

PRAIRIESTAR METROPOLITAN DISTRICT NO. 2

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
Fax: 303-987-2032
www.prairiestarmd2.colorado.gov

NOTICE OF A REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Ryan St. Pierre	President	2025/May 2025
Katie Murrey	Treasurer	2025/May 2025
Scott Sarbaugh	Secretary	2025/May 2025
Jennifer Davis	Assistant Secretary	2023/May 2023
VACANT		2023/May 2023

DATE: November 16, 2022
TIME: 5:00 P.M.
LOCATION: ZOOM

THIS MEETING WILL BE HELD BY VIDEO/TELEPHONIC MEANS:

Join Zoom Meeting
<https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRtWkRyUIZZc1VMWTJFZjFHdz09>
Meeting ID: 862 6755 0643
Passcode: 987572
Dial In: 1-719-359-4580

I. ADMINISTRATIVE MATTERS

- A. Confirm quorum and Present Disclosures and Potential Conflicts of Interest.

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

- C. Discuss vacancy on Board of Directors and consider appointment of District eligible elector to fill vacancy. Administer Oath of Office.

- D. Discuss payment of Directors' Fees.

- E. Review and consider approval of the September 21, 2022 Regular Meeting Minutes (enclosure).

- F. Discuss business to be conducted in 2023 and location (**virtual and/or physical**) of meetings. Schedule regular meeting dates and consider adoption of Resolution No. 2022-11-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices (enclosure).
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- G. Discuss §32-1-809, C.R.S. – Transparency Notice reporting requirements and mode of eligible elector notification (posted on the District’s website and SDA website in 2022).
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II. PUBLIC COMMENT

- A. Public Comment.
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- B. Community Engagement Committee Report.
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- i. Consider appointment of committee members.
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- ii. Discuss Social Media Policy.
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- iii. Discuss community events.
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- C. The Gardens at PrairieStar Report.
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III. COMMUNITY GOVERNANCE / OPERATIONS & MAINTENANCE MATTERS

- A. Covenant Control and Design Review Report.
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- i. Discuss transition of Design Review Committee.
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- B. Discuss 2023 landscape maintenance and snow removal services with Panorama Coordinated Services, Inc. and consider approval of Service Agreement(s) and/or Change Order(s) for said services (enclosures).
-

- C. Discuss District services for 2023 and consider approval of necessary service agreements and/or change orders for related services (trash/recycling, etc.).
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IV. FINANCIAL MATTERS

- A. Review and ratify the approval of the payment of claims as follows (enclosures):

Fund	Period ending Sept. 30, 2022	Period ending Oct. 31, 2022
General	\$ 17,231.93	\$ 45,357.59
Debt Service	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-
Total Claims	\$ 17,231.93	\$ 45,357.59

- B. Review and accept unaudited financial statements through the period ending September 30, 2022 (to be distributed).
-
- C. Consider appointment of Dazzio & Associates, P.C. to perform the 2022 Audit for an amount not to exceed \$4,700 (enclosure).
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- D. Conduct Public Hearing to consider Amendment to 2022 Budget and (if necessary) consider adoption of Resolution to Amend the 2022 Budget and Appropriate Expenditures.
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- E. Conduct Public Hearing on the proposed 2023 Budget and consider adoption of Resolution No. 2022-11-___ to Adopt the 2023 Budget and Appropriate Sums of Money and Resolution No. 2022-11-___ to Set Mill Levies (for General Fund _____, Debt Service Fund _____ for a total mill levy of _____) (enclosures – preliminary assessed valuation, resolutions and 2023 draft Budget).
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- F. Consider authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.
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V. LEGAL MATTERS

- A. Consider adoption of Resolution Calling a Regular Election for Directors on May 2, 2023, appointing the Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of mail ballot election (enclosure). Self-Nomination forms are due by February 24, 2023. Discuss the need for ballot issues and/or questions.
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VI. OTHER BUSINESS

- A. _____
-

VII. ADJOURNMENT **NO FURTHER MEETINGS ARE SCHEDULED FOR 2022.**

Informational Enclosure:

- Memo regarding New Rate Structure from Special District Management Services, Inc.
- Memo regarding New Rate Structure from McGeady Becher PC.

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PRAIRIESTAR METROPOLITAN DISTRICT NO. 2 HELD SEPTEMBER 21, 2022

A Regular Meeting of the Board of Directors (referred to hereafter as "Board") of the PrairieStar Metropolitan District No. 2 (referred to hereafter as "District") was convened on Wednesday, the 21st day of September, 2022, at 5:00 p.m. This District Board meeting was held via Zoom. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Ryan St. Pierre
Katie Murrey
Scott Sarbaugh

Following discussion, upon motion duly made by Director Sarbaugh, seconded by Director St. Pierre and, upon vote, unanimously carried, the absence of Director Jennifer Davis was excused.

Also In Attendance Were:

Peggy Ripko; Special District Management Services, Inc. ("SDMS")

MaryAnn McGeady, Esq., Kate Olson, Esq., and Tim O'Connor, Esq.; McGeady Becher P.C.

Diane Wheeler; Simmons & Wheeler, P.C.

Michelle Morales; Member of the public (for a portion of the meeting)

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Ms. Ripko noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members in accordance with the statute. Attorney Olson noted that Directors' Disclosure Statements had been filed for Directors Sarbaugh and Davis.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: The Board reviewed the proposed Agenda for the District's regular meeting.

Following discussion, upon motion duly made by Director Sarbaugh, seconded by Director St. Pierre and, upon vote, unanimously carried, the Board approved the Agenda, as amended.

Location/Manner of Meeting: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. The Board determined to hold the meeting by video/telephonic means and encouraged public participation via video or telephone. The Board noted that notice of the time, date and format of the meeting was duly posted and that the District had not received any objections to the format of the meeting, or any requests that the format of the meeting be changed by taxpaying electors within the District boundaries.

Resignation of Director: The Board acknowledged the resignation of Director Sidney effective as of September 7, 2022.

Vacancy on the Board: The Board discussed the vacancy on the Board and a plan for recruiting candidates.

Following discussion, upon motion duly made by Director Sarbaugh, seconded by Director Murrey and, upon vote, unanimously carried, the Board authorized the Social Events Committee to expend an amount not to exceed \$1,000 for recruitment of Board candidates.

Minutes: The Board reviewed Minutes of the June 15, 2022 Regular Meeting Minutes.

Following discussion, upon motion duly made by Director Sarbaugh, seconded by Director St. Pierre and, upon vote, unanimously carried, the Board approved the Minutes of the June 15, 2022 Regular Meeting Minutes, as amended.

Transition of District Manager: Mr. Ripko explained to the Board that she would be replacing Mr. Cohrs as District Manager and that Shana Jones at SDMS would be stepping into Peggy's previous role as lead of covenant enforcement. The Board requested that Ms. Jones work with the Board regarding positive outreach with the homeowners.

PUBLIC COMMENT

Public Comment: There was no public comment.

Community Liaison Committee Report: Following discussion, upon motion duly made by Director Sarbaugh, seconded by Director Murrey and, upon vote,

RECORD OF PROCEEDINGS

unanimously carried, the Board determined to dissolve the Community Liaison Committee now that there are homeowners on the Board.

Social Events Committee:

Social Events Committee Report: Following discussion, the Board determined to change rename the Social Events Committee to the ***Community Engagement Committee***, and appointed Directors Murrey and St. Pierre to said Committee.

Director Sarbaugh noted that the Developer would once again sponsor the 2022 holiday light contest and will provide the cash prizes for the winners.

The Board directed District staff to do research and follow-up with Directors Murrey and St. Pierre regarding the District's ability to conduct bake sales / events on District property, how proceeds can be used, permitting and insurance requirements, if any.

Social Media: The Board discussed the potential uses of social media for District communication. Ms. Ripko to research SDMS's software to determine if there is a communications component.

The Gardens at PrairieStar Committee Report: Ms. Ripko reiterated that the homeowner committee members on The Gardens at PrairieStar Committee had resigned. There was discussion regarding the upkeep of the garden beds and ideas to garner more interest in the use of the garden plots.

COMMUNITY GOVERNANCE/ OPERATIONS & MAINTENANCE MATTERS

Covenant Control and Design Review: Ms. Ripko updated the Board on the covenant control and design review, noting again that Ms. Jones would be taking the lead on covenant enforcement.

Transition of Design Review Committee: There was discussion regarding transition of the Design Review Committee ("DRC") to residents. Mr. Ripko noted that she would draft a committee description and suggested sending information to residents to obtain interest from residents to serve on the DRC.

Xeriscaping Policy: There was no discussion.

New commercial vehicle ordinance by the Town of Berthoud: Ms. Ripko briefly reported to the Board on the updated ordinance.

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims as follows:

RECORD OF PROCEEDINGS

Fund	Period ending June 16, 2022	Period ending July 15, 2022	Period ending Aug. 31, 2022
General	\$ 13,290.41	\$ 13,163.55	\$ 62,539.32
Debt Service	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 13,290.41	\$ 13,163.55	\$ 62,539.32

The Board discussed the approval process through Bill.com. The Board determined that Director Murrey and Director St. Pierre will be primary approvers of invoices through Bill.com and Director Sarbaugh will be the secondary approver of invoices.

Following discussion, upon motion duly made by Director Sarbaugh, seconded by Director St. Pierre and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as presented.

Unaudited Financials: No action was taken at this time. Ms. Wheeler will update the unaudited financial statements.

2023 Budget: The Board discussed the 2023 Budget. The Board determine to schedule the 2023 Budget Hearing on November 16, 2022 at 5:00 p.m.

LEGAL MATTERS

There were no legal matters to discuss at this time.

OTHER MATTERS

There were no other items to discuss at this time.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Sarbaugh, seconded by Director St. Pierre and, upon vote, unanimously carried, and the meeting was adjourned.

Respectfully submitted,

By _____
Secretary for the Meeting

RESOLUTION NO. 2022-11-____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE PRAIRIESTAR METROPOLITAN DISTRICT NO. 2
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

- A. Pursuant to Section 32-1-903(1.5), C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.
- B. Pursuant to Section 32-1-903(5), C.R.S., “location” means the physical, telephonic, electronic, or virtual place, or a combination of such means where a meeting can be attended. “Meeting” has the same meaning as set forth in Section 24-6-402(1)(b), C.R.S., and means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication.
- C. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district’s first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings (“**Notice of Meeting**”) will be physically posted at least 24 hours prior to each meeting (“**Designated Public Place**”). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.
- D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting if a special district posts the Notice of Meeting online on a public website of the special district (“**District Website**”) at least 24 hours prior to each regular and special meeting.
- E. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.
- F. Pursuant to Section 32-1-903(1.5), C.R.S., all meetings of the board that are held solely at physical locations must be held at physical locations that are within the boundaries of the district or that are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the physical location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.
- G. The provisions of Section 32-1-903(1.5), C.R.S., may be waived if: (1) the proposed change of the physical location of a meeting of the board appears on the agenda of a meeting; and (2) a resolution is adopted by the board stating the reason for which meetings of the board are to be held in a physical location other than under Section 32-1-903(1.5), C.R.S., and further stating the date, time and physical location of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the PrairieStar Metropolitan District No. 2 (the “**District**”), Larimer County, Colorado:

1. That the provisions of Section 32-1-903(1.5), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting meetings at a physical location pursuant to Section 32-1-903(1.5), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2023 shall be held on March __, June __, September __ and November __, 2023 at 5:00 pm – Via Zoom.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the physical location and/or method or procedure for attending meetings of the District Board virtually (including the conference number or link) shall appear on the agenda(s) of said meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) physical location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District has established the following District Website, <https://praireistarmd2.colorado.gov>, and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to meetings pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

8. That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) At the entry of Wagonbend and Berthoud Parkway

9. Scott Sarbaugh, or his/her designee, is hereby appointed to post the above-referenced notices.

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on November 16, 2022.

**PRAIRIESTAR METROPOLITAN
DISTRICT NO. 2**

By: _____
President

Attest:

Secretary

**SERVICE AGREEMENT FOR
LANDSCAPE MAINTENANCE AND SNOW REMOVAL SERVICES**

THIS SERVICE AGREEMENT FOR LANDSCAPE MAINTENANCE AND SNOW REMOVAL (“**Agreement**”) is entered into and effective as of November ____, 2022, by and between **PRAIRIESTAR METROPOLITAN DISTRICT NO. 2**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **PANORAMA COORDINATED SERVICES, INC.**, a Colorado corporation (the “**Consultant**”) (each a “**Party**” and, collectively, the “**Parties**”).

RECITALS

A. The District was organized pursuant to the laws of the State of Colorado in order to construct, operate and maintain certain public facilities and improvements in accordance with its service plan.

B. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District.

C. The Consultant has experience in providing the services, as set forth in **Exhibit A** hereto, attached and incorporated herein (the “**Services**”), and is willing to provide such Services to the District for reasonable consideration.

D. The Parties desire to enter into this Agreement to establish the terms by which the Consultant will provide the Services to the District.

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

I. CONSULTANT DUTIES AND AUTHORITY

1.1 Duties of Consultant. The Consultant shall:

(a) Perform the Services, safely and in accordance with the highest standard of care, skill, and diligence provided by a professional consultant in performance of work similar to the Services.

(b) Be properly qualified to perform the Services. The Consultant does hereby warrant that the quality of the Services shall be as specified in this Agreement, shall conform in all respects to the requirements of this Agreement and shall be free of defects and deficiencies.

(c) Take all precautions necessary for safely and prudently conducting the Services required by this Agreement, including maintaining insurance as required under Section 4.2 hereof.

(d) Advise the District of the status of the Services required by this Agreement on a regular basis and work in coordination with the District's consultants to assure that the District has the most complete information available for the exercise of the District's powers and discretionary authority.

(e) Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by the Consultant shall be obligations of the Consultant and the Consultant shall hold the District harmless therefrom.

1.2 Limitations on Authority.

(a) The Consultant shall have no right or authority, expressed or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District board meetings. The Consultant shall at all times conform to the stated policies established and approved by the District.

(b) Independent Contractor Status. The Consultant is an independent contractor, as provided in Section 8-40-202(2)(b)(I)-(IV), C.R.S., as amended, and nothing herein contained shall constitute or designate the Consultant or any of its employees, agents, subcontractors or suppliers as employees of the District. The Services to be performed by the Consultant shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, except the payments to be made by the District to the Consultant for the Services performed as provided herein. The District shall not be responsible for the Consultant's means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto. **The Consultant is not entitled to workers' compensation benefits and the Consultant is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

1.3 Compliance with Applicable Law. The Consultant shall provide the Services set forth herein in full compliance with all applicable laws, rules, and regulations of any federal, state, county, or municipal body or agency thereof having jurisdiction over the activities of the District.

1.4 No Right or Interest in District Assets. The Consultant shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein.

1.5 Work Product. "**Work Product**" shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain reproducible copies of any test results and logs which it obtains and shall make them available for the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Consultant agrees all right, title and interest in the Work Product is

and shall remain the property of the District. If requested by the District, Consultant shall execute and deliver such documents as shall be necessary in the District's sole discretion, to assign, transfer and convey all rights in the Work Product to the District or its assignee. If Consultant fails to execute any documents required under this Section 1.5, then Consultant hereby irrevocably appoints the District its attorney-in-fact for the purpose of executing any required transfers of ownership or interests and any other documents necessary to effectuate this Section 1.5. Further, all Work Product, whether in paper or electronic form, reproductions thereof, or any information or instruments derived therefrom, shall be provided to the District immediately upon termination of this Agreement.

II. COMPENSATION

2.1 Compensation. The Consultant shall be paid as set forth in **Exhibit B** attached hereto with a total contract amount not to exceed \$_____ on a time and materials basis, unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as **Exhibit C** ("Change Order").

2.2 Monthly Invoices and Payments. The Consultant shall submit to the District a monthly invoice, in a form acceptable to the District. Invoices shall be submitted and paid no more frequently than once a month.

2.3 Expenses. The Consultant is responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as set forth in **Exhibit B**, unless otherwise approved in advance by the District in writing.

2.4 Subject to Annual Budget and Appropriation; District Debt. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds is subject to annual budgeting and appropriation. Nothing herein constitutes or creates an indebtedness or debt of the District within the meaning of any Colorado constitutional provision or statutory limitation.

III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on the date set forth above, and shall expire on December 31, 2023. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination.

(a) The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Consultant at least thirty (30) days prior to the effective date of such termination. The Consultant may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least thirty (30) days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

(b) Notwithstanding any provision herein to the contrary, the Agreement shall terminate automatically and be of no further force or effect upon the occurrence of (a) the Consultant's voluntary dissolution, liquidation, winding up, or cessation to carry on business activities as a going concern; or (b) administrative dissolution (or other legal process not initiated by the Consultant dissolving the Consultant as a legal entity) that is not remedied or cured within sixty (60) days of the effective date of such dissolution or other process.

The District shall pay the Consultant for all Services satisfactorily performed through the termination date.

IV. INDEMNIFICATION AND INSURANCE

4.1 Indemnification. The Consultant hereby agrees to indemnify, defend and hold the District and its affiliated entities or other persons or entities designated by the District, and their respective directors, trustees, officers, members, managers, agents and employees (collectively, the "**Indemnitees**"), harmless from any and all liability for damage, including, but not limited to, the reimbursement of attorneys' fees and costs, arising out of death or bodily injury to persons or damage to property, in such amount that is represented by the degree or percentage of negligence or fault attributable to the Consultant and/or its agents, representatives, subcontractors, or suppliers.

4.2 Insurance Requirements. The Consultant shall procure, at its sole cost and expense, the insurance coverages set forth below, which insurance shall be placed with insurance companies rated at least "A:XIII" by A.M. Best Company. The Consultant shall give notice to the District at least thirty (30) days prior to the cancellation or nonrenewal of such policies. The Consultant shall give notice to the District within five (5) business days, or as soon as practicable, of any modification of any such policies. Consultant's cost of maintaining the insurances required hereunder shall not be considered a reimbursable expense of the Consultant. The Consultant shall, upon request, promptly furnish the District with copies of policies obtained pursuant to this Section 4.2. Prior to commencing the Services, the Consultant shall furnish the District with certificates evidencing such insurance and provided further, however, with respect to the Workers' Compensation Insurance required below, the Consultant must furnish to the District, prior to the commencement of any Services, duly executed and validated forms as prescribed by the state authority having jurisdiction evidencing that such insurance is in full force and effect. The District shall not pay any invoices until Consultant provides the certificates evidencing such insurance and Workers' Compensation coverage.

(a) Liability Insurance Coverage.

(i) Workers' Compensation Insurance. A Workers' Compensation Insurance Policy in form and substance reasonably acceptable to the District and in an amount not less than the statutory benefits, including Employer's Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident; (ii) \$500,000 for bodily injury by disease, each employee; and (iii) \$500,000 aggregate liability for disease. The Workers' Compensation Insurance Policy, or an endorsement to such policy, must include a waiver of subrogation in favor of the District.

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the insurance policy or policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property Damage Liability; Contractual Liability supporting the Consultant's indemnification agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

(iii) Automobile Liability Insurance. An Automobile Liability Insurance Policy written on a per accident basis, in form and substance reasonably acceptable to the District. The Automobile Liability Insurance Policy must provide coverage for all owned, hired, rented and nonowned automobiles, and must include uninsured motorist coverages. The Automobile Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each accident for bodily injury and/or property damage.

(iv) Excess Liability Insurance. An Excess Liability Insurance Policy written in excess of the coverages provided by the insurance policies described in the preceding Subsections 4.2(a)(i) - (iii), in form and substance reasonably acceptable to the District, which policy will include the District as additional insured. The Excess Liability Insurance Policy must be written with a combined single limit of not less than \$1,000,000 for each occurrence of bodily injury/or property damage and annual aggregate.

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Consultant fails to furnish and maintain insurance as required by this Section 4.2, the District may purchase such insurance on behalf of the Consultant and deduct the cost of such insurance premium(s) from the compensation otherwise owed to the Consultant, and the Consultant shall furnish to the District any information needed to obtain such insurance. Except as otherwise expressly provided herein, all insurance policies required by the terms of this section shall be kept in full force and effect until the date of final payment to the Consultant for the Services specified in this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the foregoing insurance requirements are in no way intended to, and will not in any manner, limit or qualify the liabilities and/or indemnities assumed by the Consultant under or pursuant to this Agreement.

(c) Effect of Approval or Acceptance of Insurance. District acceptance and/or approval of any or all of the insurances required hereunder does not and shall not be construed to relieve Consultant from any obligations, responsibilities or liabilities under this Agreement.

V. MISCELLANEOUS

5.1 Assignment. The Consultant shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and of no effect.

5.2 Modification; Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto; provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the District or the Consultant unless the same is in writing and duly executed by the Parties.

5.3 Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

5.4 Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

5.5 Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the State District Court in and for the County of Larimer, Colorado.

5.6 Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

5.7 Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the Consultant any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the Consultant shall be for the sole and exclusive benefit of the District and the Consultant.

5.8 Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via FedEx or other nationally recognized overnight air courier service, by electronically-confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To District: PrairieStar Metropolitan District No. 2
141 Union Boulevard, Suite 150
Lakewood, CO 80228
Phone: 303-987-0835
Email: pripko@sdmsi.com
Attn: Peggy Ripko

With a Copy To: McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203
Phone: (303) 592-4380
Email: legalnotices@specialdistrictlaw.com

To Consultant: Panorama Coordinated Services, Inc.
395A E. Rogers Road, Unit A
Longmont, CO 80501
Phone: 303-774-9449
Email:
Attn:

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with FedEx or other nationally recognized overnight air courier service, upon electronic confirmation of email transmission, 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.

5.9 Default/Remedies. If either Party fails to perform any of its responsibilities, obligations or agreements to be performed in accordance with the provisions of this Agreement, and if such failure of performance continues for a period of thirty (30) days following written notice of default from the other Party (or such additional period of time as may reasonably be required to cure such default; provided that the curative action is commenced within such thirty (30) day period and is diligently and continuously pursued to completion), then the non-defaulting Party, at its option, may elect (i) to treat this Agreement as remaining in full force and effect; or (ii) terminate this Agreement as of any specified date. The non-defaulting Party shall additionally be entitled to exercise all remedies available at law or in equity. In the event of any litigation or other proceeding to enforce the terms, covenants or conditions hereof, the non-defaulting Party in any such litigation or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

5.10 Instruments of Further Assurance. Each Party covenants it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

5.11 Compliance with Law. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and

regulations of the jurisdiction in which the Agreement is performed. The Consultant declares it has complied and will comply with all federal, state and local laws regarding business permits, certificates and licenses required to perform the Services.

5.12 Non-Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed to be a waiver of any subsequent default hereunder. Notwithstanding any provision to the contrary in this Agreement, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of any of the immunities, rights, benefits or protection provided to the District under the Colorado Governmental Immunity Act.

5.13 Inurement. This Agreement shall inure to and be binding on the heirs, executors, administrator, successors, and permitted assigns of the Parties hereto.

5.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

5.15 Conflicts. If any term or provision(s) in any Exhibit attached as part of this Agreement conflicts with any term or provision(s) in the body of this Agreement, the term or provision(s) contained in the body of this Agreement shall control.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO SERVICE AGREEMENT]

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

Consultant:
PANORAMA COORDINATED SERVICES, INC., a Colorado corporation

By: _____

Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by _____, as _____ of Panorama Coordinated Services, Inc.

Witness my hand and official seal.

My commission expires: _____

Notary Public

District:
PRAIRIESTAR METROPOLITAN DISTRICT NO. 2

By: _____
President

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by Ryan St. Pierre, as President of PrairieStar Metropolitan District No. 2.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A
SCOPE OF SERVICES

**EXHIBIT B
COMPENSATION**

EXHIBIT C
FORM OF CHANGE ORDER

Change Order No:	Date Issued:
Name of Agreement:	
Date of Agreement:	District(s):
Other Party/Parties:	

CHANGE IN SCOPE OF SERVICES (describe):

CHANGE IN AGREEMENT PRICE:	CHANGE IN TERM OF AGREEMENT:
Original Price: \$ _____	Original Term: Expires _____, 20__
Increase of this Change Order: \$ _____	New Term: Expires _____, 20__
Price with all Approved Change Orders: \$ _____	Agreement Time with all Approved Change Orders:

APPROVED:

By: _____

District

APPROVED:

By: _____

Consultant



Longmont, CO 80501

303/774-9449

Estimate

Date	Estimate #
10/24/22	6050

Visit our website at: www.mypanorama.com

Name / Address	Jobsite
PrairieStar, Inc. 2738 Pine St. Boulder, CO 80302	PrairieStar, Inc. Prairie Star Dr & Grand Market Ave Tract S Berthoud, CO

Description	Cost	Total
Cut/removal and treat with Garlon 3A where possible to noxious vegetation (volunteer growth of woody plants - focus on Tamarisk) to areas around the Wetland Pond and Lower Pond. 4 man crew for 8 hours	1,720.00	1,720.00
project management & Dump fees	275.00	275.00

The price on this proposal includes all applicable taxes.

Please NOTE: Unfortunately commodity pricing is changing daily at present, particularly wood, steel, PVC, pipe, turf care materials and sprinkler fixtures. Our estimate reflects current pricing. The actual invoice will reflect market prices for these components at the time of installation.

If estimate totals over \$2000, Panorama requires 1/2 payment as deposit prior to commencement of work. We will progress-bill an additional 25% mid-way through the project, payment to be made upon receipt. The remaining balance, and any incidental charges will be billed upon completion of the project.

Subtotal	\$1,995.00
Sales Tax (8.515%)	\$0.00
Total	\$1,995.00

Please sign and return to indicate acceptance of this estimate.

Signature _____ Date _____

Note: This estimate is void after 30 days.

All material is guaranteed to be as specified. All work is to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. Please remember this is an estimate. This total may change due to the fluctuation in material costs and/or any unforeseen circumstances. Our workers are fully covered by Workman's Compensation Insurance.

Prairie Star Metropolitan District No.2
September-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
A Squared Instruments and Controls	822-004	8/31/2022	9/1/2022	\$ 455.00	Miscellaneous	9450
Colorado Special Districts Property and Liability Pool	23WC-61200-0251	8/31/2022	9/1/2022	\$ 450.00	Prepaid Expenses	1700
McGeady Becher P.C.	07 31 22 D2	7/31/2022	7/31/2022	\$ 450.50	Legal	9300
Orkin	230348474	8/30/2022	8/30/2022	\$ 163.00	Miscellaneous	9450
Panorama Coordinated Services	98157	7/31/2022	7/31/2022	\$ 4,261.82	Landscape Maintenance	9460
Special District Management Services, Inc.	08 31 22 D2	8/31/2022	8/31/2022	\$ 4,708.40	Covenant Enforcement	9401
Special District Management Services, Inc.	08 31 22 D2	8/31/2022	8/31/2022	\$ 1,565.60	District Management	9100
Special District Management Services, Inc.	08 31 22 D2	8/31/2022	8/31/2022	\$ 828.80	Accounting	9050
Special District Management Services, Inc.	08 31 22 D2	8/31/2022	8/31/2022	\$ 573.43	Miscellaneous	9450
UNCC	222081166	8/31/2022	8/31/2022	\$ 16.90	Miscellaneous	9450
				\$ 13,473.45		

Prairie Star Metropolitan District No.2
September-22

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 13,473.45			\$ 13,473.45
Town of Berthoud	\$ 3,596.06			\$ 3,596.06
Xcel Energy	\$ 162.42			\$ 162.42
Total Disbursements from Checking Acct	\$17,231.93	\$0.00	\$0.00	\$17,231.93

Prairie Star Metropolitan District No.2
October-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
A Squared Instruments and Controls	B022-004.1	9/27/2022	9/30/2022	\$ 230.00	Miscellaneous	9450
Dazzio & Associates, PC	577	9/30/2022	9/30/2022	\$ 4,700.00	Audit	9000
McGeady Becher P.C.	08 31 22 D2	8/31/2022	8/31/2022	\$ 312.00	Legal	9300
O'Brien, Ashley	eimbursemer	10/31/2022	10/31/2022	\$ 4,151.09	Miscellaneous	9450
Orkin	231533413	9/30/2022	9/30/2022	\$ 163.00	Miscellaneous	9450
Panorama Coordinated Services	98594	9/30/2022	9/30/2022	\$ 912.90	Landscape Maintenance	9460
Panorama Coordinated Services	98211	8/31/2022	9/1/2022	\$ 1,126.56	Landscape Maintenance	9460
Panorama Coordinated Services	92097	7/31/2022	7/31/2022	\$ 97.85	Landscape Maintenance	9460
Panorama Coordinated Services	98210	8/31/2022	8/31/2022	\$ 554.91	Landscape Maintenance	9460
Panorama Coordinated Services	98596	9/30/2022	9/30/2022	\$ 2,001.12	Landscape Maintenance	9460
Panorama Coordinated Services	92103	7/31/2022	7/31/2022	\$ 208.68	Landscape Maintenance	9460
Panorama Coordinated Services	98215	8/31/2022	8/31/2022	\$ 1,883.61	Landscape Maintenance	9460
Panorama Coordinated Services	98529	9/1/2022	9/1/2022	\$ 1,865.33	Landscape Maintenance	9460
Panorama Coordinated Services	92869	9/30/2022	9/30/2022	\$ 284.07	Landscape Maintenance	9460
Panorama Coordinated Services	92104	7/31/2022	8/1/2022	\$ 202.19	Landscape Maintenance	9460
Panorama Coordinated Services	98593	9/1/2022	9/1/2022	\$ 1,115.63	Landscape Maintenance	9460
Panorama Coordinated Services	98595	9/30/2022	9/30/2022	\$ 1,205.52	Landscape Maintenance	9460
Panorama Coordinated Services	98213	8/1/2022	8/1/2022	\$ 921.85	Landscape Maintenance	9460
Panorama Coordinated Services	98592	9/30/2022	10/1/2022	\$ 549.53	Landscape Maintenance	9460
Panorama Coordinated Services	98212	8/31/2022	8/31/2022	\$ 2,020.74	Landscape Maintenance	9460
Panorama Coordinated Services	98214	8/31/2022	8/31/2022	\$ 1,217.34	Landscape Maintenance	9460
Panorama Coordinated Services	98813	10/31/2022	10/31/2022	\$ 549.53	Landscape Maintenance	9460
Panorama Coordinated Services	98816	10/31/2022	10/31/2022	\$ 912.90	Landscape Maintenance	9460
Panorama Coordinated Services	98817	10/31/2022	10/31/2022	\$ 1,205.52	Landscape Maintenance	9460
Panorama Coordinated Services	98815	10/31/2022	10/31/2022	\$ 2,001.12	Landscape Maintenance	9460
Panorama Coordinated Services	98814	10/31/2022	10/31/2022	\$ 1,115.63	Landscape Maintenance	9460
Panorama Coordinated Services	98818	10/31/2022	10/31/2022	\$ 1,865.33	Landscape Maintenance	9460
RLI	LSM0936317	9/30/2022	9/30/2022	\$ 250.00	Insurance	9200
Special District Management Services, Inc.	09 30 22 D2	9/30/2022	9/30/2022	\$ 4,763.70	Covenant Enforcement	9401
Special District Management Services, Inc.	09 30 22 D2	9/30/2022	9/30/2022	\$ 2,631.20	District Management	9100
Special District Management Services, Inc.	09 30 22 D2	9/30/2022	9/30/2022	\$ 725.20	Accounting	9050
Special District Management Services, Inc.	09 30 22 D2	9/30/2022	9/30/2022	\$ 356.92	Miscellaneous	9450
UNCC	222091172	9/30/2022	9/30/2022	\$ 23.40	Miscellaneous	9450
				\$ 42,124.37		

Prairie Star Metropolitan District No.2

October-22

	General	Debt	Capital	Totals
Disbursements	\$ 42,124.37			\$ 42,124.37
Town of Berthoud	\$ 3,130.26			\$ 3,130.26
Xcel Energy	\$ 102.96			\$ 102.96
Total Disbursements from Checking Acct	\$45,357.59	\$0.00	\$0.00	\$45,357.59



Dazzio & Associates, PC
Certified Public Accountants

October 27, 2022

To the Board of Directors and Management
PrairieStar Metropolitan District No. 2
c/o Special District Management Services, Inc.
141 Union Blvd, Suite 150
Lakewood, Colorado 80228

We are pleased to confirm our understanding of the services we are to provide PrairieStar Metropolitan District No. 2 (the District) for the year ended December 31, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2022.

We have also been engaged to report on supplementary information that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Debt Service Fund
- 2) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Capital Projects Fund

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

- 1) Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected
- 2) Schedule of Debt Service Requirements to Maturity

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also prepare the financial statements of the District in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation

of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Dazzio & Associates, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulatory agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dazzio & Associates, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a regulatory agency or its designee. The regulatory agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Stephen Dazzio is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$4,700. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements which, if applicable, will also address other information in accordance with *AU-C 720, The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Dazzio & Associates, P.C.

Dazzio & Associates, PC

RESPONSE:

This letter correctly sets forth the understanding of PrairieStar Metropolitan District No. 2.

Management signature: _____

Title: _____

Date: _____

Board signature: _____

Title: _____

Date: _____

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 215 - PRAIRIESTAR METRO DISTRICT NO. 2

IN LARIMER COUNTY ON 8/15/2022

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
--

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$14,817,787
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$17,215,437
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$17,215,437
5. NEW CONSTRUCTION: **	\$1,552,121
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$286.54

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$230,536,620
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$22,327,100
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$12,030

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	

Data Date: 8/19/2022

PrairieStar Metropolitan District No. 2
Proposed Budget
General Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>6/30/2022</u>	Estimate <u>2022</u>	Proposed Budget <u>2023</u>
Beginning fund balance	\$ 4,351	\$ -	\$ -	\$ -	\$ 12,154
Revenues:					
Property taxes	140,891	164,952	163,939	164,950	196,686
Specific ownership taxes	10,718	10,557	5,703	11,500	12,785
Transfer Service Fee	-	8,000	4,950	8,000	8,000
Landscape Review Fees	-	7,500	13,106	13,106	7,500
Developer contribution	39,040	-	30,000	30,000	-
Developer advance	-	39,040	-	-	-
Transfer from District 1	-	-	-	-	-
Interest income	76	-	498	498	-
Miscellaneous Income	4,654	500	-	-	500
Total revenues	<u>195,379</u>	<u>230,549</u>	<u>218,196</u>	<u>228,054</u>	<u>225,471</u>
Total funds available	<u>199,730</u>	<u>230,549</u>	<u>218,196</u>	<u>228,054</u>	<u>237,625</u>
Expenditures:					
Audit	-	4,200	-	4,200	4,200
Accounting	-	11,600	9,666	12,000	11,600
Elections	-	3,000	1,868	1,868	3,000
Insurance	-	8,200	7,358	7,358	8,200
Legal	286	20,000	12,010	22,000	20,000
Common area landscaping	-	60,000	33,180	60,000	63,000
Social activities	-	3,000	-	3,000	3,000
Utilities	-	16,000	7,409	16,000	16,000
Management fees	4,475	30,000	20,763	30,000	32,550
Miscellaneous	-	-	5,107	6,000	-
Covenant Control Enforcement	-	44,000	24,754	44,000	47,740
Community repairs	-	5,000	-	-	5,000
Snow removal	-	7,000	2,666	7,000	7,000
Treasurer fees	2,819	2,472	3,279	2,474	2,950
Transfer to District No. 1	190,803	-	-	-	-
Miscellaneous	1,347	-	-	-	-
Contingency	-	9,643	-	-	6,658
Emergency reserve (3%)	-	6,434	-	-	6,727
Total expenditures	<u>199,730</u>	<u>230,549</u>	<u>128,060</u>	<u>215,900</u>	<u>237,625</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,136</u>	<u>\$ 12,154</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 14,817,787</u>			<u>\$ 17,215,437</u>
Mill Levy		<u>11.132</u>			<u>11.425</u>

PrairieStar Metropolitan District No. 2
Proposed Budget
Capital Projects Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>06/30/22</u>	Estimate <u>2022</u>	Proposed Budget <u>2023</u>
Beginning fund balance	\$ -	\$ 1,505,897	\$ -	\$ -	\$ -
Revenues:					
Transfer from other funds	4,152,522	1,866,625	-	-	-
Interest income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>4,152,522</u>	<u>1,866,625</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>4,152,522</u>	<u>3,372,522</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Transfer to District No. 1	4,152,522	-	-	-	-
Capital outlay	<u>-</u>	<u>3,372,522</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,152,522</u>	<u>3,372,522</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PrairieStar Metropolitan District No. 2
Proposed Budget
Debt Service Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>06/30/22</u>	Estimate <u>2022</u>	Proposed Budget <u>2023</u>
Beginning fund balance	\$ 1,402,154	\$ 903,353	\$ 455,924	\$ 455,924	\$ 459,784
Revenues:					
Property taxes	493,147	577,360	573,816	577,360	688,480
Specific ownership taxes	37,516	37,528	19,963	38,000	44,751
Interest income	618	2,000	982	2,000	2,000
Bond proceeds 2021A	8,195,000	-	-	-	-
Bond proceeds 2021B	13,645,000	-	-	-	-
Bond proceeds 2021C	<u>1,932,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>24,303,672</u>	<u>616,888</u>	<u>594,761</u>	<u>617,360</u>	<u>735,231</u>
Total funds available	<u>25,705,826</u>	<u>1,520,241</u>	<u>1,050,685</u>	<u>1,073,284</u>	<u>1,195,015</u>
Expenditures:					
2016 Bond Interest	341,579	-	-	-	-
2016 Bond principal	534,000	-	-	-	-
Debt Service 2021A	-	490,000	194,631	490,000	585,250
Debt Service 2021B	-	105,000	-	105,000	105,000
Payment to refunding escrow	5,838,968	-	-	-	-
Cost of issuance	721,965	-	-	-	-
Trasnfer to District 1	13,645,000	-	-	-	-
Transfer to Capital Projects Fund	4,152,522	-	-	-	-
Treasurer's fees	9,868	11,547	11,477	11,500	13,770
Trustee / paying agent fees	<u>6,000</u>	<u>7,000</u>	<u>748</u>	<u>7,000</u>	<u>7,000</u>
Total expenditures	<u>25,249,902</u>	<u>613,547</u>	<u>206,856</u>	<u>613,500</u>	<u>711,020</u>
Ending fund balance	<u>\$ 455,924</u>	<u>\$ 906,694</u>	<u>\$ 843,829</u>	<u>\$ 459,784</u>	<u>\$ 483,995</u>
Assessed valuation		<u>\$ 14,817,787</u>			<u>\$ 17,215,437</u>
Mill Levy		<u>38.964</u>			<u>39.992</u>
Total Mill Levy		<u>50.096</u>			<u>51.417</u>

RESOLUTION NO. 2022 - 11 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PRAIRIESTAR METROPOLITAN DISTRICT NO. 2
TO ADOPT THE 2023 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the PrairieStar Metropolitan District No. 2 (“District”) has appointed the District Accountant to prepare and submit a proposed 2023 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2022, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 16, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the PrairieStar Metropolitan District No. 2:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the PrairieStar Metropolitan District No. 2 for the 2023 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 16th day of November, 2022.

Secretary

(SEAL)

EXHIBIT A
(Budget)

I, _____, hereby certify that I am the duly appointed Secretary of the PrairieStar Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the PrairieStar Metropolitan District No. 2 held on November 16, 2022.

By: _____
Secretary

RESOLUTION NO. 2022 - 11 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PRAIRIESTAR METROPOLITAN DISTRICT NO. 2
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the PrairieStar Metropolitan District No. 2 (“District”) has adopted the 2023 annual budget in accordance with the Local Government Budget Law on November 16, 2022; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2023 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the PrairieStar Metropolitan District No. 2:

1. That for the purposes of meeting all general fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 16th day of November, 2022.

Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)

RESOLUTION NO. 2022-11-04

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
PRAIRIESTAR METROPOLITAN DISTRICT NO. 2
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 2, 2023**

A. The term of the office of Director Jennifer Davis shall expire upon the election of her successor at the regular election, to be held on May 2, 2023 (“**Election**”), and upon such successor taking office.

B. A vacancy currently exists on the Board of Directors of the District.

C. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect two (2) Directors to serve until the second regular election, to occur May 4, 2027.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the PrairieStar Metropolitan District No. 2 (the “**District**”) of the County of Larimer, Colorado:

1. Date and Time of Election. The Election shall be held on May 2, 2023, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, two (2) Directors shall be elected to serve until the second regular election, to occur May 4, 2027.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. Peggy Ripko shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Call for Nominations. The Designated Election Official shall provide Call for Nominations as required under Section 1-13.5-501, C.R.S., as applicable.

6. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with Peggy Ripko, the Designated Election Official of the District, c/o Special District

Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, CO 80228, between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 25, 2023).

7. Self-Nomination and Acceptance Forms. Self-Nomination and Acceptance Forms are available and can be obtained from Peggy Ripko, the Designated Election Official of the District, c/o Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, CO 80228, (303) 987-0835 and on the District's website at www.prairiestarcolorado.com/metro-district.

8. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at 5:00 P.M. on February 28, 2023, the sixty-third day prior to the regular election, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

9. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

10. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

11. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of the District.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 2, 2023]**

RESOLUTION APPROVED AND ADOPTED on November 16, 2022.

**PRAIRIESTAR METROPOLITAN
DISTRICT NO. 2**

By: _____
President

Attest:

Secretary



141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
303-987-0835 • Fax: 303-987-2032

MEMORANDUM

TO: Board of Directors

FROM: Christel Gemski
Executive Vice-President

DATE: September 2, 2022

RE: Notice of 2023 Rate Increase

A rectangular box containing a handwritten signature in blue ink that reads "Christel Gemski".

In accordance with the Management Agreement (“Agreement”) between the District and Special District Management Services, Inc. (“SDMS”), at the time of the annual renewal of the Agreement, the hourly rate described in Article III for management and all services shall increase by the CPI (8.5%) per hour.

We hope you will understand that it is necessary to increase our rates due to increasing gas and operating costs along with new laws and rules implemented by our legislature.



October 15, 2022

Dear Client:

Our Firm prides itself on providing the highest level of service in the most efficient manner. In the current economic environment, we are facing increased costs in all areas of the business. In order to continue to provide consistent high-level service we have found it necessary to implement a rate increase.

In accordance with the Firm's fee engagement letter, this letter is to advise you that effective January 1, 2023, the hourly rates of selected attorneys and staff will be adjusted. Hourly rates will be as follows: Shareholders \$425 - \$550; Of Counsel \$380 - \$425; Associates \$275 - \$375; Paralegals and Directors \$225 - \$240; Law Clerks \$150; File Clerks \$30.

Commencing on January 1, 2023, we will begin charging most costs incurred on your behalf as an administrative fee equal to 1% of the legal fees charged in a given month. This fee includes such costs as long-distance telephone calls, research requiring a subscription database, in-office photocopies and faxes, ordinary postage, and messenger and delivery services, and includes a small overhead component. This fee may be adjusted with notice.

This fee is based on our historic experience, as well as client feedback, that invoices that itemize every photocopy, fax, and delivery charge are confusing. Any advances made on behalf of the client as well as major costs, such as major travel expenses, application/submittal/recording fees, election expenses, court costs, publication costs, express delivery, and conference calls and videoconferencing where a third-party provider is used, will be separately invoiced at our actual cost. If you have any questions or concerns about this change, please let us know.

We appreciate your continued trust and confidence in our Firm and look forward to representing your interests in 2023 and beyond.

Very truly yours,

McGEADY BECHER P.C.

A handwritten signature in blue ink that reads "Cheryl L. Matlosz". The signature is written in a cursive, flowing style.

Cheryl L. Matlosz
Firm Administrator