a recall election. It clarifies the process for review and approval of recall petitions; the appointment of a Designated Election Official (DEO) and the procedures and duties of the DEO; sets forth a timeline and deadlines for the completion of the recall process; scheduling and conducting the recall election; nomination of candidates to succeed the person being recalled and including the election of a successor on the same ballot; payment of costs of the election; and reimbursement of some costs.

The election of a successor is held at the same time as the recall election. [§32-1-911, C.R.S.](#)

K. Inactive Status for Certain Districts:

A District that is in a predevelopment stage; has no business or commercial ventures or facilities in its boundaries; has not issued any general obligation or revenue debt; has not imposed a mill levy for collection; anticipates no revenue and has no planned expenditures; and has no operation or maintenance responsibility for any facilities may enter into "inactive status," during which time the District is relieved from compliance with certain statutory obligations and filings, such as boundary maps; annual notice to electors; noticing and conducting regular and special Board meetings; budgeting procedures; annual audits or applications for exemption; and property valuation and assessment and mill levy certification procedures.

A period of inactive status is commenced by the Board adopting a resolution of inactive status and filing (by December 15) a notice of inactive status with certain prescribed entities. A notice of continuing inactive status must be filed annually by December 15 until the District returns to active status. Permitted activities during this "time-out" period are conducting elections and undertaking the procedures necessary to implement a return to active status.

The District must come into compliance with all the legal requirements from which it has been exempt in order to return to active status. [§32-1-104\(3\)-\(5\), C.R.S.](#)

L. Filings and Postings:

Directors are responsible for ensuring that mandatory filings are made and actions are taken. The following schedule includes the primary statutory filings required.

Date	Filings and Postings
At the time of recording organizational decree or Order of Inclusion for any District	<p>Every special district shall record a special district public disclosure document and a map of the boundaries of the District with the County Clerk and Recorder of each county in which the District is located that provides the following information:</p> <ol style="list-style-type: none"> 1. The name of the District; 2. The powers of the District as authorized by Section 32-1-1004 and the District's Service Plan or, as appropriate, the District's statement of purpose as described in Section 32-1-208, current as of the time of the filing; 3. A statement indicating that the District's Service Plan or, as appropriate, the District's statement of purpose as described in Section 32-1-208, which can be amended from time to time, includes a description of the District's powers and authority, and that a copy of the Service Plan or statement of purpose is available from the Division of Local Government; and 4. The following statement: <div data-bbox="394 422 1490 604" data-label="Text"> <p>[Name of the District] is authorized by Title 32 of the Colorado Revised Statutes to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning Directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809 (f), Colorado Revised Statutes, which can be found at the District office, on the District's website, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the Clerk and Recorder of each county in which the special district is located.</p> </div> <p style="text-align: right;">§32-1-104.8, C.R.S.</p>
First Board meeting of each year	<p>Board adopts resolution designating the posting location for the District's 24-hour agenda notice.</p> <p style="text-align: right;">§24-6-402(2)(c), C.R.S.</p>
72-hour notice before any meeting—current law effective until August 2, 2019	<p>Notice of the time and place designated for all regular meetings shall be posted in at least three public places within the limits of the special district; in addition, another such notice shall be posted in the County Clerk and Recorder's office in the county or counties in which the special district is located. Special meetings must be posted in the same manner at least 72 hours prior to said meeting.</p> <p style="text-align: right;">§32-1-903(2), C.R.S.</p>
Meeting notice posting requirements after August 2, 2019	<p>Please see Chapter III, Board Meetings (page 10) for the new meeting notice posting requirements, including options for electronic and non-electronic notices.</p> <p>For an electronic notice, a District shall be deemed to have given full and timely notice of a public meeting if the District posts the notice, with specific agenda information if available, on a public website of the District no less than 24 hours prior to holding the meeting. The notice must be accessible at no charge to the public. A District that provides notice on a website shall provide the address of the website to the Department of Local Affairs. A District that posts notices on a public website may in its discretion also post a notice by any other means, but it is not required to do so.</p> <p style="text-align: right;">§24-6-402(2)(c)(III), C.R.S.</p> <p>For a non-electronic notice, a District shall be deemed to have given full and timely notice if the notice of the meeting is posted in a designated public place within the District no less than 24 hours prior to the holding of the meeting. The public place or places for posting such notice shall be designated annually at the District's first regular meeting of each calendar year. The 24-hour notice must include specific agenda information when possible.</p> <p style="text-align: right;">§24-6-402(2)(c)(I), C.R.S.</p> <p>Special meetings must be posted in one of the ways discussed above.</p>
30-day notice prior to fixing/ increasing water or sewer rates	<p>The governing body of any special district furnishing domestic water or sanitary sewer services directly to residents and property owners within or outside the District may fix or increase fees, rates, tolls, penalties, or charges for domestic water or sanitary sewer services only after consideration of the action at a public meeting held at least 30 days after providing notice stating that the action is being considered and stating the date, time, and place of the meeting at which the action is being considered.</p> <p>Notice must be provided to the customers receiving the domestic water or sanitary sewer services of the District in one or more of the following ways:</p> <ol style="list-style-type: none"> 1. Mailing the notice separately to each customer of the service on the billing rolls of the District; 2. Including the notice as a prominent part of a newsletter, annual report, billing insert, billing statement, letter or other notice of action, or other informational mailing sent by the special district to the customers of the District; 3. Posting the information on the official website of the special district if there is a link to the District's website on the official website of the Division of Local Government; or 4. For any District that is a member of a statewide association of special districts formed pursuant to Section 29-1-401, C.R.S. (such as SDA), by mailing or electronically transmitting the notice to the statewide association of special districts, which association shall post the notice on a publicly accessible section of the association's website. <p style="text-align: right;">§32-1-1001(2), C.R.S.</p>
January 1 Update map	<p>Deadline to file a current, accurate map of District boundaries prepared according to Division of Local Government standards with the County Assessor, the Clerk and Recorder of each county in which the District is located, and the Division of Local Government. For map specification information, contact the Division of Local Government at 303-864-7720 or go to the Division of Local Government's website.</p> <p style="text-align: right;">§32-1-306, C.R.S.</p>

Date	Filings and Postings
January 15 Notice to Electors (not earlier than November 16)	<p>Deadline for Notice to Electors (Transparency Notice), and no more than 60 days preceding.</p> <ol style="list-style-type: none"> The notice shall contain the following: <ol style="list-style-type: none"> The address and telephone number of the principal business office of the District; Name and business telephone number of the manager or primary contact person; The names of and contact information for the members of the Board, the name of the Board Chair, and the name of each Director whose office will be on the ballot at the next regular election; The times and places designated for regularly scheduled meetings of the Board during the year and the place where notice of Board meetings is posted pursuant to Section 24-6-402(c), C.R.S.; The current mill levy and the total ad valorem tax revenue received by the District during the last year; The date of the next regular special district election at which members of the Board will be elected; Information on the procedure and time for an eligible elector of the special district to submit a self-nomination form for election to the Board pursuant to Section 1-13.5-303, C.R.S.; The address of any website on which the special district's election results will be posted; and Information on the procedure for an eligible elector to apply for permanent absentee voter status as described in Section 1-13.5-1003, with the special district. The notice shall be made in one or more of the following ways: <ol style="list-style-type: none"> Mailing the notice separately to each household where one or more eligible elector resides; Including the notice as part of a newsletter, annual report, billing insert, billing statement, letter, voter information card or other notice of election, or other informational mailing sent by the special district to the eligible electors of the special district; Posting the information on the District's official website, if there is a link to the District's website on the official website of the Division of Local Government; For any District that is a member of a statewide association of special districts formed pursuant to Section 29-1-401, C.R.S. (such as SDA), by mailing or electronically transmitting the notice to the statewide association of special districts, which association shall post the notice on a publicly accessible section of the association's website; or For a District with less than 1,000 eligible electors that is wholly located in a county with a population of less than 30,000, posting the notice in at least three public places within the limits of the special district and at the office of the County Clerk and Recorder. Such notice shall remain posted until the Tuesday succeeding the first Monday of the following May. Each District shall file the notice with the Board of County Commissioners, the County Assessor, the County Treasurer, and the County Clerk and Recorder of each county in which the District is located; any governing body of any municipality in which the District is located; and with the Division of Local Government; and make a copy of the notice available for public inspection at the principal business office of the special district. Special districts with overlapping boundaries may combine the notices mailed pursuant to subsection 2(a), so long as the information regarding each District is separately displayed and identified. <p style="text-align: right;"><i>§32-1-809 and 32-1-104(2), C.R.S.</i></p> <p>County or Municipal Withhold If a District fails to file any information required in Section 32-1-104 (2), C.R.S. (Notice to Electors) or within nine months of the date of the request for such information, the Board of County Commissioners or the municipal governing body of any municipality in which the special district is located, after notice to the affected special district, may notify any County Treasurer holding moneys of the special district and authorize the County Treasurer to prohibit the release of any such moneys until the District complies with such requirement. <i>§32-1-209, C.R.S.</i></p>
January 30 Budget due	<p>A certified copy of the adopted budget, which includes the budget message, for the current fiscal year must be filed with the Division of Local Government no later than this date. Sample forms can be found in the Financial Management Manual. The resolution(s) to adopt the budget, set mill levies, and appropriate funds shall accompany the copy of the certified budget. For more information, see the Budget Calendar on the Division of Local Government's website.</p> <p>Penalty: The Division of Local Government may authorize the County Treasurer to withhold distribution of tax revenues to the District if the budget is not filed.</p> <p style="text-align: right;"><i>§29-1-113(1), C.R.S.</i></p>
February Special election	<p>Special election for non-TABOR questions may be conducted on the first Tuesday after the first Monday.</p> <p style="text-align: right;"><i>§1-13.5-111, C.R.S.</i></p>
March 1	<p>If a special district has securities outstanding which are non-rated and which were issued to the public for an amount of not less than \$1 million and for a term of more than one year payable beyond the next year, then that District must file an annual report on form DLG 30 with the Division of Local Government. This report must be filed within sixty days following the end of the fiscal year.</p> <p style="text-align: right;"><i>§11-58-105, C.R.S.</i></p>

Date	Filings and Postings
March 31	<p>Deadline for qualifying entities to request exemption from audit from the State Auditor using Application for Exemption from Audit. For information call Local Government Audits, Office of State Auditor, at 303-869-3000. The ceiling amount for a local government to qualify for exemption from audit is \$750,000.</p> <p style="text-align: right;">§29-1-604(3), C.R.S.</p> <p>If the District has authorized but unissued general obligation debt as of the end of the fiscal year, a copy of the Application for Exemption from Audit must be filed with the Board of County Commissioners for each county in which the District is located or the governing body of municipality that approved the Service Plan.</p> <p style="text-align: right;">§29-1-606(7), C.R.S.</p>
May Regular or special election	<p>Regular election (election for members of Board of Directors) must be held in even-numbered years. TABOR elections may be held in even-numbered years. Special election for non-TABOR questions may be held in odd-numbered years. If a TABOR issue will be included as part of the May regular election, it must be conducted as an independent mail ballot election pursuant to Section 1-13.5-1101, <i>et seq.</i>, C.R.S.</p> <p style="text-align: right;">§32-1-103(17),(21); §1-13.5-111, C.R.S.</p>
June	<p>Each Director, within 30 days after his/her election or appointment, must be administered the oath of office or affirmation. The signed oath or affirmation and bond (public officials' performance bond) must be filed with the District Court Clerk and with the Division of Local Government. Directors' bond must be not less than \$1,000; the Treasurer's bond must be not less than \$5,000. Bond requirements can be satisfied by purchase of crime coverage. A copy of each signed oath or affirmation must be filed with the Clerk and Recorder before the Director is fully seated.</p> <p style="text-align: right;">§32-1-901, C.R.S.; §24-12-101; §24-14-102(2), C.R.S.; Article XII, Section 9 of the Colorado Constitution</p>
June 30	<p>Statutory deadline for local government auditor to submit audit report to special district governing Board.</p> <p style="text-align: right;">§29-1-606(1)(a), C.R.S.</p>
July 30	<p>Deadline for submitting annual audit report or request for extension to State Auditor. District audit must be forwarded to State Auditor's Office within 30 days of receipt from auditor.</p> <p style="text-align: right;">§29-1-606(3), C.R.S.</p> <p>PENALTY: If an audit is not filed (when an exemption has not been granted), the County Treasurer may be ordered to withhold District tax revenues.</p> <p style="text-align: right;">§29-1-606(5)(a) and (b), C.R.S.</p> <p>If the District has authorized but unissued general obligation debt as of the end of the fiscal year, a copy of the audit report must be filed with the Board of County Commissioners for each county in which the District is located or the governing body of municipality that approved the Service Plan.</p> <p style="text-align: right;">§29-1-606(7), C.R.S.</p>
August 25	<p>Deadline for Assessors to certify to all taxing entities and the Division of Local Government the total assessed valuation and real property values of all taxable property and the amounts for the various factors used to compute the statutory property tax revenue limit and the constitutional property tax revenue limit.</p> <p style="text-align: right;">§39-5-128, C.R.S.</p>
September 30	<p>If State Auditor has granted extension (received prior to July 30 filing deadline), this is the final date an audit may be filed.</p> <p style="text-align: right;">§29-1-606(4), C.R.S.</p> <p>PENALTY: If an audit is not filed (when an exemption has not been granted) the County Treasurer may be ordered to withhold District tax revenues.</p> <p style="text-align: right;">§29-1-606(5)(a) and (b), C.R.S.</p>
October Special election	<p>Special election for non-TABOR questions may be conducted on the first Tuesday after the first Monday.</p> <p style="text-align: right;">§1-13.5-111, C.R.S.</p>
October 15	<p>Statutory deadline for budget officer to submit the proposed budget to Board of Directors.</p> <p style="text-align: right;">§29-1-105, C.R.S.</p> <p>"Notice of Budget Hearing" to be published upon Board's receipt of proposed budget.</p> <p style="text-align: right;">§29-1-106, C.R.S.</p> <p>Notice of budget hearing must state that the budget is available for inspection by the public at a designated office; give the date and time of the budget hearing; and state that any interested elector may file objections any time prior to its adoption. For Districts with a total annual budget of less than \$50,000, posting of the notice in three public places is permitted in lieu of publication.</p> <p>See §29-1-103, C.R.S. for budget content and format requirements. Contact the Division of Local Government for further information and assistance in order to be in compliance with the budget law.</p>
November	<p>TABOR ballot issues and non-TABOR ballot questions may be referred to the voters the first Tuesday after the first Monday of even-numbered years, or the first Tuesday in odd-numbered years. A TABOR election that is not part of an organizational election must be conducted either as part of a coordinated election or as an independent mail ballot election pursuant to Section 1-13.5-1101, <i>et seq.</i>, C.R.S. If the District determines to not coordinate the election with the County Clerk, such election must be conducted as an independent mail ballot election.</p> <p style="text-align: right;">§1-7-116(1); §1-13.5-111(2), C.R.S.</p>
December Special Election	<p>Special election for non-TABOR questions may be conducted on the first Tuesday after the first Monday.</p> <p style="text-align: right;">§1-13.5-111, C.R.S.</p>
December 10	<p>Assessors must recertify property value, one time only, no later than December 10, to the District.</p> <p style="text-align: right;">§39-1-111(5), C.R.S.</p>

Date	Filings and Postings
December 15	<p>Deadline for certification of mill levies to the Board of County Commissioners.</p> <p>Note: Districts levying a property tax must adopt their budgets before certifying levies to the county.</p> <p>PENALTY: If the budget is not adopted by certification deadline, 90% of the amounts appropriated for operating and maintenance expenses in the current fiscal year shall be deemed re-appropriated.</p> <p>§39-5-128(1), C.R.S. §29-1-108(2), C.R.S. §29-1-108(3), C.R.S.</p>
December 15	<p>For inactive special districts, deadline for filing Notice of Continuing Inactive Status with the Division of Local Government and the State Auditor.</p> <p>§32-1-104(4), C.R.S.</p>
December 31	<p>Districts not levying property tax must adopt budget by this date.</p> <p>By this date Board shall enact "Resolution to Appropriate Funds" for ensuing fiscal year.</p> <p>PENALTY: District is restricted to 90% of its current year's appropriation for operation and maintenance expenses if Board fails to enact a resolution to make appropriations by this date.</p> <p>§29-1-108, C.R.S. §29-1-108(4), C.R.S. §29-1-108(4), C.R.S.</p>
<p>NOTE: If a District:</p> <ul style="list-style-type: none"> • Has failed to hold or properly cancel a regular special district election, • Has failed to adopt a budget for two consecutive years, • Has failed to submit to an audit (or be granted exemption from audit) for two consecutive years; or • Has not provided or attempted to provide any of the service(s) or facilities for which the District was organized for two consecutive years; and • Has no outstanding financial obligations, <p>then, the Division of Local Government may initiate statutory proceedings to administratively dissolve the District.</p> <p>§32-1-710, C.R.S.</p>	

Chapter II

Conflict of Interest

The Colorado statutes establish a code of ethics for all local government officials and the Special District Act adds standards of conduct that apply only to special district Directors. Public officials can look to these in order to determine whether certain official actions are proper or improper. The holding of a public office is a “public trust” and Directors must carry out their duties for the benefit of the people, not for their own self-interest. The statutory code of ethics attempts to balance the conflicts of a private interest with the public duty.

A. Disclosure Required:

Any Director shall disqualify himself/herself from voting on any issue in which he/she has a conflict of interest, unless such Director has disclosed the conflict of interest as required by law to the Secretary of State and to the Board, [§32-1-902\(3\)\(b\), C.R.S.](#), and then only to vote if his/her participation is necessary to obtain a quorum or otherwise enable the Board to act. [§24-18-109\(3\)\(b\), C.R.S.](#)

A Director with a conflict who does not vote shall also refrain from attempting to influence the decisions of other members of the Board in voting on the matter. [§24-18-109\(3\)\(a\), C.R.S.](#)

A Director is guilty of failing to disclose a conflict of interest if he/she exercises any substantial discretionary function in connection with a government contract without having given 72 hours’ actual advance written notice to the Secretary of State and to the District Board of the existence of a known potential conflicting interest. [§18-8-308\(1\), C.R.S.](#) Failure to disclose a conflict of interest is a class 2 misdemeanor. [§18-8-308\(3\), C.R.S.](#)

B. Proscribed Acts Constituting a Conflict of Interest:

A potential conflict of interest exists when the Director is an executive officer or owns or controls, directly or indirectly, a substantial interest in any nongovernmental entity participating in the transaction. [§18-8-308\(2\), C.R.S.](#)

A District Board member, as a local government official (elected or appointed), or a District employee, shall not:

1. Disclose or use confidential information acquired in the course of his/her official duties in order to further his/her personal financial interests.
2. Accept gifts of substantial value or of substantial economic benefit tantamount to a gift of substantial value, which would

tend to improperly influence a “reasonable person” in his/her public position to depart from the faithful and impartial discharge of his/her public duties or which he/she knows or which a reasonable person in his/her position should know under the circumstances is primarily for the purpose of rewarding him/her for official action he/she has taken.

3. Engage in a substantial financial transaction for his/her private business purposes with a person whom he/she inspects or supervises in the course of his/her official duties.
4. Perform an official act directly and substantially affecting to its economic benefit, a business or other undertaking in which he/she either has a substantial financial interest or is engaged as counsel, consultant, representative, or agent.
5. Be interested in any contract made in his/her official capacity or by any body, agency, or Board of which he/she is a member or employee.
6. Be a purchaser at any sale or vendor at any purchase made by him/her in his/her official capacity. [§§24-18-104, 24-18-109, 24-18-201 and 24-18-202, C.R.S.](#)

The following exceptions exist which are not considered to be conflicts of interest:

1. A Director holding a minority interest in a corporation contracting with the District is not considered “interested” in such contract; [§24-18-201\(1\)\(a\), C.R.S.](#)
2. Contracts in which the Director has disclosed a personal interest and has not voted thereon; and
3. A Director may vote, notwithstanding any other prohibition, if participation is necessary to obtain a quorum or otherwise enable the Board to act, and if the Director complies with voluntary disclosure procedures. [§24-18-109\(3\)\(b\), C.R.S.](#)

Note All of these exceptions must be very carefully scrutinized for legal compliance purposes. Perhaps no area offers greater potential exposure to liability than the area of conflicts of interest. Before a Director takes any action which may involve a potential conflict of interest, all legal implications as well as the policy implications and appearance of impropriety should be considered.

C. Guides to Conduct Regarding Ethical Principles:

The following principles are intended as guides to conduct; they do not constitute violations of the public trust or employment in local government unless circumstances would otherwise so indicate:

1. A local government official or employee should not acquire or hold an interest in any business or undertaking which he/she has reason to believe may be directly and substantially affected to its economic benefit by official action to be taken by the local government agency over which he/she has substantive authority.
2. A local government official or employee should not, within six months following the termination of his/her office or employment, obtain employment in which he/she will take direct advantage, unavailable to others, of matters with which he/she was directly involved during his/her term of employment.
3. A local government official or employee should not perform an official act directly and substantially affecting a business or other undertaking to its economic detriment when he/she has a substantial financial interest in a competing firm or undertaking. [§24-18-105\(4\)](#), *C.R.S.*

D. Conflicts Involving Developer Districts:

A Director who owns undeveloped land constituting at least 20% of the District's territory must disclose such ownership by giving 72 hours' advance written notice to the Secretary of State and the Board before each meeting of the Board, and such disclosure must be entered in the minutes. "Undeveloped land" means real property which has not been subdivided or on which no improvements have been constructed, excluding dedicated parks, recreation areas, or open spaces. [§32-1-902\(4\)](#), *C.R.S.*

No contract for work or material including a contract for services, regardless of amount, may be entered into between a District and a Board member or a person owning 25% or more of the territory within the District unless notice for bids is published and the Board member or owner submits the lowest responsible and responsive bid. [§32-1-1001\(1\)\(d\)\(II\)](#), *C.R.S.*

E. Effect of Existence of Potential Conflict of Interest:

Failing to disclose a potential conflict of interest is a criminal misdemeanor and could result in prosecution. [§18-8-308\(3\)](#), *C.R.S.*

Any contract, vote, or other official act in which a Director had a potential conflict, not cured by disclosure, may result in the act or contract being voided.

Chapter III

Board Meetings

The District's business is conducted in meetings of the Board of Directors, which the public must be given notice of and allowed to attend, with some very limited exceptions.

A. Calling the Meeting:

1. Designation of Time and Place:

The Board must designate and post the time and place for all Board meetings, and also designate a place to post the required 24-hour agenda notices of the meetings. [§§32-1-903\(1\)-\(2\) and 24-6-402\(2\)\(c\), C.R.S.](#)

a. Electronic Notice:

On or after August 2, 2019, a District shall be deemed to have given full and timely notice of a public meeting if the District posts the notice, with specific agenda information if available, no less than 24 hours prior to holding the meeting on a public website of the District. The notice must be accessible at no charge to the public. The District shall, to the extent feasible, make the notices searchable by type of meeting, date and time of meeting, agenda contents, and any other category deemed appropriate by the District, and shall consider linking the notices to any appropriate social media accounts of the District. A District that provides notice on a website shall provide the address of the website to the Department of Local Affairs. A District that posts notices on a public website may in its discretion also post a notice by any other means, but is not required to do so. If a District is unable to post a notice on a public website pursuant to this section, the District shall post its meeting notices in compliance with paragraph (A)(1) (b) below. [§24-6-402\(2\)\(c\)\(III\), C.R.S.](#)

Special notice must be included in the notice of the decision to undertake any of the following acts: [§32-1-903\(3\), C.R.S.](#)

- i. Making a final determination to issue or refund general obligation indebtedness;
- ii. Consolidating the District;
- iii. Dissolving the District;
- iv. Filing a plan for adjustment of debt under federal bankruptcy law;

- v. Entering a private contract with a Director; or
- vi. Not making a scheduled bond payment.

b. 24-Hour Notice (Non-Electronic):

In addition to any other means of full and timely notice, a local public body (District) shall be deemed to have given full and timely notice if the notice of the meeting is posted in a designated public place within the District no less than 24 hours prior to the holding of the meeting. The public place or places for posting such notice shall be designated annually at the local public body's first regular meeting of each calendar year. The 24-hour notice must include specific agenda information when possible. [§24-6-402\(2\)\(c\)\(I\), C.R.S.](#) (Note: This 24-hour posting can be utilized in addition to or in place of posting on a public website. However, this posting of notice is not required if the District posts its meeting notices on its website). [§24-6-402\(2\)\(c\)\(III\), C.R.S.](#)

c. Requested Notice:

The District must keep a list of all persons requesting notice of all meetings or of meetings when certain specified policies will be discussed, and provide reasonable advance notice to such persons. Once a person has requested individualized notice, they are to be included on the list for two years. What constitutes "reasonable" notice is left to the discretion of the District. Inadvertent failure to provide notice to a listed person will not invalidate the meeting or actions taken at such meeting. [§24-6-402\(7\), C.R.S.](#)

d. Change of Regular Meeting and Scheduling of Special Meetings:

When the time, date, or location of a regularly scheduled meeting is changed, or when a special meeting is scheduled, notice of the new meeting time, date, or place must be posted in one of the ways discussed above. [§32-1-903\(2\), C.R.S.](#)

2. Notice to Directors:

All Directors must be notified of any regular or special meeting of the Board. [§32-1-903\(1\), C.R.S.](#)

B. Location of Meetings:

All special and regular Board meetings must be held at locations within the District boundaries, or within the boundaries of any county or counties in which the District is located, or, if outside the county, at a location not greater than 20 miles from the District boundaries, unless (i) the Board adopts a resolution stating the reason for holding the meeting at an alternate location and the date, time, and place of the meeting; and (ii) the proposed change of location appears on the meeting agenda for the meeting at which the resolution is considered. [§32-1-903\(1\)](#), C.R.S.

C. Open to the Public:

All meetings of a quorum, or three or more members (whichever is fewer), of the Board of Directors at which public business is discussed or formal Board action may be taken must be open to the public. [§24-6-402\(2\)\(b\)](#), C.R.S.

Open meeting requirements apply to formal meetings of the Board and study sessions. Such requirements do not apply to staff meetings where a quorum of the Board is not present, chance meetings, or social gatherings at which discussion of public business is not the central purpose.

Open meetings must be open to all members of the public, including reporters, attorneys, and any other representatives.

The use of recording devices at open meetings is neither prohibited nor permitted by the Colorado statutes. Many attorneys believe that the Board must allow for video and audio recording of its meetings, but may prescribe rules for the use of recording devices, such as specifying the location where recorders must be positioned and restricting recordings which interrupt or interfere with the conduct of the meeting.

D. Rules of Procedure:

The Board may adopt standard rules of procedure to govern how Board meetings are conducted. Such rules provide desirable order and efficiency, and may be included within the District bylaws.

E. Voting:

A quorum (more than one-half of the number of Directors serving on the Board) of the Board must be present before the District may take any official act or vote. A majority of the quorum in attendance is required to pass a measure. [§§32-1-103\(16\) and 32-1-903\(2\)](#), C.R.S.

A Director is required to devote his/her personal attention to matters of the District. Such attention requires a Director's own individual vote; proxy voting is not permissible.

The Chairman/President can make motions and can vote.

F. Attendance:

A Director is required to attend Board meetings. Attendance may be made via telephone conference. As long as the Director is able to hear and be heard, telephonic attendance satisfies the attendance requirement. [§24-6-402\(1\)\(b\)](#), C.R.S.

Any absences should be noted and excused (where appropriate) in the minutes of the meeting.

A Director's office shall be deemed to be vacant if the Director who was duly elected or appointed fails to attend three consecu-

tive regular meetings of the Board without the Board having entered upon its minutes an approval for an additional absence or absences, except that such additional absence or absences shall be excused for temporary mental or physical disability or illness. [§32-1-905\(1\)\(g\)](#), C.R.S.

G. Minutes:

The Secretary of the Board must keep accurate minutes of all Board meetings. [§32-1-902\(1\)](#), C.R.S.

The minutes shall be kept in a visual text format that may be transmitted electronically and shall be open to public inspection upon request. [§§32-1-902\(1\), 24-6-402\(2\)\(d\)\(II\)](#), C.R.S.

H. Executive Sessions:

An executive or "closed" session may only be called at a regular or special meeting of the Board (not at a study session) by an affirmative vote of two-thirds of the quorum present. [§24-6-402\(4\)](#), C.R.S.

Executive sessions should be noted on the agenda for all meetings whenever possible.

The Chairman of the Board must announce, and the minutes reflect, one of the following topics of discussion for a valid executive session:

1. Purchase, acquisition, lease, transfer, or sale of any property interest. (*Note: Not available where a member of the Board has a personal interest in the transaction.*) [§24-6-402\(4\)\(a\)](#), C.R.S.
2. Conferences with the District's attorney regarding legal advice on specific legal questions. (*Notes: The mere presence or participation of an attorney is not sufficient to satisfy this requirement. State the topic of the legal questions in as much detail as possible without disclosing confidential information.*) [§24-6-402\(4\)\(b\)](#), C.R.S.
3. Confidential matters pursuant to state or federal law. (*Note: Must announce specific citation to the applicable law.*) [§24-6-402\(4\)\(c\)](#), C.R.S.
4. Security arrangements or investigations. [§24-6-402\(4\)\(d\)](#), C.R.S.
5. Negotiations. [§24-6-402\(4\)\(e\)](#), C.R.S.
6. Personnel matters, identifying the person or position to be discussed, except if the employee who is the subject of the executive session has requested an open meeting; or if the personnel matter involves more than one employee, all of the employees must request an open meeting. (*Note: Not available to discuss general personnel policies.*) [§24-6-402\(4\)\(f\)](#), C.R.S.
7. Items concerning mandatory nondisclosure under the Open Records Act. [§24-6-402\(4\)\(g\)](#), C.R.S.
8. Discussion of individual students where public disclosure would adversely affect the person. [§24-6-402\(4\)\(h\)](#), C.R.S.

Discussions that occur in an executive session shall be electronically recorded, including the specific citation to the Colorado Revised Statutes that authorizes the Board to meet in an executive session and the actual contents of the discussion during the session. [§24-6-402\(2\)\(d.5\)\(II\)\(A\)](#), C.R.S.

Executive session discussions between the Board and the District's attorney regarding specific legal questions are confidential and protected by attorney-client privilege. Therefore, they need not be recorded, electronically or otherwise. If they are not recorded, the attorney must attest that the portion of the discussion not recorded constituted privileged attorney-client communications, either by stating so on the tape or providing a signed statement which will be added to the minutes. [§24-6-402\(2\)\(d.5\)\(II\)\(B\), C.R.S.](#) and [The Colorado Rules of Professional Conduct, Rule 1.6](#).

No formal action (vote) may be taken while in executive session. [§24-6-402\(4\), C.R.S.](#)

The District must retain the record of any executive session for at least 90 days. [§24-6-402\(2\)\(d.5\)\(II\)\(E\), C.R.S.](#)

I. Special Meetings/Study Sessions:

Special meetings include study sessions at which a quorum of the Board is in attendance and notice of the meetings has been given in accordance with §24-6-402 (2) (c), C.R.S. and at which information is presented to the Board, but no official action can be taken by the Board. You may want to check with your legal counsel about the recording of minutes.

J. Resolutions and Motions:

Official action of the Board may be taken in an open meeting through the adoption of a resolution, or by a motion duly made and passed by a majority vote of the Directors present at the meeting and recorded in the minutes.

Chapter IV

Public Records

The “Open Records Act,” §24-72-201, *et seq.*, C.R.S., applies to almost all levels of Colorado governmental entities and requires records to be available to the public, although it takes into account the burdens that may be placed on local governments to respond to requests for public records and incorporates a reasonableness standard for the time and cost of producing the materials.

A. Public Right of Access:

Colorado statutes have established as public policy that all public records should be open for inspection by any person at reasonable times, except as provided by law. [§24-72-201, C.R.S.](#)

“Public records” is broadly defined to include most documentation maintained by the District and the correspondence of elected officials, including email, whether maintained in hard copy or electronically in digital media. [§24-72-202\(6\), C.R.S.](#)

The “official custodian” (the District officer or employee responsible for the maintenance, care, and keeping of public records) may establish rules regarding the inspection procedures for such records. [§24-72-203\(1\)\(a\), C.R.S.](#) Such rules are advisable to maintain a manageable order regarding records and inspection. In practice, typically the Board adopts by resolution a policy for responding to records requests.

The person requesting inspection is entitled to copies or printouts of the District’s public records.

Special rules apply to records that are kept digitally:

1. If a public record is stored in a digital format that is neither searchable nor sortable, the custodian shall provide a copy of the public record in a digital format.
2. If a public record is stored in a digital format that is searchable but not sortable, the custodian shall provide a copy of the public record in a searchable format.
3. If a public record is stored in a digital format that is sortable, the custodian shall provide a copy of the public record in a sortable format. [§24-72-203\(3.5\), C.R.S.](#)

B. Fees:

1. A copying fee not to exceed 25¢ per standard page may be assessed, unless actual costs exceed that amount. [§24-72-205\(5\)\(a\), C.R.S.](#)

2. If the copying or printout is generated from a computer output other than word processing, the cost of building and maintaining that information system may be offset by charging a reasonable allocation to the person requesting the record. [§24-72-205\(4\), C.R.S.](#)
3. A reasonable research and retrieval fee may be charged, but only if the District has adopted and published on their website, or elsewhere, a written policy that includes a specific research and retrieval fee. The fee may not exceed \$30 per hour and no charge may be imposed for the first hour of research and retrieval of public records. [§24-72-205\(6\)\(a\), C.R.S.](#)
4. Within three working days of receiving the request, the custodian shall notify the record requester that a copy of the record is available but will only be sent once the custodian either receives payment or makes arrangements for receiving payment for all costs and fees associated with the request for and transmission of the public record, unless the custodian has waived all or some of the fees. [§24-72-205\(1\)\(b\), C.R.S.](#)

C. Transmission of Records:

Upon request, the custodian shall transmit a copy of the requested public record by U.S. mail, other delivery service, facsimile, or email. The District cannot charge a transmission fee for transmitting public records via email.

D. Response Time:

1. Records must be provided within three working days, or the custodian must provide the requester with written notice that extenuating circumstances exist and the records cannot be provided within three working days. [§24-72-203\(3\)\(b\), C.R.S.](#)
2. Extenuating circumstances for which the response period can be extended an additional seven working days include:
 - a. The request is broadly stated, encompasses a large category of records, and is without sufficient specificity;

- b. The request is broadly stated, encompasses a large category of records, and the District is unable to gather the records within three working days because it needs to devote all or substantially all of its resources to meeting an impending deadline or period of peak demand that is unique or not predicted to recur more frequently than once a month; or
- c. The request involves such a large volume of records that the custodian cannot gather the records without substantially interfering with his other public duties. [§24-72-203\(3\)\(b\)\(I\) to \(III\), C.R.S.](#)

E. Denial of Access:

The Open Records Act permits (and in some cases requires) the official custodian to deny public access and disallow inspection of the following documents or under the following circumstances: [§24-72-204 \(1\), C.R.S.](#)

1. If inspection would be contrary to any state statute;
2. If inspection would be contrary to any federal statute or regulation;
3. If inspection is prohibited by rules promulgated by the Supreme Court or by the Order of any Court;
4. Examinations for employment (except as made available for inspection by the party in interest);
5. Records submitted for applicants or candidates for employment, other than those submitted by applicants or candidates who are finalists for chief executive officer positions (if there are three or fewer applicants or candidates for a chief executive officer position who possess the minimum qualifications, they are all finalists and access to their submitted records may not be denied);
6. Real estate appraisals, until the subject property has been transferred;
7. Email addresses provided by a person to the District;
8. Specialized details of security arrangements or investigations and records of expenditures on security arrangements or the physical and cyber assets of critical infrastructure;
9. Medical, mental health, sociological, and scholastic achievement data (except as made available for inspection by the party in interest);
10. Personnel files (except as made available for inspection by the party in interest and the District official or employee who has direct supervisory capacity);
11. Trade secrets, privileged information, and confidential information or data;
12. Library records disclosing the identity of a user;
13. Names, addresses, telephone numbers, and personal financial information of past or present users of public utilities, public facilities, or recreational or cultural services;
14. Election records of any person; or
15. Where disclosure or public access would do substantial injury to public interest. [§24-72-204\(6\)\(a\), C.R.S.](#)

If, after making reasonable inquiries, it is not technologically or practically feasible to permanently remove information that the custodian is required or allowed to withhold within the requested format; it is not technologically or practically feasible to provide a copy of the record in a searchable or sortable format; or if the custodian would be required to purchase software or create additional programming or functionality in its existing software to remove the information, a custodian is not required to produce a public record in a searchable or sortable format. [§24-72-203\(3.5\), C.R.S.](#)

The determination of whether a document falls within an enumerated exception can be a difficult task. If denial of access is based upon injury to the public interest, the District may apply to the Court for an Order permitting the District to restrict disclosure. A person seeking permission to examine the document has the right to appear in the Court proceeding. The attorney fees provisions of the "Open Records Act" described in Paragraph F of this Chapter do not apply if the Court finds that the custodian in good faith was unable to determine if disclosure was prohibited without a ruling by the Court. [§24-72-204\(6\)\(a\), C.R.S.](#)

Any person denied access may request a written statement of the grounds for denial, which statement shall be furnished forthwith and cite the law or regulation under which access is denied. [§24-72-204\(4\), C.R.S.](#) Such person may also apply to the Court for an Order compelling inspection, *but must provide at least 14 days written notice prior to filing with the Court. During this 14 day period the official custodian who has denied access must meet with or speak by telephone with the person requesting access to determine if the dispute may be resolved without applying to Court. The meeting may include recourse to any method of dispute resolution agreeable to both parties, with the parties sharing common expenses equally. No meeting to determine whether the dispute can be resolved without applying to Court needs to be held if the person requesting access requires expedited access and provides written notice to the District of the expedited need, with factual basis, at least three business days prior to applying to Court.* [§24-72-204\(5\), C.R.S.](#)

F. Reasonable Attorney Fees and Costs:

If a person denied access successfully obtains a Court Order compelling inspection, the District shall be ordered to pay Court costs and reasonable attorneys' fees in an amount determined by the Court. [§24-72-204\(5\), C.R.S.](#)

In the event the Court finds that the denial of the right of inspection was proper, the Court shall award Court costs and reasonable attorney fees to the custodian if the Court finds that the action was frivolous, vexatious, or groundless.

G. Email Policy:

Any District that utilizes an electronic mail communications system must adopt a written policy on any monitoring of electronic mail communications and the circumstances under which it will be conducted. The policy must include a statement that employee emails may be a public record and may be subject to public inspection. [§24-72-204.5, C.R.S.](#)

*Arguably, if a District utilizes text messaging for District business, they should adopt a similar policy.

Chapter V

Service Plans

Since 1965, special districts have been required to prepare and receive approval for a Service Plan from the county or municipality within which the District is located. A Service Plan is a District's controlling document and contains information specific to the District, including the proposed services, a boundary map, general description of the facilities, and any proposed indebtedness, among other items.

A. Conformance:

The District must conform, so far as practicable, to its adopted Service Plan. [§32-1-207\(1\), C.R.S.](#) For Districts formed prior to 1965, a Statement of Purpose substitutes for a Service Plan. [§32-1-208, C.R.S.](#) The Colorado Court of Appeals has determined that provisions of a Service Plan stating that certain facilities “will” be built obligate the District to build those facilities, unless the District can demonstrate that compliance with the Service Plan is no longer “practicable.” *Plains Metropolitan District v. Ken-Caryl Ranch Metropolitan District*, 250 P.3d 697 (Colo. App. 2010)(cert. denied).

Notice of a proposed District activity, published one time in a newspaper of general circulation, restricts certain injunctive actions which may be brought against the District for material departures from the Service Plan, unless such action is brought within 45 days after publication of such notice. Such notice must also be filed with the District Court and Board of County Commissioners or governing body of the municipality which approved the Service Plan. [§32-1-207\(3\)\(b\), C.R.S.](#)

B. Amendment and Modification:

The Service Plan may, from time to time, be amended to conform to changed circumstances or conditions of the District.

Material modifications of the Service Plan may only be made by petition to, and approval of, the Board of County Commissioners or governing body of the municipality that approved the original Service Plan, in substantially the same manner as is provided for the approval of the original Service Plan, except that the processing fee shall not exceed \$250. [§32-1-207\(2\), C.R.S.](#)

The following is a partial list of what may constitute a “material modification”: [§32-1-207\(2\), C.R.S.](#)

1. Any addition to the types of services provided;
2. A decrease in the level of services;
3. A decrease in the financial ability of the District to discharge indebtedness;
4. A decrease in the need for organized service in the area; or
5. An inclusion of property into a new county or city, if so determined by the Board of County Commissioners or governing body of the municipality.

C. Transfer of Authority to Annexing Municipality:

If a District originally approved by a Board of County Commissioners becomes wholly contained within a municipality, the District may petition the municipality to accept designation as the approving authority of the District. If the municipality adopts a resolution of approval, all powers and authority shall be transferred from the Board of County Commissioners to the governing body of the municipality. [§32-1-204.7, C.R.S.](#)

Chapter VI

Boundary Issues

A District's initial boundaries are set forth in the Service Plan. Changes to the boundaries can be made only through specific statutory procedures which are discussed in this Chapter.

A. Inclusion:

1. Petition for Inclusion:

The inclusion process (sometimes erroneously referred to as "annexation") is initiated by a petition for inclusion which may be brought by one of the following three means:

[§32-1-401, C.R.S.](#)

- a. The fee owner(s) of 100% of any real property capable of being served by the District may file with the District Board a petition for inclusion of that property.
[§32-1-401\(1\), C.R.S.](#)
- b. A petition for inclusion may be filed by the lesser of 20% or 200 of the taxpaying electors within a specified area. [§32-1-401\(2\)\(a\)\(I\), C.R.S.](#) (This alternative is seldom used since the statutes now provide that the Board may initiate the process.)
- c. The Board of Directors may adopt a resolution proposing the inclusion of a specific area.
[§32-1-401\(2\)\(a\)\(II\), C.R.S.](#) This is the most common method of initiating inclusion of an area with many property owners. No single tract or parcel constituting more than 50% of the total area to be included may be included without the consent of the owner of that parcel.

2. Public Hearing:

The Board shall hear the petition or resolution at a public meeting after publication of notice of the hearing and, in the case of inclusion by election as discussed below, after mailing of notice to all property owners in the proposed inclusion area. [§§32-1-401\(1\)\(b\) and 32-1-401\(2\)\(b\), C.R.S.](#)

3. Decision of Board:

The Board shall grant or deny the petition, or adopt the resolution, in whole or in part, and with or without conditions. [§§32-1-401\(1\)\(c\) and 32-1-401\(2\)\(c\), C.R.S.](#)

The Board shall not grant the petition if a municipality or county has submitted a written objection to the inclusion and can provide the property with adequate service within a reasonable time and on a comparable basis.

[§§32-1-401\(1\)\(c\) and 32-1-401\(2\)\(c\), C.R.S.](#)

If the petition is granted, the Board shall make an Order to that effect and file the same with the Clerk of the District Court requesting issuance of a final Order of Inclusion.

[§32-1-401\(1\)\(c\), C.R.S.](#)

4. Election:

If the inclusion petition was either submitted by the lesser of 20% or 200 of the taxpaying electors, or initiated by the Board, upon granting of the petition or finally adopting the Board resolution, the Board shall make an Order to that effect and file it with the District Court. The District Court shall direct that the question of inclusion be submitted to the eligible electors of the area to be included. Any election shall be held within the area sought to be included. [§32-1-401\(2\)\(d\), C.R.S.](#)

The timing of an inclusion election may be restricted by TABOR.

5. *Note to Fire Protection Districts:*

The owner of taxable personal property (i.e., leasehold interests in improvements and major equipment) that is situated on real property which has been excluded from a fire protection district may petition to have the personal property included in the fire district by following a series of steps including filing a petition, a public meeting after published notice, approval of the petition, an Order made by the Board, and a Court Order. [§32-1-401.5, C.R.S.](#)

6. Recording and Filing of Order of Inclusion:

No inclusion is effective until a certified copy of the District Court's final Order of Inclusion is recorded in the county in which the subject property is located. A copy of the recorded Order shall be filed with the Division of Local Government and the County Assessor for the county in which the subject property is located. [§32-1-105, C.R.S.](#)

B. Exclusion:

1. Petition for Exclusion:

Except in the cases of fire protection districts or exclusions involving a municipality (both discussed below), the exclusion (erroneously referred to as "de-annexation") process can only be initiated by a petition for exclusion submitted by the fee owner(s) of 100% of any real property in the District. [§32-1-501\(1\), C.R.S.](#)

The petition is to be accompanied by a deposit of money sufficient to pay all costs of the exclusion proceedings.

[§32-1-501\(1\), C.R.S.](#)

2. Public Hearing:

The Board shall hear the petition for exclusion at a public meeting after publication of notice of the hearing.

[§32-1-501\(2\), C.R.S.](#)

3. Decision of Board:

The Board shall order the exclusion petition granted or denied after consideration of the following factors:

- a. The best interests of the property seeking exclusion, the District, and the county in which the District is located;
- b. The relative cost/benefit analysis to the property;
- c. District's ability to provide service to all property within the District, including the property to be excluded;
- d. Cost for which the District is able to provide service compared to that of other entities in the surrounding area;
- e. Effect that denying the petition would have on employment and other economic conditions within the District and surrounding area;
- f. Economic impact on the District, the region, and the State if the petition is denied or granted;
- g. Whether an economically feasible alternative service is available; and
- h. Additional cost to be levied on non-excluded property if the petition is granted. [§32-1-501\(3\), C.R.S.](#)

A public election is not required or allowed; the determination is to be made by the Board. [§32-1-501\(4\)\(a\), C.R.S.](#) The Board shall file with the District Court a certified copy of the Board Order excluding the property, and the District Court will then enter an Order of Exclusion based upon the decision of the Board. [§32-1-501\(4\)\(b\), C.R.S.](#) A denial of any petition for exclusion by the Board may be appealed to the Board of County Commissioners. [§32-1-501\(5\)\(b\), C.R.S.](#) The Board of County Commissioners shall consider all the factors set forth above and make its determination based on the record developed at the hearing before the District Board. The decision of the Board of County Commissioners may be appealed to the District Court, which shall consider all the factors set forth above in rendering a decision based on a review of the record. [§32-1-501\(5\)\(c\), C.R.S.](#)

4. Exclusions Involving a Municipality:

A municipality wherein territory within a District is located, a District with territory within a municipality, or 50% of property fee owners in an area of any municipality in which territory within a District is located may petition the District Court for exclusion from the District. [§32-1-502\(1\), C.R.S.](#)

In the case of unilateral exclusion by a municipality, the District may be entitled to compensation.

Exclusion of property within the boundaries of a municipality can be a complicated and involved process.

5. Exclusions from a Fire Protection District (and Inclusion into Another):

A fire protection district may alter its boundaries through exclusion of a specific area if the area will be provided with the same service by another fire district and that District has agreed by resolution to include the property. In some cases, an election must first be held within such area.

[§32-1-501\(1.5\), C.R.S.](#)

6. Outstanding Indebtedness:

Property that is excluded from the District remains subject to any existing bonded indebtedness. [§32-1-503, C.R.S.](#)

The District Court Order of Exclusion must state the amount of the existing indebtedness and the date such indebtedness is scheduled to be retired. [§32-1-501\(4\)\(d\), C.R.S.](#)

7. *Note to Health Service Districts:*

The foregoing discussion of the exclusion process does not apply to health service districts in the same manner. [§§32-1-501\(1\) and 32-1-502\(1\)\(b\), C.R.S.](#)

8. Recording and Filing of Order of Exclusion:

No exclusion is effective until a certified copy of the District Court's final Order of Exclusion is recorded in the county in which the subject property is located. A copy of the recorded Order shall be filed with the Division of Local Government and the County Assessor for the county in which the subject property is located. [§32-1-105, C.R.S.](#)

C. Consolidation:

1. Consolidation Resolution:

If a District wishes to consolidate in its entirety or only specific services with another District, the Board shall adopt a consolidation resolution which sets forth the following:

- a. That each of the consolidating Districts may be operated effectively and economically as a consolidated District;
- b. That the public health, safety, prosperity, and general welfare of the inhabitants of the District initiating the consolidation will be better served by the consolidation;
- c. Proposed name of the consolidated District;
- d. The Districts and services of those Districts to be consolidated;
- e. Whether the consolidated District will have a five-member or seven-member Board;
- f. Any conditions attached to consolidation; and
- g. The time limit within which the included Districts must approve the consolidation resolution, which must be no later than six months after the date of such resolution. [§32-1-602\(2\)\(a\), C.R.S.](#)

2. Concurring or Rejecting Resolution:

The Districts subject to the proposed consolidation each must file a concurring or rejecting resolution with the initiating District. [§§32-1-602\(2\)\(b\) and 32-1-602\(2\)\(c\), C.R.S.](#)

3. Submission to Board of County Commissioners and District Court:

The initiating resolution, together with all concurring resolutions, shall be filed with the Board of County Commissioners and the District Court. Usually, very detailed pre-consolidation agreements are executed, and Service Plan amendments may be necessary.

4. Hearing:

The District Court shall hold a hearing not less than 30 days nor more than 40 days after the resolutions are filed with the District Court. Notice of the filing of the resolutions and the hearing shall be published and written notice shall be provided to any municipality entitled. Any eligible elector, fee owner of real property, or county or municipality having territory within any special districts involved in the proposed consolidation may file a petition objecting to the consolidation. The District Court shall determine whether, in the general public interest, the property subject to objection should be excluded or included in the proposed consolidated District.

[§32-1-602\(2\)\(d\), C.R.S.](#)

If the consolidating resolution and concurring resolutions were properly filed, and the consolidating Districts have proceeded in accordance with statute, the District Court will order an election. [§32-1-602\(2\)\(e\), C.R.S.](#)

5. Election:

An election will be conducted within each consolidating District. The election shall be held at the next regular or special election date. Notice of the consolidation election must be published within each consolidating District. The electors must approve not only the question of consolidation, but also any financial obligation to be assumed as a result of the consolidation. [§32-1-602\(2\)\(e\), C.R.S.](#)

6. Procedure After Consolidation Election:

Upon approval of the consolidation by a majority of the eligible electors voting in each consolidating District's election, the members of the Board of each consolidating District shall constitute the organizational Board of the consolidated District. [§32-1-603\(1\), C.R.S.](#)

Within six months after the date of the consolidation election, the organizational Board shall:

- a. Determine the persons who shall serve on the first Board of Directors of the consolidated District from those persons elected to the Boards of the consolidating Districts, and determine each of their terms of office;
- b. If the Board is to have seven Directors, divide the consolidated District into seven Director Districts and determine the Director who shall represent each Director District; and
- c. Determine the amount of the bond for each Director and Treasurer. [§32-1-603\(2\), C.R.S.](#)

After the organizational Board has made such determinations, a petition stating the name of the consolidated District; name and address of each member of the first Board and term thereof; amount of the surety bond (together with copies of the bond); and a description of the Director Districts, if any, shall be filed with the Court. [§32-1-603\(3\), C.R.S.](#)

Upon filing the petition, the Court shall issue an Order creating the consolidated District, which shall be recorded with the County Clerk and Recorder in each county wherein the consolidated District is located. Copies of the recorded Order shall be filed with the County Assessor and Division of Local Government. [§32-1-603\(4\), C.R.S.](#)

D. Boundary Map:

Whenever there has been a change to the boundaries of the District, a new map of the boundaries shall be prepared. A special district disclosure document and the current map shall be recorded in each county in which the District is located after each boundary change. No later than January 1 of each year, a current boundary map shall be filed with the Division of Local Government, the County Assessor, and the County Clerk and Recorder for each county in which the District is located. [§§32-1-104.8\(2\) and 32-1-306, C.R.S.](#)

E. Intergovernmental Agreements:

See also page 30, Chapter XII, Section C, *Intergovernmental Agreements*, regarding the creation of Water Authorities, Recreation Authorities, and Fire Authorities.

F. Service Outside District Boundaries:

Districts which desire to extend water or sanitation services into a county that has not approved the District's Service Plan may, depending on the circumstances, need to seek approval from that county's Board of County Commissioners. [§32-1-207\(2\), C.R.S.](#)

Districts providing domestic water or sanitary sewer services to customers outside the District boundaries may fix or increase fees, rates, tolls, penalties, or charges for such services only after consideration of the action at a public meeting held at least 30 days after providing notice to the customers of such services. The notice must state the date, time, and place of the meeting at which the action is being considered. [§32-1-1001\(2\)\(a\), C.R.S.](#)

Chapter VII

Property Issues

The range, number, and combination of property issues affecting special districts are vast. The following is merely an outline of potential property issues which a District may confront.

A. Acquisition Issues:

1. Title Insurance and Title Documents:

While not required in all instances, the purchase of adequate title insurance is usually recommended for the District's protection in acquisitions of real property. Further, a complete review of the effect of Title Documents (existing deeds of trust, easements, leases, covenants, restrictions, etc.) must be made.

2. Payoff of Taxes:

As a governmental entity, a District is exempt from paying property taxes. There are a variety of means to effectuate this exemption, including an initial payoff of all outstanding taxes upon acquiring the real property, based on the previous year's rate of levy and the current assessed valuation. [§§39-3-131 and 39-3-133, C.R.S.](#)

3. Financing:

A District has various means of financing an acquisition of real property which are available to both public and private entities. Lease-purchase agreements and revenue bonds are commonly used for financing.

4. Environmental Audits:

While not required, an environmental audit is strongly recommended before the purchase or sale of any real property. Potential environmental liability can be quite expansive and potentially burdensome. A regulatory compliance oriented review of historical operations on the property is a valuable tool in limiting present and future environmental liability.

5. Surveys:

While not required, a survey of the property to be acquired may be recommended to identify issues with the legal description or potential encroachments, easements, etc.

B. Condemnation/Eminent Domain:

Special districts have the power of eminent domain to utilize if the District is unable to negotiate and effectuate the purchase of a needed parcel of real property. [Art. II, Sect. 15, Colo. Const.; §§38-1-101, et seq., C.R.S.](#)

Prior to a District condemning property, it must show that there is public need and necessity for the acquisition of land, and that there has been a failure to agree despite good faith negotiations with the landowner. [§38-1-102, C.R.S.](#)

The District must pay for the owner's appraiser if the property to be condemned has an estimated value of at least \$5,000. [§38-1-121, C.R.S.](#)

Park and recreation districts are restricted in condemnation powers to the taking of property for purposes of television relay and translator facilities, or for easements and rights-of-way for access to park and recreational facilities operated by the District and only where no other access to such facilities exists or can be acquired. [§32-1-1005\(c\), C.R.S.](#)

Just compensation, which is neither too little nor too great, must be given for the condemned property. [Art. II, Sect. 15, Colo. Const.; §§38-1-101 and 38-1-114, C.R.S.](#)

Water rights are not subject to condemnation by special districts. [§32-1-1006\(1\)\(f\), C.R.S.](#)

C. Easements, Leases, and Other Property Interests:

Easements may be acquired by gift, purchase, condemnation, prescription, or acquiescence. In addition to the common rights-of-way and utility easements, various unique forms of easements exist, such as conservation easements wherein property can be preserved in a natural, scenic, or open condition. Conservation easements or other use restrictions may be used as a vehicle to preserve the open space or wildlife conditions of property.

A District may enter into leases, but may be limited by annual appropriation restrictions previously discussed.

Life estates are often retained by sellers, allowing the District to obtain full use only upon death of the seller. Licenses are sometimes used, which grant a property right that is severely limited by use or time.

D. Encroachment onto Public Property:

Prescriptive rights cannot be acquired against a governmental entity. If a landowner encroaches upon District property, no property interest will be acquired which is adverse to the District regardless of the duration of the encroachment.

E. Relationship to County and Municipal Powers:

The District is subject to the regulatory controls of the county or municipality within which the District lies. The following are the primary areas of county or municipal control:

1. Zoning:

The District is subject to the applicable zoning plan. However, local governments, including special districts, have long been authorized to follow a separate procedure known as “location and extent” when seeking county or municipal approval of the District’s construction of a new facility. The review of a location and extent application is limited to approval or disapproval, but disapproval by the county or municipality can be overruled by the District’s Board of Directors. [*§§ 30-28-110\(1\) and 31-23-209, C.R.S.*](#) A county, at least, may not use its zoning authority to frustrate the efforts of the District to carry out its statutory duties.

The Colorado Supreme Court has affirmed that a District’s override authority applies equally to the Planned Unit Development Act and that the District is not required to seek a modification to the county’s PUD designation prior to applying for location and extent review for the construction of a new fire station. [*Board of County Commissioners v. Hygiene Fire Protection District, 221 P.3d 1063 \(Colo. 2009\).*](#)

2. Subdivisions:

The District is subject to the applicable subdivision regulations. The District may be exempt from some subdivision requirements pursuant to §30-28-101(10)(c) (II), C.R.S., allowing local governments to acquire property fewer than 35 acres in size without first subdividing the acquisition if the local government has the power to exercise eminent domain. Some county attorneys believe that provision requires Districts to begin a condemnation action in order to avail themselves of the exemption, but that is not what the statute says.

3. Building Codes and Permits:

The District is subject to the requirements imposed by a county or municipality relating to building codes and permits.

Chapter VIII

Financial Matters

One of the roles of the Board of Directors is to manage the District's financial matters. Listed below is a summary of the financial issues that are most likely to come before the Board.

A. Fees, Rates, Tolls, and Charges:

The Board has the power to fix, and from time to time increase or decrease fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District. [§32-1-1001\(1\)\(j\), C.R.S.](#) However, fees and charges must be justified either through internal evaluation of the District's costs for providing such services, programs, or facilities, or the determination of an outside consultant hired by the District that the fees are reasonable. [Nollan v. California Coastal Commission](#), 483 U.S. 825 (1987); [Dolan v. City of Tigard](#), 512 U.S. 687 (1994).

Additional restrictions exist on what fees can be charged by fire protection districts. [§32-1-1002\(1\)\(e\), C.R.S.](#) Fire protection districts were given the power to participate with counties and municipalities in determining and assessing impact fees on new development. [§29-20-104.5, C.R.S.](#)

Districts providing domestic water or sanitary sewer services directly to residents and property owners must consider the fees, rates, etc. at a public meeting held at least 30 days after giving notice of such meeting to the District's customers. [§32-1-1001\(2\)\(a\), C.R.S.](#)

In some instances, a charge for the availability of water or sewer service may be implemented. "Availability of Service" fees involve some complex legal issues. [§32-1-1006\(1\)\(h\), C.R.S.](#)

For further discussion regarding penalties and disconnection, see *Collection of Delinquencies and Assessment of Penalties* in Section C, below.

Any land development charges imposed as a condition of approval (i.e., tap fees) must be deposited in an interest-bearing account which clearly identifies the category, account, or fund of capital expenditure for which such charge was imposed. Land development charges, average annual interest rate on each account, and total amount disbursed from each account must also be posted on the District's website, if any, at least once annually. [§29-1-803, C.R.S.](#)

B. Mill Levy:

The Board shall fix a rate of levy of taxes, and shall certify that rate to the Board of County Commissioners by no later than December 15 of each year. [§§ 32-1-1201, 39-5-128\(1\), C.R.S.](#)

Annual increases in general operating tax revenue are limited by both Article X, Section 20 of the Colorado Constitution ("TABOR") and the 5.5% statutory limitation, [§29-1-301, C.R.S.](#), unless a greater increase is approved at an election or, in some cases, by the Division of Local Government.

The Board may assess a different water or sewer mill levy (or water or sewer service charge) against different properties within the District as long as the basis for differentiation is according to facilities or services furnished and is uniform among property owners similarly situated. Such differentiation must be established to avoid violation of the Constitutional provision of equal taxation. [§32-1-1006\(1\)\(b\), C.R.S.](#)

C. Collection of Delinquencies and Assessment of Penalties:

All unpaid fees, rates, tolls, penalties, and charges constitute a perpetual lien against the property served. [§32-1-1001\(1\)\(j\), C.R.S.](#) Such lien is entitled to priority over other encumbrances such as prior recorded deeds of trust (but not tax liens). [Wasson v. Hogenson](#), 583 P.2d 914 (Colo. 1978); [North Washington Water and Sanitation District v. Majestic Savings and Loan Association](#), 594 P.2d 599 (Colo. 1979).

A penalty may be assessed against all delinquencies in payment, together with the assessment of interest not to exceed one percent per month. Service may be discontinued against any property whose owner is delinquent in the payment of fees or charges. [§§31-35-402\(1\)\(f\) and 32-1-1006\(1\)\(d\), C.R.S.](#)

Prior to disconnecting service, due process requires that certain procedures be followed, including notice and an opportunity for a hearing before a designated employee or the Board. [Memphis Light, Gas and Water Division v. Craft](#), 436 U.S. 1 (1978). The notice must be in writing and provided to the property owner and the property address (if different from the owner's address) prior to disconnecting service and must state the amount of the delinquency, the date of shut off, and that the customer has the right to a hearing to protest the threatened termination of service. If the

customer then requests a hearing, directions to the hearing location must be provided.

For water, sewer, or water and sewer services only, in addition to disconnection of service (after proper notice) or foreclosure, the District may certify delinquent accounts to the County Treasurer for collection along with taxes. Such accounts may then be collected by the county and the proceeds distributed to the District. [§32-1-110\(1\)\(e\), C.R.S.](#)

Districts are allowed to add delinquency charges to delinquent fees and assessments, but the amounts are limited by statute. The limitations are spelled out in the Local Government Delinquency Charges statute. [§§29-1-101, et seq., C.R.S.](#)

Small claims courts may also provide an alternative and cost effective means by which to collect any amounts due to the District.

The State of Colorado also has a state agency that will collect debts on behalf of political subdivisions. More information is available at www.colorado.gov/pacific/osc/CCS.

D. Budget:

A District must adopt an annual budget prior to certifying the District's mill levy. [§§29-1-103\(1\) and 29-1-108\(2\), C.R.S.](#) Adoption of the budget must be considered after the conduct of a public hearing. [§29-1-108\(1\), C.R.S.](#)

The Board must designate a qualified person who shall prepare the budget and submit it to the Board on or before October 15 of each year. [§29-1-105, C.R.S.](#) The County Assessor shall certify the District's assessed valuation by August 25 of each year. [§39-5-128\(1\), C.R.S.](#) Any changes to assessed valuation must be provided by the County Assessor by December 10 of each year. [§39-1-111\(5\), C.R.S.](#)

Upon receipt of the proposed budget, the Board shall publish notice of the following, one time in a newspaper of general circulation: (i) the date, time, and place of a budget hearing; (ii) that the budget is open for public inspection and location where budget can be reviewed; and (iii) that interested parties may file objections any time prior to final adoption. [§29-1-106\(1\), C.R.S.](#) If the District's proposed budget is \$50,000 or less, however, such notice shall be posted in three public places within the District in lieu of publication. [§29-1-106\(3\), C.R.S.](#)

A certified copy of the adopted budget, which includes the resolution to adopt the budget, set the mill levy rate(s) and appropriate funds, and the budget message must be filed with the Division of Local Government no later than 30 days following the beginning of the fiscal year of the budget (i.e. no later than January 30). [§29-1-113, C.R.S.](#)

Analyses of the following components (both short and long term) will be useful in preparation of the District's budget under TABOR: growth calculation, spending, revenues, emergency reserves, and refunds.

E. Appropriation:

1. Adoption of Budget and Appropriating Funds:

Before the mill levy is certified, the District must adopt a resolution adopting the budget and making appropriations for the budget year. The amounts appropriated shall not exceed the budgeted expenditures. [§29-1-108\(2\), C.R.S.](#) If the proposed budget is more than \$50,000, notice of the date and time of

the hearing at which adoption of the budget will be considered and where the proposed budget is available for inspection must be published one time; if the budget is \$50,000 or less, the notice must be posted in three public places within the District in lieu of publication. [§29-1-106\(3\), C.R.S.](#) Any action or expenditure made beyond the appropriated sum is considered invalid and void. [§29-1-110, C.R.S.](#)

2. Budget Amendments:

The amount of appropriated funds may be revised, supplemented, transferred, or adjusted during the year by adoption at a public hearing of a resolution amending the budget. For supplemental budgets and appropriations, the resolution shall set forth in full the source and amount of the revenue being appropriated; the purpose for which the revenues are being budgeted and appropriated; and the fund or spending agency that will be making the supplemental expenditure. The notice provisions and requirements for adoption of budget amendments are the same as for adopting the budget. [§29-1-109, C.R.S.](#) The resolution amending the budget must be filed with the Division of Local Government. [§29-1-109\(2\), C.R.S.](#)

F. Donations or Gifts by Districts:

Local governments are not permitted to make any donation or grant to, or in aid of, a private individual or entity without receiving value in return. However, "value" is a relative term and can be determined many ways. For example, donating a round of golf to a charity for its silent auction can have marketing and public relations value for a District. [Art. XI, Sect. 2, Colo. Const.](#)

Special districts are allowed to accept, on behalf of the special district, real or personal property for the use of the special district and to accept gifts and conveyances made to the special district upon such terms or conditions as the Board may approve. [§32-1-100\(1\), C.R.S.](#) Such contributions to the District are generally exempt from TABOR's revenue limits.

G. Public Funds:

1. Investments:

A District may invest public funds in an authorized investment vehicle. [§§24-75-601, et seq., C.R.S.](#), subject to rating categories and maturity dates. Types of available investments include:

- a. United States Treasury obligations;
- b. Certain United States Agency obligations;
- c. Repurchase agreements collateralized by appropriate United States Treasury or Agency obligations; and
- d. Colorado local government investment pools.

Refer to [§§24-75-601, et seq., C.R.S.](#) for other legal investments.

2. Public Deposit Protection Act ("PDPA"):

The PDPA, [§§11-10.5-101, et seq., C.R.S.](#), requires that deposits of public funds in banks or savings and loan associations may only be made in "eligible public depositories" which have been designated by the State. This does not include credit unions. [§11-10.5-111\(1\), C.R.S.](#)

The “official custodian” (whoever has authority or control of public funds) must do the following:

- a. Inform the depository that District funds are subject to the PDPA;
- b. Maintain documents or other verification necessary to identify the public funds which are subject to the PDPA; and
- c. Apply to the State for an assignment of an account number for all accounts established with an eligible public depository.

It is a misdemeanor for an official custodian or bank official to violate the provisions of the PDPA. [§§ 11-10.5-111\(4\)\(b\) and 11-10.5-111\(4\)\(c\), C.R.S.](#)

H. TABOR:

TABOR imposes tax, debt, revenue, and spending limitations. All increases in taxes and other revenue subject to the spending limit are limited to a “growth and inflation factor,” unless otherwise approved by District voters. TABOR applies to special districts, but “Enterprises” are excluded from some TABOR provisions (See Chapter IX-TABOR).

I. Subdistricts and Special Improvement Districts (“SIDs”):

Subdistricts and SIDs are special financing tools for financing public improvements that benefit a specific area of the District. Although they operate similarly, a subdistrict is organized as a separate governmental unit, while a SID exists only as a geographic area within which improvements are constructed and cannot operate as an independent governmental entity separate from the District. [§§ 32-1-1101\(1\)\(f\)\(i\) and 32-1-1101.7, C.R.S.](#)

Subdistricts may impose an additional levy on the properties within the subdistrict to pay for the acquisition, operation, and maintenance of services, facilities, and programs within the subdistrict and to pay for subdistrict debt or other financial obligations. Voter approval is required for the subdistrict’s tax rate, any general obligation debt, or multi-year financial obligation. [§32-1-1101\(1.5\)\(d\), C.R.S.](#)

A SID may impose assessments on properties within the SID, but such assessments must be equitable based on the benefit received by the properties, such as based on the frontage area or zone of the property benefitting from the improvement. [§32-1-1101.7\(2\), C.R.S.](#) Costs of improvements within a SID are often financed through special assessment bonds issued by the special district on behalf of the SID. These bonds must be approved by the majority of the eligible electors voting, which are either the electors of the special district or the electors of the SID, as determined by the special district’s Board. [§32-1-1101.7\(3\)\(g\), C.R.S.](#)

The name of a subdistrict or a special improvement district established after August 5, 2015 must include the name of the special district that established the subdistrict or special improvement district. [§§32-1-1101 and 32-1-1101.7, C.R.S.](#)

J. Sales Taxes:

1. Metropolitan Districts-Road and Transportation Purposes:

A metropolitan district with street improvement, safety protection, or transportation powers in its Service Plan may impose a sales tax for transportation projects, with voter approval within District territory that does not overlap any municipality. A metropolitan district with these powers may also join as a participant in Regional Transportation Authorities, along with cities and counties, for regional transportation projects. [§32-1-1106, C.R.S.](#)

2. Metropolitan Districts-Fire Protection:

A metropolitan district with fire protection powers in its Service Plan may impose a sales tax for fire protection services, with voter approval. [§32-1-1106, C.R.S.](#)

3. Health Service Districts:

With voter approval, a health service district may impose a sales tax throughout the entire geographical area of the District. [§32-19-112\(1\), C.R.S.](#) Health service districts are also authorized to levy a sales tax on the retail sales of marijuana following an election of the eligible electors. [§39-26-729\(1\)\(b\), C.R.S.](#)

K. Urban Renewal/Tax Increment Financing:

In Urban Renewal Districts formed after January 1, 2016, or substantially modified after that date, prior to imposing a tax increment financing plan, the Urban Renewal Authority must include a special district representative on its Board of Directors, and negotiate with the District, as well as with county and school districts, the percentage of the tax increment to be taken by the Urban Renewal Authority. [§ 31-25-104, C.R.S.](#)

Chapter IX

TABOR

TABOR is one of the most significant and complex laws that applies to special districts. TABOR is a provision of the Colorado Constitution that prohibits governmental entities, including special districts, from incurring multiple fiscal year financial obligations without voter approval, and also imposes tax, debt, revenue, and spending limitations.

A. Introduction:

The Taxpayer's Bill of Rights ("TABOR"), which amended the Colorado Constitution by the addition of Article X, Section 20, has a tremendous impact on all Colorado local governments, including special districts. The interpretation and application of TABOR remains uncertain in many respects and continues to evolve through legislative and judicial interpretations. The General Assembly has attempted to clarify some of the confusion by adopting several laws interpreting the terms and provisions of TABOR. The Colorado Supreme Court has also attempted to resolve certain issues by delivering an opinion to interrogatories propounded by the General Assembly. The Colorado Court of Appeals and Colorado Supreme Court have determined certain TABOR issues. The validity of the TABOR related legislation, as well as other interpretive issues, will only be conclusively determined by future decisions of the Colorado Appellate Courts. Neither this Chapter nor any other reference within this Manual is intended to be a comprehensive legal analysis of TABOR. You are strongly encouraged to seek the assistance of qualified counsel regarding legal issues related to TABOR.

B. Financial Limitations:

1. Mill Levies:

TABOR requires voter approval to:

- a. Increase mill levies above the current mill levy rate, except in certain instances for debt service on general obligation bonds, pension payments, and final court judgments. A Supreme Court decision has held that an election is not required to increase mill levies in order to make payments on outstanding debt that was approved by electors prior to the passage of TABOR.
- b. Increase District tax revenue over revenue collected in the prior year by more than the allowable rate of growth (rate of inflation + annual local growth). The Supreme Court has validated a ballot issue that

exempts future revenue from TABOR limitations under the proper circumstances. *City of Aurora v. Acosta*, 892 P.2d 264 (Colo. 1995).

2. Spending:

TABOR prohibits the District from increasing its fiscal year spending from the prior year by more than inflation plus local growth, unless exempted by the voter approval of a proper ballot issue. This fiscal year spending limitation is indirectly a revenue limitation because of refund requirements. Fiscal year spending does not include refunds in the current or next fiscal year; gifts; federal funds; collections for another government; pension contributions by employees and pension fund earnings; reserve transfers or expenditures; damage awards; and property sales.

Unless waived by voter approval, the statutory limitation imposed by §29-1-301, C.R.S. providing that operational mill levy revenue may not be increased more than 5.5% annually (with certain adjustments) will still apply (i.e. in instances when inflation is greater than 5.5%, property tax revenues for operations may still only be increased by 5.5%).

3. Debt:

TABOR requires advance voter approval to create new District debt or financial obligations that extend beyond the current fiscal year, including general obligation and revenue bonds.

Voter approval is not required for refinancing debt at a lower interest rate; obligations with adequate present cash reserves pledged irrevocably and held for payments in future fiscal years; and qualifying lease-purchase agreements.

C. Election Requirements:

The dates on which ballot issue elections may be held are limited by TABOR to the state general election, biennial regular District election, or on the first Tuesday in November of odd-numbered years.

The Court of Appeals has held that TABOR's election provisions apply only to fiscal matters of tax, spending, or revenue. Non-fiscal ballot questions are not subject to the date or notice provisions of TABOR.

All comments for and against a TABOR ballot issue shall be received by the Designated Election Official on or before the Friday

before the 45th day prior to the election. The Designated Election Official shall compile a summary of all comments received and, for regular biennial special district elections or independent mail ballot elections conducted in November, ensure mailing of the summary and other required information (TABOR Notice) to all active registered voters at least 30 days before the election. Only comments addressing a specific ballot issue received from eligible electors may be summarized.

For November (coordinated) elections, the TABOR Notice shall be delivered to the County Clerk and Recorder 43 days prior to the election, and the County Clerk and Recorder shall mail the TABOR Notice to the District's electors residing within the county. The District will be responsible for mailing the TABOR Notice to its electors residing outside of the county.

D. Multiple Fiscal Year Financial Obligations:

TABOR prohibits incurring multiple fiscal year financial obligations without voter approval, which greatly impacts the existing and future contractual relationships of the District. Interpreted conservatively, all multi-year contracts (including employment contracts) requiring the expenditure of District funds would require voter approval unless adequate cash reserves have been pledged and held to pay the obligation.

The Court of Appeals has determined that entering into a properly structured lease/purchase agreement without voter approval or adequate cash reserves does not violate TABOR. *Board of County Commissioners of Boulder County v. Dougherty, Dawkins, Strand & Bigelow*, 890 P.2d 199 (Colo. App. 1994). A clause making the lease/purchase obligation dependent on annual appropriations will, in many cases, prevent a TABOR violation.

E. Enterprise Exemption:

An "Enterprise" is expressly excluded from TABOR requirements and is defined as:

1. A government-owned business;
2. Authorized to issue its own revenue bonds; and
3. Receiving less than 10% of annual revenue in grants from all Colorado state and local governments combined.

Water service activities, including the water and/or wastewater service of a special district, are considered "Water Activity Enterprises" under §37-45.1-102(4), C.R.S.

There are Colorado Appellate Court case law decisions on the subject of Enterprises. The Courts applied the three-part test set forth above. The Colorado Supreme Court found that the E-470 Highway Authority was not an Enterprise because it had the power to tax (although the power was not being exercised) and, therefore, was not exempt from the TABOR limitations. *Nicholl v. E-470 Public Highway Authority*, 896 P.2d 859 (Colo. 1995). In ruling upon interrogatories promulgated by the State, the Supreme Court found that the Great Outdoors Colorado Trust Fund Board was not an Enterprise, because it did not have the authority to issue its own revenue bonds. *Submission of Interrogatories on Senate Bill 93-74*, 852 P.2d 1 (Colo. 1993).

Chapter X

Public Financing

To pay for public projects, special districts must save for the project, incur debt, or seek other financing. Special districts may borrow money and incur debt; however, TABOR imposes certain obligations on the District prior to incurring most kinds of debt. There are other types of financing options that are not considered debt and would allow the District to pay-as-you-go.

A. Authorization:

A special district is authorized to enter into many types of financing agreements and is expressly authorized by statute to borrow money and incur indebtedness. §§32-1-1001(1)(d)(I),(1)(e) and (1)(n), C.R.S.

B. Types of Financing:

1. General Obligation Debt:

The full faith and credit of the District, including the general taxing and further borrowing powers, are used to secure the debt.

2. Revenue Bonds:

Specifically identified revenues (not taxes) of the District are used as the source of bond repayment. The bonds may not be paid unless the revenue is available; furthermore, a higher risk will likely result in a corresponding higher interest rate.

3. Enterprise Obligations:

The District may issue revenue bonds through an Enterprise. In most cases, the District may create an Enterprise if it has bonding capacity and receives less than 10% of its annual revenue in grants from Colorado state and local governments combined. Unlike general obligation and revenue debt, Enterprise revenue bonds do not require an election. *Art. X, Sect. 20, Colo. Const.*

4. Refunding Obligations:

Refunding bonds are used to restructure the payment of an existing debt obligation. Refunding obligations may sometimes be combined with new debt obligations.

5. Lease/Purchase:

A lease-purchase agreement provides that portions of lease payments are applied to the ultimate purchase of certain property. These obligations are dependent upon the District appropriating money each year and are

often secured by the item being purchased. Districts with lease-purchase obligations must comply with audit law reporting requirements. Properly structured lease-purchase agreements have been held by the Courts to be valid under TABOR without the need to hold an election. *Board of County Commissioners of Boulder County v. Dougherty, Dawkins, Strand & Bigelow*, 890 P.2d 199 (Colo. App. 1994). Certificates of Participation (COPs) are a variation of the lease-purchase arrangement.

6. Tax Anticipation Note:

A tax anticipation note is a short-term obligation payable from the receipt of pending tax payments.

7. Bond Anticipation Note:

A bond anticipation note is a short-term obligation issued in anticipation of redemption through the issuance of long-term bonds.

8. Other:

There are other financing options occasionally used, but they generally fit into some variation or combination of the above categories.

C. Bankruptcy Protection:

For those Districts experiencing financial distress, bankruptcy protection may be available under Chapter 9 of the United States Bankruptcy Code.

D. Special Requirements:

State statute and TABOR impose certain obligations upon Districts. These include:

1. Conducting a debt authorization election for general obligation or revenue debt. *Art. X, Sect. 20, Colo. Const.*
2. Posting of a special 72-hour notice when issuing or refunding general obligation debt (or consolidating, dissolving, making a contract with a Director, filing for bankruptcy, or not making a bond payment). *§32-1-903(3), C.R.S.*
3. Compliance with Colorado Securities Commission filing and approval requirements.

4. For Districts with authorized but unissued general obligation debt approved before July 1, 1995, the results of the election at which such approval was given and a statement of the principal amount of debt must be certified and sent by certified mail to the Board of County Commissioners or the governing body of the municipality no later than 30 days before issuing any new general obligation debt. [§32-1-1101.5\(1\), C.R.S.](#)
5. Filing results of a debt authorization election with the Board of County Commissioners or municipality that approved the Service Plan, and with the Division of Securities, within 45 days after the election. [§32-1-1101.5\(1\), C.R.S.](#)
6. Filing a report of outstanding unrated securities with the Division of Local Government by March 1 of each year. [§11-58-105, C.R.S.](#)
7. In every fifth calendar year after general obligation debt was approved, the Board of County Commissioners or governing body of municipalities may require a quinquennial finding of reasonable diligence. [§32-1-1101.5 \(1.5\), C.R.S.](#)
8. The District's audit report must include the amount of any authorized but unissued general obligation debt as well as current or anticipated plans to issue such debt. [§29-1-605, C.R.S.](#)

Chapter XI

Audits

Each District must have an audit performed annually, unless the District's revenue and expenditures are less than \$750,000. While not required, forensic audits can be helpful to look at specific issues such as the District's handling of money or the issuance of contracts, or to just take a comprehensive look at the financial structure of the District.

A. Mandatory Financial Audit:

Unless the District is exempt, the Board shall cause to be made an annual audit of the financial statements of the District as of the end of each fiscal year, or more frequently if determined by the Board. [§29-1-603, C.R.S.](#)

The audit report must be submitted to the Board by the auditor by June 30, and filed with the State Auditor within 30 days after the report is received by the District. [§29-1-606, C.R.S.](#) (See the Filings and Postings schedule in Chapter I of this Manual). If the District has authorized but unissued general obligation debt as of the end of the fiscal year, send a copy of the audit report or a copy of its application for exemption from audit to the Board of County Commissioners for each county in which the District is located, or to the governing body of any municipality that approved the Service Plan.

If required, a request for extension of time to file the audit may be filed with the State Auditor no later than seven months following the end of the fiscal year (July 31). The amount of time requested shall not exceed 60 days. [§29-1-606\(4\), C.R.S.](#)

B. Exemption from Audit:

If neither the District's revenues nor expenditures exceed \$750,000 for the fiscal year, an audit exemption may be sought. To obtain an audit exemption, the District must file an application with the State Auditor within three months of the close of the fiscal year (by March 31). [§29-1-604\(3\), C.R.S.](#)

For Districts with neither revenues nor expenditures exceeding \$100,000, the application must be prepared by a person skilled in governmental accounting. For Districts with revenues or expenditures of at least \$100,000 but not more than \$750,000, the application must be prepared by an independent accountant with knowledge of governmental accounting. [§29-1-604, C.R.S.](#)

C. Optional Performance Audits:

In addition to the mandatory financial audit, the Board may determine to prepare additional internal audits in order to more efficiently and effectively perform its duties. Such optional audits may include the following:

1. Investment and Purchasing Procedures:

Such an audit could include a compliance checklist regarding authorized investments, as well as a brief outline of the duties and responsibilities of each Board member and District staff member for investment, purchasing, and other handling of District money.

2. Legal Audit:

This should be prepared in concert with the District's legal counsel in order to assure that the District is achieving various mandatory and desirable legal actions.

3. Liability Audit:

A liability audit is often provided by the insurance company; it can locate safety and other liability exposures within the District.

4. Management, Operations, and Maintenance Audits:

These audits review procedures for monitoring the effectiveness and efficiency of the tasks performed by the District.

Chapter XII

Contracting

Contracts that the District enters into, including construction contracts, must contain certain language and meet certain statutory requirements. Districts also have additional requirements, such as bidding, publication, retainage, etc., imposed on construction projects.

A. Construction Contracts:

1. Publication and Bid Requirements:

Statutes require that an invitation to bid must be published one time in a newspaper of general circulation within the District boundaries for all construction contracts for work or materials or both of at least \$60,000. The District may reject any and all bids, and if it appears that the District can perform the work or secure material for less than the lowest bid, it may do so. [§32-1-1001\(1\)\(d\)\(I\), C.R.S.](#)

It is recommended that an invitation for bids package be issued which includes a project description, all contractual terms and conditions, specifications, forms of bonds to be supplied, and other documents.

2. Integrated Project Delivery ("IPD"):

Any special district may, as an alternative to [§32-1-1001\(1\)\(d\)\(I\), C.R.S.](#), award an IPD Contract to a single participating entity for the design, construction, alteration, operation, repair, improvement, demolition, maintenance, or financing, or any combination of these services, for a public project upon a determination that IPD represents a timely or cost effective alternative to a conventional bidding process for the public project. [§32-1-1804, C.R.S.](#) An IPD Contract is awarded based on a Prequalification and/or a Request for Proposals ("RFP") process. Sections 32-1-1805 and 32-1-1806, C.R.S., require publication of notice which can be accomplished by publishing notice one time in a newspaper of general circulation within the District. The District may accept the proposal that represents the best value to the District. "Best value" does not necessarily mean the low bid. Performance of an IPD Contract by the participating entity shall be in compliance with all laws applicable to public projects.

3. Bonds and Retainage:

It is recommended that the District require a Bid Bond (usually in the amount of 5% of the bid amount) to avoid

withdrawal of low bids. Bid Bonds are not, however, required by law.

The law does require every contractor awarded a contract for more than \$50,000 to execute a Penal (Payment) Bond, as well as a Performance Bond in the amount of at least one-half of the contract amount. [§§38-26-105 and 106, C.R.S.](#) Although not required by statute, a Maintenance Bond guaranteeing the warranty provision of the contract (usually one year) is also recommended and is usually able to be included into a single Performance, Payment, and Warranty Bond.

If a construction contract exceeding \$150,000 is awarded, the District may withhold payment for up to 5% of the value of the entire project. The retainage may be held until the contract is completed satisfactorily and final payment procedures are followed. [§24-91-103\(1\)\(a\), C.R.S.](#)

4. Appropriations Clause:

The District may not contract for a public works project in an amount in excess of the amount appropriated by the District for the project. All construction contracts must contain clauses stating that the amount of money appropriated is equal to or in excess of the contract amount and, prior to issuing a change order, the District must appropriate funds to cover the costs of the additional work and such funds must be available for expenditure. [§24-91-103.6, C.R.S.](#)

5. Final Payment and Claims:

If the amount of the contract awarded exceeds \$150,000, the District shall, not later than ten days before the final settlement is made, publish a notice thereof at least twice in a newspaper of general circulation in any county where the work was contracted for or performed. The date of final settlement should be more than ten days after the second publication. Thereafter, if no claims are made, payment in full to the contractor may be made on the settlement date.

At any time up to and including the time of final settlement for the work contracted to be done, any person that has furnished labor, materials, sustenance, or supplies used or consumed by a contractor or subcontractor, whose claim has not been paid, may file with the District

a verified statement of the amount due on account of the claim. Upon the filing of any such claim, the District shall withhold from all payments to said contractor sufficient funds to insure payment of said claim until the claim is withdrawn, paid, or 90 days have passed. [§38-26-107\(2\), C.R.S.](#)

If, within 90 days from the date of settlement, the claimant has not filed a lawsuit to enforce such claim, the funds withheld which are not the subject of suit shall be paid over to the contractor. [§38-26-107\(3\), C.R.S.](#) If a lawsuit is commenced, the District may be able to interplead the claims (deposit the money with the Court) to avoid becoming embroiled in litigation.

The District must make the final payment in accordance with the above procedures within 60 days after the contract is completed satisfactorily and finally accepted by the District. [§24-91-103\(1\)\(b\), C.R.S.](#)

B. Other Contracts:

1. Publication/Bid Process:

No contract for work or material including a contract for services, regardless of the amount, shall be entered into between the District and a Board member or between the District and the owner of 25% or more of the territory within the District unless an invitation to bid is published and such Board member or owner submits the lowest responsible and responsive bid. [§32-1-100\(1\)\(d\)\(II\), C.R.S.](#)

Other contracts for the purchase of vehicles, equipment, non-construction materials, real and other personal property, leases, and advisory and professional services are not subject to statutory publication or bidding requirements, although some comparative review is advisable.

2. Service Contracts/Illegal Aliens:

All contracts and contract renewals for the procurement of services must include certain certifications from the contractor set forth at §8-17.5-102, C.R.S., regarding employing illegal aliens.

3. Contract Drafting or Review:

Someone in the District (not necessarily always your attorney) should review each contract and should usually have suggested changes, since contracts are normally tendered by the vendor and therefore slanted to their favor unless changes are requested. Assigning an experienced, capable person to review each contract will pay off over time.

C. Intergovernmental Agreements:

Districts may enter into agreements with other special districts or other governmental entities for almost any lawful purpose. Such arrangements are becoming much more prevalent as the benefits and economies of scale have fostered a new era of intergovernmental cooperation.

1. General Intergovernmental Cooperation:

Colorado local governments may cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each of the parties. Such contracts must set forth the purposes, powers, rights, obligations, and responsibilities of the contracting parties. [§29-1-203\(1\) and \(2\), C.R.S.](#) Examples are the joint purchase of equipment; construction of jointly owned fire stations; jointly owned water and sewage treatment facilities; the provision of management, bookkeeping, billing, and maintenance services; joint training facilities and programs; joint ownership of hazardous materials handling equipment; etc. Intergovernmental agreements are very common.

2. Creating a Separate Legal Entity:

Local governments may establish separate legal entities through an intergovernmental agreement to provide for the joint exercise or operation of a function, service, or facility, as allowed pursuant to various provisions of Title 29, C.R.S. Regional Water Authorities, Recreation Authorities, and Fire Authorities provide services on a regional basis when consolidation of the special districts is not practically or politically acceptable, or when the service provided is a special regional addition to the underlying services still provided by the contracting entities.

3. Mutual Aid Agreements:

Special provisions apply to a form of intergovernmental agreement most commonly utilized by Districts providing fire protection and ambulance services. Liability associated with such agreements to mutually aid each other is governed by statute and usually attaches to the entity requesting the emergency aid, unless superseded by the agreement.

4. IGA Reporting Requirements:

Within 30 days after receiving a written request from the Division of Local Government, the District must provide the Division of Local Government with a current list of all contracts in effect with other political subdivisions containing the name of the contracting entities, the nature of the contract, and the expiration date. [§29-1-205\(1\), C.R.S.](#)

Within ten days after the execution of a contract establishing a separate governmental entity pursuant to §29-1-204, C.R.S., or an amendment or modification thereof, the District must file a copy with the Division of Local Government. [§29-1-205\(2\), C.R.S.](#)

Chapter XIII

Liability Issues

Special districts, along with other governmental entities in Colorado, have limited liability for most injuries or damages that result from acts of the District, its employees, Directors, and volunteers. However, there are still actions that the District should take to protect itself from lawsuits, including obtaining comprehensive liability insurance, agreeing to indemnify Directors and employees of the District, and requiring participants and volunteers to sign waivers when appropriate.

A. Potential Sources of Liability:

1. State Tort Actions:

“Torts” are actions (other than in contract) such as negligence, trespass, and conversion, involving damage to person or property. These actions are covered by the Colorado Governmental Immunity Act (“CGIA”). (See Section B, *Colorado Governmental Immunity Act*, below for more information)

2. Federal Actions:

These actions are beyond the scope of the CGIA, although an argument does exist that the CGIA could offer protection from federal claims brought in the state Courts.

The most common federal actions are in the areas of deprivation of Constitutional or statutory rights (Section 1983 cases), antitrust, securities violations, labor and wage actions, and environmental cases.

3. Contract:

Contract claims are not protected by the CGIA. [§§24-10-105 and 106, C.R.S.](#) Public officials, however, are generally not personally liable for the contracts of the governmental entity.

4. Criminal:

The CGIA offers no protection from criminal actions. Common potential areas of criminal exposure include the following:

- a. Entering into a prohibited transaction;
- b. Failing to disclose conflicts of interest;
- c. Misuse of official information;
- d. Malfeasance; and
- e. Issuing a false certificate or document. [§18-8-406, C.R.S.](#)

You may want to consider purchasing crime coverage from the Colorado Special Districts Property and Liability Pool, which covers certain damages and defense costs resulting from a lawsuit for a Director’s alleged wrongful acts while acting in his or her official capacity.

B. Colorado Governmental Immunity Act (“CGIA”):

The CGIA limits the circumstances under which a public entity or public employee may be liable in state tort actions.

The CGIA creates immunity from liability for all tortious injuries committed by a governmental entity or its employees, except injuries resulting from the following:

1. The operation of a public hospital, correctional facility, or jail;
2. The operation of a publicly owned motor vehicle, except emergency vehicles;
3. A dangerous condition of a public building;
4. A dangerous condition of a public highway, road, street, or sidewalk;
5. A dangerous condition of any public facility located in any park or recreation area or any public water, gas, sanitation, electrical, power, or swimming facility; and
6. The operation and maintenance by a public entity of any public water, gas, sanitation, electrical, power, or swimming facility. [§24-10-106\(1\), C.R.S.](#)

Even for those actions where liability may attach, liability is limited by the CGIA to a maximum of \$350,000 for injury to one person in any single occurrence, and \$990,000 for injury to multiple persons in a single occurrence, except that no one person shall recover in excess of \$350,000. Such amounts will be adjusted every four years, beginning in 2018, by an amount reflecting the percentage change over a four-year period in the Consumer Price Index. [§24-10-114, C.R.S.](#)

Someone with a claim must file a written notice within 182 days after the date of discovery of the injury. The CGIA imposes additional procedural requirements when filing a claim against the District, its Directors, or employees. If those procedures are not followed, a claim may be dismissed. The CGIA also requires each District to designate an official, or an office, as its official agent

to be served with legal notice of intent to file a claim against the District under the CGIA. [§24-10-109, C.R.S.](#)

C. Indemnification Resolution:

A special district has certain duties to indemnify its Directors and employees. That indemnification is codified in the CGIA. [§24-10-110, C.R.S.](#)

The District may indemnify District Directors and employees beyond the protections of the CGIA to include federal, contract, and punitive acts. These issues should be discussed with the District's attorney.

D. Releases and Waivers:

Releases and waivers may be used to limit potential liability against the District, its Directors and employees, and also third parties in applicable situations. These agreements are often used with volunteers and participants in District events.

For a release or waiver to be valid, there must be an express, knowledgeable assent to such release or waiver. The District must exercise great caution regarding the validity or adequacy of the release or waiver.

A parent may, on behalf of his/her child under the age of 18, release or waive the child's prospective claim for negligence, except claims for willful, wanton, reckless, or grossly negligent acts or omissions. [§13-22-107\(3\) and \(4\), C.R.S.](#) Nonetheless, the best practice is for both the parent and minor to sign a waiver.

E. Insurance:

Insurance is a primary and essential means of protecting the District, its Directors, and employees. The primary types of insurance are liability, property, workers' compensation, crime coverage, and errors and omissions.

The following methods of insurance could be considered:

1. Standard Insurance Company:

Many insurance companies will provide insurance coverage to special districts. Make sure that your insurance provider understands governmental immunity and is familiar and has worked with the CGIA.

2. Self-Insurance:

The CGIA permits a special district to adopt a policy of self-insurance. [§24-10-115\(2\)\(a\), C.R.S.](#) The CGIA imposes procedural requirements, and compliance is mandatory. The fund established for the purposes of self-insurance shall be kept separate from all other District funds, and may only be used to pay operating expenses of the fund and claims made against the District. [§24-10-115\(3\), C.R.S.](#)

3. Insurance Pool:

An insurance pool can be a cost efficient means by which to obtain insurance coverage. SDA offers such an insurance pool.

F. Constitutional Issues:

When operating in the public realm, sensitivity to Constitutional issues must be maintained. All Constitutional issues should be discussed with a qualified attorney. Potential areas of Constitutional issues most commonly include the First Amendment rights of free speech, freedom of religion, and assembly; Fourteenth Amendment rights of equal protection; Fifth and Fourteenth Amendment rights of due process; and issues involving the "taking" of private property.

Chapter XIV

Personnel Matters

Special districts with employees must be aware of certain state and federal laws that govern the employer/employee relationship. Particular concern must be made to the hiring and firing of employees, as well as wage requirements.

A. Federal and State Employment Laws:

The areas of labor, employment, and personnel issues are heavily regulated by the state and federal governments. The Acts of which a District should be aware include, but are not limited to:

1. **The Federal Fair Labor Standards Act ("FLSA")** regulates minimum wage, overtime pay, equal pay, record keeping, and child labor standards.
2. **The Federal Occupational Safety and Health Act ("OSHA")** regulates dangerous conditions in the workplace.
3. **The Federal Americans with Disabilities Act ("ADA")** prohibits discrimination in employment and in the provision of public services and accommodations based on a person's disability.
4. **The Federal Age Discrimination in Employment Act ("ADEA")** prohibits discrimination based on age in employment practices against persons over age 40.
5. **Title VII of the Federal Civil Rights Act** prohibits discrimination in employment based on race or color, religion, sex, pregnancy, national origin, or opposition to discriminatory practices.
6. **Section 1981 of the Federal Civil Rights Act** prohibits discrimination based on race or lineage.
7. **Section 1983 of the Federal Civil Rights Act** prohibits any person, under the color of statute, ordinance, or regulation from depriving another person of the privileges and immunities of the United States Constitution and laws.
8. **The Federal Equal Pay Act** prohibits wage discrimination on the basis of sex for jobs performed under similar working conditions.
9. **The Consolidated Omnibus Budget Reconciliation Act ("COBRA")** generally requires employers to give departing employees the opportunity to continue their health insurance coverage for 18 months at the employee's cost.
10. **The Federal Family and Medical Leave Act of 1993 ("FMLA")** imposes certain affirmative acts regarding employee leave on all employers, including public entities employing 50 or more persons.
11. **The Colorado Family and Medical Leave Act** (Title 8, Article 13.3, Part 2, C.R.S.) adds civil unions and committed relationships to those family relationships that are entitled to family leave under the Colorado Act.
12. **The Uniformed Services Employment and Reemployment Rights Act ("USERRA")** provides employees who are called up for, or volunteer for, active military service with special employee benefits.
13. **The USA PATRIOT Act of 2001** removed previous legal barriers to the federal government conducting wiretapping surveillance of telephone lines and accessing stored voice and email messages.
14. **The Colorado Health Care Coverage Act** (Title 10, Article 16, C.R.S.), which is the state counterpart to COBRA, gives extended health insurance coverage of 180 days to terminated employees.
15. **The Colorado Anti-Discrimination Act (CADA)** (Title 24, Article 34, Parts 3 through 8, C.R.S.) prohibits discrimination based on disability, race, creed, color, sex, age, marital status, national origin, sexual orientation, or ancestry in employment, housing, public accommodations, and advertising.
16. **The Colorado Youth Employment Opportunity Act of 1971** (Title 8, Article 12, C.R.S.) provides child labor standards.
17. **Colorado laws regarding wages and hours** (Title 8, Articles 4 through 6, and 13, C.R.S.).
18. **The Workers' Compensation Act of Colorado** (Title 8, Articles 40 to 47, C.R.S.) regulates disability and medical benefits of injured workers.
19. **The Colorado Employment Security Act** (Title 8, Articles 70 to 82, C.R.S.) provides for unemployment benefits.
20. **The Colorado Employment Opportunity Act** (Title 8, Section 8-2-126, C.R.S.) prohibits use of consumer credit information for employment purposes unless the information is substantially related to the employee's current or potential job.

- 21. The Colorado Law on Effect of Criminal Conviction on Employment Rights** (Title 24, Section 24-5-101, C.R.S.) regulates the use of criminal background history in public employment.

B. Personnel Policy Manuals:

A personnel policy manual can be a useful tool for dealing with reoccurring employment issues. Whether a specific policy is appropriate for a given District depends upon the size of the District, the District's existing policies and procedures, and the decisions made by the Board members. In smaller Districts, some subjects addressed in these policies may be dealt with informally or not at all. In larger Districts, the need for uniform treatment of a larger group of and the dissemination of correct information to all employees may dictate a more comprehensive selection of policies. Because personnel policy manuals have in some cases been construed by the Courts as constituting part of an employee's employment contract, they must be carefully drafted.

Typical personnel policy manuals include the following subjects:

1. Working conditions, including work week and hours, attendance, safety, and work environment.
2. Compensation and benefits.
3. Leave policies.
4. Employment, promotion, and evaluation practices.
5. Layoffs.
6. Rules of conduct.
7. Discipline.
8. Grievances.
9. Employee records.
10. Separation from employment.
11. Specific policies of concern to the District, including drug testing.

C. Drug and Alcohol Testing:

The Federal Highway Administration ("FHA") adopted regulations requiring mandatory drug and alcohol testing for employed drivers with commercial driver's licenses. Drivers of firefighting equipment are exempt. Other organizations employing employees not governed by the FHA requirements may also adopt internal drug and alcohol policies. Qualified legal counsel or consultants should be contacted in formulating such testing policies.

Due to the Colorado Constitutional amendments authorizing the use of marijuana, policies should be carefully drafted with recognition of this as an area of evolving legal consideration.

D. Federal and State Posting Requirements:

Both federal and state law require the posting of certain informational posters at a prominent location in the District's business office. Failure to make the requisite postings could subject the District to significant financial penalties. The following postings must be made:

1. Federal Equal Employment Opportunity Commission (EEOC);
2. Federal Minimum Wage (Dept. of Labor);

3. Family and Medical Leave Act (Dept. of Labor);
4. State Fair Employment (Dept. of Labor); and
5. State Minimum Wage (Dept. of Labor).

* The Federal Occupational Safety and Health Act (OSHA) does not currently apply to local governments, although OSHA standards may constitute reasonable guidelines.

E. Volunteers:

Volunteers present unique considerations for a District with respect to compensation, insurance, personnel policies, liability, releases, and indemnification. Please consult with your legal counsel when considering using volunteers.

F. TABOR:

Most employees in Colorado are not employed under contracts. If, however, a contract is entered into with an employee, a multi-year employment contract may constitute a "multiple fiscal year financial obligation" subject to the limitations of TABOR.

G. Collective Bargaining for Firefighters:

Pursuant to §29-5-201, *et seq.*, C.R.S., paid firefighters who work for a District or fire authority with two or more paid firefighters have certain collective bargaining rights, including:

1. If a collective bargaining agreement does not currently exist and if the employer has not voluntarily opted into collective bargaining, the paid firefighters or their employee organization can request a "meet and confer" with the District (or fire authority) to discuss safety and working conditions, but not compensation.
2. Paid firefighters can initiate a collective bargaining process by presenting a notice of intent to circulate a petition to the Board, signed by at least 75% of the paid firefighters, requesting recognition of the unit and a collective bargaining agreement. If 5% of the number of eligible electors who voted in the last District election sign a petition, the Board must put the following question on the ballot at the next election: "Should the firefighters employed by the [name of the District] be covered by the Colorado Firefighter Safety Act?". If a majority of those voting in the election vote in favor, the District must recognize the employee bargaining unit identified in the petition and enter into collective bargaining with the unit. [§29-5-206, C.R.S.](#)
3. Firefighters and employee organizations are prohibited from striking. [§29-5-211, C.R.S.](#)

H. Use of Credit Report Information and Employee Personal Passwords:

Employers are prohibited from using credit information in employee hiring, evaluation, or discipline, unless the information is related to the person's present or potential job. Employers may not ask a current or prospective employee to provide access to credit reports or related information unless such information is directly related to the job, or the job is one that involves fiduciary relationships or the handling or accounting of funds. [§8-2-126, C.R.S.](#)

An employer may not suggest, request, or require an employee or applicant to disclose, or cause an employee or applicant to

disclose, any user name, password, or other means for accessing the employee's or applicant's personal account or service through the employee's or applicant's personal electronic communication device. Employers may not compel an employee or applicant to add anyone, including the employer or his or her agent, to the employee's or applicant's list of contacts associated with a social media account, or require, request, suggest, or cause an employee or applicant to change privacy settings associated with a social networking account. This does not prohibit employers from requiring employees to disclose user names, passwords, and other means for accessing non-personal accounts or services that provide access to the employer's internal computer or information systems. [§8-2-127, C.R.S.](#)

I. Health Insurance:

The Patient Protection and Affordable Care Act requires large employers to provide health coverage for its employees. Large employers are those who have 50 or more full-time equivalent employees. The requirements of the Act and the dates for compliance are varied. Your attorney or a knowledgeable health care broker can help the District navigate the requirements. [Public Law 111-148, 111th United States Congress.](#)

J. Searches for CEO-Level Employees:

The process for searching for a chief executive level position (i.e. CEO, District Manager, Fire Chief) is different from that of other District employees and requires compliance with certain requirements of the Colorado Open Meetings Law, Part 4, Article 6 of Title 24, C.R.S., and the Public Records Act, Article 72 of Title 24, C.R.S.

1. A search committee may be established to conduct the CEO search, but the search committee is still subject to certain transparency requirements. [§24-6-402\(3.5\), C.R.S.](#)
2. Fourteen days prior to appointing, employing, or offering the position to a finalist, the list of all finalists must be made public. When there are three or fewer candidates, they are automatically defined as "finalists." [§24-6-402\(3.5\), C.R.S.](#)
3. The Board must select the top candidate and make an offer of employment in the open session of a public meeting, not in an executive session.
4. Specific contract negotiations about pay, benefits, etc., may occur in an executive session pursuant to §24-6-402(4)(e), C.R.S., but the Board must approve the contract in a public meeting.
5. Records of finalists are generally public records, except for these documents:
 - a. Records of applicants who are not finalists; and
 - b. The following records of finalists:
 - i. Letters of reference;
 - ii. Medical, psychological, or sociological data; and
 - iii. Financial records (e.g. credit checks).

[§24-72-204\(3\)\(a\)\(XI\)\(A\), C.R.S.](#)

Chapter XV

Elections

Note: The Colorado Local Government Election Code was adopted (Article 13.5 of Title 1, C.R.S.) effective February 18, 2014. Certain provisions of the Uniform Election Code of 1992 (Articles 1 to 13 of Title 1, C.R.S.) also apply to special district elections and both the Local Government Election Code and the Uniform Election Code of 1992 should be read in conjunction with Part 8, Article 1 of Title 32, C.R.S. The following is an overview of the election requirements.

A local government may, in lieu of conducting a nonpartisan election under the provisions of the Colorado Local Government Election Code, opt to use the Uniform Election Code of 1992, Article 1 to 13 of Title 1, to conduct the nonpartisan election not coordinated by the County Clerk. [§ 1-13.5-102\(1\), C.R.S.](#)

The Legislature amends the election laws regularly. Before conducting an election, check the Election Codes for statutory changes enacted after the publication of this Manual.

A. Coordinated Elections:

1. Applicability:

In a coordinated election, when more than one political subdivision with either overlapping boundaries or the same electors hold an election on the same day, the County Clerk and Recorder is the Coordinated Election Official. All November elections in which eligible electors are the same or boundaries overlap shall be coordinated elections, unless the election is to be conducted as an independent mail ballot election. [§§ 1-1-104\(6.5\), 1-1-111\(3\), 1-7-116, C.R.S.](#)

Regular elections, special elections, and Court-ordered elections conducted other than in November may be conducted as coordinated elections if (i) there is an overlap of electors or boundaries; (ii) the County Clerk and Recorder is the Coordinated Election Official; and (iii) the county, District, and other jurisdictions agree. [§§1-1-104\(6.5\), 1-1-111\(3\), 1-7-116, C.R.S.](#)

2. Intergovernmental Agreement:

At least 70 days prior to the November coordinated election, the District must enter into an intergovernmental agreement with the County Clerk and Recorder for the

conduct of the election and/or mailing of the notice required by Article X, Section 20 of the Colorado Constitution ("TABOR Notice").

The Agreement shall include, but not be limited to the following:

- a. An allocation of responsibilities between the District and the County Clerk and Recorder; and
- b. A provision for the sharing of expenses based upon "actual cost." [§1-7-116\(2\), C.R.S.](#)

B. Regular Elections:

Special districts must hold regular elections on the first Tuesday after the first Monday in May in even-numbered years for the purpose of electing Directors to the Board and, as applicable, for the submission of other ballot issues or questions. [§1-13.5-111\(1\), §32-1-103\(17\), C.R.S.](#)

Note: In the regular election in May 2020, and also in May 2022, those full-term seats that are on the ballot will be for three years, for the one term only, after which those seats will revert back to the normal four year terms. As a result, beginning in 2023, regular special district elections will be on the first Tuesday after the first Monday in May of odd-numbered years. [§§1-1-104\(42\), 1-13.5-111\(1\), 32-1-103\(17\), and 32-1-305.5\(3\).](#)

C. Special Elections:

Special elections may be held on the first Tuesday after the first Monday of February, May, October, or December; in November of even-numbered years; or on the first Tuesday in November of odd-numbered years. A court having jurisdiction over the District may order a special election to be conducted on a different election date. [§§1-13.5-111\(2\) and \(3\), §32-1-103\(21\), C.R.S.](#)

D. TABOR Elections:

A TABOR ballot issue election must be conducted as either a coordinated election or as an independent mail ballot election. [§1-13.5-111\(2\), C.R.S.](#) TABOR elections can only be conducted at the regular special district election date, the general election date, or the first Tuesday in November of odd-numbered years. [Art. X, Sect. 20\(3\)\(a\), Colo. Const.](#)

E. Independent Mail Ballot Elections:

The District, at the direction of the Board, may conduct an election by mail ballot that is not coordinated by the County Clerk and Recorder. The Designated Election Official must prepare a written plan on conducting a mail ballot election. The written plan must be on file at the office of the Designated Election Official at least 55 days prior to the election. §§ 1-13.5-1101, 1-13.5-1102(f) and 1-13.5-1104(f), C.R.S. The written plan is a public record, but does not need to be filed with the Secretary of State, and does not require approval by the Secretary of State. §1-13.5-1104(f), C.R.S.

F. Designated and Coordinated Election Officials:

For all November coordinated elections, the County Clerk and Recorder shall be the Coordinated Election Official responsible for coordinating and conducting the election on behalf of all political subdivisions that are part of the coordinated election, utilizing the mail ballot procedure set forth in Article 7.5 of Article 1, C.R.S. §§ 1-1-104(6.5), 1-1-111(3), 1-7-116, C.R.S.

The District Board shall appoint a Designated Election Official to conduct non-coordinated elections and assist in the conduct of coordinated elections. The Designated Election Official does not have to be the District Secretary. §§ 1-13.5-108, 32-1-804(2), C.R.S.

G. Election Notices:

1. TABOR Notices:

TABOR requires the mailing of a notice for ballot issue elections. The TABOR Notice shall be sent as a package where the boundaries of political subdivisions, including all special districts with ballot issues, overlap. The TABOR Notice must be addressed to "All Registered Voters" and mailed to each address of one or more active registered electors of the District at least 30 days prior to the election. *Art. X, Sect. 20(3)(b), Colo. Const.*

For coordinated elections, the District must provide the County Clerk and Recorder with all necessary TABOR Notice information at least 43 days prior to a November coordinated election. §1-7-904, C.R.S. The County Clerk and Recorder shall have the responsibility of mailing the TABOR Notice package to each address where any active District elector resides within such county, if the election is being conducted in November. The Designated Election Official shall mail such notice to addresses of active District electors who do not reside in the county. §1-7-906, C.R.S.

For independent mail ballot elections, the District's Designated Election Official shall be responsible for the preparation and mailing of the District's TABOR Notice.

The Designated Election Officials of special districts with overlapping boundaries that will be submitting ballot issues at the regular special district election shall confer at least 40 days prior to the election regarding the preparation and mailing of the TABOR Notice as a package. Such special districts must enter into an intergovernmental agreement for the preparation and mailing of the TABOR Notice. §§1-13.5-503(f), 1-7-905(2) and 1-7-906(3), C.R.S.

2. Notice by Publication and Posting:

Notice of the specific election information, including the date and time of election; hours during which the polls

will be open; the date ballots have or may be mailed if the election is conducted by mail ballot; mail ballot drop-off locations; names of the officers to be elected and any ballot issues and ballot questions to be voted upon; and the names of those candidates whose nominations have been certified to the Designated Election Official must be published in a newspaper of general circulation within the District boundaries at least 20 days prior to the date of the election. For independent mail ballot elections, the notice does not need to include the text of the ballot issues or ballot questions. §§ 1-13.5-502(f), (2)(a) and (2)(b), C.R.S.

A copy of the notice must be posted in the office of the Designated Election Official at least 20 days prior to and until after the election, and mailed or emailed to the County Clerk and Recorder. §§ 1-13.5-502(f) and (2)(a), C.R.S.

A District submitting a ballot issue concerning the creation of debt or other financial obligation shall post notice on the District's website or, if the District does not maintain a website, at the District's chief administrative office, no later than 20 days before the election. §§1-7-908 and 1-13.5-503(2), C.R.S.

H. Conduct of Elections and Procedures:

The District's Designated Election Official should be aware of the following general requirements:

1. Election Resolution:

The election process is initiated by Board adoption of an Election Resolution. Depending on whether the election is a regular special district election, a November election, or a special election, the Election Resolution may address the following, as applicable: the election of members to the Board of Directors; polling place or mail ballot format; the location(s) of the polling place(s) or mail ballot drop-off locations; any ballot issues/questions to be presented; whether the election will be conducted as a coordinated election with the county; and the appointment of the Designated Election Official.

2. Call for Nominations:

Not fewer than 75 days or more than 100 days prior to the regular election, a Call for Nominations must be published one time. The notice must set forth the Director offices to be voted upon at the election, where a self-nomination and acceptance form may be obtained, the deadline for filing such form, and information on obtaining an absentee ballot. §1-13.5-501(f), C.R.S.

3. Candidates:

A self-nomination and acceptance form signed by the candidate and one other registered voter of the State must be filed with the Designated Election Official no earlier than January 1 and no later than the normal close of business on the 67th day prior to the regular election. §1-13.5-303(f), C.R.S.

An affidavit of intent to be a write-in candidate must be filed with the Designated Election Official no later than 64 days prior to the date of election. §1-13.5-305, C.R.S.

The Designated Election Official shall provide copies of the self-nomination and acceptance forms and any affidavits of intent to be a write-in candidate to the Colorado Secretary

of State no later than 60 days before the special district election. This does not apply if the District cancels its election. [Rule 16.1, Secretary of State Rules Concerning Campaign and Political Finance](#).

4. Polling Places:

The Designated Election Official, with the approval of the Board, shall establish one or more polling places not fewer than 20 days prior to the election. [§1-13.5-504\(2\), C.R.S.](#) If there are no appropriate polling place locations within the District, a polling place may be designated outside of the District in a location that is convenient for the eligible electors of the District.

The Designated Election Officials of local governments with overlapping boundaries that hold elections the same day by polling place must meet, confer, and thereafter, if practical, hold such elections in a manner that permits an elector in the overlapping area to vote in all of such elections at one polling place. [§1-13.5-504\(3\), C.R.S.](#)

A polling place sign must be posted at each polling place at least 20 days prior to the date of election. [§1-13.5-502\(3\), C.R.S.](#)

Polls shall be open continuously from 7:00 a.m. until 7:00 p.m. on the date of the election. [§1-13.5-601, C.R.S.](#)

5. Judges:

The Designated Election Official shall appoint Election Judges no later than 15 days prior to the date of election. [§1-13.5-401\(1\), C.R.S.](#)

Each Election Judge must be registered to vote in Colorado and at least eighteen years of age. Election Judges must be appointed without regard to party affiliation. Neither a current candidate for Director nor any immediate family member, to the second degree, of such candidate is eligible to serve as an Election Judge. [§1-13.5-401\(1\) and \(2\), C.R.S.](#)

For polling place elections, the Designated Election Official shall appoint no fewer than two Election Judges for each local government election. The Designated Election Official may also appoint any additional Election Judges as deemed necessary, and may appoint Counting Judges. [§1-13.5-402, C.R.S.](#)

For mail ballot elections, the Designated Election Official may appoint an appropriate number of Election Judges to receive the ballots after they are mailed; to handle “walk-in” balloting; check voter registrations; inspect, verify, and duplicate ballots when necessary; and count the ballots and certify results.

The Board must determine the amount of compensation to be paid to the Election Judges for their services. [§1-13.5-409, C.R.S.](#)

No more than 45 days prior to the date of election, each Election Judge shall attend an instruction class concerning the tasks of an Election Judge. [§1-13.5-408, C.R.S.](#)

6. Property Owner and Voter Lists:

The Designated Election Official shall order the voter registration and property owners lists no later than 40 days prior to the day of election. The Designated Election Official

may order initial voter registration and property owners lists to be received 30 days prior to the day of election, with a supplementary list provided 20 days prior, or complete lists provided six days prior to the day of election. [§§ 1-13.5-203 and 204, 1-13.5-1105\(2\)\(a\) and \(2\)\(b\), C.R.S.](#)

7. Absentee Voters:

Any eligible elector may cast an absentee voter’s ballot in the manner provided in Part 10 of Article 13.5 of Title 1, C.R.S. Requests for an application for an absentee voter’s ballot can be made orally or in writing. The application may be in the form of a letter, and must be filed with the Designated Election Official not later than the close of business on the Tuesday preceding the election. Applications for absentee voters’ ballots shall be filed in writing and personally signed by the applicant or a family member and include the applicant’s printed name, residence, address, date of birth, and whether the applicant wishes to be designated as a permanent absentee voter. The Designated Election Official shall examine the application to verify the eligibility of the applicant to vote, and if the applicant is eligible, the Designated Election Official shall deliver as soon as practicable but not more than 72 hours after the blank ballots have been received, an absentee voter’s ballot and packet. [§1-13.5-1002, C.R.S.](#)

8. Permanent Absentee Voters (previously Permanent Mail-in Voters):

Any eligible elector may apply for permanent absentee voter status. The application for permanent absentee voter status must be made in writing or by facsimile using an application form or letter furnished by the Designated Election Official. The application must contain the same information submitted in connection with an application for an absentee voter’s ballot pursuant to §1-13.5-1002, C.R.S. If the Designated Election Official determines that the applicant is an eligible elector, the Designated Election Official shall place the eligible elector’s name on the list of those eligible electors to whom an absentee voter’s ballot is mailed every time there is an election conducted by the District. Information on the procedure to apply for a permanent absentee voter status should be included on the application for absentee ballot, and on the Notice to Electors required in §32-1-809, C.R.S.

An elector whose name appears on the permanent absentee voters list must be deleted from the permanent absentee voters list if: (a) the elector notifies the Designated Election Official that he or she no longer wishes to vote by absentee voter’s ballot; or (b) the absentee voter’s ballot sent to the elector is returned to the Designated Election Official as undeliverable; or (c) the elector has been deemed “inactive” pursuant to §1-2-605, C.R.S.; or (d) the person is no longer eligible to vote in the District. [§1-13.5-1004\(2\), C.R.S.](#)

If there is no Designated Election Official presently appointed in the local government, the Secretary of the local government shall process the application for permanent absentee status in accordance with §§1-13.5-1003(1) and (2), C.R.S.

9. Watchers:

Each candidate for office and any Issue Committee for the proponents and opponents of a ballot issue or ballot question are entitled to appoint one person to act as a Watcher in every polling place in which they are a candidate or in which the issue or question is on the ballot. The names of persons appointed to serve as Watchers shall be certified to the Designated Election Official on forms provided by the Designated Election Official. Watchers must be eligible electors of the District. [§1-13.5-602, C.R.S.](#)

Neither a current candidate for Director nor any immediate family member, to the second degree, of such candidate is eligible to serve as a Watcher for that candidate.

[§1-13.5-602\(1\)\(a\)\(I\), C.R.S.](#)

10. Ballots and Voting Machines:

The Board may authorize the use of voting machines.

[§1-13.5-701, C.R.S.](#)

The Designated Election Official must have available the printed ballots at least 30 days prior to the election.

[§1-13.5-902\(1\)\(a\), C.R.S.](#)

The Designated Election Official shall prepare and deliver to the polling places sufficient equipment and ballots no later than the day before the election.

[§§1-13.5-807 and 1-13.5-904, C.R.S.](#)

The Designated Election Official shall issue absentee ballots upon written request, and shall keep a record of: (i) name of each applicant; (ii) address to which the ballot is to be sent; (iii) date of receipt of application; (iv) date absentee ballot was sent; (v) date of return of absentee ballot; and (vi) stub number of ballot sent. [§1-13.5-1004\(1\), C.R.S.](#)

Absentee ballots, sealed in return envelopes, shall be returned to the Designated Election Official or an Election Judge no later than 7:00 p.m. on the day of election.

[§1-13.5-1006\(1\), C.R.S.](#)

11. Eligible Electors:

Any person desiring to vote at any election shall be required to sign a self-affirmation that he/she is an eligible elector of the District. [§§ 1-13.5-605\(2\)\(a\) and 32-1-806\(2\), C.R.S.](#)

An eligible elector for a special district election is a person **who is registered to vote** in the State of Colorado **and is either:**

- a. **A resident** within the District boundaries or area to be included within the District boundaries on Election Day; **or**
- b. **The owner (or the spouse or civil union partner of the owner) of taxable real or personal property** situated within the District boundaries or area to be included within the District boundaries. [§32-1-103\(5\)\(a\) and \(b\), C.R.S.](#)

A person who is obligated to pay taxes under a contract to purchase taxable property situated within the boundaries of the District or area to be included within the District boundaries is considered an owner for the purposes of 11b above.

The property owner must be a natural person, not a corporation, trust, partnership, etc.

12. Transferring Property to Qualify Someone as an Eligible Elector:

No person shall take or place taxable property in the name of another or enter into a contract to purchase or sell taxable property for the purpose of attempting to qualify such person as an eligible elector at any special district election, or to fill a vacancy on a Board, or to become a candidate for Director in a special district election except under the following circumstances:

- a. A vacancy exists on the Board and no eligible elector files a letter of interest in filling such position within ten days after publication of a notice of such vacancy; or
- b. There are more than ten eligible electors in a special district organizational election and, on or after the second day before the deadline for filing the self-nomination and acceptance forms, there are less candidates than the number of Director offices to be voted upon at such election; or
- c. There are fewer than eleven eligible electors as of any date before a special district organizational election; or
- d. In a regular special district election, on or after the day after the deadline for filing self-nomination and acceptance forms, there are fewer candidates than the number of Director offices to be voted upon at such regular election. [§32-1-808\(2\)\(a\), C.R.S.](#)

13. Ballot Certification:

No later than 60 days prior to an election, the Designated Election Official must certify the content of the ballot. For coordinated November elections only, the certification must be delivered to the County Clerk and Recorder of each county that has territory in the District. [§1-13.5-511, C.R.S.](#)

For elections where candidates will be elected to office, the ballot shall include the names of each candidate who filed a valid self-nomination and acceptance form. The order of the names on the ballot shall be determined by lot drawing. Each candidate shall be notified of the time and place of the lot drawing. [§§ 1-13.5-511 and 1-13.5-902\(2\), C.R.S.](#)

For elections where ballot issue(s) or ballot question(s) will be submitted to the electors, such ballot issue or ballot question must be printed on the ballot following the list of candidates (if any) and in the order of: issues to increase taxes, issues to increase debt, and any other referred measure. [§1-13.5-902\(7\), C.R.S.](#)

After the order of the ballot and ballot content has been certified, the Designated Election Official may recertify the ballot if a candidate withdraws from a race, and the withdrawal would not change the order that the candidate names appear on the ballot as previously determined by the lot or drawing, or there are technical revisions to a ballot issue or ballot question prior to the ballots being printed. [§1-13.5-511\(2\), C.R.S.](#)

14. Election Returns and Canvass Board:

For polling place elections, upon the close of the polls on Election Day (unless Counting Judges have been

appointed), the Election Judges shall count the votes cast and prepare an abstract of the election results, which shall be immediately posted at each polling place until 48 hours after the election. For mail ballot elections, counting of the mail ballots may begin 15 days prior to the election. The Election Judges shall also issue a certification of election results and submit it to the Designated Election Official. [§§ 1-13.5-613, 1-13.5-615, and 1-13.5-1107, C.R.S.](#)

At least 15 days prior to an election that is not a coordinated election, the Designated Election Official shall appoint at least one Board member and at least one eligible elector who is not a Board member to assist the Designated Election Official in canvassing the votes. To the fullest extent possible, no member of the Canvass Board nor the member's spouse or civil union partner shall have a direct interest in the election. [§1-13.5-1301\(1\) and \(2\), C.R.S.](#) For coordinated elections, the Canvass Board shall be appointed in accordance with the intergovernmental agreement between the governing bodies holding the election. Within 14 days after the election, the Canvass Board must meet to canvass the votes and issue the Official Abstract of Votes Cast. [§§ 1-13.5-1305\(1\) and \(2\), 32-1-104\(1\), C.R.S.](#) Each member of the Canvass Board, except District Board members, shall receive a minimum fee of \$15 for each day that person is acting in the capacity of a member of the Canvass Board. [§1-13.5-1301\(4\), C.R.S.](#)

The Designated Election Official shall notify the candidates of their election to office. The results of the election shall be certified to the Division of Local Government; along with the certification, the District shall also provide the business address and telephone number of the District, and the name of a contact person. [§§ 1-13.5-1305\(2\), and 32-1-104\(1\), C.R.S.](#)

For debt authorization elections, the election results must be certified within 45 days after the election to the Board of County Commissioners of each county in which the District is located or to the governing body of the municipality that approved the Service Plan, and to the Division of Securities. [§32-1-1101.5\(1\), C.R.S.](#)

The Board shall preserve all sealed ballots, election materials, and records for a period of at least 25 months after the election or until the time has expired for which the records are needed for any contest proceeding, whichever is later. [§1-13.5-616\(1\) C.R.S.](#) All other official records and forms shall be preserved for at least six months following the date when the polls closed. [§1-13.5-616\(2\) C.R.S.](#)

15. Cancellation:

If the only matter before the electors is the election of Directors and if at the close of business on the 63rd day prior to the date of the regular special district election or at any time thereafter, there are not more candidates than offices to be filled, including candidates filing affidavits of intent, the election may be cancelled by the Designated Election Official if so instructed by resolution of the Board. The Designated Election Official shall declare the candidates elected to the Board. [§1-13.5-513\(1\) C.R.S.](#) Notice of the cancellation must be published one time prior to the election and posted at each polling place of the District and in the offices of the County Clerk and Recorder for each county in which the District is located, and in the

office of the Designated Election Official. A copy of the notice shall be filed with the Division of Local Government. The candidates must be notified that the election was cancelled, that they were elected by acclamation, and that they take office after the election day. [§1-13.5-513\(6\), C.R.S.](#)

If the only matter before the electors is the consideration of ballot issue(s) or ballot question(s), the Board may cancel the election no later than 25 days prior to a coordinated November election or at any time prior to any other election. Notice of the cancellation must be published and posted as indicated above. [§1-13.5-513\(6\), C.R.S.](#)

No election may be cancelled in part. [§1-13.5-513\(4\), C.R.S.](#)

16. Directors Take Office:

The Designated Election Official shall notify the candidates of their election to office. After the oath or affirmation of office and any required bond are filed with the District Court having jurisdiction over the special district, the Division of Local Government, and the County Clerk and Recorder, the Designated Election Official shall make a formal certificate of election for each person who was elected and shall deliver the certificate to that person. [§1-13.5-1305\(1\) and \(2\), and 32-1-901, C.R.S., and Art. XII, Sect. 9, Colo. Const.](#)

The term of office of each newly elected person shall commence at the next meeting of the Board after the date of the election, but not later than 30 days after the date that the election results are certified pursuant to [§1-13.5-1305](#); upon the signing of an oath or affirmation; filing such oath or affirmation with the County Clerk and Recorder of each County in which the District is located; and posting of a bond or policy of crime insurance. [§§24-12-101 and 24-14-102\(2\), C.R.S.](#) If the election was cancelled, the term of office of the persons declared elected shall commence at the next meeting of the Board following the date of the election, but no later than 30 days following the date of the election; upon the signing of an oath or affirmation; filing such oath or affirmation with the County Clerk and Recorder of each County in which the District is located; and posting of a bond or policy of crime insurance. [§§1-13.5-112, 24-12-101, and 24-14-102\(2\), C.R.S.](#)

I. Campaigning:

Under the Fair Campaign Practices Act, Article 45 of Title 1, C.R.S., Districts may not make contributions or contributions in kind to campaigns involving the nomination, retention, or election of any person to any public office, or to urge electors to vote in favor of or against any issue before the electorate.

A Board member may expend not more than \$50 of District funds on letters, telephone calls, or other activities incident to making statements or answering questions concerning the issue.

Districts may, however, expend public monies or make contributions in kind to dispense fair and balanced information on any issue of official concern before the electorate. This information must be factual, must include arguments both for and against the proposal, and cannot contain a conclusion or opinion in favor of or against any issue addressed.

The Board is permitted to adopt a resolution of advocacy on any ballot issue or referred measure, and report the adoption of the resolution by customary means other than paid advertising.

The statutes do not prohibit a public employee or Board member from working on a campaign or speaking out on an issue on his or her own time, or spending his or her own funds to urge electors to vote in favor of or against any issue before the electorate.

The statutes also restrict the activities of campaign committees and require the filing of certain reports.

J. Election Calendar:

Date	Summary
To initiate election process	Adopt Election Resolution.
100 days prior	Notify County Clerk and Recorder ("CCR") of participation in November coordinated election.
100-75 days prior to regular special district election	Publish Call for Nominations one time.
70 days prior	Enter into intergovernmental agreement with CCR for November coordinated election.
67 days prior to regular special district election	File self-nomination and acceptance forms with Designated Election Official ("DEO").
64 days prior to regular special district election	File affidavit of intent to be a write-in candidate with DEO.
63 days prior, after close of business	Regular special district election may be cancelled if there are no more candidates than positions to be filled, and there are no ballot issues or ballot questions.
60 days prior	Certify ballot content. Such certification shall be filed with the CCR for November coordinated elections.
55 days prior	Mail ballot plan for an independent mail ballot election must be on file at the office of the DEO and available to the public.
Friday before 45 th day prior	Deadline for acceptance of written comments for or against a TABOR ballot issue.
45 days prior	Earliest date to conduct Election Judge training. Mail absentee ballots to those eligible electors of the District and who have applied and are designated as a "covered voter" under the Uniform and Overseas Citizens Absentee Voting Act ("UOCAVA").
43 days prior	For November coordinated election, the DEO shall deliver the District's TABOR Notice to the CCR.
40 days prior	For elections not conducted in November, overlapping special districts conducting a ballot issue election shall confer regarding the preparation of the TABOR Notice and enter into an agreement for the preparation and mailing of the TABOR Notice to the addresses of all active registered electors in the overlapping area. The DEO shall order the voter registration and property owners lists.
30 days prior	Mail TABOR Notice to address of each active registered elector of District. If so requested, CCR shall certify and deliver an initial voter registration list. If so requested, County Assessor shall certify and deliver an initial list of all recorded owners of taxable real and personal property within the District. The DEO shall have printed ballots available.
Not sooner than 22 days prior	Begin mailing to each active eligible elector a mail ballot package. Mail ballots shall also be made available at the DEO's office for eligible electors.

Date	Summary
20 days prior	<p>Publish Notice of Election one time. Also post a copy of the notice in a conspicuous place in the DEO's office until after the election. Mail or email a copy of Notice of Election to the CCR of each county in which the District is located.</p> <p>If so requested, CCR shall certify supplemental or complete voter registration list.</p> <p>If so requested, County Assessor shall certify supplemental or complete property owners list.</p> <p>For debt obligation elections, post notice of additional financial information on District's website or in chief administrative office of the District if the District has no website.</p> <p>Post sign at each polling location.</p>
15 days prior	<p>Last day to mail a ballot package to each active eligible elector.</p> <p>Appoint Canvass Board.</p> <p>Last day to appoint Election Judges, certify list of Election Judges, and mail acceptance form to each person appointed.</p> <p>Counting of mail ballots may begin.</p>
6 days prior	<p>If so requested, CCR shall certify complete voter registration list.</p> <p>If so requested, County Assessor shall certify complete property owners list.</p>
Tuesday preceding the election	Deadline for filing applications for absentee voter ballot.
Election Day	Counting Judges may begin counting anytime during the day. If there are no Counting Judges, as soon as the polls close, the Election Judges may proceed to count the ballots.
No later than 8 days after election	Last day to receive voted absentee ballot from UOCAVA eligible electors.
No later than 14 days after election	For elections not coordinated by the CCR, the Canvass Board shall meet, survey the returns, and certify the final election results. For regular special district elections, transmit a copy of the certified election results to each person declared elected. File the certification of election results with the Division of Local Government ("DLG").
No later than 22 days after election	For November coordinated elections, County Canvass Board shall finalize election results. File the certification of election results with DLG.
No later than 30 days after certification election, or 30 days after date of election if election is cancelled	Newly elected Directors take oath of office or affirmation.
No later than 45 days after election	If a debt authorization election was conducted, file election results with the Board of County Commissioners or the municipality that approved the Service Plan and with the Division of Securities.

Chapter XVI

Dissolution of a District

Dissolution of a special district may be initiated in a number of ways, including by the Board of Directors, or by application to the Board from the electors, the municipality, or a regional service authority providing the same services as the special district. A special district can also be dissolved by the Division of Local Government in certain circumstances. [§§32-1-701, et seq., C.R.S.](#)

A. Dissolution Initiated by the Board of Directors:

A majority of all members of the Board of Directors may initiate dissolution by filing a Petition for Dissolution with the District Court having jurisdiction over the special district. [§32-1-701\(1\)\(a\), C.R.S.](#) The Board of Directors must hold a public hearing for residents in any unincorporated area of the District if any portion of the District is located within the boundaries of a municipality. This hearing must occur before the negotiation of any agreement for the continuation of such services. [§32-1-702\(4\)\(b\)\(II\), C.R.S.](#)

B. Dissolution Initiated by Electors:

For special districts with 25,000 or fewer persons, 5% or 250 of the eligible electors (whichever is fewer) may file an application with the Board to dissolve the special district. For special districts with more than 25,000 persons, 3% of the eligible electors must sign the application. The application must meet the requirements of [§31-11-106, C.R.S.](#) [§§31-11-106 and 32-1-701\(2\)\(b\), C.R.S.](#)

C. Dissolution Initiated by Municipality or Regional Service Authority:

If 85% of the special district lies wholly within a municipality, the municipality's governing body may file an application with the Board of Directors to dissolve the special district.

If the special district lies wholly within a regional service authority and such service authority provides the same service provided by the special district, the service authority may file an application with the Board of Directors to dissolve the special district. When the special district lies wholly within more than one regional service authority, two or more service authorities may jointly file the dissolution application with the Board of Directors. [§32-1-701\(5\), C.R.S.](#)

The petitioning entity must submit a cash bond of \$300 to the Board of Directors with the dissolution application. [§32-1-701\(6\), C.R.S.](#)

D. Requirements for Petition for Dissolution:

The Board of Directors must file a Petition for Dissolution with the District Court within 60 days of the filing of the application. The Petition for Dissolution must contain the following information:

1. A general description of and a map showing the boundaries and extent of the territory within the District;
2. A current financial statement of the District. If applicable, the financial statement must contain a certificate that the District has no financial obligations or outstanding bonds;
3. A plan for final disposition of the assets of the District and for the payment of the financial obligations and any outstanding bonds of the District;
4. A statement as to whether the services of the District are to be continued and, if so, by what means. If applicable, the Petition must include a plan specifically providing that the services are to be continued by another entity and an agreement for services with such entity; and
5. A statement as to whether the existing Board of Directors, or portion thereof, shall continue in office.

[§32-1-702, C.R.S.](#)

E. District Court Hearing:

The District Court must hold a hearing on the Petition and Plan for Dissolution within 50 days after the filing of the Petition. [§32-1-703\(2\), C.R.S.](#)

The District Court must publish notice of the hearing and mail notice to the Board of County Commissioners of each county having territory within the special district and to the governing body of each municipality having territory located within a radius of three miles of the special district boundaries. [§32-1-703, C.R.S.](#)

If services will be continued after dissolution, the entity assuming responsibility for the services must enter its appearance with the District Court. [§32-1-704\(1\), C.R.S.](#)

F. Dissolution Election:

The District Court will order an election in the District on the question of dissolution if:

1. The District has no financial obligations or outstanding bonds, or the District's financial obligations and outstanding bonds will be adequately provided for prior to dissolution and an adequate Plan for Dissolution exists for continuation of services, if required; or
2. 10% or 100 of the eligible electors (whichever is fewer) petition the Court for a special election; or
3. An adequate Plan for Dissolution exists that provides for the payment of the financial obligations and outstanding bonds of the District and for the continuation of services, if required.

The District Court will enter an Order dissolving the District without an election if (i) the District lies wholly within the boundaries of a municipality; (ii) the District has no financial obligations or outstanding bonds; and (iii) the Board of Directors and the District and the governing body of the municipality consent to the dissolution. [§32-1-704, C.R.S.](#)

G. Dissolution by Division of Local Government:

The Division of Local Government may initiate the dissolution process by providing notice to a special district if the District has no outstanding debt and has failed to do any of the following: (i) to hold or properly cancel an election; (ii) to adopt a budget for two consecutive years; (iii) to meet the audit requirements of §29-1-601, *et seq.*, C.R.S., for two consecutive years; (iv) to provide or attempt to provide any of the services or facilities for which it was organized for two consecutive years. If a District does not respond within thirty days of the notice, the Division of Local Government may submit a declaration of dissolution to the District Court for approval. [§32-1-710, C.R.S.](#)

H. Recording and Filing of Order of Dissolution:

No dissolution is effective until a certified copy of the District Court's final Order of Dissolution is recorded in each county in which the District is located. A copy of the recorded Order shall be filed with the Division of Local Government and the County Assessor for each county in which the District is located. [§§ 32-1-105 and 32-1-707\(5\), C.R.S.](#)

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Supporting Community-Based Government



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Notes



Supporting Community-Based Government

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Supporting Community-Based Government



The SDA Board Member Manual is published by the Special District Association of Colorado in cooperation with the law firm of Collins Cockrel & Cole, P.C.

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2019



SERVICE PLAN
FOR
JORDAN CROSSING METROPOLITAN DISTRICT
TOWN OF PARKER, COLORADO

Prepared

by

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Approved: March 20, 2006

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I. INTRODUCTION

A. Purpose and Intent.

The District is an independent unit of local government, separate and distinct from the Town, and, except as may otherwise be provided for by State or local law, or this Service Plan, its activities are subject to review by the Town only insofar as they may deviate in a material matter from the requirements of the Service Plan, Chapter 10.11 of the Town Code or the Intergovernmental Agreement. It is intended that the District will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements.

The District is not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan and the Intergovernmental Agreement.

B. Need for the District.

There are currently no other governmental entities, including the Town, located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Formation of the District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

C. Objective of the Town Regarding District's Service Plan.

The Town's objective in approving the Service Plan for the District is to authorize the District to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of the Public Improvements from the proceeds of Debt to be issued by the District. All Debt is expected to be repaid by limited taxes and Development Fees imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties and at a tax mill levy no higher than the Maximum Debt Mill Levy for residential properties. Debt which is issued within these parameters (as further described in the Financial Plan) will insulate property owners from excessive tax burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose of the District is to provide for the Public Improvements associated with the Project. Ongoing operational and maintenance activities may be allowed, but only as specifically provided for in the Intergovernmental Agreement.

It is the intent of the District to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt, and if the District has authorized operating functions under an intergovernmental

agreement with the Town, to retain only the power necessary to impose and collect taxes or fees to pay for these costs.

The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy on residential properties and which shall not exceed the Maximum Debt Mill Levy Imposition Term on residential properties. It is the intent of this Service Plan to assure to the extent possible that no residential property bear an economic burden that is greater in amount than that associated with the Maximum Debt Mill Levy and that no property developed for a residential use bear an economic burden that is longer in duration than that associated with the Maximum Debt Mill Levy Imposition Term, even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters and the financing capacity of the District are not costs to be paid by the District. Costs of required Public Improvements that cannot be financed by the District are expected to be financed by the developer of the Project.

II. DEFINITIONS

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Approved Development Plan: means a development plan or other process established by the Town (including but not limited to approval of a final plat, minor development plat or site plan by the Town planning commission or by the Town Council) for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service Area as approved by the Town pursuant to the Town Code and as amended pursuant to the Town Code from time to time. An Approved Development Plan does not include any plan, process or approval denoted as preliminary under the Town Code.

Board: means the board of directors of the District.

Bond, Bonds or Debt: means bonds or other obligations for the payment of which the District has promised to impose an ad valorem property tax mill levy.

Capital Plan: means the Capital Plan described in Section V.B. which includes: (a) a comprehensive list of the Public Improvements to be developed by the District; (b) an engineer's estimate of the cost of the Public Improvements; and (c) a pro forma capital expenditure plan correlating expenditures with development.

Development Fee: means the one-time development or system development fee imposed by the District on a per-unit (residential) or per square foot (non-residential) basis at or prior to the issuance of a certificate of occupancy for the unit or structure to assist with the planning and development of the Public Improvements, subject to the limitations set forth in Section VI.E. of the Service Plan. The Development Fee may be used to finance, plan, acquire, and construct the Public Improvements, and pay debt service.

District: means the Jordan Crossing Metropolitan District.

District Boundaries: means the boundaries of the area described in the District Boundary Map.

District Boundary Map: means the map attached hereto as Exhibit C-1, describing the District's boundaries.

External Financial Advisor: means a consultant that: (1) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (2) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (3) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Financial Plan: means the Financial Plan described in Section VI which describes (a) how the Public Improvements are to be financed; (b) how the Debt is expected to be incurred; (c) the estimated operating revenue derived from property taxes for the first budget year; (d) the total amount of Debt planned for at least the five-year period commencing with the formation of the District; (e) all proposed sources of revenue and projected District expenses, as well as the assumptions upon which they are based, for at least a ten-year period from the date of District formation; (f) the dollar amount of any anticipated financing, including capitalized interest, costs of issuance, estimated maximum rates and discounts, and any expenses related to the organization and initial operation of the District; (g) a detailed repayment plan covering the life of any financing, including the frequency and amounts to be collected from all sources; (h) the amount of any reserve fund and the expected level of annual Debt service coverage which will be maintained for any financing; (i) the total authorized Debt for the District; (j) the provisions regarding any credit enhancement, if any, for the proposed financing, including, but not limited to, letters of credit and insurance; and (k) a list and written explanation of potential risks of the financing.

Inclusion Area: **[NOT APPLICABLE]**

Inclusion Area Boundary Map: **[NOT APPLICABLE]**

Intergovernmental Agreement: means the intergovernmental agreement required by Town Code section 10.11.140(a), and attached hereto as Exhibit H.

Map Depicting Public Improvements: means the map attached hereto as Exhibit E, showing the location(s) of the Public Improvements listed in the Capital Plan.

Maximum Debt Mill Levy: means the maximum mill levy the District is permitted to impose for payment of operations and maintenance expenses and Debt as set forth in Section VI.C. below.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section VI.D below.

Project: means the development or property commonly referred to as Jordan Crossing.

Proof of Ownership: means a current title commitment showing ownership and all encumbrances on all properties within the District Boundaries, or other documentation acceptable to the Town Attorney.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped as part of an Approved Development Plan and financed as generally described in the Special District Act, except as specifically limited in Section V below to serve the future taxpayers and inhabitants of the Service Area as determined by the Board of the District.

Service Area: means the property within the District Boundary Map.

Service Plan: means this service plan for the District approved by Town Council.

Service Plan Amendment: means an amendment to the Service Plan approved by Town Council in accordance with Chapter 10.11 of the Town Code and the applicable state law.

Special District Act: means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

Town: means the Town of Parker, Colorado.

Town Code: means the Town of Parker Municipal Code, as may be amended and in effect from time to time.

Town Council: means the Town Council of the Town of Parker, Colorado.

III. BOUNDARIES

The area of the District Boundaries includes approximately 30.009 acres. A legal description of the District Boundaries is attached hereto as Exhibit A. A map of the District Boundaries is attached hereto as Exhibit C-1. Proof of Ownership and consents of the owners to organization of the District for all properties within the District Boundaries is attached hereto as Exhibit C-2. A vicinity map is attached hereto as Exhibit B. The District's Boundaries are not anticipated to change due to inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S. However, if the District determines to include or exclude property, such inclusions and/or exclusions shall be subject to the limitations set forth in Article V below.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The Service Area consists of approximately 30.009 acres of land. The current assessed valuation of the Service Area is assumed to be \$0.00, for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The residential population of the District at build-out is estimated to be approximately 306 persons.

Approval of this Service Plan by the Town does not imply approval of the development of a specific area within the District, nor does it imply approval of the number of residential units which may be identified in this Service Plan or any of the exhibits attached thereto. The permitted level of the development within the Project is as contained within an Approved Development Plan.

Approval of this Service Plan by the Town in no way releases or relieves the developer of the Project, or the landowner or any subdivider of the Project property, or any of their respective successors or assigns, of obligations to construct Public Improvements for the Project or of obligations to provide to the Town such financial guarantees as may be required by the Town to ensure the completion of the Public Improvements, or of any other obligations to the Town under the Town Code or any applicable annexation agreement, subdivision agreement, or other agreements affecting the Project property or development thereof.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the District and Service Plan Amendment.

The District shall have the power and authority to provide the Public Improvements within and without the boundaries of the District as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth in this Service Plan and the Intergovernmental Agreement.

1. **Operations and Maintenance Limitation.** The purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The District shall dedicate the Public Improvements to the Town or other appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan, other rules and regulations of the Town, and applicable provisions of the Town Code, all as directed by the Town. The District shall not be authorized to operate and maintain any part or all of the Public Improvements, unless specifically provided for in the Intergovernmental Agreement.

2. **Fire Protection Limitation.** The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the Town. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision.

3. Television Relay and Translation Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the Town.

4. Construction Standards Limitation. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of federal and state governmental entities having proper jurisdiction, and of those special districts that qualify as "interested persons" under Section 32-1-204(1), C.R.S., as applicable. The District will obtain the Town's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

5. Property Acquisition Limitation; Transfer Requirement. The District shall not exercise any power of dominant eminent domain against the Town without the prior written consent of the Town. The District shall at no expense to the Town transfer to the Town all rights-of-way, fee interests and easements that the Town determines are necessary for access to and operation and maintenance of the Public Improvements, consistent with the Approved Development Plan and to the extent such interests have not been acquired by the Town through such Development Plan process.

6. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by the District for the [insert the designation of the Debt] does not exceed a market [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

7. Inclusion and Exclusion Limitations. The District shall not include within any of its boundaries any property outside the Service Area without the prior written consent of the Town Council. The District shall not exclude any property from the District if such exclusion will result, or is reasonably anticipated to result, in detriment to the remaining residents and taxpayers within the District, or to the District's bondholders.

8. Initial Debt Limitation. On or before the effective date of approval of an Approved Development Plan, the District shall not: (a) issue any Debt; nor (b) impose a mill

levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose or collect any fees or revenues from any other source for the purpose of repayment of Debt.

9. Total Debt Issuance Limitation. The District shall not issue Debt in excess of \$1,710,000 total aggregate principal amount.

10. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities for which the Town is eligible to apply for, except as may be specifically authorized in an intergovernmental agreement with the Town. This Section shall not apply to specific ownership taxes which shall be distributed to and be a revenue source for the District without any limitation.

11. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town.

12. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, the total debt issuance limitation, and the Maximum Debt Mill Levy Imposition Term have been established under the authority of the Town to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) are, together with all other requirements of Colorado law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral approval necessary under applicable nonbankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the Town as part of a Service Plan Amendment.

13. Revenue Bond Limitation. The District shall not issue revenue bonds, except as set forth in this Section. Prior to issuing any revenue bonds, the District shall submit all relevant details of such issuance to the Town Council, which may elect to treat the issuance of the revenue bonds as a material modification of the Service Plan. If the Town Council determines that the issuance of revenue bonds constitutes a material modification of the Service Plan, the District shall proceed to amend the Service Plan in accordance with Section 32-1-207, C.R.S. prior to issuing any revenue bonds.

14. Service Plan Amendment Requirement. This Service Plan is general in nature and does not include specific detail in some instances because development plans have not

been finalized. The Service Plan has been designed with sufficient flexibility to enable the District to provide required Public Improvements under evolving circumstances without the need for numerous amendments. Modification of the general types of services and facilities making up the Public Improvements, and changes in proposed configurations, locations or dimensions of the Public Improvements shall be permitted to accommodate development needs consistent with the then-current Approved Development Plan(s) for the Project, subject to the limitations of this Service Plan and the Intergovernmental Agreement.

The District is an independent unit of local government, separate and distinct from the Town, and its activities are subject to review by the Town only insofar as they may deviate in a material manner from the requirements of the Service Plan, Chapter 10.11 of the Town Code, or the Intergovernmental Agreement. As such, any action of the District which: (1) violates the limitations set forth in Sections V.A.1-14 above; (2) violates the limitations set forth in Section VI.B-H; (3) constitutes a material modification under Town Code section 10.11.060; or (4) constitutes a failure to comply with the Intergovernmental Agreement or other agreement with the Town, which non-compliance has not been waived in writing by the Town, shall be deemed to be a material modification to this Service Plan and the Town shall be entitled to all remedies available under State and local law to enjoin such action(s) of the District.

Any Town approval requirements contained in this Service Plan (including, without limitation, any provisions requiring that a change, request, occurrence, act or omission be treated as a Service Plan Amendment or be deemed a "material modification" of the Service Plan) shall remain in full force and effect, and, unless otherwise provided by resolution of the Town Council, such Town approval shall continue to be required, notwithstanding any future change in law modifying or repealing any statutory provision concerning service plans, amendments thereof or modifications thereto.

B. Capital Plan.

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within the boundaries of the District and, to the extent necessary to improve adjacent streets and connect Public Improvements to existing infrastructure, without the boundaries of the District, all to be more specifically defined in an Approved Development Plan. A Capital Plan, including: (1) a comprehensive list of the Public Improvements to be developed by the District; (2) an estimate of the cost of the Public Improvements, together with a letter from a Colorado professional registered engineer certifying that such costs are reasonable in the engineer's opinion and that such estimates were prepared based upon Town construction standards; and (3) a pro forma capital expenditure plan correlating expenditures with development, is attached hereto as Exhibit D. Maps depicting Public Improvements are attached hereto as Exhibit E. As shown in the Capital Plan, the estimated cost of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed by the District is approximately \$2,517,374. Costs of required Public Improvements that cannot be financed by the District within the parameters of this Service Plan and the financial capability of the District are expected to be financed by the developer of the Project.

The District shall be permitted to allocate costs between such categories of the Public Improvements as deemed necessary in its discretion.

All of the Public Improvements described herein will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the Town and shall be in accordance with the requirements of the Approved Development Plan. All descriptions of the Public Improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, the Town's requirements, and construction scheduling may require. Upon approval of this Service Plan, the District will continue to develop and refine the Capital Plan and the Map Depicting Public Improvements, as necessary, and prepare for issuance of Debt. All cost estimates will be inflated to then-current dollars at the time of the issuance of Debt and construction. All construction cost estimates contained in Exhibit D assume construction to applicable standards and specifications of the Town and state and federal requirements.

VI. FINANCIAL PLAN

A. General.

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy and other legally available revenues. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general ad valorem taxes to be imposed upon all taxable property within the District. The District will also rely upon various other revenue sources authorized by law, such as interest, specific ownership taxes, advances from the Project developer and grants. The District is also authorized to assess and collect a Development Fee as set forth in Section VI.E, below. Unless specifically authorized in the Intergovernmental Agreement, the District shall not impose or assess any fees, rates, tolls, penalties, or charges other than the Development Fee without first obtaining Town approval of an amendment to this Service Plan, which amendment shall be deemed to be a material modification hereof.

The total Debt that the District shall be permitted to issue shall not exceed \$1,710,000 in aggregate principal amount. Debt is permitted to be issued on a schedule and in such year or years as the District determines shall meet the needs of the Capital Plan referenced above and the progression of the development, subject to compliance with this Service Plan. The \$1,710,000 that the District shall be permitted to issue is supported by the Financial Plan prepared by J.W. Simmons & Associates, P.C. ("J.W. Simmons"), attached hereto as Exhibit F. J.W. Simmons shall attach a certification to the Financial Plan, certifying that based upon the assumptions contained therein and its professional opinion, the District is expected to retire all Debt referenced in the Financial Plan within the restrictions set forth in the Service Plan, including but not limited to the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is limited to the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt shall not exceed twelve percent (12%). The proposed maximum underwriting discount will be four percent (4%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Debt Mill Levy.

The "Maximum Debt Mill Levy" shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows:

1. For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be thirty-five (35) mills less the number of mills necessary to pay operations and maintenance expenses (provided that the District can contract with its bondholders to limit its operation and maintenance mill levy) and less the number of mills necessary to pay unlimited mill levy Debt described in Section VI.C.2 below; provided that if, on or after January 1, 2000, there are or were changes in the ratio of actual valuation to assessed valuation, pursuant to Article X, Section 3(1)(b) of the Colorado Constitution and legislation implementing such Section, then the mill levy limitation applicable to such Debt may be increased or decreased to offset such change, such mill levy increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy are neither diminished nor enhanced as a result of such changes (a "Gallagher adjustment"). Except for such a permitted Gallagher adjustment, the District's mill levy shall not exceed the Maximum Debt Mill Levy. If the District otherwise proposes to adjust its mill levy above the Maximum Debt Mill Levy for the purpose of offsetting any constitutionally or legislatively mandated credit, cut, abatement or change in the method of calculating assessed valuation, the District shall first submit all relevant details of such proposed adjustment to the Town Administrator, who may approve such proposed adjustment in writing or refer the proposal to the Town Council, which may elect to treat the proposed mill levy adjustment as a material modification of the Service Plan. If the Town Council determines that such adjustment constitutes a material modification of the Service Plan, the District shall proceed to amend the Service Plan in accordance with Section 32-1-207, C.R.S. The District shall obtain written approval of the Town Administrator or of a Service Plan amendment prior to any such mill levy adjustment.

2. For the portion of any aggregate District Debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

3. For purposes of the foregoing, once Debt has been determined to be within Section VI.C.2 above, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by such

unlimited mill levy, notwithstanding any subsequent change in the District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

D. Maximum Debt Mill Levy Imposition Term.

The District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S. et seq.

E. Debt Repayment Sources.

The District may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance, subject to Section V.A.1 of the Plan. In no event shall the debt service mill levy in the District exceed the Maximum Debt Mill Levy or, for residential property within the District, the Maximum Debt Mill Levy Imposition Term.

The District may also collect a Development Fee, as allowed and limited by Colorado law, provided that such Development Fee does not exceed the following limits:

1. For each single-family detached residential unit, the Development Fee shall not exceed Two Thousand Dollars (\$2,000).
2. For each single-family attached or multi-family residential unit, the Development Fee shall not exceed One Thousand Five Hundred Dollars (\$1,500).
3. For a structure other than a single-family or multi-family residential structure, the Development Fee shall not exceed Twenty-Five Cents (\$0.25) per square foot of the structure.

The Development Fee set forth in this Service Plan may increase by up to the Consumer Price Index for Denver-Boulder, all items, all urban consumers (or its successor index for any years for which Consumer Price Index is not available) each year thereafter (as an inflation adjustment) commencing on January 1, 2007. The Development Fee shall be collected prior to issuance of a certificate of occupancy. Unless specifically authorized in the Intergovernmental Agreement, the District shall not impose or assess any fees, rates, tolls, penalties, or charges other than the Development Fee, as limited above, without first obtaining Town approval of an amendment to this Service Plan, which amendment shall be deemed to be a material modification hereof.

F. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond, and in the Service Plan of the District.

A substantially similar statement describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the District. If no offering documents are used, then the District shall deliver the statement to any prospective purchaser of such Debt. The Town may by written notice to the District require modifications to the form of disclosures statement.

G. Security for Debt.

The District shall not pledge any revenue, property or other assets of the Town as security for any District indebtedness. Approval of this Service Plan shall not be construed as a guarantee by the Town of payment of any of the District's obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the Town in the event of default by the District in the payment of any such obligation.

H. TABOR Compliance.

The District will comply with the provisions of TABOR. In the discretion of the Board, the District may set up enterprises or nonprofit entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of the District's Board. The activities of such enterprises and entities shall comply with the provisions of this Service Plan.

I. District's Operating Costs.

The estimated cost of engineering services, legal services and administrative services, together with the estimated costs of the District's organization and initial operations, are anticipated to be \$37,000, which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained, if such maintenance is addressed in the Intergovernmental Agreement. The first year's operating budget is estimated to be \$37,000 which is anticipated to be derived from property taxes and other revenues, including developer advances. The District shall maintain, from revenues derived from the Maximum Debt Mill Levy and other legally available revenues authorized under this Service Plan, sufficient funds to pay such administrative and other costs.

The Maximum Debt Mill Levy for the repayment of Debt shall not apply to the District's ability to increase its mill levy as necessary for provision of operation and maintenance services to its taxpayers and service users, if such operation and maintenance functions are

specifically authorized to the District in the Intergovernmental Agreement. In such case, the authorized mill levy for operations and maintenance activities shall be subject to the limit set forth in the Intergovernmental Agreement. For this District, no such operation or maintenance functions and no separate mill levy therefor are authorized by this Service Plan or the Intergovernmental Agreement, and the District shall impose no mill levy other than the Maximum Debt Mill Levy, as set forth in Section VI.C. above.

J. Subdistricts.

The District may organize subdistricts or areas as allowed by Section 32-1-1101(1)(f), C.R.S., provided, however, that without the approval of the Town, any such subdistrict(s) or area(s) shall be subject all limitations on debt and other provisions of the Service Plan. In accordance with Section 32-1-1101(1)(f)(I), C.R.S., the District shall notify the Town prior to establishing any such subdistrict(s) or area(s), and shall provide the Town with details regarding the purpose, location, and relationship of the subdistrict(s) or area(s). The Town Council may elect to treat the organization of any such subdistrict(s) or area(s) as a material modification of the Service Plan.

VII. ANNUAL REPORT

A. General. In accordance with Town Code section 10.11.040, the District shall file an annual report with the Town Clerk not later than September 1st of each calendar year commencing with the year in which the Order and Decree creating the District has been issued by the District Court for and in Douglas County, Colorado, which annual report shall reflect activity and financial events of the District through the preceding December 31 (the "report year"). The Town Council reserves the right, pursuant to Section 32-1-207(3)(c), C.R.S., to request annual reports from the District beyond five years after the District's organization.

B. Reporting of Significant Events.

The annual report shall include the following:

1. A narrative summary of the progress of the District in implementing its Service Plan for the report year;
2. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the District for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operations (i.e., revenues and expenditures) for the report year;
3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of Public Improvements in the report year, as well as any Public Improvements proposed to be undertaken in the five (5) years following the report year;
4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the report year, including the

amount of outstanding Debt, the amount and terms of any new Debt issued in the report year, the amount of payment or retirement of existing Debt of the District in the report year, the total assessed valuation of all taxable properties within the District as of January 1 of the report year and the current mill levy of the District pledged to Debt retirement in the report year;

5. The District's budget for the calendar year in which the annual report is submitted;
6. A summary of the residential development in the District for the report year;
7. A summary of all fees, charges and assessments imposed by the District as of January 1 of the report year;
8. Certification of the Board that no action, event or condition enumerated in Town Code section 10.11.060 has occurred in the report year, or certification that such event has occurred but that an amendment to the Service Plan that allows such event has been approved by Town Council;
9. The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Board; and
10. Certification from the Board of Directors of the District that the District is in compliance with all provisions of the Service Plan.

VIII. DISSOLUTION

Upon an independent determination of the Town Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the District Court for and in Douglas County, Colorado, for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes.

IX. DISCLOSURE TO PURCHASERS

The Town wants residential buyers to be aware of the additional tax burden to be imposed. The Town mandates early written and recorded notice of the total (overlapping) tax burden, including the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, if applicable. The Town will review the type and timing of the disclosure, which the proponents of the District are proposing. The notice shall be recorded against all property within the District prior to the District's certification of the formation of the District to the Colorado Division of Local Government as required by Section 32-1-306, C.R.S.

There is attached hereto as Exhibit G the Project Developer's Indemnification Letter, which is submitted to the Town by the Developer as part of this Service Plan. There is also attached hereto as Exhibit G the form of a District Indemnification Letter. The District shall

approve and execute the Indemnification Letter at its first Board meeting after its organizational election, in the same form as the Indemnification Letter set forth in Exhibit G and shall promptly deliver an executed original to the Town.

X. INTERGOVERNMENTAL AGREEMENTS

The form of the intergovernmental agreement required by Town Code section 10.11.140(a), relating to the limitations imposed on the District's activities, is attached hereto as Exhibit H. The District shall approve and execute the Intergovernmental Agreement at its first Board meeting after its organizational election, in the same form as the Intergovernmental Agreement approved by Town Council, and shall promptly deliver an executed original to the Town. Failure of the District to execute the Intergovernmental Agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The Town Council may approve the Intergovernmental Agreement at the public hearing approving the Service Plan.

No intergovernmental agreements between the District and any other government are anticipated. Any intergovernmental agreement proposed regarding the subject matter of this Service Plan shall be subject to review and approval by the Town prior to their execution by the District.

XI. NON-COMPLIANCE WITH SERVICE PLAN

In the event it is determined that the District has undertaken any act or omission which violates the Service Plan or constitutes a material departure from the Service Plan, the Town may impose any of the sanctions set forth in Section 10.11.220 of the Town Code, including but not to affirmative injunctive relief to require the District to act in accordance with the provisions of this Service Plan. To the extent permitted by law, the District hereby waives the provisions of Section 32-1-207(3)(b), C.R.S. and agrees it will not rely on such provisions as a bar to the enforcement by the Town of any provisions of this Service Plan.

XII. CONCLUSION

It is submitted that this Service Plan for the District, as required by Section 32-1-203(2), C.R.S., and Section 10.11.180 of the Town Code, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries;
4. The area to be included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

5. Adequate service is not, and will not be, available to the area through the Town or County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;
6. The facility and service standards of the District are compatible with the facility and service standards of the Town;
7. The proposal is in substantial compliance the Town's Master Plan;
8. The proposal is in compliance with any duly adopted Town, regional or state long-range water quality management plan for the area;
9. The creation of the District is in the best interests of the area proposed to be served;
10. The creation of the District is in the best interests of the residents and future residents of the area proposed to be served;
11. The proposal is in substantial compliance with Chapter 10.11 of the Town Code; and
12. The proposal will not foster urban development that is remote or incapable of being integrated with existing urban areas, and will not place a burden on the Town or adjacent jurisdictions to provide urban services to residents of the District.

EXHIBIT A
JORDAN CROSSING METROPOLITAN DISTRICT
INITIAL DISTRICT BOUNDARIES

LEGAL DESCRIPTION

THE PART OF THE NORTHWEST ONE-QUARTER OF SECTION 28, TOWNSHIP 6 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF PARKER, COUNTY OF DOUGLAS, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 28; THENCE N89°26'24"E ALONG THE NORTH LINE OF SAID NORTHWEST ONE-QUARTER, A DISTANCE OF 760.00 FEET; THENCE S00°21'04"E, PARALLEL TO THE WEST LINE OF SAID NORTHWEST ONE-QUARTER, ALSO BEING THE WEST LINE OF CHERRY CREEK HIGHLANDS AS RECORDED AT RECEPTION NUMBER 144033, A DISTANCE OF 1720.00 FEET; THENCE S89°26'24"W, PARALLEL TO THE NORTH LINE OF SAID NORTHWEST ONE-QUARTER, ALSO BEING A NORTHERLY LINE OF SAID CHERRY CREEK HIGHLANDS, A DISTANCE OF 760.00 FEET TO A POINT ON THE AFOREMENTIONED WEST LINE OF SAID NORTHWEST ONE-QUARTER; THENCE N00°21'04"W, ALONG SAID WEST LINE A DISTANCE OF 1720.00 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 30.009 ACRES MORE OR LESS.

Dean F. Glorso
16109
1-30-06

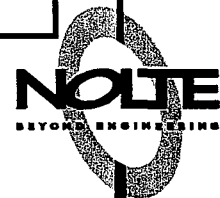
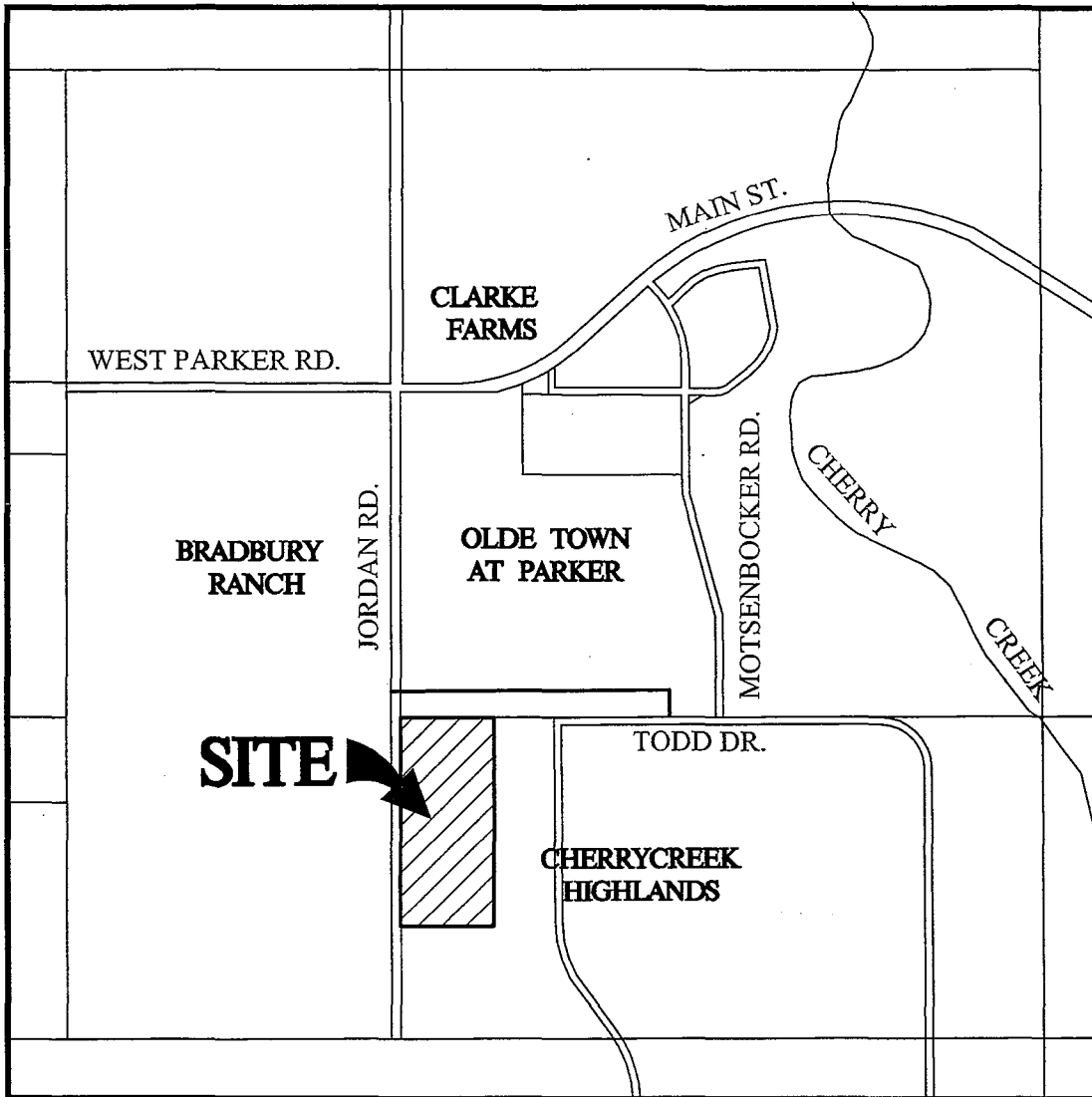
PREPARED BY:

DEAN F. GLORSO, PLS 16109
FOR AND ON BEHALF OF
GLORSO MAPPING SERVICES, LLC
2620-D SOUTH VAUGHN WAY
AURORA, CO 80014

THE ABOVE AND FOREGOING DESCRIBES A SURFACE ESTATE ONLY. EXPRESSLY EXCLUDED FROM THIS LEGAL DESCRIPTION ARE ANY ESTATES BELOW THE SURFACE INCLUDING OIL, GAS AND OTHER MINERALS (INCLUDING SAND AND GRAVEL) AND ANY RELATED RIGHTS OF SURFACE USE."

EXHIBIT B

Parker Vicinity Map



1 inch = 1500 ft.

NOLTE
 BEYOND ENGINEERING

8000 S. Chester Street, Suite 200
 303.220.6400 TEL 303.220.9001 FAX

Centennial, CO 80112
 WWW.NOLTE.COM

**JORDAN CROSSING METRO. DIST.
 DISTRICT SERVICE PLAN
 VICINITY MAP**

PREPARED FOR: BCX Development Partners Inc. DATE SUBMITTED: Jan. 2006

SHEET NUMBER

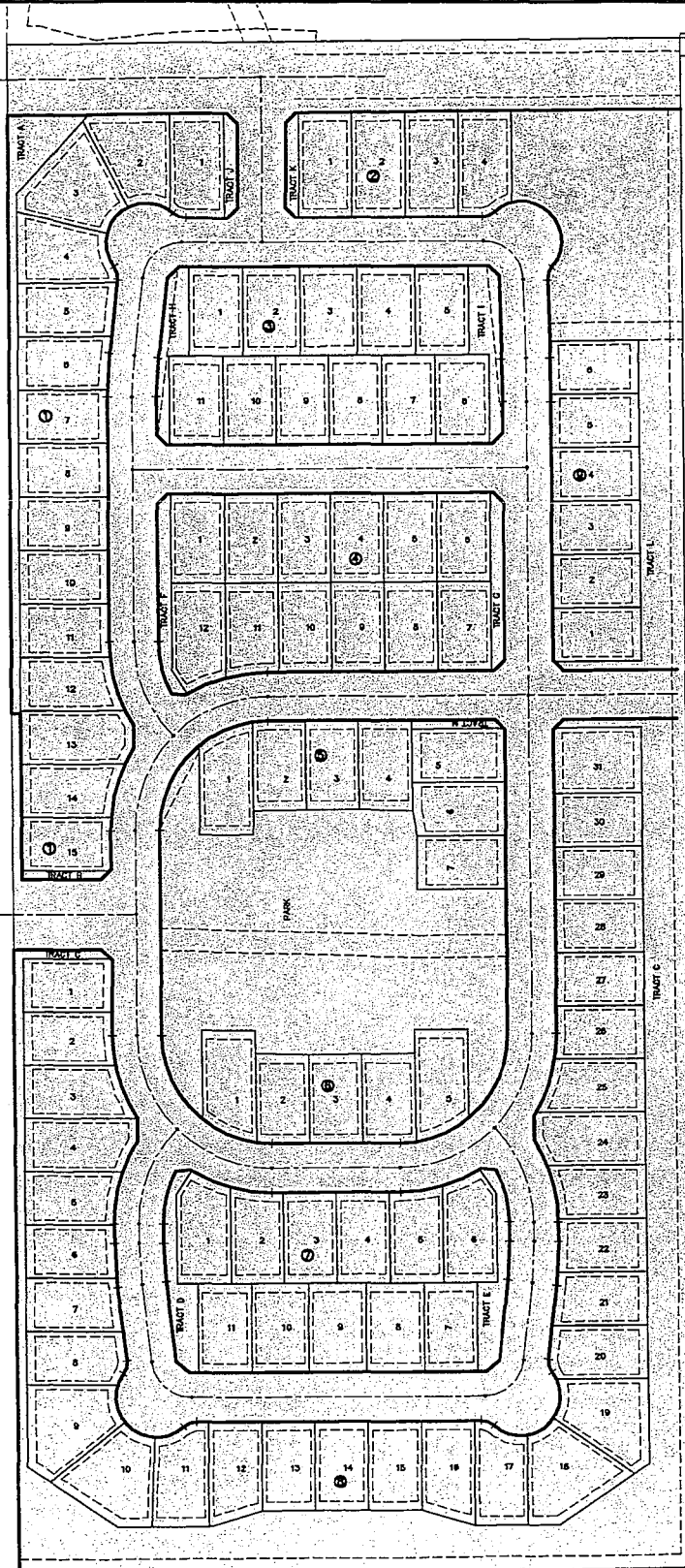
2

OF 7 SHEETS

JOB NUMBER
 DVB020300

EXHIBIT C-1

District Boundary Map



Jordan Crossing
Metropolitan District



1 inch = 200 ft.

NOLTE
BEYOND ENGINEERING

8000 S. Chester Street, Suite 200
303.220.6400 TEL 303.220.9001 FAX

Centennial, CO 80112
WWW.NOLTE.COM

**JORDAN CROSSING METRO. DIST.
DISTRICT SERVICE PLAN
METROPOLITAN DISTRICT BOUNDARY MAP**

PREPARED FOR: BCX Development Partners Inc. DATE SUBMITTED: Jan. 2006

SHEET NUMBER

1

OF 7 SHEETS

JOB NUMBER
DVB020300

EXHIBIT C-2

Proof of Ownership and Consents

Land Title Guarantee Company

Date: December 12, 2005

BCX DEVELOPMENT PARTNERS, INC.
7108 SOUTH ALTON WAY, BLDG. M
ENGLEWOOD, CO 80112

Enclosed please find the title insurance policy for your property
located at 5080 NORTH TODD ROAD.

The following endorsements are included in this policy:

Deletion of Exceptions 1-3
Deletion of General Exception 4
Subdivision Map
Endorsement 116

Please review this policy in its entirety. In the event that you find any discrepancy, or if you have any questions
regarding your final title policy, you may contact Commercial Title Dept..

Phone: 303-636-2773 Fax: 303-755-7957

Please refer to our Order No. ABJ70104319.

Should you decide to sell the property described in this policy, or if you are required to purchase a new title
commitment for mortgage purposes, you may be entitled to a credit toward future title insurance premiums.
Land Title Guarantee Company will retain a copy of this policy so we will be able to provide future products
and services to you quickly and efficiently.

Thank you for giving us the opportunity to serve you.

Sincerely,

Land Title Guarantee Company

American Land Title Association
OWNER'S POLICY
(10-17-92)

CHICAGO TITLE INSURANCE COMPANY

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, CHICAGO TITLE INSURANCE COMPANY, a Missouri corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations. IN WITNESS WHEREOF, the said CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed as of Date of Policy shown in Schedule A, the policy to become valid when countersigned by an authorized signatory.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

CHICAGO TITLE INSURANCE COMPANY

Issued through the Office of:
LAND TITLE GUARANTEE COMPANY
3033 E 1ST AVE #600
DENVER, CO 80206
303-636-2773

Carol M. Mueller
Authorized Signature



Grant M. Miller
Tom C. J.

CONDITIONS AND STIPULATIONS

1. Definition of Terms.

The following terms when used in this policy mean:

- (a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.
- (b) "insured claimant": an insured claiming loss or damage.
- (c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.
- (d) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.
- (e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions from Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.
- (g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. Continuation of Insurance After Conveyance of Title.

The following coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. Notice of Claim to be Given by Insured Claimant.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. Defense and Prosecution of Actions: Duty of Insured Claimant to Cooperate.

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. Proof of Loss or Damage.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.

6. Options to Pay or Otherwise Settle Claims: Termination of Liability.

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (b)(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

7. Determination, Extent of Liability and Coinsurance.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or,

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or

(ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. Apportionment.

If the land described in Schedule A consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. Limitation of Liability.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. Reduction of Insurance; Reduction or Termination of Liability.

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. Liability Noncumulative.

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. Payment of Loss.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. Subrogation Upon Payment of Settlement.

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against Non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. Arbitration.

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance of \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorney's fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules. A copy of the Rules may be obtained from the Company upon request.

15. Liability Limited to this Policy; Policy Entire Contract.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. Severability.

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

17. Notices, Where Sent.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at the issuing office or to:

Chicago Title Insurance Company
Claims Department
171 North Clark Street
Chicago, Illinois 60601-3294

Form AO/CHI

Chicago Policy No. 72106-1379266

Our Order No. ABJ70104319

Schedule A

Amount \$3,556,000.00

Property Address: 5080 NORTH TODD ROAD

1. Policy Date: October 14, 2005 at 5:00 P.M.

2. Name of Insured:

BCX DEVELOPMENT PARTNERS, INC., A COLORADO CORPORATION

3. The estate or interest in the land described or referred to in this Schedule and which is covered by this policy is:

A FEE SIMPLE AS TO PARCEL A, AND AN EASEMENT INTEREST AS TO PARCEL B

4. Title to the estate or interest covered by this policy at the date hereof is vested in:

BCX DEVELOPMENT PARTNERS, INC., A COLORADO CORPORATION

5. The land referred to in this policy is described as follows:

LOTS 1 THROUGH 15, BLOCK 1
 LOTS 1 THROUGH 4, BLOCK 2
 LOTS 1 THROUGH 11, BLOCK 3
 LOTS 1 THROUGH 12, BLOCK 4
 LOTS 1 THROUGH 7, BLOCK 5
 LOTS 1 THROUGH 5, BLOCK 6
 LOT 1 THROUGH 11, BLOCK 7
 LOTS 1 THROUGH 31, BLOCK 8 AND
 LOTS 1 THROUGH 6, BLOCK 9
 JORDAN CROSSING FILING NO. 1, COUNTY OF DOUGLAS STATE OF COLORADO.

This Policy valid only if Schedule B is attached.

Land Title Guarantee Company
 Representing Chicago Title Insurance Company

Form AO/CHI

Chicago Policy No. 72106-1379266

Our Order No. ABJ70104319

Schedule B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

General Exceptions:

1. Rights or claims of parties in possession not shown by the public records.
2. Easements, or claims of easements, not shown by the public records.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts which a correct survey and inspection of the premises would disclose and which are not shown by the public records.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. TAXES AND ASSESSMENTS FOR THE YEAR 2005 AND SUBSEQUENT YEARS.
6. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN NON-TRIBUTARY GROUND WATER CONSENT LANDOWNERSHIP STATEMENT RECORDED MAY 18, 2004 UNDER RECEPTION NO. 2004050796, AND AS RE-RECORDED SEPTEMBER 2, 2005 UNDER RECEPTION NO. 2005083586.
7. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN NON-TRIBUTARY GROUND WATER CONSENT LANDOWNERSHIP STATEMENT RECORDED MAY 18, 2004 UNDER RECEPTION NO. 2004050797, AND AS RE-RECORDED SEPTEMBER 2, 2005 UNDER RECEPTION NO. 2005083587.
8. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN NON-TRIBUTARY GROUND WATER CONSENT LANDOWNERSHIP STATEMENT RECORDED MAY 18, 2004 UNDER RECEPTION NO. 2004050798, AND AS RE-RECORDED SEPTEMBER 2, 2005 UNDER RECEPTION NO. 2005083588.
9. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN NON-TRIBUTARY GROUND WATER CONSENT LANDOWNERSHIP STATEMENT RECORDED MAY 18, 2004 UNDER RECEPTION NO. 2004050799, AND AS RE-RECORDED SEPTEMBER 2, 2005 UNDER RECEPTION NO. 2005083589.
10. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN REAL PROPERTY INCLUSION AGREEMENT RECORDED MAY 18, 2004 UNDER RECEPTION NO. 2004050801.

Form AO/CHI

Chicago Policy No. 72106-1379266

Our Order No. ABJ70104319

Schedule B

11. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN MEMORANDUM OF UNDERSTANDING RECORDED MAY 18, 2004 UNDER RECEPTION NO. 2004050802.
12. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN JORDAN CROSSING ANNEXATION AGREEMENT RECORDED SEPTEMBER 09, 2004 UNDER RECEPTION NO. 2004094549, AND AS RE-RECORDED DECEMBER 17, 2004 UNDER RECEPTION NO. 2004128004.
13. ORDINANCE NO. 2.147, SERIES OF 2004, RELATING TO ANNEXATION RECORDED DECEMBER 17, 2004 UNDER RECEPTION NO. 2004128002.
14. JORDAN CROSSING ANNEXATION MAP TO THE TOWN OF PARKER RECORDED DECEMBER 17, 2004 UNDER RECEPTION NO. 2004128003.
15. ORDINANCE NO. 3.128, SERIES OF 2004, RELATING TO ZONING RECORDED DECEMBER 17, 2004 UNDER RECEPTION NO. 2004128005.
16. JORDAN CROSSING DEVELOPMENT PLAN RECORDED DECEMBER 17, 2004 UNDER RECEPTION NO. 2004128006.
17. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN SPECIAL WARRANTY DEED RECORDED MAY 18, 2004 UNDER RECEPTION NO. 2004050800, AND AS RE-RECORDED SEPTEMBER 2, 2005 UNDER RECEPTION NO. 2005083590.
18. TERMS, CONDITIONS AND PROVISIONS OF LICENSE AGREEMENT DATED SEPTEMBER 27, 2005 BY AND BETWEEN BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS AND AMERIWEST COMMUNITIES, LLC RECORDED SEPTEMBER 28, 2005 UNDER RECEPTION NO. 2005092850.
19. MEMORANDUM OF AGREEMENT BY AND BETWEEN BCX DEVELOPMENT PARTNERS, INC., A COLORADO CORPORATION AND MORRISON HOMES OF COLORADO, INC., A COLORADO CORPORATION RECORDED OCTOBER 14, 2005 UNDER RECEPTION NO. 2005099275.
20. DEED OF TRUST DATED OCTOBER 07, 2005, FROM BCX DEVELOPMENT PARTNERS, INC., A COLORADO CORPORATION TO THE PUBLIC TRUSTEE OF DOUGLAS COUNTY FOR THE USE OF HORIZON BANKS N.A. TO SECURE THE SUM OF \$6,100,000.00 RECORDED OCTOBER 14, 2005, UNDER RECEPTION NO. 2005099271.

Form AO/CHI

Chicago Policy No. 72106-1379266

Our Order No. ABJ70104319

Schedule B

DISBURSER'S NOTICE IN CONNECTION WITH SAID DEED OF TRUST WAS RECORDED
OCTOBER 14, 2005, UNDER RECEPTION NO. 2005099272.

21. DEED OF TRUST DATED OCTOBER 07, 2005, FROM BCX DEVELOPMENT PARTNERS, INC.,
A COLORADO CORPORATION TO THE PUBLIC TRUSTEE OF DOUGLAS COUNTY FOR THE USE
OF RESPOND CORP., A COLORADO CORPORATION TO SECURE THE SUM OF \$800,000.00
RECORDED OCTOBER 14, 2005, UNDER RECEPTION NO. 2005099274.
22. TERMS, CONDITIONS AND PROVISIONS OF ASSIGNMENT OF LAND SALE CONTRACT BY AND
BETWEEN BCX DEVELOPMENT PARTNERS, INC., A COLORADO CORPORATION AND HORIZON
BANKS, N.A. RECORDED OCTOBER 14, 2005 UNDER RECEPTION NO. 2005099273

ITEM NOS. 1 THROUGH 3 OF THE GENERAL EXCEPTIONS ARE HEREBY DELETED.

ITEM NO. 4 OF THE GENERAL EXCEPTIONS IS DELETED AS TO ANY LIENS RESULTING
FROM WORK OR MATERIAL CONTRACTED FOR OR FURNISHED AT THE REQUEST OF ROBERT
L. HARRIS, JR AND WANDA M. HARRIS AND RICHARD A. HARRIS.
CHICAGO TITLE INSURANCE COMPANY SHALL HAVE NO LIABILITY FOR ANY LIENS
ARISING FROM WORK OR MATERIAL FURNISHED AT THE REQUEST OF BCX DEVELOPMENT
PARTNERS, INC., A COLORADO CORPORATION.

OFFICIAL RECORDS
DOUGLAS COUNTY CO
CAROLE R. MURRAY
CLERK & RECORDER
RECORDING FEE: \$31.00
DOCUMENT FEE: \$355.60
TD1000: YES 6 PGS
2005099270
10/14/2005 03:35 PM

SPECIAL WARRANTY DEED



THIS DEED, made as of this 7th day of October, 2005, is by and between AMERIWEST COMMUNITIES L.L.C., a company, whose address is 2260 Xanadu Way, Suite #240, Aurora, Colorado 80014 ("Grantor"), and BCX DEVELOPMENT PARTNERS, INC. a Colorado corporation, whose address is 7108 S. Alton Way, Building M, Englewood, Colorado 80112 ("Grantee").

WITNESSETH, that Grantor, for and in consideration of the sum of Ten Dollars and no cents (\$10.00) to Grantor in hand paid by Grantee, the receipt whereof is hereby confessed and acknowledged, has granted, bargained, sold and conveyed and by these presents does grant, bargain, sell, convey and confirm unto Grantee, its heirs, successors and assigns forever, the real property situate in the County of Douglas, State of Colorado, and more particularly described in Exhibit A attached hereto and incorporated herein (hereinafter "the Real Property"),

TOGETHER with all and singular the hereditaments and appurtenances thereunto belonging, or in any wise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever of Grantor, either in law or equity, together with all of Seller's right, title and interest, if any, in and to all oil and gas rights, all minerals and mineral rights, and all other hydrocarbon substances, and all air rights appurtenant to the Real Property, all easements, if any, benefiting the Real Property, and all rights and appurtenances pertaining to the foregoing, including any right, title and interest of Seller in and to streets, gores, alleys or rights-of-way lying adjacent to the Real Property, with the hereditaments and appurtenances (collectively, the "Property")

TO HAVE AND TO HOLD the Property above bargained and described, with the appurtenances unto Grantee, its heirs, successors and assigns forever. And Grantor, for itself, its successors and assigns, does covenant, grant, bargain and agree to and with Grantee, its heirs, successors and assigns, that at the time of the ensealing and delivery of these presents it is well seized of the Property, as of good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form aforesaid, and that the same is free and clear from all former and other grants, bargains, sales, liens, taxes, assessments and encumbrances of whatever kind or nature soever except general taxes and assessments for the current year and all subsequent years; and except for those matters shown on Exhibit B attached hereto and incorporated herein; and the above bargained premises in the quiet and peaceable possession of Grantee, its successors and assigns, will warrant or forever defend against any party claiming by, through or under Grantor.



PR 70104319

STATE DOCUMENT FEE

Date 10/10

\$ 355.60

EXHIBIT

Our Order No. ABJ70104319-19

EXISTING LEASES AND TENANCIES, IF ANY.

(ITEM INTENTIONALLY DELETED)

(ITEM INTENTIONALLY DELETED)

(ITEM INTENTIONALLY DELETED)

TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN
NON-TRIBUTARY GROUND WATER CONSENT LANDOWNERSHIP STATEMENT RECORDED
May 18, 2004 UNDER RECEPTION NO. 2004050796, AND AS RE-RECORDED
SEPTEMBER 2, 2005 UNDER RECEPTION NO. 2005083586.

TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN
NON-TRIBUTARY GROUND WATER CONSENT LANDOWNERSHIP STATEMENT RECORDED
May 18, 2004 UNDER RECEPTION NO. 2004050797, AND AS RE-RECORDED
SEPTEMBER 2, 2005 UNDER RECEPTION NO. 2005083587.

TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN
NON-TRIBUTARY GROUND WATER CONSENT LANDOWNERSHIP STATEMENT RECORDED
May 18, 2004 UNDER RECEPTION NO. 2004050798, AND AS RE-RECORDED
SEPTEMBER 2, 2005 UNDER RECEPTION NO. 2005083588.

TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN
NON-TRIBUTARY GROUND WATER CONSENT LANDOWNERSHIP STATEMENT RECORDED
May 18, 2004 UNDER RECEPTION NO. 2004050799, AND AS RE-RECORDED
SEPTEMBER 2, 2005 UNDER RECEPTION NO. 2005083589.

(ITEM INTENTIONALLY DELETED)

TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN
REAL PROPERTY INCLUSION AGREEMENT RECORDED May 18, 2004 UNDER
RECEPTION NO. 2004050801.

TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN
MEMORANDUM OF UNDERSTANDING RECORDED May 18, 2004 UNDER RECEPTION
NO. 2004050802.

TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN
JORDAN CROSSING ANNEXATION AGREEMENT RECORDED September 09, 2004
UNDER RECEPTION NO. 2004094549, AND AS RE-RECORDED DECEMBER 17, 2004
UNDER RECEPTION NO. 2004128004.

ORDINANCE NO. 2.147, SERIES OF 2004, RELATING TO ANNEXATION RECORDED
DECEMBER 17, 2004 UNDER RECEPTION NO. 2004128002.

JORDAN CROSSING ANNEXATION MAP TO THE TOWN OF PARKER RECORDED DECEMBER
17, 2004 UNDER RECEPTION NO. 2004128003.

EXHIBIT

Our Order No. ABJ70104319-19

(ITEM INTENTIONALLY DELETED)

ORDINANCE NO. 3.128, SERIES OF 2004, RELATING TO ZONING RECORDED
DECEMBER 17, 2004 UNDER RECEPTION NO. 2004128005.

JORDAN CROSSING DEVELOPMENT PLAN RECORDED DECEMBER 17, 2004 UNDER
RECEPTION NO. 2004128006.

TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN
QUIT CLAIM DEED RECORDED July 13, 2005 UNDER RECEPTION NO.
2005063896.

UPON THE CLOSING OF THIS TRANSACTION AND SATISFACTION OF THE
REQUIREMENTS SET FORTH ABOVE IN THIS COMMITMENT, THIS ITEM SHALL BE
DELETED AND WILL NOT APPEAR ON THE POLICY.

TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN
ASSIGNMENT OF ENTITLEMENT DOCUMENTS RECORDED July 13, 2005 UNDER
RECEPTION NO. 2005063897.

UPON THE CLOSING OF THIS TRANSACTION AND SATISFACTION OF THE
REQUIREMENTS SET FORTH ABOVE IN THIS COMMITMENT, THIS ITEM SHALL BE
DELETED AND WILL NOT APPEAR ON THE POLICY.

TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN
ASSIGNMENT OF CONTRACT RIGHTS RECORDED July 13, 2005 UNDER RECEPTION
NO. 2005063898.

UPON THE CLOSING OF THIS TRANSACTION AND SATISFACTION OF THE
REQUIREMENTS SET FORTH ABOVE IN THIS COMMITMENT, THIS ITEM SHALL BE
DELETED AND WILL NOT APPEAR ON THE POLICY.

TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN
MEMORANDUM OF AGREEMENT RECORDED July 13, 2005 UNDER RECEPTION NO.
2005063895.

UPON THE CLOSING OF THIS TRANSACTION AND SATISFACTION OF THE
REQUIREMENTS SET FORTH ABOVE IN THIS COMMITMENT, THIS ITEM SHALL BE
DELETED AND WILL NOT APPEAR ON THE POLICY.

TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN
SPECIAL WARRANTY DEED RECORDED May 18, 2004 UNDER RECEPTION NO.
2004050800, AND AS RE-RECORDED SEPTEMBER 2, 2005 UNDER RECEPTION NO.
2005083590.

ANY RIGHTS OR INTERESTS WHICH MAY EXIST OR ARISE BY REASON OF THE
FOLLOWING FACTS SHOWN ON ALTA/ACSM LAND TITLE SURVEY DATED July 25,
2002 AND ACCOMPANYING SURVEYOR AFFIDAVIT DATED SEPTEMBER 27, 2005,

EXHIBIT

Our Order No. ABJ70104319-19

PREPARED BY THOMAS W. NICHOLAS ON BEHALF OF THE KEITH COMPANIES, AS
FOLLOWS:

A. UTILITY POLES

B. FENCE LINE

UPON THE RECORDATION OF THE PLAT, AS SET FORTH IN REQUIREMENT 6
ABOVE, THIS ITEM SHALL BE DELETED AND WILL NOT APPEAR ON THE POLICY.

MEMORANDUM OF AGREEMENT BY AND BETWEEN BCX DEVELOPMENT PARTNERS, INC.
, A COLORADO CORPORATION AND MORRISON HOMES OF COLORADO, INC., A
COLORADO CORPORATION RECORDED _____ UNDER
RECEPTION NO. _____.

BCX DEVELOPMENT PARTNERS INC.

7108 S. Alton Way, Bldg. M
Englewood, CO 80112

January 11, 2006

Town Council
Town of Parker
20120 E. Mainstreet
Parker, CO 80138

Re: Proposed Jordan Crossing Metropolitan District

Ladies and Gentlemen:

The undersigned is a property owner within the boundaries of the proposed Jordan Crossing Metropolitan District, and hereby consents to the formation of the proposed district and to the inclusion of such property within the boundaries of the proposed district.

Very truly yours,

BCX DEVELOPMENT PARTNERS, a
Colorado corporation

By:



Name: Thomas J. Brinkman, II

Its: Vice President

EXHIBIT D

Capital Plan and Engineer's Certificate

**JORDAN CROSSING
BCX DEVELOPMENT PARTNERS INC.
DISTRICT ELIGIBLE BUDGET**

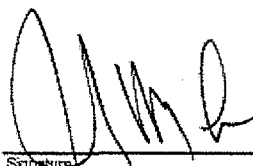
**District Budget Summary
March 8, 2006**

Category	Total District Cost
Sanitary Sewer System	\$ 242,149
Water Systems	\$ 319,549
Streets	\$ 1,427,919
Parks & Landscaping	\$ 151,007
Professional Services	\$ 256,875
Contingency	\$ 119,875
Total Cost	\$ 2,517,374

¹ Storm Drainage is incorporated into the Streets category.

NOTE: This estimate of probable construction cost is made on the basis of the Engineer's experience and qualifications using estimated quantities and represents the Engineer's best judgement as an experienced and qualified engineer familiar with the construction industry. This estimate has been prepared based upon Town of Parker standards and in the Engineer opinion these costs are reasonable.

Endorsed by:



3/8/06

Signature

Date

Joseph M. Culkin P.E.

Jordan Crossing Metropolitan District Engineer

PREPARED BY

NOLTE
BEYOND ENGINEERING

3/8/2006

**JORDAN CROSSING
OVERALL PROJECT BUDGET**

District Eligible Improvements

Item Description	Unit	Quantity	Unit Price	Total Cost
I. SANITARY SEWER SYSTEM				
8" PVC Pipe SDR-35	LF	4,887.00	\$ 27.00	\$ 131,949.00
Connect To Existing	EA	2.00	\$ 1,000.00	\$ 2,000.00
4' Dia. Manhole	EA	40.00	\$ 2,300.00	\$ 92,000.00
4' Dia. Manhole Extra Depth	VF	135.00	\$ 120.00	\$ 16,200.00
TOTAL SANITARY SEWER SYSTEM:				\$ 242,149.00
II. WATER SYSTEM				
8" PVC	LF	5,480.00	\$ 27.00	\$ 147,960.00
12" PVC	LF	829.00	\$ 42.00	\$ 34,818.00
8" Gate Valve	EA	39.00	\$ 885.00	\$ 34,515.00
8" x 8" Tee / Cross	EA	9.00	\$ 650.00	\$ 5,850.00
8" ARV	EA	1.00	\$ 4,000.00	\$ 4,000.00
Fire Hydrant Assembly	EA	14.00	\$ 3,763.00	\$ 52,682.00
Water Testing	LF	6,309.00	\$ 1.05	\$ 6,624.45
Water Line Lowerings	EA	6.00	\$ 2,000.00	\$ 12,000.00
8" Bends	EA	38.00	\$ 450.00	\$ 17,100.00
Connect to Existing	EA	1.00	\$ 4,000.00	\$ 4,000.00
TOTAL WATER SYSTEM:				\$ 319,549.45
III. STREETS				
III.A. STREETS				
CONCRETE CURB, GUTTER & SIDEWALK				
10 ft Meandering Sidewalk 6" Thick	SF	10,120.00	\$ 4.00	\$ 40,480.00
5' Detached Walk	SF	39,088.00	\$ 3.00	\$ 117,264.00
5' Detached Walk	SF	7,463.00	\$ 3.00	\$ 22,389.00
Park Sidewalk	SF	5,122.00	\$ 4.00	\$ 20,488.00
6" Curb & Gutter	LF	2,636.00	\$ 13.00	\$ 34,268.00
Curb Ramps	EA	12.00	\$ 1.00	\$ 12.00
Median Curb	LF	1,859.00	\$ 10.00	\$ 18,590.00
Mountable Curb & Gutter	LF	9,015.00	\$ 11.00	\$ 99,165.00
Curb Ramps	EA	14.00	\$ 1,100.00	\$ 15,400.00
Mid Block Ramps	EA	7.00	\$ 850.00	\$ 5,950.00
Remove Curb & Gutter	LF	1,100.00	\$ 5.00	\$ 5,500.00
Crosspan	SF	4,763.00	\$ 6.00	\$ 28,578.00
Traffic Control	LS	1.00	\$ 20,000.00	\$ 20,000.00
TOTAL CONCRETE CURB, GUTTER & SIDEWALK:				\$ 428,084.00
PAVING				
Subgrade Prep Arterial Streets	SY	7,834.00	\$ 1.15	\$ 9,009.10
Subgrade Prep	SY	14,731.00	\$ 1.15	\$ 16,940.65
Asphalt Paving HBP - Street 9" Depth Arterial	SY	7,302.00	\$ 20.97	\$ 153,122.94
Asphalt Paving HBP - Street 6" Depth	SY	14,731.00	\$ 13.98	\$ 205,939.38
Adjust Manholes to Grade	EA	41.00	\$ 380.00	\$ 15,580.00
Adjust Valves to Grade	EA	39.00	\$ 160.00	\$ 6,240.00
Lime Treatment	LS	1.00	\$ 210,000.00	\$ 210,000.00
Range Boxes	EA	27.00	\$ 250.00	\$ 6,750.00
Signs	EA	31.00	\$ 300.00	\$ 9,300.00
Striping	LS	1.00	\$ 10,000.00	\$ 10,000.00
Street Lights	EA	14.00	\$ 4,000.00	\$ 56,000.00
Traffic Control	LS	1.00	\$ 10,000.00	\$ 10,000.00
TOTAL PAVING:				\$ 708,882.07

District Eligible Improvements

Item Description	Unit	Quantity	Unit Price	Total Cost
III.B. STORM DRAINAGE SYSTEM				
15" RCP	LF	105.00	\$ 30.00	\$ 3,150.00
18" RCP	LF	777.00	\$ 30.00	\$ 23,310.00
24" RCP	LF	529.00	\$ 36.00	\$ 19,044.00
30" RCP	LF	119.00	\$ 45.00	\$ 5,355.00
36" RCP	LF	302.00	\$ 55.00	\$ 16,610.00
4 ft Dia. Std. Manhole	EA	7.00	\$ 1,800.00	\$ 12,600.00
5 ft Dia. Std. Manhole	EA	4.00	\$ 2,200.00	\$ 8,800.00
Outlet Box	EA	1.00	\$ 10,000.00	\$ 10,000.00
Concrete Headwall	EA	1.00	\$ 6,000.00	\$ 6,000.00
Type M Rip Rap	CY	379.00	\$ 66.00	\$ 25,014.00
Grouted Type M Rip Rap	CY	167.00	\$ 110.00	\$ 18,370.00
Trickle Channel	LF	200.00	\$ 27.00	\$ 5,400.00
5-foot Type C Inlet	EA	5.00	\$ 2,200.00	\$ 11,000.00
5-foot Type R Inlet	EA	7.00	\$ 2,400.00	\$ 16,800.00
10-foot Type R Inlet	EA	2.00	\$ 3,700.00	\$ 7,400.00
18" FES w/ Grate	EA	2.00	\$ 1,500.00	\$ 3,000.00
24" FES w/ Grate	EA	1.00	\$ 1,600.00	\$ 1,600.00
30" FES w/ Grate	EA	1.00	\$ 2,000.00	\$ 2,000.00
36" FES w/ Grate	EA	2.00	\$ 2,000.00	\$ 4,000.00
10' Crushed Aggregate Path	SF	400.00	\$ 2.00	\$ 800.00
Check Structures	EA	9.00	\$ 7,000.00	\$ 63,000.00
Vehicle Tracking Control	EA	2.00	\$ 1,000.00	\$ 2,000.00
Temporary Seeding on Lots	AC	15.00	\$ 725.00	\$ 10,875.00
Check Dams (Straw Bale)	EA	12.00	\$ 350.00	\$ 4,200.00
Inlet Protection	EA	14.00	\$ 350.00	\$ 4,900.00
Silt Fence	LF	4,580.00	\$ 1.25	\$ 5,725.00
TOTAL STORM DRAINAGE SYSTEM:				\$ 290,953.00
TOTAL STREETS:				\$ 1,427,919.07
VIII. LANDSCAPING				
Irrigated Native Seed, Shrubs, Trees, Etc	SF	130,173.00	\$ 0.50	\$ 65,086.50
Mulch Bed Area	SF	43,936.00	\$ 1.25	\$ 54,920.00
Play Ground Equipment	LS	1.00	\$ 31,000.00	\$ 31,000.00
TOTAL LANDSCAPING				\$ 151,006.50
TOTAL CONSTRUCTION:				\$ 2,140,624.02
IX. PROFESSIONAL SERVICES*				
Geotechnical Services	2.0%	\$		\$ 42,812.48
Survey	2.0%	\$		\$ 42,812.48
Construction Management	4.0%	\$		\$ 85,624.96
Design Engineering	4.0%	\$		\$ 85,624.96
TOTAL PROFESSIONAL SERVICES:				\$ 256,874.88
X. CONTINGENCY				
Contingency	5.0%	\$		\$ 119,874.95
TOTAL CONTINGENCY:				\$ 119,874.95
TOTAL COMPREHENSIVE DISTRICT:				\$ 2,517,373.85

JORDAN CROSSING OVERALL PROJECT BUDGET

Notes and Assumptions

General Notes/Assumptions

- 1 Budget and Quantities based on the Construction Plans for Jordan Crossing Filing No. 1 plan set by MMC Engineering Inc, Approved 11-02-5
- 2 No Grading was incorporated in the Total District Costs.
- 3 Costs were based on project bid costs, historical data, BCX price information, and current pricing from various contractors.
- 4 Mobilization, bond and permits costs are included in the unit prices.
- 5 No Development, Annexation, Inclusion Fees or Refunds were used in this budget.

Grading

- 1 No Grading costs were incorporated into the District cost analysis.
- 2 Lots were assumed to be temporarily seed upon completion of grading.

Streets

- 1 Quantities were based on takeoffs performed by Nolte Associates Inc. from the Approved Plans
- 2 Used 9" pavement depth for arterials and 6" pavement depths for local streets based on bid estimates received for the project. Final Pavement depth will be determined by a professional geotechnical Engineer.

Landscaping

- 1 The district streetscape areas include the areas along Jordan Road and the entrances into the site only.
- 2 The remaining district landscape improvements included are the park area and open space area. These improvements exclude any turf areas.
- 3 The estimate for Landscape improvements was provided by Tim Dunn and Associates dated 6/2/05

Professional Services / Contingency

- 1 Professional Services are estimated at 12% of construction Costs
- 2 Contingency is estimated at 5% of construction costs

EXHIBIT E

Maps Depicting Public Improvements

Including:

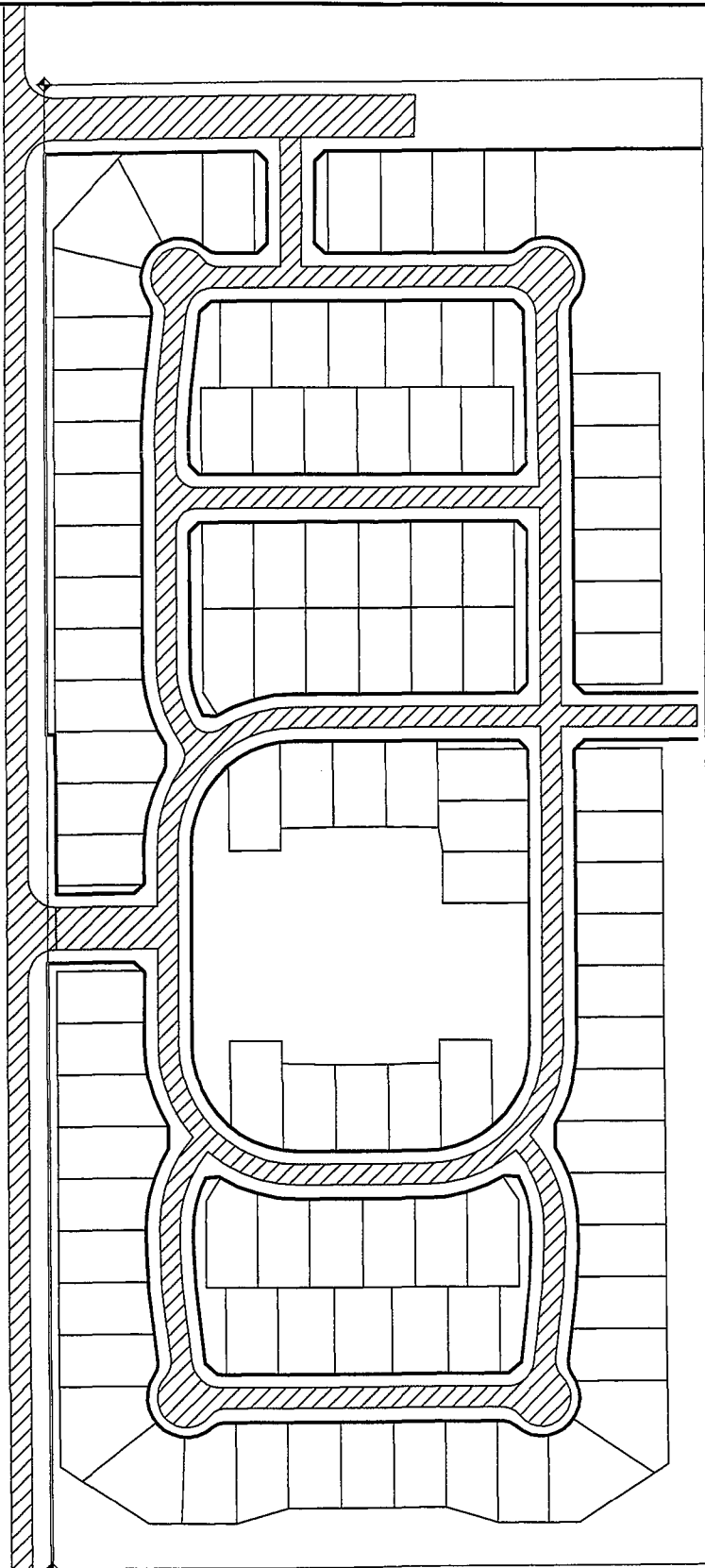
Street Improvements

Sanitary Sewer Improvements

Water Improvements

Storm Sewer Improvements

Landscape Improvements



 DISTRICT
STREETS



1 inch = 200 ft.

NOLTE

BEYOND ENGINEERING

8000 S. Chester Street, Suite 200
303.220.8400 TEL. 303.220.9001 FAX

Centennial, CO 80112
WWW.NOLTE.COM

**JORDAN CROSSING METRO. DIST.
DISTRICT SERVICE PLAN
STREET IMPROVEMENTS MAP**

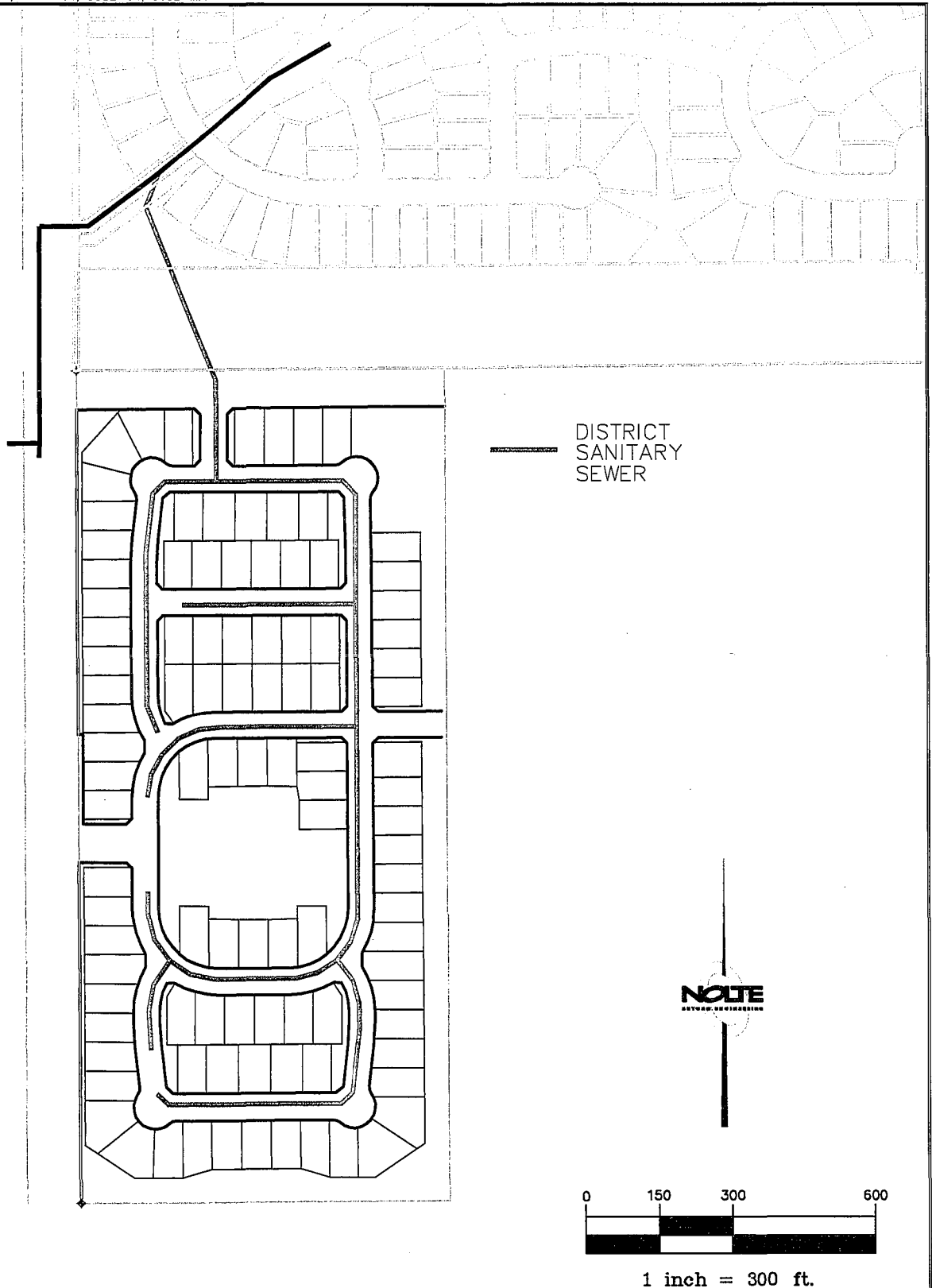
PREPARED FOR: BCX Development Partners Inc. DATE SUBMITTED: Jan. 2006

SHEET NUMBER

3

OF 7 SHEETS

JOB NUMBER
DVB020300



NOLTE

BEYOND ENGINEERING

8000 S. Cheater Street, Suite 200
 303.220.6400 TEL. 303.220.9001 FAX

Centennial, CO 80112
 WWW.NOLTE.COM

**JORDAN CROSSING METRO. DIST.
 DISTRICT SERVICE PLAN
 SANITARY SEWER IMPROVEMENTS MAP**

PREPARED FOR: BCX Development Partners Inc. DATE SUBMITTED: Jan. 2006

SHEET NUMBER

4

OF 7 SHEETS

JOB NUMBER
 DVB020300

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TIME: 4:24:55 PM

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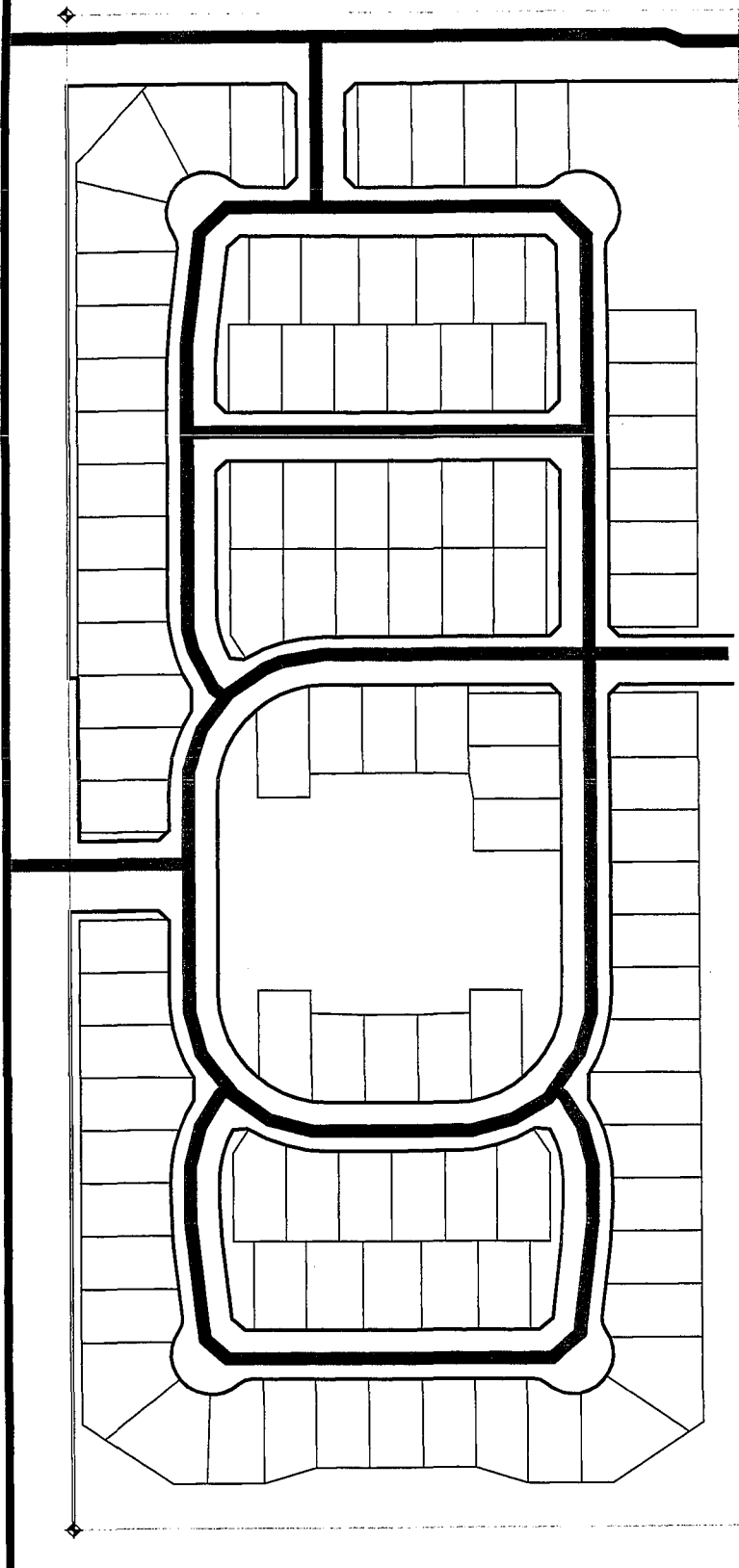
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DRAWING NAME: ET-WT 3-08-06.DWG

XREFS: 508BNDY, 508P-MA, 508P-PN, 508P-UT, 508E-UT



— DISTRICT
WATER

— EXISTING
WATER

NOLTE
BEYOND ENGINEERING



1 inch = 200 ft.

NOLTE

BEYOND ENGINEERING

8000 S. Chester Street, Suite 200
303.220.6400 TEL. 303.220.9001 FAX

Centennial, CO 80112
WWW.NOLTE.COM

**JORDAN CROSSING METRO. DIST.
DISTRICT SERVICE PLAN
WATER IMPROVEMENTS MAP**

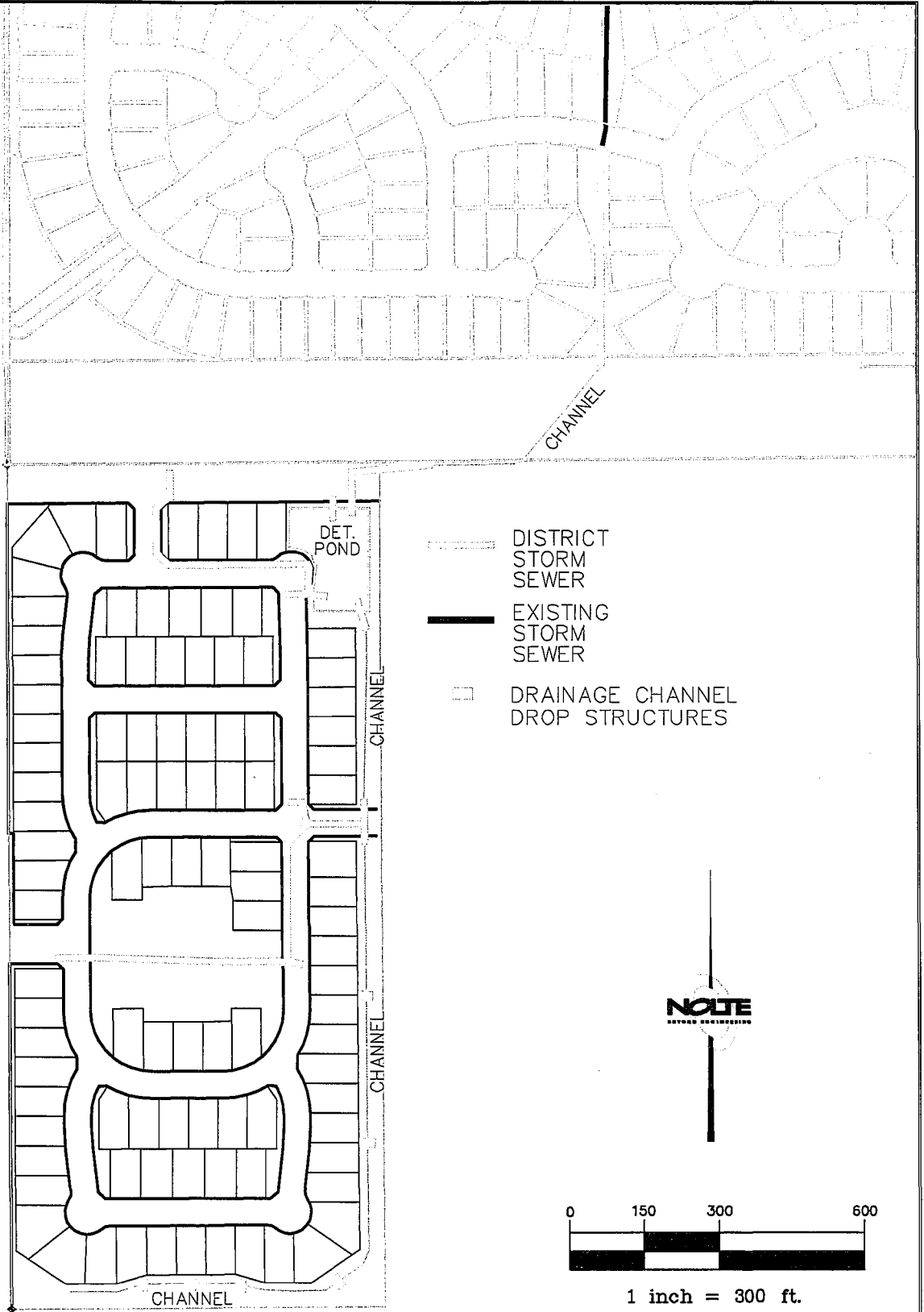
PREPARED FOR: BCX Development Partners Inc. DATE SUBMITTED: Jan. 2006

SHEET NUMBER

5

OF 7 SHEETS

JOB NUMBER
DVB020300



NOLTE
 BEYOND ENGINEERING

8000 S. Chester Street, Suite 200
 303.220.6400 TEL. 303.220.9001 FAX

Centennial, CO 80112
 WWW.NOLTE.COM

**JORDAN CROSSING METRO. DIST.
 DISTRICT SERVICE PLAN
 STORM SEWER IMPROVEMENTS MAP**

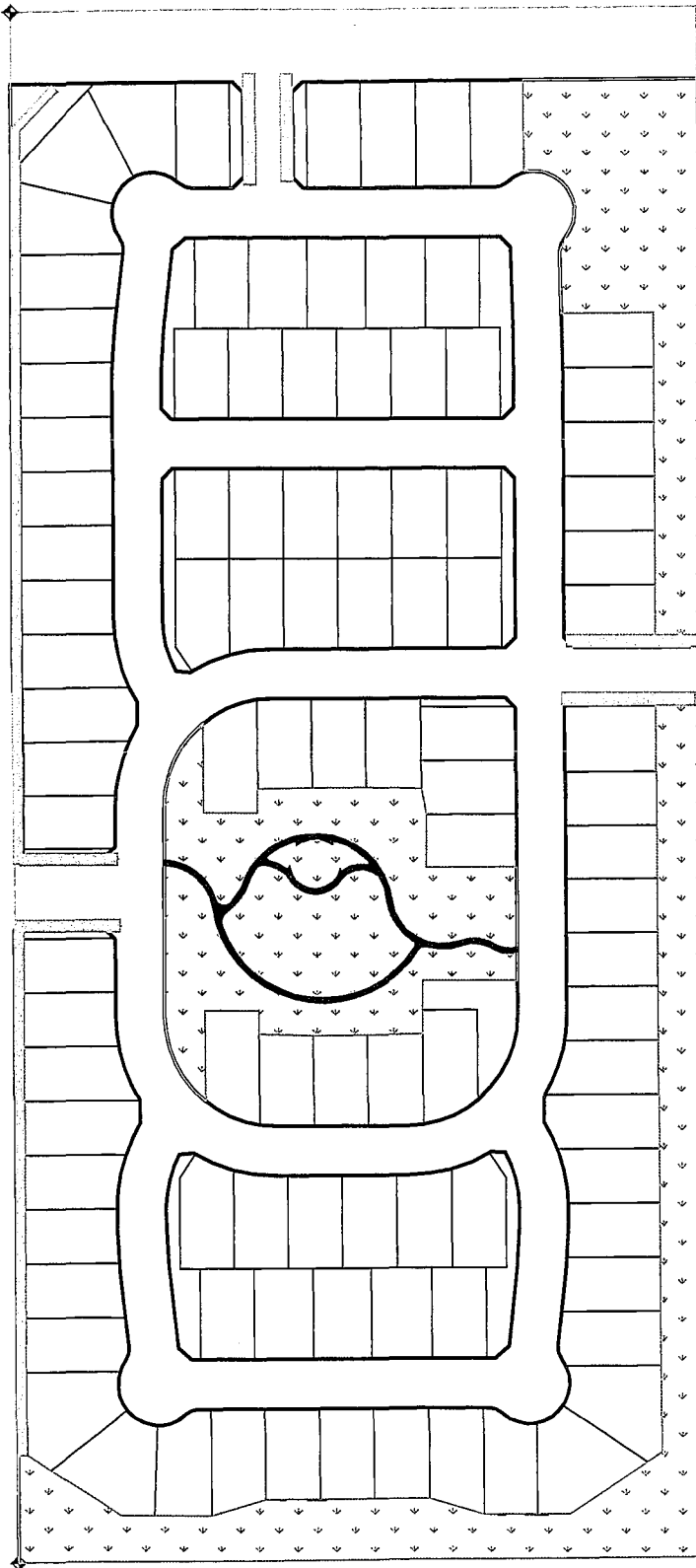
PREPARED FOR: BCX Development Partners Inc. DATE SUBMITTED: Mar. 2006

SHEET NUMBER

6

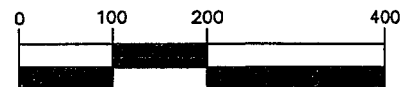
OF 7 SHEETS

JOB NUMBER
 DVB020300



-  DISTRICT
TREE
LAWN
-  DISTRICT
TRAIL
-  DISTRICT
LANDSCAPE
IMPROVEMENTS

NOLTE
 BEYOND ENGINEERING



1 inch = 200 ft.

NOLTE

BEYOND ENGINEERING

8000 S. Chester Street, Suite 200
 303.220.6400 TEL 303.220.9001 FAX

Centennial, CO 80112
 WWW.NOLTE.COM

**JORDAN CROSSING METRO. DIST.
 DISTRICT SERVICE PLAN
 LANDSCAPE IMPROVEMENTS MAP**

PREPARED FOR: BCX Development Partners Inc. DATE SUBMITTED: Jan. 2006

SHEET NUMBER

7

OF 7 SHEETS

JOB NUMBER
 DVB020300

EXHIBIT F

Financial Plan

**Jordan Crossing Metropolitan District
Forecasted Statement of Sources
and Uses of Cash**

**For the Years Ending
December 31, 2006 through 2040**



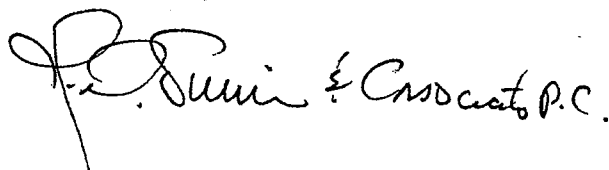
J.W. Simmons & Associates, P.C.

Certified Public Accountants

To the Petitioners of the Proposed
Jordan Crossing Metropolitan District
Parker, Colorado

We have compiled the accompanying forecasted statements of sources and uses of cash of the proposed Jordan Crossing Metropolitan District (Exhibit I), the related projected debt service schedule (Exhibit II) and an analysis of absorption, development fees and assessed values (Exhibit III) for the years ending December 31, 2006 through 2040, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.



February 17, 2006

Jordan Crossing Metropolitan District

Summary of Significant Assumptions and Accounting Policies December 31, 2006 through 2040

The foregoing forecast presents, to the best of the Developer's knowledge and belief, the expected cash receipts and disbursements for the forecast period. Accordingly, the forecast reflects its judgement as of February 17, 2006. The assumptions disclosed herein are those that the Developer believes are significant to the forecast. There will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The purpose of this forecast is to show the amount of funds available for District operations, capital improvements and debt retirement with the issuance of a proposed bond issue totaling \$1,370,000 in 2006.

Note 1: Ad Valorem Taxes

The primary source of revenue for the District will be the collection of ad valorem taxes. Residential property is projected to be assessed at 7.96% of market values. Market values for 102 single family homes are estimated to average \$360,000 as of 2006. Finished lots are projected at 10% of completed market values per lot. Market values are projected to inflate at 2% per year. All property is assumed to inflate at 2% biennially thereafter. Exhibit III details the projected absorption, market values and related assessed values.

Property is assumed to be assessed annually as of January 1st. Property included in this forecast is assumed to be assessed on the January 1st subsequent to completion. The forecast recognizes the related property taxes as revenue in the subsequent year.

The County Treasurer currently charges a 1.5% fee for the collection of property taxes. These charges are reflected in the accompanying forecast as a reduction to the property tax revenue.

The mill levy imposed by the Districts are proposed to equal 13.00 mills for operations and 29.00 mills for debt service for a total levy of 42.00 mills.

The forecast assumes that Specific Ownership Taxes collected on motor vehicle registrations will be 10% of property taxes collected. It is projected that the percentage of the Specific Ownership Taxes attributable to the Debt Service mill levy will be pledged to the Series 2006 bonds and the percentage attributable to the General Fund mill levy will be used to pay for operating expenses.

Note 2: Interest Income

Interest income is assumed to be earned at 4.0% per annum. Interest income is based on the year's beginning cash balance and an estimate of the timing of the receipt of revenues and the outflow of disbursements during the course of the year.

Jordan Crossing Metropolitan District

Summary of Significant Assumptions and Accounting Policies December 31, 2006 through 2040

Note 3: Development Fees

It is projected that the District will impose a \$2,000 development fee on each single family home. Exhibit III details the collection of the above fees by year.

Note 4: Bond Assumptions

The District proposes the issuance of general obligation bonds totaling \$1,370,000 in December 2006. The bonds are projected to carry a coupon rate of 6.0% and mature 30 years from their issuance. It is anticipated that the bonds will be secured by the development fee revenues discussed in Note 3, a portion of the Specific Ownership Taxes attributable to the Debt Service Fund mill levy and by a limited mill levy not to exceed 42.830 mills (adjusted for changes in the ratio of assessed values to market values). Released surplus funds are anticipated to be restricted for the payment of debt. Exhibit II reflects the proposed repayment schedule of these bonds. The following table reflects the proposed sources and uses of funds for the issues.

	<u>Series 2006</u>
Sources:	
Bond proceeds	<u>\$1,370,000</u>
Uses:	
Issuance costs	54,800
Capitalized interest	56,714
Available for improvements and repayment of developer advances	<u>1,258,486</u>
	<u>\$1,370,000</u>

Note 5: District Improvements

Construction costs are estimated to total \$2,827,254 and are projected to be paid in 2006. Construction costs in the amount of \$1,568,768 are not expected to be paid from bond proceeds. These costs are projected to be contributed to the District by the developer.

Note 6: Operating and Administrative Expenses

Administrative expenses for legal, accounting, audit, management and insurance are estimated to be \$37,000 per year. Commencing in 2007 operating and administrative expenses are projected to inflate at 1% per year. Operating expenses incurred prior to the collection of ad-valorem taxes are expected to be funded by developer advances totaling \$103,867. The forecast reflects that developer advances can be repaid commencing in 2010 through 2032 without interest.

Jordan Crossing Metropolitan District
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2006 through 2040

	Totals	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund												
Beginning cash available	0	0	0	0	(0)	0	0	0	0	0	0	0
Revenues												
Property taxes	1,463,652	0	0	11,868	30,867	39,544	39,544	40,335	40,335	41,141	41,141	41,964
Specific ownership taxes	146,365	0	0	1,187	3,087	3,954	3,954	4,033	4,033	4,114	4,114	4,196
Developer advances	103,867	37,000	37,370	24,866	4,631	0						
	1,713,885	37,000	37,370	37,921	38,585	43,498	43,498	44,368	44,368	45,256	45,256	46,161
Expenditures												
County treasurer fees	21,955	0	0	178	463	593	593	605	605	617	617	629
Repay developer advances	103,867				0	4,403	4,018	4,487	4,094	4,573	4,172	4,660
Operating expenses	1,541,430	37,000	37,370	37,744	38,121	38,502	38,887	39,276	39,669	40,066	40,466	40,871
	1,667,252	37,000	37,370	37,922	38,584	43,498	43,498	44,368	44,368	45,256	45,256	46,161
Ending cash available	46,633	0	0	(0)	0	0	0	0	0	0	0	0
Mill levy		0.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000
Capital Projects Fund												
Beginning cash available	0	0	0	0	0	0	0	0	0	0	0	0
Revenues												
Bond proceeds - GO Bonds	1,370,000	1,370,000										
Developer contribution	1,568,768	1,568,768										
Interest Income	0											
	2,938,768	2,938,768	0	0	0	0	0	0	0	0	0	0
Expenditures												
Issuance costs	54,800	54,800										
Transfer to Debt Service	56,714	56,714										
District improvements	2,827,254	2,827,254					0					
	2,938,768	2,938,768	0	0	0	0	0	0	0	0	0	0
Ending cash available	0	0	0	0	0	0	0	0	0	0	0	0

Jordan Crossing Metropolitan District
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2006 through 2040

	Totals	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	Debt Service Fund											
Beginning cash available	0	0	77,225	118,114	130,365	125,090	125,605	127,040	131,348	136,727	140,174	144,959
Revenues												
Property taxes	2,799,443	0	0	26,476	68,857	88,213	88,213	89,977	89,977	91,777	91,777	93,613
Specific ownership taxes	279,944	0	0	2,648	6,886	8,821	8,821	8,998	8,998	9,178	9,178	9,361
Development fees	204,000	20,000	120,000	64,000	0	0	0	0	0			
Transfer from Capital Project (Cap Interest)	56,714	56,714	0			0	0	0				
Interest income	213,507	511	3,088	4,725	5,215	5,004	5,024	5,082	5,254	5,469	5,607	5,798
	3,553,608	77,225	123,089	97,848	80,958	102,038	102,059	104,057	104,229	106,424	106,562	108,772
Expenditures												
Debt service - GO Debt Series 2006	3,139,100		82,200	82,200	82,200	97,200	96,300	95,400	94,500	98,600	97,400	101,200
Paying agent fees	87,000			3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
County treasurer fees	41,992	0	0	397	1,033	1,323	1,323	1,350	1,350	1,377	1,377	1,404
	3,268,092	0	82,200	85,597	86,233	101,523	100,623	99,750	98,850	102,977	101,777	105,604
Ending cash available	285,517	77,225	118,114	130,365	125,090	125,605	127,040	131,348	136,727	140,174	144,959	148,127
Mill levy		0.000	29.000	29.000	29.000	29.000	29.000	29.000	29.000	29.000	29.000	29.000
Total Mill Levy		0.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000
Assessed valuation (000's)												
Beginning	0		0	0	913	2,374	3,042	3,042	3,103	3,103	3,165	3,165
New construction	2,994			913	1,461	620	0	0	0	0	0	0
Inflation (1.0% per annum)	1,100					47		61		62		63
Ending	4,094	0	0	913	2,374	3,042	3,042	3,103	3,103	3,165	3,165	3,228
Outstanding GO Bonds			1,370,000	1,370,000	1,370,000	1,370,000	1,355,000	1,340,000	1,325,000	1,310,000	1,290,000	1,270,000
Ratio of outstanding debt / Assessed Valuation				150.06%	57.70%	45.04%	44.55%	43.19%	42.71%	41.39%	40.76%	39.34%

**Jordan Crossing Metropolitan District
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2006 through 2040**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
General Fund												
Beginning cash available	0	0	0	0	0	0	0	0	0	0	0	0
Revenues												
Property taxes	41,964	42,804	42,804	43,660	43,660	44,533	44,533	45,423	45,423	46,332	46,332	47,259
Specific ownership taxes	4,196	4,280	4,280	4,366	4,366	4,453	4,453	4,542	4,542	4,633	4,633	4,726
Developer advances												
	46,161	47,084	47,084	48,026	48,026	48,986	48,986	49,966	49,966	50,965	50,965	51,984
Expenditures												
County treasurer fees	629	642	642	655	655	668	668	681	681	695	695	709
Repay developer advances	4,251	4,749	4,332	4,840	4,415	4,933	4,499	5,027	4,584	5,123	4,672	5,221
Operating expenses	41,280	41,693	42,109	42,531	42,956	43,385	43,819	44,257	44,700	45,147	45,599	46,054
	46,161	47,084	47,084	48,026	48,026	48,986	48,986	49,966	49,966	50,965	50,965	51,984
Ending cash available	0	0	0	0	0	0	0	0	0	0	0	0
Mill levy	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000
Capital Projects Fund												
Beginning cash available	0	0	0	0	0	0	0	0	0	0	0	0
Revenues												
Bond proceeds - GO Bonds												
Developer contribution												
Interest Income												
	0	0	0	0	0	0	0	0	0	0	0	0
Expenditures												
Issuance costs												
Transfer to Debt Service												
District improvements												
	0	0	0	0	0	0	0	0	0	0	0	0
Ending cash available	0	0	0	0	0	0	0	0	0	0	0	0

Jordan Crossing Metropolitan District
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2006 through 2040

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Debt Service Fund											
Beginning cash available	148,127	152,922	156,439	161,898	166,447	173,278	179,595	183,566	187,550	194,695	202,323	208,557
Revenues												
Property taxes	93,613	95,485	95,485	97,394	97,394	99,342	99,342	101,329	101,329	103,356	103,356	105,423
Specific ownership taxes	9,361	9,548	9,548	9,739	9,739	9,934	9,934	10,133	10,133	10,336	10,336	10,542
Development fees												
Transfer from Capital Project (Cap Interest)												
Interest income	5,925	6,117	6,258	6,476	6,658	6,931	7,184	7,343	7,502	7,788	8,093	8,342
	108,899	111,150	111,291	113,610	113,792	116,208	116,460	118,805	118,964	121,479	121,784	124,307
Expenditures												
Debt service - GO Debt Series 2006	99,700	103,200	101,400	104,600	102,500	105,400	108,000	110,300	107,300	109,300	111,000	112,400
Paying agent fees	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
County treasurer fees	1,404	1,432	1,432	1,461	1,461	1,490	1,490	1,520	1,520	1,550	1,550	1,581
	104,104	107,632	105,832	109,061	106,961	109,890	112,490	114,820	111,820	113,850	115,550	116,981
Ending cash available	152,922	156,439	161,898	166,447	173,278	179,595	183,566	187,550	194,695	202,323	208,557	215,884
Mill levy	29.000	29.000	29.000	29.000	29.000	29.000	29.000	29.000	29.000	29.000	29.000	29.000
Total Mill Levy	42.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000
Assessed valuation (000's)												
Beginning	3,228	3,228	3,293	3,293	3,358	3,358	3,426	3,426	3,494	3,494	3,564	3,564
New construction	0	0										
Inflation (1.0% per annum)		65		66		67		69		70		71
Ending	3,228	3,293	3,293	3,358	3,358	3,426	3,426	3,494	3,494	3,564	3,564	3,635
Outstanding GO Bonds	1,245,000	1,220,000	1,190,000	1,160,000	1,125,000	1,090,000	1,050,000	1,005,000	955,000	905,000	850,000	790,000
Ratio of outstanding debt / Assessed Valuation	38.57%	37.05%	36.14%	34.54%	33.50%	31.82%	30.65%	28.76%	27.33%	25.39%	23.85%	21.73%

**Jordan Crossing Metropolitan District
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2006 through 2040**

	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>
	General Fund											
Beginning cash available	0	0	0	0	3,541	8,484	14,011	19,048	24,680	29,813	35,553	40,783
Revenues												
Property taxes	47,259	48,204	48,204	49,168	49,168	50,151	50,151	51,154	51,154	52,177	52,177	53,221
Specific ownership taxes	4,726	4,820	4,820	4,917	4,917	5,015	5,015	5,115	5,115	5,218	5,218	5,322
Developer advances												
	51,984	53,024	53,024	54,085	54,085	55,166	55,166	56,270	56,270	57,395	57,395	58,543
Expenditures												
County treasurer fees	709	723	723	738	738	752	752	767	767	783	783	798
Repay developer advances	4,760	5,321	4,851	1,882								
Operating expenses	46,515	46,980	47,450	47,924	48,404	48,888	49,377	49,870	50,369	50,873	51,382	51,895
	51,984	53,024	53,024	50,544	49,141	49,640	50,129	50,638	51,136	51,655	52,164	52,694
Ending cash available	0	0	0	3,541	8,484	14,011	19,048	24,680	29,813	35,553	40,783	46,633
Mill levy	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000
	Capital Projects Fund											
Beginning cash available	0	0	0	0	0	0	0	0	0	0	0	0
Revenues												
Bond proceeds - GO Bonds												
Developer contribution												
Interest Income												
	0	0	0	0	0	0	0	0	0	0	0	0
Expenditures												
Issuance costs												
Transfer to Debt Service												
District improvements												
	0	0	0	0	0	0	0	0	0	0	0	0
Ending cash available	0	0	0	0	0	0	0	0	0	0	0	0

Jordan Crossing Metropolitan District
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2006 through 2040

	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
	Debt Service Fund											
Beginning cash available	215,884	222,403	230,670	238,769	249,324	255,402	264,804	275,581	285,517	285,517	285,517	285,517
Revenues												
Property taxes	105,423	107,531	107,531	109,682	109,682	111,876	111,876	114,113	0	0	0	0
Specific ownership taxes	10,542	10,753	10,753	10,968	10,968	11,188	11,188	11,411	0	0	0	0
Development fees												
Transfer from Capital Project (Cap Interest)												
Interest income	8,635	8,896	9,227	9,551	9,973	10,216	10,592	11,023				0
	124,601	127,181	127,511	130,201	130,623	133,279	133,655	136,548	0	0	0	0
Expenditures												
Debt service - GO Debt Series 2006	113,500	114,300	114,800	115,000	119,900	119,200	118,200	121,900				
Paying agent fees	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000				
County treasurer fees	1,581	1,613	1,613	1,645	1,645	1,678	1,678	1,712	0	0	0	0
	118,081	118,913	119,413	119,645	124,545	123,878	122,878	126,612	0	0	0	0
Ending cash available	222,403	230,670	238,769	249,324	255,402	264,804	275,581	285,517	285,517	285,517	285,517	285,517
Mill levy	29.000	29.000	29.000	29.000	29.000	29.000	29.000	29.000	0.000	0.000	0.000	0.000
Total Mill Levy	42.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000	13.000	13.000	13.000	13.000
Assessed valuation (000's)												
Beginning	3,635	3,635	3,708	3,708	3,782	3,782	3,858	3,858	3,935	3,935	4,014	4,014
New construction				0	0	0	0	0	0	0	0	0
Inflation (1.0% per annum)		73		74		76		77		79		80
Ending	3,635	3,708	3,708	3,782	3,782	3,858	3,858	3,935	3,935	4,014	4,014	4,094
Outstanding GO Bonds	725,000	655,000	580,000	500,000	415,000	320,000	220,000	115,000	0	0	0	0
Ratio of outstanding debt / Assessed Valuation	19.94%	17.66%	15.64%	13.22%	10.97%	8.29%	5.70%	2.92%	0.00%	0.00%	0.00%	0.00%

Exhibit II

Jordan Crossing Metropolitan District
Schedule of General Obligation Debt - Series 2006
For the Years Ended December 31, 2006 to 2036

<u>Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Annual Total</u>	<u>Balance</u>
2006			0	0	1,370,000
2007			41,100		1,370,000
2007			41,100	82,200	1,370,000
2008			41,100		1,370,000
2008			41,100	82,200	1,370,000
2009			41,100		1,370,000
2009			41,100	82,200	1,370,000
2010			41,100		1,370,000
2010	15,000	6.000%	41,100	97,200	1,355,000
2011			40,650		1,355,000
2011	15,000	6.000%	40,650	96,300	1,340,000
2012			40,200		1,340,000
2012	15,000	6.000%	40,200	95,400	1,325,000
2013			39,750		1,325,000
2013	15,000	6.000%	39,750	94,500	1,310,000
2014			39,300		1,310,000
2014	20,000	6.000%	39,300	98,600	1,290,000
2015			38,700		1,290,000
2015	20,000	6.000%	38,700	97,400	1,270,000
2016			38,100		1,270,000
2016	25,000	6.000%	38,100	101,200	1,245,000
2017			37,350		1,245,000
2017	25,000	6.000%	37,350	99,700	1,220,000
2018			36,600		1,220,000
2018	30,000	6.000%	36,600	103,200	1,190,000
2019			35,700		1,190,000
2019	30,000	6.000%	35,700	101,400	1,160,000
2020			34,800		1,160,000
2020	35,000	6.000%	34,800	104,600	1,125,000
2021			33,750		1,125,000
2021	35,000	6.000%	33,750	102,500	1,090,000
2022			32,700		1,090,000
2022	40,000	6.000%	32,700	105,400	1,050,000
2023			31,500		1,050,000
2023	45,000	6.000%	31,500	108,000	1,005,000
2024			30,150		1,005,000
2024	50,000	6.000%	30,150	110,300	955,000
2025			28,650		955,000
2025	50,000	6.000%	28,650	107,300	905,000
2026			27,150		905,000
2026	55,000	6.000%	27,150	109,300	850,000
2027			25,500		850,000
2027	60,000	6.000%	25,500	111,000	790,000
2028			23,700		790,000
2028	65,000	6.000%	23,700	112,400	725,000
2029			21,750		725,000
2029	70,000	6.000%	21,750	113,500	655,000
2030			19,650		655,000
2030	75,000	6.000%	19,650	114,300	580,000
2031			17,400		580,000
2031	80,000	6.000%	17,400	114,800	500,000
2032			15,000		500,000
2032	85,000	6.000%	15,000	115,000	415,000
2033			12,450		415,000
2033	95,000	6.000%	12,450	119,900	320,000
2034			9,600		320,000
2034	100,000	6.000%	9,600	119,200	220,000
2035			6,600		220,000
2035	105,000	6.000%	6,600	118,200	115,000
2036			3,450		115,000
2036	115,000	6.000%	3,450	121,900	0
	<u>1,370,000</u>		<u>1,769,100</u>	<u>3,139,100</u>	

Jordan Crossing Metropolitan District
Forecasted Schedules of Absorption, Development Fees, Market Values and Assessed Values
For the Years Ended December 31, 2006 through 2016

Schedule of Market Values

	Market Value	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Morrison Homes	360,000	3,600,000	22,032,000	11,985,408	0	0	0	0	0	0	0	0	37,617,408
Finished Lots Morrison Homes	36,000	2,160,000	(1,008,000)	(1,152,000)	0	0	0	0	0	0			0
Totals		5,760,000	21,024,000	10,833,408	0	0	0	0	0	0	0	0	37,617,408

Schedule of Assessed Valuation

	Assessment to Market Ratio	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Residential	7.96%	286,560	1,753,747	954,038	0	0	0	0	0	0	0	0	2,994,346
Finished Lots	29.00%	626,400	(292,320)	(334,080)	0	0	0	0	0	0	0	0	0
Totals		912,960	1,461,427	619,958	0	0	0	0	0	0	0	0	2,994,346
Cumulative		912,960	2,374,387	2,994,346	2,994,346	2,994,346	2,994,346	2,994,346	2,994,346	2,994,346	2,994,346	2,994,346	
Collection Yr		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	

Jordan Crossing Metropolitan District
Forecasted Schedules of Absorption, Development Fees, Market Values and Assessed Values
For the Years Ended December 31, 2006 through 2016

Schedule of Absorption

Property description	Single Family Equivalent	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Morrison Homes	100.00%	10	60	32									102 0
Total Units		10	60	32	0	0	0	0	0	0	0	0	102
Finished Lots Morrison Homes		60	(28)	(32)	0	0	0	0	0	0			0 0
													<u>102</u>

Schedule of Development Fees

Single family equivalents		10	60	32	0	0	0	0	0	0	0		102
Development fees	2,000	20,000	120,000	64,000	0	0	0	0	0	0	0		204,000

EXHIBIT G

Indemnification Letters

1. Developer's Letter

{date – on or after date of Service Plan approval}

Town of Parker
20120 E. Mainstreet
Parker, CO 80138-7334

RE: Jordan Crossing Metropolitan District

To the Town Council:

This Indemnification Letter (the "Letter") is delivered by the undersigned (the "Developer") in connection with the review by the Town of Parker (the "Town") of the Service Plan, including all amendments heretofore or hereafter made thereto (the "Service Plan") for the Jordan Crossing Metropolitan District (the "District"). Developer, for and on behalf of itself and its transferees, successors and assigns, represents, warrants, covenants and agrees to and for the benefit of the Town as follows:

1. Developer hereby waives and releases any present or future claims it might have against the Town or the Town's elected or appointed officers, employees, agents, contractors or insurers (the "Released Persons") in any manner related to or connected with the Service Plan or any action or omission with respect thereto. Developer further hereby agrees to indemnify and hold harmless the Released Persons from and against any and all liabilities resulting from any and all claims, demands, suits, actions or other proceedings of whatsoever kind or nature made or brought by any third party, including attorneys' fees and expenses and court costs, which directly or indirectly or purportedly arise out of or are in any manner related to or connected with any of the following: (a) the Service Plan or any document or instrument contained or referred to therein; or (b) the formation of the District; or (c) any actions or omissions of the Developer or the District, or their agents, in connection with the District, including, without limitation, any actions or omissions of the Developer or District, or their agents, in relation to any bonds or other financial obligations of the District or any offering documents or other disclosures made in connection therewith. Developer further agrees to investigate, handle, respond to and to provide defense for and defend against, or at the Town's option to pay the attorneys' fees and expenses for counsel of the Town's choice for any such liabilities, claims, demands, suits, actions or other proceedings.

2. Developer hereby consents to the Debt Instrument Disclosure Requirements as set forth Section VI.F of the Service Plan, acknowledges the Town's right to modify the required disclosures, and waives and releases the Town from any claims Developer might have based on or relating to the use of or any statements made or to be made in such disclosures (including any modifications thereto).

3. This Letter has been duly authorized and executed on behalf of Developer.

Very truly yours,

BCX Development Partners Inc., a Colorado
Corporation

By: _____

Title: _____

District's Letter
{date – date of organizational meeting}

Town of Parker
20120 E. Mainstreet
Parker, CO 80138-7334

RE: Jordan Crossing Metropolitan District

To the Town Council:

This Indemnification Letter (the "Letter") is delivered by the Jordan Crossing Metropolitan District (the "District") in order to comply with the Service Plan, including all amendments heretofore or hereafter made thereto (the "Service Plan") for the District. The District, for and on behalf of itself and its transferees, successors and assigns, represents, warrants, covenants and agrees to and for the benefit of the Town as follows:

1. The District hereby waives and releases any present or future claims it might have against the Town or the Town's elected or appointed officers, employees, agents, contractors or insurers (the "Released Persons") in any manner related to or connected with the Service Plan or any action or omission with respect thereto. To the fullest extent permitted by law, the District hereby agrees to indemnify and hold harmless the Released Persons from and against any and all liabilities resulting from any and all claims, demands, suits, actions or other proceedings of whatsoever kind or nature made or brought by any third party, including attorneys' fees and expenses and court costs, which directly or indirectly or purportedly arise out of or are in any manner related to or connected with any of the following: (a) the Service Plan or any document or instrument contained or referred to therein; or (b) the formation of the District; or (c) any actions or omissions of the District, BCX Development Partners Inc., a Colorado Corporation (the "Developer"), or their agents, in connection with the District, including, without limitation, any actions or omissions of the District or Developer, or their agents, in relation to any bonds or other financial obligations of the District or any offering documents or other disclosures made in connection therewith. The District further agrees to investigate, handle, respond to and to provide defense for and defend against, or at the Town's option to pay the attorneys' fees and expenses for counsel of the Town's choice for any such liabilities, claims, demands, suits, actions or other proceedings.

2. It is understood and agreed that neither the District nor the Town waives or intends to waive the monetary limits (presently \$150,000 per person and \$600,000 per occurrence) or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, Section 24-10-101, et seq., C.R.S., as from time to time amended, or otherwise available to the Town, the District, its officers, or its employees.

3. The District hereby consents to the Debt Instrument Disclosure Requirements as set forth Section VI.F of the Service Plan, acknowledges the Town's right to modify the required disclosures, and waives and releases the Town from any claims the District might have based on or relating to the use of or any statements made or to be made in such disclosures (including any modifications thereto).

4. This Letter has been duly authorized and executed on behalf of the District.

Very truly yours,

Jordan Crossing Metropolitan District

By: _____
_____, President

Attest:

_____, Secretary

EXHIBIT H

Intergovernmental Agreement

TOWN OF PARKER

INTERGOVERNMENTAL AGREEMENT BETWEEN

THE TOWN OF PARKER, COLORADO AND THE

JORDAN CROSSING METROPOLITAN DISTRICT

THIS AGREEMENT is made and entered into as of this ____ day of _____, 2006, by and between the TOWN OF PARKER, a home rule municipal corporation of the State of Colorado (the "Town"), and the JORDAN CROSSING METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"). The Town and the District are collectively referred to as the Parties.

WITNESSETH:

WHEREAS, C.R.S. Section 29-1-203 authorizes the Parties to cooperate and contract with one another regarding functions, services and facilities each is authorized to provide; and

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District's Service Plan approved by the Town on _____ (the "Service Plan"); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the Town and the District, as required by Chapter 10.11 of the Town Code; and

WHEREAS, it is the Town's policy that special districts located within residential projects shall share in regional public improvements, and the model intergovernmental agreement required by Chapter 10.11 of the Town Code includes provisions for special districts to provide regional improvement funds; and

WHEREAS, given the size of the District, and given the requirements set forth in the annexation, subdivision and other agreements applicable to development of the property located within the District's boundaries, including but not limited to required contributions for transportation enhancements to roads in the vicinity of the District, the Town finds that a regional improvement fund contribution is not required in connection with approval of the District's initial Service Plan; and

WHEREAS, the Parties have determined that any capitalized term not specifically defined in this Agreement shall have that meaning as set forth in the Service Plan; and

WHEREAS, the Parties have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement ("Agreement") to address certain matters related to the organization, powers and authorities of the District.

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Regional Improvements Funding. [INTENTIONALLY OMITTED]
2. Use of Regional Improvements Funds. [INTENTIONALLY OMITTED]
3. Deposit of Regional Improvements Funds. [INTENTIONALLY OMITTED]
4. Operations and Maintenance. The District shall dedicate the Public Improvements (as defined in the Service Plan) to the Town or other appropriate jurisdiction or owners association in a manner consistent with the final approved plat for the property located within the District's boundaries, other rules and regulations of the Town, and applicable provisions of the Town Code. The District shall not be authorized to operate and maintain any part or all of the Public Improvements, unless specifically provided for in this Agreement or separate agreement with the Town.
5. Fire Protection. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless specifically provided for in this Agreement or separate agreement with the Town. This provision shall not limit the District's authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system.
6. Television Relay and Translation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless specifically provided for in this Agreement or separate agreement with the Town.
7. Construction Standards. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of federal and state governmental entities having proper jurisdiction. The District will obtain the Town's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.
8. Issuance of Privately Placed Debt. Prior to the issuance of any privately placed bonds or other obligations, the payment of which the District has promised to impose an ad valorem property tax mill levy ("Debt"), the District shall obtain the certification of an External Financial Advisor substantially as follows:

("Company") is an External Financial Advisor within the meaning of the District's Service Plan.

Company certifies that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by the District for the [insert the designation of the Debt] does not exceed a market [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by Company and based upon Company's analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

9. Inclusion and Exclusion. The District shall not include within its boundaries any property outside the Service Area (as defined in the Service Plan) without the prior written consent of the Town Council. The District shall not exclude any property from the District if such exclusion will result, or is reasonably anticipated to result, in detriment to the remaining residents and taxpayers within the District, or to the District's bondholders.

10. Total Debt Issuance. The District shall not issue Debt in excess of \$1,710,000 in total aggregate principal amount.

11. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the Town is eligible to apply for, except as may be specifically provided for herein. This Section shall not apply to specific ownership taxes which shall be distributed to and constitute a revenue source for the District without any limitation.

12. Consolidation; Dissolution. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town. The District agrees that it shall take all action necessary to dissolve the District in accordance with the provisions of the Service Plan and applicable state statutes.

13. Service Plan Amendment Requirement. Any action of the District which violates the limitations set forth in Sections V.A.1-13 or VI.B-H of the Service Plan, or which constitutes a material modification under Parker Municipal Code section 10.11.060, shall be deemed to be a material modification to the Service Plan and the Town shall be entitled to all remedies available under State and local law to enjoin any such action(s) of the District. The Town may also seek damages for breach of this Agreement arising from violations by the District of any provision of the Service Plan.

14. Applicable Laws. The District acknowledges that the property within its boundaries shall be subject to all ordinances, rules and regulations of the Town, including without limitation, ordinances, rules and regulations relating to zoning, subdividing, building and land use, and to all related Town land use policies, master plans and related plans.

15. Annual Report. The District shall submit an annual report ("Annual Report") to the Town not later than September 1st of each calendar year coming with the year in which the Order and Decree creating the District has been issued by the District Court for and in Douglas County, Colorado, pursuant to Parker Municipal Code section 10.11.040 and containing the information set forth in Section VII of the Service Plan.

16. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law, including the Annual Report, shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via Federal Express or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the District: Jordan Crossing Metropolitan District
c/o McGeady Sisneros, P.C.
1675 Broadway, Suite 2100
Denver, CO 80202
Attn: Mary Jo Dougherty, Esq.
Phone: (303) 592-4380
Fax: (303) 592-4385

To the Town: Town of Parker
20120 E. Mainstreet
Parker, CO 80138-7334
Attn: James S. Maloney, Town Attorney
cc: Mike Farina, Acting Finance Director
Phone: (303) 841-0353
Fax: (303) 840-9792

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

17. Miscellaneous.

(a) Effective Date. This Agreement shall be in full force and effect and be legally binding upon final approval of the governing bodies of the Parties. No Debt shall be issued by the District until after the effective date of this Agreement.

(b) Nonassignability. No party to this Agreement may assign any interest therein to any person without the consent of the other party hereto at that time, and the terms of

this Agreement shall inure to the benefit of and be binding upon the respective representatives and successors of each party hereto.

(c) Amendments. This Agreement may be amended from time to time by written amendment, duly authorized and signed by representatives of the parties hereto.

(d) Severability. If any section, subsection, paragraph, clause, phrase, or other provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, phrase, or other provision shall not affect any of the remaining provisions of this Agreement.

(e) Execution of Documents. This Agreement shall be executed in two (2) counterparts, either of which shall be regarded for all purposes as one original. Each party agrees that it will execute any and all deeds, instruments, documents, and resolutions or ordinances necessary to give effect to the terms of this Agreement.

(f) Waiver. No waiver by either party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different provision of this Agreement.

(g) Default/Remedies. In the event of a breach or default of this Agreement by any party, the non-defaulting party shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

(h) Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for all actions brought hereunder shall be in the District Court in and for Douglas County.

(i) Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

(j) Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

(k) No Third Party Beneficiaries. No person or entity who or which is not a party to this Agreement will have any right of action under this Agreement.

(l) Entirety. This Agreement merges and supersedes all prior negotiations, representations, and agreements between the parties hereto relating to the subject matter hereof and this Agreement, together with the Service Plan provisions that serve to supplement or complement this Agreement, constitutes the entire agreement between the Parties concerning the subject matter hereof.

IN WITNESS WHEREOF, this Agreement is executed by the Town and the District as of the date first above written.

TOWN OF PARKER, COLORADO

By: _____
_____, Mayor

ATTEST:

_____, Town Clerk

APPROVED AS TO FORM:

_____, Town Attorney

**JORDAN CROSSING
METROPOLITAN DISTRICT**, a quasi-
municipal corporation and political
subdivision of the State of Colorado

By: _____
_____, President

ATTEST:

_____, Secretary

JORDAN CROSSING METROPOLITAN DISTRICT

2022 Budget Message

Introduction

The District was formed in 2006 for the purpose of providing design, financing, acquisition, and construction, of certain infrastructure improvements including water, streets, sanitary sewer, and park and recreation. These improvements have been dedicated to the Town of Parker, Douglas County, or such other entities as appropriate for the use and benefit of the District taxpayers and service users.

The 2022 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2022 fiscal year based on available revenues. This budget provides for the annual debt service on the District's general obligation debt as well as the general operation of the District. The District's Service Plan limited the debt service mill levy the District could impose until such time as the District's debt-to-assessed value ratio was equal to or less than 50%. The District's debt service mill levy cap was removed in 2016 because, at that time, the District's debt-to-assessed value ratio was 50% or less.

The District's assessed value increased 4.36% to \$3,550,820 for 2022 collections. The District certified 47.607 mills for taxes collected in the 2022 fiscal year with 24.00 mills dedicated to the Debt Service Fund and 23.607 mills dedicated to the General Fund.

Budgetary Basis of Accounting

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period.

For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, and other expenses related to statutory operations of a local government, as well as repayments of developer advances.

The **Debt Service Fund** is used to account for property taxes and other revenues dedicated to pay the fiscal year's debt expense which includes principal payments, interest payments, and administrative costs associated with the 2016 Series General Obligation Refunding and Improvement Bonds.

Emergency Reserve

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.

Jordan Crossing Metropolitan District
Statement of Net Position
August 31, 2021

	Fixed Assets &			
	General Fund	Debt Service	LTD	TOTAL
ASSETS				
CASH				
FirstBank Checking	239			239
ColoTrust	72,513	43,792		116,305
UMB-Bond Fund		19,435		19,435
TOTAL CASH	72,751	63,227	-	135,979
OTHER CURRENT ASSETS				
Due From County Treasurer	-	-		-
Property Taxes Receivable	(0)	(0)		(0)
Prepaid Expenses	-			-
TOTAL OTHER CURRENT ASSETS	(0)	(0)	-	(0)
FIXED ASSETS				
Landscaping			120,000	120,000
Parks Equipment			31,000	31,000
Accumulated Depreciation			(31,000)	(31,000)
TOTAL FIXED ASSETS	-		120,000	120,000
TOTAL ASSETS	72,751	63,227	120,000	255,978
LIABILITIES & DEFERED INFLOWS				
CURRENT LIABILITIES				
Accounts Payable	1,167			1,167
TOTAL CURRENT LIABILITIES	1,167	-	-	1,167
DEFERRED INFLOWS				
Deferred Property Taxes	(0)	(0)		(0)
TOTAL DEFERRED INFLOWS	(0)	(0)	-	(0)
LONG-TERM LIABILITIES				
Bonds Payable-Series 2016			1,395,000	1,395,000
Bond Premium, Net			61,811	61,811
Developer Payable- Ops			-	-
Developer Payable- Cap			108,845	108,845
Accrued Interest- Bonds			5,645	5,645
Accrued Interest- Dev Adv- Ops			35,162	35,162
Accrued Interest- Dev Adv- Cap			52,964	52,964
TOTAL LONG-TERM LIABILITIES	-		1,659,427	1,659,427
TOTAL LIAB & DEF INFLOWS	1,167	(0)	1,659,427	1,660,593
NET POSITION				
Net Investment in Capital Assets			120,000	120,000
Amount to be Provided for Debt			(1,659,427)	(1,659,427)
Fund Balance- Restricted	2,432	63,227		65,659
Fund Balance- Unassigned	69,153			69,153
TOTAL NET POSITION	71,585	63,227	(1,539,427)	(1,404,615)

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

Jordan Crossing Metropolitan District
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 12/06/21

Modified Accrual Basis For the Period Indicated					Modified Accrual Basis				
	2020 Audited Actual	2021 Adopted Budget	Variance Favorable (Unfavor)	2021 Forecast	YTD Thru 08/31/21 Actual	YTD Thru 08/31/21 Budget	Variance Favorable (Unfavor)	2022 Adopted Budget	Notes/Assumptions
PROPERTY TAXES									
Assessed Valuation	3,389,120	3,402,420		3,402,420				3,550,820	November Final Values
Mill Levy Breakdown:									
Mill Levy - Operations	28.178	22.108		22.108				23.607	Total, less debt levy
Mill Levy - Debt	19.500	25.500		25.500				24.000	Amt to balance debt svc fund
Total	47.678	47.608		47.608				47.607	35 mills gallagherized
Property Tax Revenue - Operations	95,499	75,221		75,221				83,824	AV * Mill Levy / 1,000
Property Tax Revenue - Debt	66,088	86,762		86,762				85,220	AV * Mill Levy / 1,000
Total	161,586	161,982		161,982				169,044	
COMBINED FUNDS									
REVENUE									
Property Taxes	161,587	161,982	0	161,983	161,983	161,982	0	169,044	AV * Mill Levy / 1,000
Specific Ownership Taxes	13,938	12,900	1,303	14,203	9,324	7,525	1,799	13,524	8% of Taxes
Interest	505	400	(335)	65	48	267	(219)	8,000	Budget high to avoid amendment
TOTAL REVENUE	176,030	175,282	968	176,250	171,354	169,774	1,580	190,568	
EXPENDITURES									
Administration	50,331	62,830	12,469	50,361	24,971	39,166	14,195	66,361	All Non-Debt Repayment Costs
Developer Repayments	50,000	25,000	(10,000)	35,000	-	-	-	38,000	See General Fund Detail
Bond Principal & Interest	67,738	87,738	-	87,738	33,869	33,869	0	87,063	See Debt Service Fund
TOTAL EXPENDITURES	168,068	175,567	2,469	173,098	58,840	73,035	14,195	191,424	
CHANGE IN FUND BALANCE	7,962	(285)	3,437	3,152	112,514	96,739	15,776	(856)	
BEGINNING FUND BALANCE	14,336	18,975	3,322	22,297	22,297	18,975	3,322	25,450	
ENDING FUND BALANCE	22,297	18,691	6,759	25,450	134,812	115,714	19,098	24,594	
	=	=	=	=	=	=	=	=	

Jordan Crossing Metropolitan District
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 12/06/21

Modified Accrual Basis

	2020 Audited Actual	2021 Adopted Budget	Variance Favorable (Unfavor)	2021 Forecast	YTD Thru 08/31/21 Actual	YTD Thru 08/31/21 Budget	Variance Favorable (Unfavor)	2022 Adopted Budget	Notes/Assumptions
GENERAL FUND									
REVENUE									
1-510 Property Taxes	95,499	75,221	0	75,221	75,221	75,221	0	83,824	AV * Mill Levy / 1,000
1-515 Specific Ownership Taxes	8,238	6,000	394	6,394	4,330	3,500	830	6,706	8% of Taxes
1-560 Interest Income	320	100	(55)	45	35	67	(32)	5,000	Budget high to avoid amendment
TOTAL REVENUE	104,056	81,321	339	81,660	79,585	78,787	798	95,530	
EXPENDITURES									
Administration									
1-612 Accounting	10,448	12,000	-	12,000	6,682	8,000	1,318	12,500	Based on 2021 Forecast
1-614 District Management	13,903	12,000	-	12,000	4,232	8,000	3,768	12,500	Based on 2021 Forecast
1-615 Audit	4,400	5,000	400	4,600	-	5,000	5,000	4,750	Based on 2021 Forecast
1-635 Election	1,151	-	-	-	-	-	-	3,000	Assume Canceled
1-670 Insurance & SDA Dues	4,212	4,410	279	4,131	4,131	4,410	279	4,650	Based on 2021 Forecast
1-675 Legal	10,568	11,000	-	11,000	6,893	7,333	440	12,500	Based on 2021 Forecast
1-685 Miscellaneous Expense	222	500	(700)	1,200	603	333	(270)	1,200	Based on 2021 Forecast
1-700 Treasurer's Fees	1,433	1,128	(0)	1,128	1,128	1,128	(0)	1,257	1.5% of Property Taxes
1-795 Emergencies	-	2,440	2,440	-	-	1,627	1,627	1,726	3% of Revenues
Contingency	-	7,000	7,000	-	-	-	-	5,000	Unforeseen Needs
Total Administration	46,339	55,478	9,419	46,059	23,670	35,832	12,162	59,083	
Debt Service									
1-710 Developer Repayment- Ops Principal	-	-	-	-	-	-	-	-	Paid off in 2018
1-711 Developer Repayment- Cap Principal	50,000	25,000	(10,000)	35,000	-	-	-	38,000	Use all available funds
1-712 Developer Repayment- Ops Interest	-	-	-	-	-	-	-	-	Principal paid first
1-713 Developer Repayment- Cap Interest	-	-	-	-	-	-	-	-	Principal paid first
Total Debt Service	50,000	25,000	(10,000)	35,000	-	-	-	38,000	
TOTAL EXPENDITURES	96,339	80,478	(581)	81,059	23,670	35,832	12,162	97,083	
REVENUE OVER / (UNDER) EXP	7,718	842	(242)	600	55,916	42,956	12,960	(1,553)	
OTHER SOURCES / (USES)									
1-894 Transfer to Debt Service	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	7,718	842	(242)	600	55,916	42,956	12,960	(1,553)	
1-450 BEGINNING FUND BALANCE	7,952	12,695	2,974	15,669	15,669	12,695	2,974	16,270	
ENDING FUND BALANCE	15,669	13,537	2,732	16,270	71,585	55,651	15,934	14,717	
COMPONENTS OF FUND BALANCE:	=	=	=		=	=	=	=	
1-142 Nonspendable	3,802	4,305	345	4,650	-	-	-	4,882	Prepaid Insurance
Restricted for Emergencies	3,130	-	1,400	1,400	1,400	-	-	-	Budgeted as an Expense
Unassigned	8,737	9,232	988	10,220	70,185	-	-	9,835	
TOTAL FUND BALANCE	15,669	13,537	2,732	16,270	71,585	-	-	14,717	

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

Jordan Crossing Metropolitan District
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 12/06/21

Modified Accrual Basis

	2020 Audited Actual	2021 Adopted Budget	Variance Favorable (Unfavor)	2021 Forecast	YTD Thru 08/31/21 Actual	YTD Thru 08/31/21 Budget	Variance Favorable (Unfavor)	2022 Adopted Budget	Notes/Assumptions
DEBT SERVICE FUND									
REVENUE									
2-510 Property Taxes	66,088	86,762	-	86,762	86,762	86,762	0	85,220	AV * Mill Levy / 1,000
2-515 Specific Ownership Taxes	5,701	6,900	909	7,809	4,994	4,025	969	6,818	8% of Taxes
2-560 Interest Income	185	300	(280)	20	13	200	(187)	3,000	Equal to Contingency Below
TOTAL REVENUE	71,974	93,962	629	94,591	91,769	90,987	783	95,038	
EXPENDITURES									
2-607 Bond Principal- 2016	-	20,000	-	20,000	-	-	-	20,000	Per Amortization Schedule
2-608 Bond Interest- 2016	67,738	67,738	-	67,738	33,869	33,869	0	67,063	Per Amortization Schedule
2-668 Paying Agent Fees	3,000	3,000	-	3,000	-	-	-	3,000	Based on 2021 Forecast
2-685 Bank Fees / Misc Expense	0	50	50	-	0	33	33	-	
2-700 Treasurer's Fees	992	1,301	-	1,301	1,302	1,301	(0)	1,278	1.5% of Property Taxes
2-795 Contingency		3,000	3,000	-		2,000	2,000	3,000	Unforeseen Needs
TOTAL EXPENDITURES	71,730	95,089	3,050	92,039	35,170	37,204	2,033	94,341	
REVENUES LESS EXPENDITURES	244	(1,127)	3,679	2,552	56,599	53,783	2,816	697	
OTHER SOURCES (USES) OF FUNDS									
2-894 Transfer from General Fund	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	244	(1,127)	3,679	2,552	56,599	53,783	2,816	697	
2-450 BEGINNING FUND BALANCE	6,384	6,280	348	6,628	6,628	6,280	348	9,180	
ENDING FUND BALANCE	6,628	5,153	4,027	9,180	63,227	60,064	3,164	9,877	
	=	=	=		=	=	=	=	
2016 Loan Balance- Beginning of Year	1,395,000			1,395,000				1,375,000	
Assessed Valuation	3,389,120			3,402,420				3,550,820	
Debt to Assessed Ratio	41.16%			41.00%				38.72%	
<i>Mill levy cap released once below 50%</i>									

**JORDAN CROSSING
METROPOLITAN
DISTRICT**

Financial Statements

December 31, 2020

JORDAN CROSSING METROPOLITAN DISTRICT

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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Jordan Crossing Metropolitan District
Douglas County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Jordan Crossing Metropolitan District as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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• Member American Institute of Certified Public Accountants • Member Colorado Society of Certified Public Accountants •

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Jordan Crossing Metropolitan District, as of December 31, 2020, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jordan Crossing Metropolitan District's basic financial statements. The budget to actual schedule for the Debt Service Fund (Supplementary Information), the Schedule of Debt Service Requirements to Maturity, the Summary of Assessed Valuation, Mill Levy and Property Taxes Collected and the Continuing Disclosure Annual Financial Information as required by the General Obligation Refunding and Improvement Bonds, Series 2016 (Other Information), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Duggio & Associates, P.C.

June 8, 2021

BASIC FINANCIAL STATEMENTS

JORDAN CROSSING METROPOLITAN DISTRICT

STATEMENT OF NET POSITION

December 31, 2020

	Governmental Activities
Assets	
Cash and Investments	\$ 12,783
Cash and Investments - Restricted	6,117
Receivable from County Treasurer	1,249
Property Taxes Receivable	161,983
Prepaid Expense	3,802
Capital Assets Not Being Depreciated	120,000
Total Assets	305,934
Liabilities	
Accounts Payable	1,654
Accrued Interest Payable	5,645
Noncurrent Liabilities:	
Due Within One Year	20,000
Due In More Than One Year	1,633,782
Total Liabilities	1,661,081
Deferred Inflows of Resources	
Unearned Property Taxes	161,983
Net Position	
Net Investment In Capital Assets	34,525
Restricted	
Emergencies	3,130
Debt Service	983
Unrestricted	(1,555,768)
Total Net Position	\$ (1,517,130)

The notes to the financial statements are an integral part of this statement.

JORDAN CROSSING METROPOLITAN DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

<u>Function/Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges</u> <u>for Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental Activities					
Administration	\$ 46,339	\$ -	\$ -	\$ -	\$ (46,339)
Interest and Related Costs on Long-term Debt	75,380	-	-	-	(75,380)
Total Governmental Activities	<u>\$ 121,719</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(121,719)</u>
General Revenues:					
					161,587
					13,938
					505
					<u>176,030</u>
					54,311
					<u>(1,571,441)</u>
					<u>\$ (1,517,130)</u>

The notes to the financial statements are an integral part of this statement.

JORDAN CROSSING METROPOLITAN DISTRICT

**BALANCE SHEET
GOVERNMENTAL FUNDS**

December 31, 2020

	General	Debt Service	Total
Assets			
Cash and Investments	\$ 12,783	\$ -	\$ 12,783
Cash and Investments - Restricted	-	6,117	6,117
Receivable from County Treasurer	738	511	1,249
Property Taxes Receivable	75,221	86,762	161,983
Prepaid Expenditures	3,802	-	3,802
Total Assets	\$ 92,544	\$ 93,390	\$ 185,934
Liabilities			
Accounts Payable	\$ 1,654	\$ -	\$ 1,654
Deferred Inflows of Resources			
Unearned Property Taxes	75,221	86,762	161,983
Fund Balances			
Nonspendable			
Prepaid Expenses	3,802	-	3,802
Restricted			
Emergencies	3,130	-	3,130
Debt Service	-	6,628	6,628
Unassigned	8,737	-	8,737
Total Fund Balances	15,669	6,628	22,297
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 92,544	\$ 93,390	\$ 185,934

The notes to the financial statements are an integral part of this statement.

JORDAN CROSSING METROPOLITAN DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

December 31, 2020

Total Fund Balances - Governmental Funds	\$	22,297
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Those assets consist of:

Capital Assets Not Being Depreciated	120,000
--------------------------------------	---------

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position.

Balances at year end are:

General Obligation Bonds Payable	\$ (1,395,000)	
Bond Premium	(61,812)	
Accrued Interest Payable	(5,645)	
Developer Advance - Operations - Accrued Interest	(35,162)	
Developer Advance - Capital	(108,845)	
Developer Advance - Capital - Accrued Interest	<u>(52,963)</u>	<u>(1,659,427)</u>

Net Position - Governmental Activities	<u><u>\$ (1,517,130)</u></u>
--	------------------------------

The notes to the financial statements are an integral part of this statement.

JORDAN CROSSING METROPOLITAN DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2020

	General	Debt Service	Total
Revenues			
Property Taxes	\$ 95,499	\$ 66,088	\$ 161,587
Specific Ownership Tax	8,237	5,701	13,938
Net investment income	320	185	505
Total Revenues	104,056	71,974	176,030
Expenditures			
Current			
Management	13,903	-	13,903
Accounting	10,449	-	10,449
Audit	4,400	-	4,400
Insurance and Dues	4,212	-	4,212
Legal	10,569	-	10,569
Treasurer's Fees	1,433	992	2,425
Miscellaneous	222	-	222
Developer Advance Repayment	50,000	-	50,000
Debt Service			
2016 Bond Interest	-	67,738	67,738
Paying Agent Fees	-	3,000	3,000
Total Expenditures	96,339	71,730	168,069
Net Change in Fund Balances	7,717	244	7,961
Fund Balances - Beginning	7,952	6,384	14,336
Fund Balances - Ending	\$ 15,669	\$ 6,628	\$ 22,297

The notes to the financial statements are an integral part of this statement.

JORDAN CROSSING METROPOLITAN DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2020

Net Change in Fund Balances - Total Governmental Funds	\$	7,961
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Amounts reported for governmental activities in the statement of activities are different because:

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

Repayment to Developer - Capital	\$	50,000	
Developer Advance - Capital - Accrued Interest		(7,105)	42,895

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

Amortization of bond premium		3,455	3,455
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Change in Net Position - Governmental Activities	\$	<u>54,311</u>
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The notes to the financial statements are an integral part of this statement.

JORDAN CROSSING METROPOLITAN DISTRICT

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the Year Ended December 31, 2020

(With Comparative Totals for the Year Ended December 31, 2019)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2019 Actual
Revenues				
Property Taxes	\$ 95,499	\$ 95,499	\$ -	\$ 88,726
Specific Ownership Tax	8,600	8,237	(363)	8,899
Net investment income	1,600	320	(1,280)	1,522
Total Revenues	105,699	104,056	(1,643)	99,147
Expenditures				
Current				
Management	8,000	13,903	(5,903)	7,323
Accounting	10,000	10,449	(449)	8,499
Audit	5,000	4,400	600	4,400
Election	1,000	1,151	(151)	-
Insurance and Dues	4,200	4,212	(12)	4,290
Legal	10,000	10,569	(569)	4,683
Treasurer's Fees	1,432	1,433	(1)	1,332
Miscellaneous	500	222	278	410
Emergency Reserve	3,171	-	3,171	-
Contingency	3,000	-	3,000	-
Developer Advance Repayment	65,000	50,000	15,000	65,000
Total Expenditures	111,303	96,339	14,964	95,937
Excess Revenues Over (Under) Expenditures	(5,604)	7,717	13,321	3,210
Other Financing Sources (Uses)				
Transfers Out	-	-	-	(5,000)
Net Change in Fund Balance	(5,604)	7,717	13,321	(1,790)
Fund Balance - Beginning	10,997	7,952	(3,045)	9,742
Fund Balance - Ending	\$ 5,393	\$ 15,669	\$ 10,276	\$ 7,952

The notes to the financial statements are an integral part of this statement.

JORDAN CROSSING METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Note 1 – Definition of Reporting Entity

The Jordan Crossing Metropolitan District (the “District”), was originally organized by recorded Order and Decree of the District Court for the County of Douglas on May 25, 2006 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District operates under a Service Plan approved by the Town of Parker (the “Town”) on March 20, 2006. The District’s service boundaries are located entirely within the Town.

Pursuant to the Service Plan, the District has the power to provide for the design, acquisition, construction, installation, relocating, redeveloping and financing of certain water, sanitation, storm water, street, parks and landscaping. Except for some landscaping improvements, the District has transferred much of the public improvements to the Town or other appropriate entities for ownership and operations and maintenance.

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

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

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

JORDAN CROSSING METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Note 2 – Summary of Significant Accounting Policies

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

Government-Wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using *the economic resources measurement focus* and the *accrual basis of accounting*. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation, if any, is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to

JORDAN CROSSING METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

pay liabilities of the current period. For this purpose, the District considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. The major source of revenue susceptible to accrual are developer advances. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

General Fund – This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

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

Budgets

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

Pooled Cash and Investments

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

Cash and investments are presented on the balance sheet in the basic financial statements at fair value.

JORDAN CROSSING METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Restricted Assets

Certain assets whose use is restricted for bonded debt service by debt indentures are segregated on the government-wide statement of net position and the fund balance sheet.

Property Taxes

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

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

Capital Assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets defined by the District as assets include improvements to buildings and equipment with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

It is the policy of the Town to accept the maintenance responsibility for streets and drainage facilities within the Town only after a probationary period following completion of construction. Upon final acceptance of the improvements by the Town, the District will remove the cost of

JORDAN CROSSING METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

construction from its Statement of Net Position. The District will retain the landscaping of the common areas containing park equipment. The parks equipment will be depreciated using a straight-line method over the following estimated useful lives:

Parks equipment	10 years
-----------------	----------

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, one item, unavailable revenue – property tax, is reported in both the government-wide statement of net position and the governmental funds balance sheet. This amount is deferred and recognized as inflow of resources in the period that the amounts become available.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bonds payable are reported net of the applicable bond premiums and discounts. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method and charged to interest expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, even if withheld from the actual new proceeds received, are reported as debt services expenditures, in both the government-wide statements and fund financial statements.

JORDAN CROSSING METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Net Position and Fund Equity

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation.

Unrestricted net position represents assets that do not have any third-party limitations on their use.

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

Fund Balances

Generally, the fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned and unassigned. Due to circumstances which differ amongst governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

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

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

JORDAN CROSSING METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

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

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

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

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 3 – Cash and Investments

Cash and investments as of December 31, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 12,783
Cash and Investments - Restricted	6,117
Total Cash and Investments	<u>\$ 18,900</u>

Cash and investments as of December 31, 2020 consist of the following:

Deposits with Financial Institutions	\$ 1,965
Investments	16,935
Total Cash and Investments	<u>\$ 18,900</u>

JORDAN CROSSING METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Cash Deposits

Custodial credit risk

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2020, the District's cash deposits had a bank balance and carrying balance of \$1,965.

Investments

The District has adopted an investment policy by which it follows state statutes regarding investments.

The District generally limits its concentration of investments to obligations of the United States, certain U.S. government agency securities and Local Government Investment Pools, which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

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

JORDAN CROSSING METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

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

At December 31, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Government Liquid Asset Trust (COLOTRUST)	Weighted Average under 60 Days	\$ 16,884
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average under 60 Days	51
		<u>\$ 16,935</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments

JORDAN CROSSING METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

CSAFE

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

Note 4 – Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2020 follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Parks, Landscaping	\$ 120,000	\$ -	\$ -	\$ 120,000
Capital Assets Being Depreciated:				
Parks Equipment	31,000	-	-	31,000
Total Capital Assets Being Depreciated	31,000	-	-	31,000
Accumulated Depreciation:				
Parks Equipment	(31,000)	-	-	(31,000)
Total Accumulated Depreciation	(31,000)	-	-	(31,000)
Total Capital Assets Being Depreciated, Net	-	-	-	-
Governmental Activities Capital Assets, Net	\$ 120,000	\$ -	\$ -	\$ 120,000

JORDAN CROSSING METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Note 5 – Long-Term Obligations

The following is an analysis of changes in the District’s long-term obligations for the year ended December 31, 2020:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Refunding and Improvement Bonds, Series 2016	\$ 1,395,000	\$ -	\$ -	\$ 1,395,000	\$ 20,000
2016 Bond Premium	65,267	-	3,455	61,812	-
Developer Advance - Operating Accrued Interest	35,162	-	-	35,162	-
Developer Advance - Capital Principal	158,845	-	50,000	108,845	-
Accrued Interest	45,858	7,105	-	52,963	-
	<u>\$ 1,700,132</u>	<u>\$ 7,105</u>	<u>\$ 53,455</u>	<u>\$ 1,653,782</u>	<u>\$ 20,000</u>

General Obligation Refunding and Improvement Bonds, Series 2016

On October 25, 2016, the District issued \$1,395,000 of General Obligation Refunding and Improvement Bonds, Series 2016 (the “2016 Bonds”). The proceeds from the 2016 Bonds were used to (i) refund the District’s outstanding 2006 Bonds; (ii) fund and reimburse a portion of the costs of certain public infrastructure; and (iii) pay the costs of issuance of the bonds.

The 2016 Bonds bear interest ranging from 3.375% to 5.250%, payable semi-annually on June 1 and December 1 of each year, beginning December 1, 2016. The 2016 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as follows: (a) the 2016 Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2026, and on any date thereafter, upon payment of par plus accrued interest thereon (with no redemption premium); (b) the 2016 Bonds maturing on December 1, 2026 are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2021 and on each December 1 thereafter prior to the maturity date of such bonds, upon payment of par and accrued interest, without redemption premium; (c) the 2016 Bonds maturing on December 1, 2031 are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2027, and on each December 1 thereafter prior to the maturity date of such bonds, upon payment of par and accrued interest, without redemption premium; (d) the 2016 Bonds maturing on December 1, 2036 are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2032, and on each December 1 thereafter prior to the maturity date of such bonds, upon payment of par and accrued interest, without redemption premium; and (e) the 2016 Bonds maturing on December 1, 2046 are subject to mandatory sinking fund redemption,

JORDAN CROSSING METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

in part, by lot, on December 1, 2037, and on each December 1 thereafter prior to the maturity date of such bonds, upon payment of par and accrued interest, without redemption premium. The 2016 Bonds mature as follows:

	Principal	Interest	Total
2021	\$ 20,000	\$ 67,738	\$ 87,738
2022	20,000	67,063	87,063
2023	25,000	66,388	91,388
2024	25,000	65,544	90,544
2025	25,000	64,700	89,700
2026-2030	170,000	307,675	477,675
2031-2035	230,000	266,799	496,799
2036-2040	325,000	199,431	524,431
2041-2045	450,000	101,064	551,064
2046	105,000	5,512	110,512
	<u>\$ 1,395,000</u>	<u>\$ 1,211,914</u>	<u>\$ 2,606,914</u>

Developer Advances

The District entered into an Operation Funding Agreement and a Facilities Acquisition and Reimbursement Agreement with BCX Development Partners, Inc. (the “Developer”) as follows:

Operation Funding Agreement

On June 20, 2006, the District entered into a 2006 – 2007 Operation Funding Agreement with the Developer. The District anticipates that it will not have sufficient funds to make the payment of its operations and maintenance expenses; therefore, pursuant to this agreement the Developer advances funds to meet any shortfalls. The advances earn interest from the date the moneys are deposited into the District’s account at the rate of Prime Interest Rate plus 1%. On October 17, 2006, this agreement was amended and restated to extend the shortfall dates for the years 2006 through December 31, 2009. The agreement was further amended effective January 1, 2015 to credit payments first to principal and then to accrued and unpaid interest. The Developer agreed to advance up to \$110,000 to the District for operation and maintenance shortfalls through December 31, 2009. The District has agreed to repay the Developer advances and accrued interest subject to the availability of funds and subject to annual appropriation. Principal must be paid prior to accrued interest. As of December 31, 2020, there are no outstanding advances and there was \$35,162 in outstanding interest. The obligation of the District to reimburse the Developer is not a multiple fiscal year obligation of the District. The agreement terminates on December 31, 2031, or when all amounts due to the Developer under the agreement have been repaid, whichever is earlier.

JORDAN CROSSING METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Facilities Acquisition and Reimbursement Agreement

On June 20, 2006, the District entered into a Facilities Acquisition and Reimbursement Agreement with the Developer. The agreement was amended effective January 1, 2015 to credit payments first to principal and then to accrued and unpaid interest. Advances under the Agreement accrue interest at the Prime Interest Rate plus 1%. The Developer has agreed to design, construct and complete the infrastructure improvements within the District outlined in the Service Plan. Upon completion and acceptance by the District, the improvements are acquired by the District.

The agreement was further amended on October 13, 2016 with the execution of the Second Amendment to the Facilities Acquisition and Reimbursement Agreement. Pursuant to this amendment, the District reinstated \$300,000 (the "Remaining Reimbursement Amount") of prior Developer unreimbursed costs for streets and parks and recreation improvements. The remaining unreimbursed costs amounting to \$1,284,519 are permanently waived and considered to be a Developer contribution. Additionally, the outstanding advances and interest amounting to \$16,078 and \$8,101, respectively, under this agreement made and accrued prior to October 13, 2016 are forever discharged. Interest starts to accrue on the Remaining Reimbursement Amount beginning on October 13, 2016.

As of December 31, 2020, the Developer was owed \$108,845 plus accrued interest totaling \$52,963.

The District has agreed to repay the Developer advances and accrued interest subject to the availability of funds and subject to annual appropriation. Principal must be paid prior to accrued interest. The obligation of the District to reimburse the Developer is not a multiple fiscal year obligation of the District. The agreement terminates on the earlier date of December 31, 2046, or when the following conditions have been satisfied: final acceptance of the improvements by the District, expiration of the warranty period on the improvements, and payment of all amounts due to the Developer under the agreement.

Effective, December 16, 2010, the Developer assigned all repayments for the Amended and Restated Operation Funding Agreement and the Facilities Acquisition and Reimbursement Agreement to P&S Investments LLC.

JORDAN CROSSING METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Authorized Debt

On May 2, 2006, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed of \$1,710,000 in aggregate principal amount of general obligation debt to finance the costs of acquiring, installing, constructing, and equipping the Public Improvements; \$200,000 for operations debt; and \$1,710,000 for refunding purposes, an interest rate not to exceed 12% per annum. At December 31, 2020, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 2, 2006	Series 2006 GO Bonds	Series 2016 GO Refunding Bonds	Authorized but Unissued at December 31, 2020
Streets	\$ 1,016,000	\$ 772,000	\$ 40,036	\$ 203,964
Parks and Recreation	295,000	244,000	-	51,000
Water	227,000	227,000	-	-
Sanitation & Storm Drainage	172,000	172,000	-	-
Operations and Maintenance	200,000	-	-	200,000
Debt Refundings	1,710,000	-	49,964	1,660,036
	<u>\$ 3,620,000</u>	<u>\$1,415,000</u>	<u>\$ 90,000</u>	<u>\$ 2,115,000</u>

Per the Service Plan, the District is limited to issuing \$1,710,000 in debt. Following the issuance of the 2016 Bonds, the District has voter authorized but unissued debt from the 2006 Election in the approximate amount of \$254,964 for Public Improvements; \$200,000 for operations debt; and approximately \$1,660,036 for refunding purposes.

Note 6 – Net Position

The District has a net position consisting of three components – net investment in capital assets, restricted and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. As of December 31, 2020, the District had net investment in capital assets calculated as follows:

Capital Assets, Net	\$ 120,000
Less: Capital Related Debt	<u>(85,475)</u>
Net Investment in Capital Assets	<u>\$ 34,525</u>

JORDAN CROSSING METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2020, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 3,130
Debt Service	983
Total Restricted Net Position:	<u>\$ 4,113</u>

Unrestricted net position represents assets that do not have any third-party limitations on their use.

The District's unrestricted net position as of December 31, 2020 totaled \$(1,555,768). This deficit amount was the result of the District being responsible for the financing and repayment of debt obligations issued for operations and the construction of public improvements which have been conveyed to other governmental entities.

Note 7 – Related Party

The majority of the members of the Board of Directors are employees, officers, owners, consultants or are otherwise associated with the Developer of the District and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed.

Note 8 – Risk Management

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

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

JORDAN CROSSING METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

Note 9 – Tax, Spending and Debt Limitations

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

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

On May 2, 2006, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

SUPPLEMENTARY INFORMATION

JORDAN CROSSING METROPOLITAN DISTRICT

DEBT SERVICE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the Year Ended December 31, 2020

(With Comparative Totals for the Year Ended December 31, 2019)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2019 Actual
Revenues				
Property Taxes	\$ 66,088	\$ 66,088	\$ -	\$ 50,742
Specific Ownership Tax	5,800	5,701	(99)	5,089
Net investment income	300	185	(115)	481
Total Revenues	72,188	71,974	(214)	56,312
Expenditures				
Debt Service				
2016 Bond Interest	67,738	67,738	-	67,738
Treasurer's Fees	991	992	(1)	762
Paying Agent Fees	3,000	3,000	-	3,000
Miscellaneous	50	-	50	12
Contingency	1,497	-	1,497	-
Total Expenditures	73,276	71,730	1,546	71,512
Excess Revenues Over (Under) Expenditures	(1,088)	244	1,332	(15,200)
Other Financing Sources				
Transfers In	-	-	-	5,000
Net Change in Fund Balance	(1,088)	244	1,332	(10,200)
Fund Balance - Beginning	1,088	6,384	5,296	16,584
Fund Balance - Ending	\$ -	\$ 6,628	\$ 6,628	\$ 6,384

See the Accompanying Independent Auditor's Report

OTHER INFORMATION

JORDAN CROSSING METROPOLITAN DISTRICT

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2020

**\$1,395,000 General Obligation Refunding and
Improvement Bonds, Series 2016
Dated October 25, 2016
Interest Payable June 1, December 1
Principal Due December 1**

<u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	3.750	\$ 20,000	\$ 67,738	\$ 87,738
2022	3.750	20,000	67,063	87,063
2023	3.750	25,000	66,388	91,388
2024	3.750	25,000	65,544	90,544
2025	3.750	25,000	64,700	89,700
2026	3.875	30,000	63,856	93,856
2027	3.875	30,000	62,844	92,844
2028	3.875	35,000	61,681	96,681
2029	3.875	35,000	60,325	95,325
2030	3.875	40,000	58,969	98,969
2031	3.875	40,000	57,419	97,419
2032	5.125	45,000	55,869	100,869
2033	5.125	45,000	53,562	98,562
2034	5.125	50,000	51,256	101,256
2035	5.125	50,000	48,693	98,693
2036	5.125	55,000	46,131	101,131
2037	5.250	60,000	43,312	103,312
2038	5.250	65,000	40,163	105,163
2039	5.250	70,000	36,750	106,750
2040	5.250	75,000	33,075	108,075
2041	5.250	80,000	29,138	109,138
2042	5.250	85,000	24,938	109,938
2043	5.250	90,000	20,475	110,475
2044	5.250	95,000	15,750	110,750
2045	5.250	100,000	10,763	110,763
2046	5.250	105,000	5,512	110,512
		<u>\$ 1,395,000</u>	<u>\$ 1,211,914</u>	<u>\$ 2,606,914</u>

JORDAN CROSSING METROPOLITAN DISTRICT

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED

Levy Year	Collection Year	Assessed Valuation	Mill Levy			Total Levy	Current Collection	Collection Rate
			General	Debt	Total			
2006	2007	\$ 202,550	13.000	29.826	42.826	\$ 8,674	\$ 8,805	101.51%
2007	2008	1,846,822	13.000	29.826	42.826	79,092	79,583	100.62%
2008	2009	2,238,670	13.000	29.826	42.826	95,873	95,952	100.08%
2009	2010	2,143,690	13.000	29.826	42.826	91,806	89,016	96.96%
2010	2011	2,138,750	13.000	29.826	42.826	91,594	91,345	99.73%
2011	2012	1,621,500	13.000	29.826	42.826	69,442	69,348	99.86%
2012	2013	1,868,430	13.000	29.826	42.826	80,017	80,018	100.00%
2013	2014	2,388,060	13.000	29.826	42.826	102,271	102,271	100.00%
2014	2015	2,394,260	13.000	29.826	42.826	102,537	102,536	100.00%
2015	2016	2,781,530	13.000	29.826	42.826	119,122	119,122	100.00%
2016	2017	2,790,130	18.000	24.826	42.826	119,490	119,490	100.00%
2017	2018	2,986,740	32.864	14.397	47.261	141,156	141,156	100.00%
2018	2019	2,950,140	30.075	17.200	47.275	139,468	139,468	100.00%
2019	2020	3,389,120	28.178	19.500	47.678	161,587	161,587	100.00%

Estimated for
year ending
December 31,
2021

\$ 3,402,420 22.108 25.500 47.608 \$ 161,983

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

JORDAN CROSSING METROPOLITAN DISTRICT

Continuing Disclosure Annual Financial Information

General Obligation Refunding and Improvement Bonds, Series 2016

Year Ended December 31, 2020

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For CUSIPs:

48068RAB4

48068RAC2

48068RAD0

48068RAE8

JORDAN CROSSING METROPOLITAN DISTRICT

TABLE III

2020 Assessed and "Actual" Valuation of Classes of Property in the District

Class	Assessed Valuation	Percent of Assessed Valuation	"Actual" Valuation	Percent of "Actual" Valuation
Residential	\$ 3,383,620	99.45%	\$ 47,322,364	99.86%
State Assessed	18,800	0.55%	64,793	0.14%
Total	<u>\$ 3,402,420</u>	<u>100.00%</u>	<u>\$ 47,387,157</u>	<u>100.00%</u>

Source: Douglas County Assessor's Office

JORDAN CROSSING METROPOLITAN DISTRICT

TABLE IV

Largest Taxpayers Within the District

Name	2020 Assessed Valuation	Percent of Total Assessed Valuation
Individual homeowner	\$ 38,590	1.13%
Individual homeowner	38,290	1.13%
Individual homeowner	37,980	1.12%
Individual homeowner	37,830	1.11%
Individual homeowner	37,830	1.11%
Individual homeowner	37,770	1.11%
Individual homeowner	37,770	1.11%
Individual homeowner	37,250	1.09%
Individual homeowner	37,120	1.09%
Individual homeowner	36,940	1.09%
Total	<u>\$ 377,370</u>	<u>11.09%</u>

Based on District 2020 assessed valuation of \$3,402,420. The remaining taxpayers within the District are comprised primarily of individual property owners.

Source: Douglas County Assessor's Office

JORDAN CROSSING METROPOLITAN DISTRICT

TABLE VI

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

	2016	2017	2018	2019	2020
Revenues					
Property Taxes	\$ 36,160	\$ 50,222	\$ 98,156	\$ 88,726	\$ 95,499
Specific Ownership Tax	3,327	5,502	10,380	8,899	8,237
Net investment income	262	243	1,858	1,522	320
Total Revenues	39,749	55,967	110,394	99,147	104,056
Expenditures					
Current					
Management	7,480	5,663	8,128	7,323	13,903
Accounting	8,158	7,749	12,570	8,499	10,449
Audit	4,117	4,875	4,378	4,400	4,400
Election	523	-	813	-	1,151
Insurance and Dues	3,987	3,707	3,753	4,290	4,212
Legal	13,077	16,692	5,285	4,683	10,569
Statutory Compliance	356	-	-	-	-
Treasurer's Fees	543	754	1,473	1,332	1,433
Miscellaneous	312	226	286	410	222
Developer Advance Repayment	10,000	15,000	75,000	65,000	50,000
Total Expenditures	48,553	54,666	111,686	95,937	96,339
Excess Revenues Over (Under)					
Expenditures	(8,804)	1,301	(1,292)	3,210	7,717
Other Financing Sources (Uses)					
Transfers Out	-	-	-	(5,000)	-
Net Change in Fund Balance	(8,804)	1,301	(1,292)	(1,790)	7,717
Fund Balance - Beginning	18,537	9,733	11,034	9,742	7,952
Fund Balance - Ending	\$ 9,733	\$ 11,034	\$ 9,742	\$ 7,952	\$ 15,669

Sources: District's audited financial statements for the years ended December 31, 2016 - 2020

JORDAN CROSSING METROPOLITAN DISTRICT

TABLE VII

General Fund Budget Summary and Comparison

	2020 Budget	2021 Budget	2021 Year to Date Actual (unaudited) ¹
Revenues			
Property Taxes	\$ 95,499	\$ 75,221	\$ 39,261
Specific Ownership Tax	8,600	6,000	1,790
Net investment income	1,600	100	15
Total Revenues	105,699	81,321	41,066
Expenditures			
Current			
Management	8,000	12,000	2,074
Accounting	10,000	12,000	3,416
Audit	5,000	5,000	-
Election	1,000	-	-
Insurance and Dues	4,200	4,410	4,131
Legal	10,000	11,000	1,403
Treasurer's Fees	1,432	1,128	589
Miscellaneous	500	500	76
Contingency	3,000	7,000	-
Emergency Reserve	3,171	2,440	-
Developer Advance Repayment	65,000	25,000	-
Total Expenditures	111,303	80,478	11,689
Net Change in Fund Balance	(5,604)	843	29,377
Fund Balance - Beginning	10,997	12,695	15,669
Fund Balance - Ending	\$ 5,393	\$ 13,538	\$ 45,046

¹ Year to date actual (unaudited) figures through April 30, 2021

Sources: District 2020 and 2021 Budgets and the District

JORDAN CROSSING METROPOLITAN DISTRICT

TABLE IX

District Historical Debt Ratios

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Obligation Debt Outstanding	\$ 1,395,000	\$ 1,395,000	\$ 1,395,000	\$ 1,395,000
Estimated Population ¹	300	300	300	300
Debt Per Capita	\$ 4,650	\$ 4,650	\$ 4,650	\$ 4,650
District Assessed Value	\$ 2,790,130	\$ 2,986,740	\$ 2,950,140	\$ 3,389,120
Ratio of Debt to Assessed Value	50.00%	46.71%	47.29%	41.16%
Personal Income Per Capita (Douglas County)	\$ 68,823	\$ 70,383	\$ 75,255	\$ 78,455
Ratio of Debt Per Capita to Personal Income Per Capita (Douglas County)	6.76%	6.61%	6.18%	5.93%

¹ Population estimate based on 2.84 persons per household in Douglas County, as provided by the U.S. Census Bureau, times the number of homes (107) within the District. Figure has been rounded.

Sources: Douglas County Assessor's Office, Regional Economics Information System Bureau of Economic Analysis