

**POUDRE TECH METROPOLITAN DISTRICT
WATER VALLEY METROPOLITAN DISTRICT NOS. 1 & 2**
www.poudretechmetro.org

PTMD

Martin Lind, President
May 2029

Jerry Helgeson, Vice President
May 2027

John Jensen, Secretary/Treasurer
May 2029

Marissa Donahoo, Asst. Secretary
May 2029

Justin Donahoo, Asst. Secretary
May 2027

Raindance MD No. 1

Martin Lind, President
May 2027

Justin Donahoo, Secretary/Treasurer
May 2029

Austin Lind, Asst. Secretary
May 2029

Ryan Scallon, Asst. Secretary
May 2029

Vacant
May 2027

NOTICE OF MEETING

Tuesday, September 29, 2026, at 10:00 a.m.
1625 Pelican Lakes Point, Suite 201, Windsor, Colorado 80550

This meeting may also be attended via teleconferencing through the directions below:
<https://us06web.zoom.us/j/89296920641?pwd=xX0WoZH5HVDN6suznFYP5dhDAHZXbr.1>
Meeting ID: 892 9692 0641; Passcode: 009784; or by calling 720-707-2699

JOINT MEETING AGENDA

1. Call to Order
2. Declaration of Quorum/Director Conflict of Interest Disclosures
3. Approval of Agenda
4. Public Comment – Members of the public may express their views to the Boards on matters that affect the Districts that are not otherwise on the agenda. Comments will be limited to three (3) minutes per person.
5. Consent Agenda – The items listed below are a group of items to be acted on with a single motion and vote by the Boards. An item may be removed from the consent agenda to the regular agenda by any Boards member. Items on the consent agenda are then voted on by a single motion, second, and vote by the Boards.
 - a. Consider Ratification of Engagement Letter with SpencerFane for Special Counsel Services (PTMD) (**enclosure**)
 - b. Consider Ratification of Engagement Letter with Seter Vander Wall & Mielke for Special Counsel Services (RDMD1) (**enclosure**)
6. Operations Matters
 - a. General District Operations
 - i. Operations Report (*if any*)

- b. W-Club / WaterDance Operations
 - i. Operations Report (*if any*)
 - c. Water System Operations
 - i. System Operations Report (*if any*)
- 7. Capital Matters
 - a. Capital Report (*if any*)
- 8. Legal Matters
 - a. Consider Adoption of Resolution Approving the Establishment Agreement WaterDance Non-Potable Water Activities Authority by and between Raindance Metropolitan District No. 1 and Poudre Tech Metropolitan District (PTMD) (**enclosure**)
 - b. Consider Adoption of Resolution Approving the Establishment Agreement WaterDance Non-Potable Water Activities Authority by and between Raindance Metropolitan District No. 1 and Poudre Tech Metropolitan District (RDMD 1) (**enclosure**)
- 9. Financial Matters
 - a. Consider Approval of Payables/Financials (*if any*)
- 10. Other Business
- 11. Adjourn



TOM GEORGE
DIRECT DIAL: (303) 839-3708
tgeorge@spencerfane.com

November 10, 2025

VIA EMAIL ONLY

Poudre Tech Metropolitan District, Board of Directors
c/o WBA Local Government Law
Attn: Zachary White
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122
zwhite@wbapc.com

**Re: Engagement Letter; Poudre Tech Metropolitan District; Formation of Authority;
Limited Legal Services**

Dear Board of Directors,

We are pleased that you have asked us to represent the Poudre Tech Metropolitan District (the "District") to provide legal services to the District related to the preparation and negotiation of an intergovernmental agreement with other metropolitan districts to form a new non-potable water activities authority. We understand that WBA Local Government Law currently serves, and will continue to serve, as General Counsel to the District, and that we are being asked to provide only limited legal services to the District specifically related to the formation of the new authority and related matters. We have not been asked to, and we will not provide, general legal advice or assistance to the District on other matters not described in this letter.

My services will be billed at the hourly rate of \$590. I will be primarily assisted in this matter by my colleague, Mallory Craig. Ms. Craig's hourly rate is \$455. Rates for other attorneys, paralegals and others in our firm who may assist in our representation range from \$200 per hour to \$800 per hour. These rates will not change in 2025, but may increase in future years beyond 2025. We will keep you apprised of our activities by means of regular, itemized, monthly statements.

For your information, we have enclosed a copy of our Standard Terms of Engagement for Legal Services. These terms are an integral part of our agreement with you. Please contact us promptly if you have any questions about the Standard Terms or about this letter.

Thank you for giving us the opportunity to serve you.

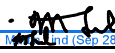
Sincerely,

Tom George



APPROVED AND AGREED:

I represent that I am an authorized signatory of the Poudre Tech Metropolitan District:

By:  (Sep 26, 2026 11:01:10 MDT)

Name: _____

Title: _____

Date: _____



This statement sets forth the standard terms of our engagement as your lawyers.

DISCLOSURE PURSUANT TO C.R.S. § 6-1-737(2)(B)(II) CLEAR AND CONSPICUOUS NOTICE.

THE TOTAL PRICE FOR LEGAL SERVICES TO BE PROVIDED UNDER THIS ENGAGEMENT CANNOT BE PRECISELY DETERMINED AT THIS TIME DUE TO THE VARIABLE NATURE OF LEGAL WORK. TIME SPENT BY OUR ATTORNEYS, PARALEGALS, AND OTHER STAFF (WHERE APPLICABLE) AND REIMBURSEMENT OF EXPENSES INCURRED IN YOUR REPRESENTATION WILL BE THE BASIS FOR THE TOTAL PRICE. THE HOURLY RATES FOR OUR LAWYERS, PARALEGALS, AND OTHER STAFF (WHERE APPLICABLE) ARE SET FORTH ELSEWHERE IN THIS ENGAGEMENT. THE TIME SPENT AND EXPENSES INCURRED WILL BE SET FORTH ON INVOICES THAT WILL BE SENT TO YOU ON A REGULAR OR MONTHLY BASIS. THE TOTAL PRICE OF OUR LEGAL SERVICES AND THE AMOUNT OF OUR EXPENSES INCURRED ON YOUR BEHALF WILL VARY AND MAY INCREASE OR DECREASE MONTH-TO-MONTH DEPENDING ON THE SCOPE AND NEEDS OF THE REPRESENTATION.

The Scope of Our Work

You should have a clear understanding of the legal services we will provide. Any questions that you have should be dealt with promptly.

We will at all times act on your behalf to the best of our ability. Any expressions on our part concerning the outcome of your legal matters are expressions of our best professional judgment, but are not guarantees. Such opinions are necessarily limited to our knowledge of the facts and are based on the state of the law at the time they are expressed

and should not be construed as a promise or guarantee.

It is our policy that, for conflict of interest purposes, the person or entity that we represent is the person or entity that is identified in our engagement letter and does not include any affiliates of such person or entity. For example, if you are a corporation or partnership, our representation does not extend to any parents, subsidiaries, employees, officers, directors, shareholders or partners of the corporation or partnership, or commonly owned corporations or partnerships. If you are a trade association, our representation does not extend to any members of the trade association, unless such members undertake individual arrangements with us. If you are an individual, our representation does not include your spouse, siblings, or other family members. In addition, the advice and communications which we render on your behalf are not intended to be disseminated to or relied upon by anyone else without our written consent.

It is also our policy that, for conflict of interest purposes, the attorney-client relationship will be considered terminated upon [our completion of the services that you have retained us to perform] or [our sending you over final statement or services rendered in the matter]. If you later retain us to perform further or additional services, our attorney-client relationship will be revived subject to these terms of engagement, as they may be supplemented at that time.

Who Will Provide the Legal Services



Customarily, each client of the firm is served by a principal attorney contact. The principal attorney should be someone in whom you have confidence and with whom you enjoy working. You are free to request a change of principal attorney at any time. Subject to the supervisory role of the principal attorney, your work or parts of it may be performed by other lawyers and legal assistants in the firm. Such delegation may be for the purpose of involving lawyers or legal assistants with particular skills or experience in a given area or for the purpose of providing services in the most efficient and timely basis.

Client Responsibilities

You agree to pay our statements for services and expenses as provided below. In addition, you agree to be candid and cooperative with us and keep us informed with complete and accurate factual information, documents, communications, and other material relevant to the subject matter of our representation or otherwise reasonably requested by us. You also agree to make any necessary business and strategy decisions in a timely manner.

Because we need to be able to contact you at all times regarding the representation, you agree to inform us, in writing, of any changes in your name, address, telephone number, contact person, email address, state of incorporation, and other relevant information regarding you or your business. Whenever we need instructions or authorization to proceed with legal work on your behalf, we will contact you at the most recent business address we have received. If you affiliate with, acquire, are acquired by, or merge with another client, you will provide us with sufficient notice to permit us to withdraw as your lawyers if we

determine that such affiliation, acquisition, or merger creates a conflict of interest, or that it is not in the best interests of the firm to represent the new entity.

From time to time, either at the outset or during the course of our representation, we may express opinions or beliefs concerning the matter or various courses of action and the results that might be anticipated. Any such statement made by any lawyer of our firm is an expression of opinion only, based on information available to us at the time, and should not be construed by you as the promise or guarantee.

How Fees Will Be Set

Our fees for legal services are customarily determined on the basis of an hourly rate. Each of our lawyers and legal assistants has an hourly rate, as determined by the firm's management, consistent with the experience, reputation, and abilities of the lawyers and legal assistants performing the services. The hourly rates of each of our lawyers and legal assistants are reviewed annually, and, if appropriate, are adjusted to reflect current levels of legal experience, reputation, ability, costs, and other factors. We will keep accurate records of the time we devote to your work.

Occasionally we are requested to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. When requested, we will attempt to furnish such an estimate, based upon our past experience and best professional judgment, but with an understanding that such an estimate is not a maximum or fixed-fee quotation and that fees and costs are not usually predictable. It is



expressly understood that your obligation to pay our fees and costs is in no way contingent on the outcome of this matter.

For certain well-defined services (for example, a simple business incorporation), we may quote a flat fee and the scope of the services to be provided. It is our general policy not to accept representation on a flat-fee basis except in defined-service areas or pursuant to a special arrangement tailored to the needs of a particular client. Likewise, on rare occasions we may perform work on a contingency fee or other specially deferred fee relationship. In all such situations, the flat-fee or contingency fee arrangement will be expressed in a letter from us setting forth the terms and scope of the services to be provided, and your payment obligations.

Conflicts

We represent many other companies and individuals. It is possible that during the time that we are representing you, some of our present or future clients will have disputes or transactions with you. You agree that we may continue to represent, or may undertake in the future to represent, existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse to your interests, including in litigation. We agree, however, that the above consent shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a nonpublic nature that if known to such other client, could be used in any such other matter by such client to your material disadvantage. In similar engagement letters with many of our other clients, we have asked

for similar agreements to preserve our ability to represent you.

In addition, you agree that we may disclose the fact of our representation of you, without disclosing the nature of such representation, to other current or future clients that may be adverse to you for the purpose of obtaining such other clients' consent to any conflict of interest that may be presented by our representation of you and such other client. We will not disclose to the other client any confidential information pertaining to our representation of you.

From time to time we may have discussions with other lawyers for the purpose of considering them joining our firm. During the course of those discussions it may be necessary to disclose your identity as a client or fee and billing information relating to our representation of you. Such disclosure shall be subject to the confidentiality rules in the applicable codes of professional conduct and our confidentiality agreement with such other lawyers. You agree that we may disclose such limited information for these purposes.

Representation of Lawyers

We sometimes represent lawyers and law firms, and we are sometimes represented by other lawyers and law firms in matters unrelated to our representation of you. Because we do not believe these representations will materially limit our responsibilities to you or will otherwise adversely affect our representation of you, we do not believe these representations present conflicts of interest, including where any such firm also represents a client whose interests are opposed to yours in either a litigation or



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transactional setting. If, however, you have any concerns about whether such a relationship exists between this firm and the law firm that represents a client whose interests are adverse to yours in connection with this representation, please ask us whether there is any such relationship and we will attempt to address your concerns. Otherwise, you agree that we may represent or be represented by lawyers or law firms that also represent clients whose interests are adverse to yours.

Out-of-Pocket Expenses

Although substantial expenses incurred on a client's behalf will be sent to the client for direct payment, we often incur and pay on behalf of our clients a variety of smaller out-of-pocket costs arising in connection with legal services. These include charges made by government agencies and service vendors. Some typical costs are certain telephone charges; express delivery charges; printing and reproduction costs; filing fees; and travel expenses. We also charge for computerized legal research either at a rate equal to that charged by our vendor or based upon negotiated volume discounts. We also charge for our actual costs paid to vendors for processing and storing data that must be collected, analyzed and sometimes produced as a part of our representation of a client in transactional, litigation or other matters. We incur outside costs as agents for our clients and incur internal expenses on behalf of our clients, who agree that these costs will be paid on a regular basis.

Billing Arrangements and Terms of Payment

We will bill you on a regular basis, normally monthly, for both fees and disbursements. You agree to make payment within thirty days of receiving our statement. We will give you prompt notice if your account becomes delinquent. If the delinquency continues and you do not arrange satisfactory payment terms, we may withdraw from the representation and may pursue collection of your account.

Retainer and Trust Deposits

New clients of the firm are commonly asked to deposit a retainer with the firm. Two types of retainers are used most frequently. A monthly retainer is an amount billed and paid apart from the usual invoices for services rendered. Part or all of the retainer then is credited to the next invoice. A second type of retainer is a long-term deposit. Unless otherwise agreed, this retainer deposit will be credited toward your unpaid invoices, if any, at the conclusion of services.

At the conclusion of our legal representation or at such time as the deposit is unnecessary or is appropriately reduced, the remaining balance or an appropriate part of it will be returned to you. If the retainer deposit proves insufficient to cover current expenses and fees on at least a two-month basis, it may have to be increased. Deposits which are received to cover specific items will be disbursed as provided in our agreement with you, and you will be notified from time to time of the amounts applied or withdrawn. Any amount remaining after disbursement will be returned to you. All trust deposits we receive from you will be placed in a trust account for your benefit. Unless special arrangements are made, interest earned on the trust account is



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paid to a charitable foundation established in accordance with court rules.

Federally Regulated Financial Institutions

If you are a federally regulated financial institution, our engagement, unless expressly described otherwise in the accompanying engagement letter, will be limited to assisting you with the structuring, negotiation, documenting and closing of your financing transactions, and conducting a legal review (the scope of which will be defined at the commencement of each separate transaction) of certain due diligence matters pertaining to each prospective borrower's business. In connection with the foregoing, we will also assist you with the federal regulatory aspects of your receipt of equity enhancements (e.g., warrants and success fees) in connection with your financing transaction and the effect on, and applicability to, your financing transaction of federal margin stock laws and regulations; however, if we are not your counsel with respect to general corporate compliance matters, we will not otherwise undertake any responsibility for assuring that, with respect to any of the financing transactions, you will be complying with applicable state or federal laws and regulations because of your legal or regulatory status or because of the general nature of your business, including, without limitation, capital adequacy requirements, lending limits, restrictions on affiliate and insider transactions, rules regarding interlocking boards of directors, governmental reporting and licensing requirements, and federal, state or local tax matters. Of course, you may limit or expand the scope of our representation from time to time, provided that any such expansion is agreed to by us.

Termination

You may terminate our representation at any time, with or without cause, by notifying us in writing. Your termination of our services will not affect your responsibility for payment of legal services rendered and out-of-pocket costs incurred before termination and in connection with an orderly transition of the matter.

We are subject to the codes of professional conduct for the jurisdictions in which we practice, which list several types of conduct or circumstances that require or allow us to withdraw from representing a client, including for example: conflict of interest with another client, misrepresentation or failure to disclose material facts, action contrary to our advice, and nonpayment of fees or costs. We try to identify in advance and discuss with our client any situation which may lead to our withdrawal and, if withdrawal ever becomes necessary, we shall provide the client written notice of our withdrawal.

If we terminate the engagement, we will take reasonable steps to protect your interests in the specified matter, and you agree to take all steps necessary to free us of any obligation to perform further, including executing any documents necessary to perfect our withdrawal. If permission for withdrawal is required by a court or other adjudicator, we will promptly request such permission, and you agree not to oppose our request.

At your request, documents and property will be returned to you *upon receipt of payment for outstanding fees and costs*, although we reserve the right to copy any documents we deem appropriate. Our files and documents



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pertaining to this matter will be retained by the firm. For various reasons, including the minimization of unnecessary storage expenses, and consistent with applicable professional conduct rules, we reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us without further notice to you.

Postengagement Matters

The client is engaging the firm to provide legal services in connection with a specific matter. After completion of the matter, changes may occur in the applicable laws or regulations that could impact the client's future rights and liabilities. Unless the client engages us after the completion of the matter to provide additional legal advice on issues arising from the matter, the firm has no continuing obligation to advise the company on such issues or on future legal developments, including monitoring renewal or notice dates or similar deadlines that may arise with respect to the matter.

Entire Agreement

The engagement letter and these Standard Terms of Representation constitute the entire

understanding and agreement between you and this firm regarding our representation of you in this matter. Unless otherwise agreed, they superseded any prior understanding and agreements, written or oral, and any billing requirements, outside counsel guidelines, or letters submitted to us. If any provision of the engagement letter or these Standard Terms of Representation is held by a court or other arbitrator to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect. The engagement letter and these Standard Terms may be amended only by a written agreement between you and us. You should review this document carefully and contact us promptly with any questions. You should retain this document in your file.

Client Satisfaction

Our desire is to serve you and meet your legal needs. Client satisfaction is of utmost importance. You should feel free to discuss any aspect of our representation with the principal attorney or any other attorney with the firm. We welcome your input to ensure that our legal services meet your needs. We appreciate having the opportunity to be of service to you.

Spencer Fane Engagement Ltr - Poudre Tech MD Authority Formation (2026)(12037814.1)-c

Final Audit Report

2026-09-28

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By:	Zachary White (zwhite@wbapc.com)
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Seter, Vander Wall
& Mielke, P.C.
ATTORNEYS AT LAW

KIM J. SETER
BARBARA T. VANDER WALL
COLIN B. MIELKE
ELIZABETH A. DAUER
RUSSELL NEWTON
COURTNEY P. INTARA
PAUL J. POLITO
RYAN T. LISTON

September 3, 2026

Raindance Metropolitan District No. 1
c/o Board of Directors
PO Box 370390
Denver, Colorado 80237

Via E-Mail : Zachary P. White; zwhite@wbapc.com

**Re: Raindance Metropolitan District
Engagement for Legal Services**

Dear Board of Directors:

Thank you for retaining Seter, Vander Wall & Mielke, P.C. (the “**Firm**”) to provide legal services to the Raindance Metropolitan District (the “**District**”). This letter is to summarize and confirm the terms and conditions of the Firm’s representation of the District.

1. Scope of Representation and Personnel

Our engagement will be as special counsel to the District for the purpose of reviewing an establishing agreement between the District and Poudre Tech Metropolitan District, as well as those additional legal services directed by the Board of Directors or the District’s manager on behalf of the Board as agreed to between the District and the Firm.

Colin Mielke and Ryan Liston will be the attorneys primarily responsible for your matters. In addition, some services may be provided by paralegal Robin Navant. Other attorneys and paralegals may be assigned to work on your matters as appropriate for the service being provided and expertise required.

2. Fees and Billing

The Firm provides legal services on an hourly basis, billed in fractions of an hour. The current hourly rates for Mr. Mielke and Ms. Intara are \$450 and \$260 per hour, respectively. The current hourly rate for Ms. Navant is \$210. The rates of other personnel in our office vary from \$150.00 to \$600.00 per hour. All rates are subject to change January 1 of each year.

Pursuant to HB25-1090, the Firm states that the total price for legal services cannot be precisely determined due to the variable nature of legal work. Time spent by lawyers, paralegals, and staff, plus expenses, will determine the total price for legal services. Total price will vary monthly depending on client matter needs.

In addition to our time, we may incur costs on your behalf. Costs include photocopying expenses, delivery charges, filing and recording fees, Westlaw research charges and other

expenses incurred when we advance materials or funds on your behalf. Costs are billed separately from legal fees and appear on your monthly invoice. Costs are to be paid on the same terms as legal fees. We do not charge for secretarial or other staff support except for paralegals and legal assistants and we do not add a surcharge or mark-up to any costs for any reason.

We may charge for travel time at a 50% rate. The Firm invoices for mileage reimbursement at the current IRS rate. Detailed invoices are mailed for payment on a monthly basis and are payable within 30 days, and the Firm reserves the right to charge 1.5% interest on accounts more than 30 days past due.

3. Communication

The Firm primarily communicates with its clients using e-mail; the sending of documents and correspondence via the United States Post Office, UPS, FedEx, courier or other similar delivery service; and telephone. When sending e-mail, we endeavor to ensure that only the intended recipient(s) receives the e-mail. However, our e-mail communication is not encrypted. Communication via e-mail is not completely secure and e-mails may pass through servers controlled by third-parties and could be accessed by unauthorized third-parties.

Although a common form of social communication, the Firm does not generally communicate with clients about client matters via text message, iMessage, or other form of instant messaging. Communications made via text, iMessage or instant messaging may not be received and risk not being attended to in a timely manner. Accordingly, communications with the Firm should be made via one of the other identified communication methods.

Generally, communication between the client and the Firm are confidential and subject to the attorney-client privilege. This privilege is for the benefit of the client and if confidential communications are shared with third-parties by the client, that privilege may be lost.

4. Document Retention

In the course of our representation, we will maintain a file of documents produced and received in the ordinary course of practice. Not all papers and electronic data are maintained in the ordinary course of practice. For example, multiple copies or drafts of the same document, or communications containing duplicative correspondence or concerning non-substantive communications may not be retained. We generally maintain our files in electronic format, and except for certain documents required to be maintained in hard copy, will convert paper copies to electronic format and dispose of the paper copy.

It is the general policy of the Firm to retain your files in paper or electronic format for at least ten (10) years from the date our representation is complete, either by completion or resolution of the matter for which we were engaged or termination of the attorney-client relationship. In certain circumstances, such as where there is pending or threatened litigation related to the matter which is known to the Firm, we may be required to maintain your files for a longer period. Following expiration of the ten-year retention period, your file may be destroyed without notice unless you have requested the original file to be delivered to you.

Notwithstanding the foregoing policy, if the Firm is designated as a public records custodian for the District pursuant to the Colorado Open Records Act, Part 2 of Title 24, C.R.S., or is otherwise in possession of “public records” of the District, the Firm will retain and destroy those files in accordance with any approved document retention and destruction policy of the District, the Colorado State Archives or similar regulatory body.

5. Conflicts of Interest

We have performed an internal review for potential conflicts of interest based on information provided to us. At this time, we do not have any conflicts of interest with any current or former clients that would preclude our representation of the District. Should a conflict of interest arise, we will advise you as soon as practicable, and if the conflict cannot be resolved or waived, the Firm may be required to withdraw from representation of the District.

6. Termination

Either of us is free to terminate this agreement at any time for any reason. However, it is important to both of us that any termination is in writing to allow for a clear allocation of responsibilities. Termination of legal services will not affect the District’s responsibility for payment of legal services rendered and costs incurred before termination and incurred in connection with an orderly transition of legal services. Our efforts on your behalf may cease and we may withdraw from further representation at any time if an invoice is not timely paid.

Please countersign this letter in the space provided below if you agree to these terms and return a copy to our office. We look forward to working with you.

Sincerely,

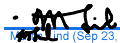
SETER, VANDER WALL & MIELKE, P.C.



Colin B. Mielke

I have reviewed this proposal and agree to the engagement of Seter, Vander Wall & Mielke, P.C. pursuant to the terms of representation described in this letter.

Raindance Metropolitan District No. 1


Printed Name (Sep 23, 2026 09:56:18 MDT)

Print Name:

Title:

Date:

Engagement Letter - Raindance Metropolitan District No. 1

Final Audit Report

2026-09-23

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"Engagement Letter - Raindance Metropolitan District No. 1" History

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-  Agreement completed.
2026-09-23 - 3:56:18 PM GMT

**RESOLUTION
OF THE BOARD OF DIRECTORS OF
POUDRE TECH METROPOLITAN DISTRICT**

**APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE
ESTABLISHMENT AGREEMENT FOR THE WATERDANCE NON-POTABLE
WATER ACTIVITIES AUTHORITY, APPOINTING REPRESENTATIVES TO THE
AUTHORITY BOARD, TERMINATING THE WATER RESOURCE AND WATER
SYSTEM MANAGEMENT INTERGOVERNMENTAL AGREEMENT, AND
AUTHORIZING TRANSFERS, CONVEYANCES, AND ASSIGNMENTS.**

WHEREAS, Poudre Tech Metropolitan District (the “District” or “PTMD”) is a quasi-municipal corporation and political subdivision of the state of Colorado; and

WHEREAS, the District was organized for the purpose, among others, of assisting in the financing, construction, operations and maintenance of public improvements, including non-potable water service, within certain areas located within the Town of Windsor, Colorado (collectively, the “Services”); and

WHEREAS, the District was organized concurrently with, and provides non-potable water service to Water Valley Metropolitan District Nos. 1-2 (collectively and, together with the District, the “Water Valley Districts”) and operates under a service plan approved by the Town of Windsor, Colorado (“Service Plan”) and is authorized to provide the Services; and

WHEREAS, the Raindance Metropolitan District No. 1 (“Raindance” and, together with the District, the “Districts”) was organized concurrently with, and provides non-potable water service to Raindance Metropolitan District Nos. 2-3 and National Resort Metropolitan District (collectively with Raindance, the “Raindance Districts”) and operates under a service plan approved by the Town of Windsor, Colorado (“Raindance Service Plan”) and is authorized to provide non-potable water service; and

WHEREAS, the District owns and operates a non-potable irrigation water system and associated water rights and water resources serving the Water Valley development, and Raindance owns and operates a non-potable irrigation water system and associated water rights and water resources serving the Raindance development (each District’s system, individually, a “Water System,” and collectively, the “Combined Water System,” and each District’s water rights, raw water supplies, storage interests, and augmentation and exchange rights, individually, its “Water Resources” and collectively, the “Combined Water Resources”); and

WHEREAS, the Water Systems are physically interconnected, the Districts’ respective Water Resources are managed jointly, and the Water Systems effectively function, and have for a number of years been operated, as a single, unified non-potable water system; and

WHEREAS, the Districts currently manage the Combined Water System and Combined Water Resources pursuant to that certain Water Resource and System Management Intergovernmental Agreement (the “2021 IGA”), the primary operative provision of which is that

the Districts shall manage their Water Systems and Water Resources jointly as if they were one system, but which (a) prohibits any conveyance of title, easements, or other real or personal property interests in the Water Systems or Water Resources as between the Districts, and (b) does not authorize the incurrence of debt; and

WHEREAS, the Districts have determined that it is in their mutual best interest to formalize and expand their existing coordination by establishing a separate governmental entity to own, acquire, construct, operate, maintain, and repair the Combined Water System as a single, consolidated non-potable water utility, and to manage the Combined Water Resources on a combined basis, including the consolidation of rate-setting, billing, and collection functions currently performed separately by each District; and

WHEREAS, Raindance has outstanding its Water Enterprise Revenue Bonds, Series 2020 (the “Raindance Bonds”), and PTMD has outstanding its 2023 Water Loan (the “PTMD Loan”), each issued or incurred to finance improvements to the applicable District’s Water System; and

WHEREAS, such consolidation is expected to result in a stronger combined credit and lending profile, reflecting the combined value of the infrastructure and water rights of both Districts, and to facilitate a cost-effective, joint refinancing of the Raindance Bonds and the PTMD Loan; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(a), provides that the Colorado Constitution shall not be construed to prohibit the state or any of its political subdivisions from cooperating or contracting with one another to provide any function, service, or facility lawfully authorized to each of the cooperating or contracting units, including the sharing of costs, the imposition of taxes, or the incurring of debt; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(b), provides that the Colorado Constitution shall not be construed to prohibit the authorization by statute of a separate governmental entity as an instrument to be used through voluntary participation by cooperating or contracting political subdivisions; and

WHEREAS, Sections 29-1-201, *et seq.*, C.R.S., permit and encourage governments to make the most efficient and effective use of their powers and responsibilities by cooperating and contracting with other governments, and provide that such statutes shall be liberally construed; and

WHEREAS, Section 29-1-204.2, C.R.S., authorizes any combination of municipalities, special districts, or other political subdivisions of the State that are authorized to own and operate water systems or facilities to establish, by contract, a separate governmental entity, to be known as a water authority, to effect the development of water resources, systems, or facilities for the benefit of the inhabitants of the contracting parties, with the power, among others, to acquire, construct, manage, maintain, and operate water systems and facilities, to fix and collect rates, fees, and charges, and to issue bonds, notes, and other obligations, including refunding obligations, payable solely from the revenues of the entity; and

WHEREAS, pursuant to Section 29-1-204.2(4), C.R.S., a separate governmental entity so established is a political subdivision and public corporation of the State of Colorado, separate from

the Districts, with the duties, privileges, immunities, rights, liabilities, and disabilities of a public body politic and corporate; and

WHEREAS, pursuant to Section 29-1-204.2(5), C.R.S., the bonds, notes, and other obligations of such an entity are not the debts, liabilities, or obligations of the contracting parties; and

WHEREAS, the Districts are also independently authorized under their respective Service Plans and Title 32, Article 1, C.R.S. (the “Special District Act”) to enter into intergovernmental agreements, to provide services within and outside their boundaries, and to establish, impose, and collect fees, rates, tolls, and charges; and

WHEREAS, at elections of the eligible electors of the Districts, duly called and held, in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at such elections, authorized the Districts to enter into the Establishment Agreement. To the extent the Establishment Agreement is deemed to constitute debt or a multi-fiscal year financial obligation of the Districts, the same has received voter approval in such elections; and

WHEREAS, the District has determined that the execution of the Establishment Agreement for the WaterDance Non-Potable Water Activities Authority (the “Authority”) in substantially the form attached hereto as **Exhibit A** and incorporated herein by this reference (the “Establishment Agreement”), appointment of representatives to the board of directors of the Authority (the “Authority Board”), termination of the 2021 IGA, and authorization for the transfer of assets, conveyance of Water Resources, and assignment of certain contracts and interest in real property are in the best interests of the District, its taxpayers, property owners and residents; and

WHEREAS, the District desires to approve and execute the Establishment Agreement, to appoint representatives to the Authority Board, to approve the termination of the 2021 IGA, and authorize such transfer, conveyance, and/or assignment of assets associated with the Combined Water System, Combined Water Resources, and bank accounts or funds, contracts, and interests in real property associated with the ownership, operation and maintenance of the Water Systems and Water Resources.

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

1. Approval of Establishment Agreement. The Establishment Agreement is hereby approved.

2. Execution and Delivery. The President and one additional officer of the District are hereby authorized and directed to: execute and deliver on behalf of the District the Establishment Agreement in substantially the form presented, with such additions, deletions, and variations as legal counsel may deem necessary or appropriate and not inconsistent with this resolution, and that do not materially increase the obligations of the District or materially alter the governance of the Authority; to sign other ancillary documents as required or desirable in furtherance of this resolution; and to do and perform everything necessary or desirable to carry out the purposes of this resolution. The execution of the Establishment Agreement by such officers shall be conclusive evidence of their approval of any such changes. All actions heretofore taken by the officers,

consultants, and counsel of the District consistent with the purposes of this resolution are hereby ratified, approved, and confirmed.

3. Appointment of Representatives to Authority Board. Pursuant to Section 2.04(a) and 2.04(d) of the Establishment Agreement, the District hereby appoints _____ and _____ to the Authority Board for a term commencing upon mutual execution of the Establishment Agreement and continuing until a successor is appointed by resolution of the Board, each to serve at the pleasure of the Board. The Secretary is directed to provide a copy of this resolution and of each appointee's oath of office to the Authority.

4. Termination of 2021 IGA. Termination of the 2021 IGA is hereby approved, effective upon the completion of the transfers authorized in paragraph 5 of this resolution.

5. Additional Authorization. The Board authorizes the officers of the District to take any action necessary, including but not limited to, the transfer, conveyance, and/or assignment of assets associated with or appurtenant to the Combined Water System, Combined Water Resources, bank accounts or funds, contracts, and interests in real property associated with the ownership, operation and maintenance of the Water Systems and Water Resources necessary to effectuate the purposes and intent of the Establishment Agreement; provided that no emergency reserve of the District required by Article X, Section 20 of the Colorado Constitution, and no funds pledged to the payment of the PTMD Loan (except as applied to its refinancing or payoff), shall be transferred to the Authority. Any such transfers shall be effective upon, and not before, the closing of the Authority's initial Bonds (as defined in the Establishment Agreement) issued to refinance the Raindance Bonds and the PTMD Loan. Without limiting the foregoing, the President and Secretary are authorized to execute and deliver such deeds, bills of sale, assignments, ditch and reservoir company transfer documents, and other instruments, and to make such filings with the Colorado Division of Water Resources and the water court, as are necessary to convey the District's Authority-Owned Water Assets (as defined in the Establishment Agreement) to the Authority, and to take all actions necessary to prepay, refinance, or otherwise discharge the PTMD Loan in connection with the closing of such Bonds, including the delivery of any notices, payoff documents, consents, and lien releases.

[signature page follows this page]

ADOPTED this 29th day of September, 2026.

DISTRICT:

**POUDRE TECH METROPOLITAN
DISTRICT**, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Officer of the District

Attest:

By: _____

EXHIBIT A
Establishment Agreement

[follows this page]

**RESOLUTION
OF THE BOARD OF DIRECTORS OF
RAINDANCE METROPOLITAN DISTRICT NO. 1**

**APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE
ESTABLISHMENT AGREEMENT FOR THE WATERDANCE NON-POTABLE
WATER ACTIVITIES AUTHORITY, APPOINTING REPRESENTATIVES TO THE
AUTHORITY BOARD, TERMINATING THE WATER RESOURCE AND WATER
SYSTEM MANAGEMENT INTERGOVERNMENTAL AGREEMENT, AND
AUTHORIZING TRANSFERS, CONVEYANCES, AND ASSIGNMENTS.**

WHEREAS, Raindance Metropolitan District No. 1 (the “District” or “Raindance”) is a quasi-municipal corporation and political subdivision of the state of Colorado; and

WHEREAS, the District was organized for the purpose, among others, of assisting in the financing, construction, operations and maintenance of public improvements, including non-potable water service, within certain areas located within the Town of Windsor, Colorado (collectively, the “Services”); and

WHEREAS, the District was organized concurrently with, and provides non-potable water service to, Raindance Metropolitan District Nos. 2-3 and National Resort Metropolitan District (together with the District, collectively the “Raindance Districts”) and operates under a service plan approved by the Town of Windsor, Colorado (“Service Plan”) and is authorized to provide the Services; and

WHEREAS, Poudre Tech Metropolitan District (“PTMD” and, together with the District, the “Districts”) was organized concurrently with, and provides non-potable water service to, Water Valley Metropolitan District Nos. 1-2 (together with PTMD, collectively the “Water Valley Districts”) and operates under a service plan approved by the Town of Windsor, Colorado (“PTMD Service Plan”) and is authorized to provide non-potable water service; and

WHEREAS, the District owns and operates a non-potable irrigation water system and associated water rights and water resources serving the Raindance development, and PTMD owns and operates a non-potable irrigation water system and associated water rights and water resources serving the Water Valley development (each District’s system, individually, a “Water System,” and collectively, the “Combined Water System,” and each District’s water rights, raw water supplies, storage interests, and augmentation and exchange rights, individually, its “Water Resources” and collectively, the “Combined Water Resources”); and

WHEREAS, the Water Systems are physically interconnected, the Districts’ respective Water Resources are managed jointly, and the Water Systems effectively function, and have for a number of years been operated, as a single, unified non-potable water system; and

WHEREAS, the Districts currently manage the Combined Water System and Combined Water Resources pursuant to that certain Water Resource and System Management Intergovernmental Agreement (the “2021 IGA”), the primary operative provision of which is that

the Districts shall manage their Water Systems and Water Resources jointly as if they were one system, but which (a) prohibits any conveyance of title, easements, or other real or personal property interests in the Water Systems or Water Resources as between the Districts, and (b) does not authorize the incurrence of debt; and

WHEREAS, the Districts have determined that it is in their mutual best interest to formalize and expand their existing coordination by establishing a separate governmental entity to own, acquire, construct, operate, maintain, and repair the Combined Water System as a single, consolidated non-potable water utility, and to manage the Combined Water Resources on a combined basis, including the consolidation of rate-setting, billing, and collection functions currently performed separately by each District; and

WHEREAS, Raindance has outstanding its Water Enterprise Revenue Bonds, Series 2020 (the “Raindance Bonds”), and PTMD has outstanding its 2023 Water Loan (the “PTMD Loan”), each issued or incurred to finance improvements to the applicable District’s Water System; and

WHEREAS, such consolidation is expected to result in a stronger combined credit and lending profile, reflecting the combined value of the infrastructure and water rights of both Districts, and to facilitate a cost-effective, joint refinancing of the Raindance Bonds and the PTMD Loan; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(a), provides that the Colorado Constitution shall not be construed to prohibit the state or any of its political subdivisions from cooperating or contracting with one another to provide any function, service, or facility lawfully authorized to each of the cooperating or contracting units, including the sharing of costs, the imposition of taxes, or the incurring of debt; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(b), provides that the Colorado Constitution shall not be construed to prohibit the authorization by statute of a separate governmental entity as an instrument to be used through voluntary participation by cooperating or contracting political subdivisions; and

WHEREAS, Sections 29-1-201, *et seq.*, C.R.S., permit and encourage governments to make the most efficient and effective use of their powers and responsibilities by cooperating and contracting with other governments, and provide that such statutes shall be liberally construed; and

WHEREAS, Section 29-1-204.2, C.R.S., authorizes any combination of municipalities, special districts, or other political subdivisions of the State that are authorized to own and operate water systems or facilities to establish, by contract, a separate governmental entity, to be known as a water authority, to effect the development of water resources, systems, or facilities for the benefit of the inhabitants of the contracting parties, with the power, among others, to acquire, construct, manage, maintain, and operate water systems and facilities, to fix and collect rates, fees, and charges, and to issue bonds, notes, and other obligations, including refunding obligations, payable solely from the revenues of the entity; and

WHEREAS, pursuant to Section 29-1-204.2(4), C.R.S., a separate governmental entity so established is a political subdivision and public corporation of the State of Colorado, separate from

the Districts, with the duties, privileges, immunities, rights, liabilities, and disabilities of a public body politic and corporate; and

WHEREAS, pursuant to Section 29-1-204.2(5), C.R.S., the bonds, notes, and other obligations of such an entity are not the debts, liabilities, or obligations of the contracting parties; and

WHEREAS, the Districts are also independently authorized under their respective Service Plans and Title 32, Article 1, C.R.S. (the “Special District Act”) to enter into intergovernmental agreements, to provide services within and outside their boundaries, and to establish, impose, and collect fees, rates, tolls, and charges; and

WHEREAS, at elections of the eligible electors of the Districts, duly called and held, in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at such elections, authorized the Districts to enter into the Establishment Agreement. To the extent the Establishment Agreement is deemed to constitute debt or a multi-fiscal year financial obligation of the Districts, the same has received voter approval in such elections; and

WHEREAS, the District has determined that the execution of the Establishment Agreement for the WaterDance Non-Potable Water Activities Authority (the “Authority”) in substantially the form attached hereto as **Exhibit A** and incorporated herein by this reference (the “Establishment Agreement”), appointment of representatives to the board of directors of the Authority (the “Authority Board”), termination of the 2021 IGA, and authorization for the transfer of assets, conveyance of Water Resources, and assignment of certain contracts and interest in real property are in the best interests of the District, its taxpayers, property owners and residents; and

WHEREAS, the District desires to approve and execute the Establishment Agreement, to appoint representatives to the Authority Board, to approve the termination of the 2021 IGA, and authorize such transfer, conveyance, and/or assignment of assets associated with the Combined Water System, Combined Water Resources, and bank accounts or funds, contracts, and interests in real property associated with the ownership, operation and maintenance of the Water Systems and Water Resources.

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

1. Approval of Establishment Agreement. The Establishment Agreement is hereby approved.

2. Execution and Delivery. The President and one additional officer of the District are hereby authorized and directed to: execute and deliver on behalf of the District the Establishment Agreement in substantially the form presented, with such additions, deletions, and variations as legal counsel may deem necessary or appropriate and not inconsistent with this resolution, and that do not materially increase the obligations of the District or materially alter the governance of the Authority; to sign other ancillary documents as required or desirable in furtherance of this resolution; and to do and perform everything necessary or desirable to carry out the purposes of this resolution. The execution of the Establishment Agreement by such officers shall be conclusive evidence of their approval of any such changes. All actions heretofore taken by the officers,

consultants, and counsel of the District consistent with the purposes of this resolution are hereby ratified, approved, and confirmed.

3. Appointment of Representatives to Authority Board. Pursuant to Sections 2.04(a) and 2.04(d) of the Establishment Agreement, the District hereby appoints _____ and _____ to the Authority Board for a term commencing upon mutual execution of the Establishment Agreement and continuing until a successor is appointed by resolution of the Board, each to serve at the pleasure of the Board. The Secretary is directed to provide a copy of this resolution and of each appointee's oath of office to the Authority.

4. Termination of 2021 IGA. Termination of the 2021 IGA is hereby approved, effective upon the completion of the transfers authorized in paragraph 5 of this resolution.

5. Additional Authorization. The Board authorizes the officers of the District to take any action necessary, including but not limited to, the transfer, conveyance, and/or assignment of assets associated with or appurtenant to the Combined Water System, Combined Water Resources, bank accounts or funds, contracts, and interests in real property associated with the ownership, operation and maintenance of the Water Systems and Water Resources necessary to effectuate the purposes and intent of the Establishment Agreement; provided that no emergency reserve of the District required by Article X, Section 20 of the Colorado Constitution, and no funds pledged to the payment of the Raindance Bonds (except as applied to their refunding, defeasance, or redemption), shall be transferred to the Authority. Any such transfers shall be effective upon, and not before, the closing of the Authority's initial Bonds (as defined in the Establishment Agreement) issued to refinance the Raindance Bonds and the PTMD Loan. Without limiting the foregoing, the President and Secretary are authorized to execute and deliver such deeds, bills of sale, assignments, ditch and reservoir company transfer documents, and other instruments, and to make such filings with the Colorado Division of Water Resources and the water court, as are necessary to convey the District's Authority-Owned Water Assets (as defined in the Establishment Agreement) to the Authority, and to take all actions necessary to refund, defease, redeem, or otherwise discharge the Raindance Bonds in connection with the closing of such Bonds, including the delivery of any redemption notices, escrow agreements, certificates, consents, and releases, and any direction to or agreement with the trustee or paying agent for the Raindance Bonds.

[signature page follows this page]

ADOPTED this ____ day of _____, 2026.

DISTRICT:

**RAINDANCE METROPOLITAN DISTRICT
NO. 1**, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Officer of the District

Attest:

By: _____

EXHIBIT A
Establishment Agreement

[follows this page]

ESTABLISHMENT AGREEMENT

WATERDANCE NON-POTABLE WATER ACTIVITIES AUTHORITY

by and between

RAINDANCE METROPOLITAN DISTRICT NO. 1

and

POUDRE TECH METROPOLITAN DISTRICT

Dated as of _____, 2026

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Form of Agreement

**WATERDANCE NON-POTABLE WATER ACTIVITIES AUTHORITY
ESTABLISHMENT AGREEMENT**

THIS WATERDANCE NON-POTABLE WATER ACTIVITIES AUTHORITY ESTABLISHMENT AGREEMENT (this “Agreement”) is entered into as of the ____ day of _____, 2026, by and between **RAINDANCE METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (“Raindance”), and **POUDRE TECH METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (“PTMD” and, together with Raindance, the “Districts” or the “Members”).

WITNESSETH:

WHEREAS, the Districts are quasi-municipal corporations and political subdivisions of the State of Colorado, organized under Title 32, Article 1, C.R.S. (the “Special District Act”), located in the Town of Windsor, Weld County, Colorado (the “County”), and each is authorized to provide water, sanitation, and related services and facilities within and outside its boundaries; and

WHEREAS, Raindance was organized concurrently with, and provides services to Raindance Metropolitan District Nos. 2-3 (together with Raindance, collectively the “Raindance Districts”), and Poudre Tech Metropolitan District was organized concurrently with, and provides services to Water Valley Metropolitan District Nos. 1-2 (together with PTMD, collectively the “Water Valley Districts”); and

WHEREAS, Raindance owns and operates a non-potable irrigation water system and associated water rights and water resources serving the RainDance development, and PTMD owns and operates a non-potable irrigation water system and associated water rights and water resources serving the Water Valley development (each District’s system, individually, a “Water System,” and collectively, the “Water Systems,” and each District’s water rights, raw water supplies, storage interests, and augmentation and exchange rights, individually, the “PTMD Water Resources” or “Raindance Water Resources” and collectively, the “Water Resources”); and

WHEREAS, the Districts’ respective Water Systems are physically interconnected, the PTMD Water Resources and Raindance Water Resources are managed jointly, and the Water Systems effectively function, and have for a number of years been operated, as a single, unified non-potable water system; and

WHEREAS, the Districts currently manage their Water Systems and Water Resources pursuant to that certain 2021 Intergovernmental Agreement (the “2021 IGA”), the primary operative provision of which is that the Districts shall manage their Water Systems and Water Resources jointly as if they were one system, but which (a) prohibits any conveyance of title, easements, or other real or personal property interests in the Water Systems or PTMD Water Resources and Raindance Water Resources as between the Districts, and (b) does not authorize the incurrence of debt; and

WHEREAS, Raindance has outstanding its Water Enterprise Revenue Bonds, Series 2020 (the “Raindance Bonds”), and PTMD has outstanding its 2023 Water Loan (the “PTMD Loan”), each issued or incurred to finance improvements to the applicable District’s Water System; and

WHEREAS, the Districts have determined that it is in their mutual best interest to formalize and expand their existing coordination by establishing a separate governmental entity to own, acquire, construct, operate, maintain, and repair the Water Systems as a single, consolidated non-potable water utility, and to manage the Water Resources on a combined basis, including the consolidation of rate-setting, billing, and collection functions currently performed separately by each District; and

WHEREAS, such consolidation is expected to result in a stronger combined credit and lending profile, reflecting the combined value of the infrastructure and water rights of both Districts, and to facilitate a cost-effective, joint refinancing of the Raindance Bonds and the PTMD Loan; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(a), provides that the Constitution shall not be construed to prohibit the state or any of its political subdivisions from cooperating and contracting with one another to provide any function, service, or facility lawfully authorized to each of the cooperating or contracting units, including the sharing of costs or the incurring of debt; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(b), provides that the Constitution shall not be construed to prohibit the authorization by statute of a separate governmental entity as an instrument to be used through voluntary participation by cooperating or contracting political subdivisions; and

WHEREAS, Sections 29-1-201, *et seq.*, C.R.S., permit and encourage governments to make the most efficient and effective use of their powers and responsibilities by cooperating and contracting with other governments, and provide that such statutes shall be liberally construed; and

WHEREAS, Section 29-1-204.2, C.R.S., authorizes any combination of municipalities, special districts, or other political subdivisions of the State that are authorized to own and operate water systems or facilities to establish, by contract, a separate governmental entity, to be known as a water authority, to effect the development of water resources, systems, or facilities for the benefit of the inhabitants of the contracting parties, with the power, among others, to acquire, construct, manage, maintain, and operate water systems and facilities, to fix and collect rates, fees, and charges, and to issue bonds, notes, and other obligations, including refunding obligations, payable solely from the revenues of the entity; and

WHEREAS, pursuant to Section 29-1-204.2(4), C.R.S., a separate governmental entity so established is a political subdivision and public corporation of the State of Colorado, separate from the Districts, with the duties, privileges, immunities, rights, liabilities, and disabilities of a public body politic and corporate; and

WHEREAS, pursuant to Section 29-1-204.2(5), C.R.S., the bonds, notes, and other obligations of such an entity are not the debts, liabilities, or obligations of the contracting parties; and

WHEREAS, the Districts are also independently authorized under the Special District Act to enter into intergovernmental agreements, to provide services within and outside their boundaries, and to establish, impose, and collect fees, rates, tolls, and charges; and

WHEREAS, at elections of the eligible electors of the Districts, duly called and held, in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at such elections, authorized the Districts to enter into this Agreement. To the extent this Agreement is deemed to constitute debt or a multi-fiscal year financial obligation of one or more of the Districts, the same has received voter approval in such election; and

WHEREAS, the Districts desire to enter into this Agreement to establish the Authority as a separate legal entity, political subdivision, and public corporation of the State, in conformity with and subject to Section 29-1-204.2, C.R.S., to own, operate, and maintain the Water Systems, to manage the Water Resources, to set and collect consolidated rates, fees, and charges for non-potable water service, and to issue bonds, notes, and other obligations on behalf of the Members (as defined below) for federal tax purposes, including obligations to refinance the Raindance Bonds and the PTMD Loan, on behalf of the Districts, and to undertake such other activities as are necessary to carry out the foregoing, all as further set forth herein; and

WHEREAS, it is in the best interest of the Districts, and for the public health, safety, convenience, and welfare of the residents of the Districts and the general public, that the Districts enter into this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants, obligations, and conditions expressed in this Agreement, the Districts agree as follows:

ARTICLE I - CREATION OF THE AUTHORITY

Section 1.01. Creation.

Pursuant to Section 29-1-204.2, C.R.S., and in conformity with Sections 29-1-201, *et seq.*, and 29-1-203, C.R.S., there is hereby established, effective upon the mutual execution of this Agreement by the Districts, a separate governmental entity, political subdivision, and public corporation of the State of Colorado to be known as the “WATERDANCE NON-POTABLE WATER ACTIVITIES AUTHORITY” (the “Authority”). The Authority shall be separate and distinct from the Districts and the Members.

Section 1.02. Purpose.

The Authority is organized for the purpose of owning, acquiring, constructing, operating, maintaining, and repairing, as a single, consolidated non-potable water utility, the Water Systems and Water Resources of the Districts serving the Raindance and Water Valley communities (the “Authority Service Area”; establishing, imposing, and collecting consolidated, system-wide rates, fees, tolls, and charges for non-potable water service; issuing bonds, notes, and other obligations, including obligations to refund and refinance the Raindance Bonds and the PTMD Loan and to finance future capital improvements to the Water Systems; and providing any other function, service, or facility permitted under Section 29-1-204.2, C.R.S., the Special District Act, and applicable law, all in accordance with the provisions of this Agreement (collectively, the “Services”).

Section 1.03. Boundaries.

The initial boundaries of the Authority shall consist of, and be coterminous with, the combined boundaries of the Members as of the date of this Agreement, and shall thereafter continue to be coterminous with the boundaries of the Members as such boundaries may be modified through the addition or removal of a Member or the inclusion or exclusion proceedings under the Special District Act. Any such modification of the Authority's boundaries shall be automatic and shall not require an amendment to this Agreement. The Authority's service area shall consist of the boundaries of the Members, Water Valley Metropolitan District No. 1, Water Valley Metropolitan District No. 2, Water Valley Metropolitan District No. 3, Raindance Metropolitan District No. 2, Raindance Metropolitan District No. 3, and National Resort Metropolitan District (the "Authority Service Area")

Section 1.04. Immunity.

The Authority shall be a political subdivision of the State of Colorado and a "public entity" as defined in the Colorado Governmental Immunity Act, Section 24-10-101, *et seq.*, C.R.S. (the "CGIA"). Nothing in this Agreement, including Section 1.05, or in any action taken pursuant to this Agreement, shall be construed as a waiver, express or implied, of any immunity, right, benefit, protection, or other provision of the CGIA.

Section 1.05. Indemnification.

To the extent permitted by law, the Authority shall indemnify, defend, and hold harmless the Members, and their officers, directors, agents, consultants, and employees, from and against any and all claims, damages, losses, and expenses occurring or resulting to persons, firms, or corporations furnishing or supplying work, services, materials, or supplies to the Authority in connection with the Authority's performance of its obligations under this Agreement and its provision of the Services, except, in each case, to the extent such claims, damages, losses, or expenses arise out of or result from the intentional acts, negligence, willful misconduct, or fraud of the party otherwise entitled to indemnification.

ARTICLE II - MEMBERSHIP AND ORGANIZATIONAL STRUCTURE

Section 2.01. Members Defined.

A “Member” is any special district or other political subdivision of the State of Colorado that (a) is lawfully authorized to provide the Services, (b) is approved for membership in the Authority in accordance with this Agreement, as it may be amended from time to time, and (c) qualifies as a political subdivision for federal tax purposes.

Section 2.02. Initial Members.

The initial Members of the Authority are Raindance and PTMD. Additional Members are not anticipated but may be admitted in accordance with Section 2.06.

Section 2.03. Board of Directors.

The Authority shall be governed by a Board of Directors (the “Board”), in which all legislative power of the Authority is vested and which shall exercise all powers, rights, and duties vested in the Authority by this Agreement, Section 29-1-204.2(2)(b), C.R.S., and applicable law. Directors may receive compensation in the maximum amount permitted for directors of special districts under Section 32-1-902(3), C.R.S., and reimbursement of reasonable expenses, in each case if and to the extent the Board so authorizes and funds are available.

Section 2.04. Composition of Board.

- (a) The Board shall consist of five (5) Directors: two (2) Directors appointed by Raindance, two (2) Directors appointed by PTMD (each, a “Member-Appointed Director”), and one (1) additional Director selected as provided in Section 2.04(c) (the “Independent Director”). The Board is structured with an odd number of Directors so that the Board is able to act by majority vote without resorting to a tie-breaking procedure.
- (b) At least one Member-Appointed Directors should, to the extent practicable, be a then-serving director of the appointing Member’s board of directors. The remaining Member-Appointed Director of each Member need not be a director, officer, or employee of the appointing Member and may be a resident, property owner, or other qualified member of the community served by the Water Systems.
- (c) The Independent Director shall be selected by the affirmative vote of a majority of the Member-Appointed Directors then serving. The Independent Director may be one of the sitting directors of the Raindance Metropolitan District Nos. 2-3 or Water Valley Metropolitan District Nos. 1-2. If a majority of the Member-Appointed Directors are unable to agree on an Independent Director within sixty (60) days after a vacancy in that position arises, any Member may request that an agreed upon neutral third party appoint the Independent Director.
- (d) Each Member shall appoint its Member-Appointed Directors by motion or resolution of its board of directors, a copy of which shall be provided to the Authority. There is no limit on the number of terms any Director may serve. Each Director shall take the oath or affirmation required by Section 24-12-101(1), C.R.S., administered consistent with Section

24-12-103, C.R.S., a copy of which shall be provided to the Authority. Each Member-Appointed Director shall serve at the will of the appointing Member and may be removed by such Member, with or without cause, upon written notice to the Director and the Authority. The Independent Director shall serve a term of four (4) years beginning on the date of appointment and may be removed prior to the expiration of such term, with or without cause, by the affirmative vote of a majority of the Member-Appointed Directors.

- (e) All Directors must be registered Colorado voters in order to be eligible for appointment to the Board, but they do not need to be registered in any particular jurisdiction within the state.

Section 2.05. Vacancies.

A vacancy on the Board shall arise upon a Director's resignation, death, removal, disability, or loss of eligibility to serve under applicable law or this Agreement. A vacancy in a Member-Appointed Director position shall be filled by the Member that appointed such Director. A vacancy in the Independent Director position shall be filled as provided in Section 2.04(c).

Section 2.06. Addition of New Members.

Additional Members may be admitted to the Authority upon (a) the affirmative vote of a majority of the Board at a meeting at which a Quorum is present, and (b) the written approval of each then-existing Member, together with a written amendment to this Agreement, which shall include any adjustment to Board composition, provided that any such adjustment shall preserve an odd total number of Directors, executed by all Members and the new Member. The Board may establish criteria, terms, and conditions for admission of a new Member, including any required contribution or fee.

Section 2.07. Voting and Quorum.

A "Quorum" consists of a majority of the Directors then serving. Except as otherwise provided in this Section 2.07, the Board shall act only upon the affirmative vote of a majority of the Directors present at a meeting at which a Quorum is present. Each Director has one (1) vote. No official action may be taken except at a meeting held in accordance with Section 2.08 at which a Quorum is present in person, telephonically, or electronically. Voting by proxy is prohibited. Notwithstanding the foregoing, the following actions require the affirmative vote of at least one (1) Member-Appointed Director of each Member, in addition to the vote otherwise required by this Section 2.07:

- (a) approval of the annual budget under Section 6.01;
- (b) the issuance of Bonds under Article V, or any material amendment to the terms thereof;
- (c) the adoption of, or any material change to, system-wide non-potable water rates, fees, tolls, or charges under Section 4.05;
- (d) the conveyance, sale, or further encumbrance of any Authority-Owned Water Asset, other than as permitted under Article V or Section 4.02;
- (e) admission of a new Member under Section 2.06;

- (f) any amendment to this Agreement under Section 10.03; and
- (g) termination of this Agreement resulting in dissolution of the Authority pursuant to Article VIII herein.

Section 2.08. Meetings.

The Board may hold regular and special meetings at any location and by any means (including electronic) at which the Members are legally entitled to hold meetings, in conformance with Section 32-1-903, C.R.S. Notice of Board meetings shall be given in the manner required for meetings of special districts under the Special District Act and the Colorado Open Meetings Law, Section 24-6-401, *et seq.*, C.R.S.

Section 2.09. Officers.

The officers of the Authority shall consist of, at a minimum, a President, Secretary, and Treasurer, and may include a Vice President and such assistant officers as the Board deems appropriate. Officers shall be elected by a majority vote of the Board from time to time and, other than the Secretary or an assistant Secretary, must be Directors. The duties of officers shall be those set forth in Section 32-1-902, C.R.S. of the Special District Act and as otherwise required by law and as the Board may direct.

Section 2.10. Bylaws and Regulations.

The Board may adopt such bylaws and regulations for the conduct of the Authority's affairs as it deems necessary or convenient, provided such bylaws and regulations do not conflict with this Agreement, the Districts' respective service plans, or applicable law.

Section 2.11. Withdrawal.

No Member may withdraw from the Authority so long as any Bonds of the Authority remain outstanding, unless provision for the full payment thereof, by escrow or otherwise, has been made in accordance with the terms of such Bonds. Subject to the foregoing, a Member may withdraw upon (a) not less than one hundred eighty (180) days' prior written notice to the other Member and the Authority, and (b) a written agreement, in form and substance acceptable to the Authority and the remaining Member(s), providing for the equitable disposition of the Water Systems and Water Resources and for the performance of the withdrawing Member's outstanding obligations to the Authority. In the event a Member's withdrawal under this Section 2.11 results in the Authority having only one Member, the Authority shall be considered dissolved.

Section 2.12. Conflict Disclosures.

Each Director shall disclose conflicts of interest as required of directors of special districts under applicable law, including Section 24-18-110, C.R.S., Section 18-8-308, C.R.S., and Rule 1.1 of the Colorado Secretary of State's Rules Concerning Conflicts of Interest, as amended.

Section 2.13. No Restriction on Powers of Members.

Except as expressly provided in this Agreement, nothing in this Agreement restricts, prohibits, or otherwise limits the powers of any Member, and no action of the Authority shall be attributable to the Members.

Section 2.14. Dissolution of Member.

If a Member desires to dissolve or otherwise cease to exist, the plan of dissolution for such Member shall contain provisions, acceptable to the Authority in its reasonable discretion, for the performance of such Member's obligations to the Authority, including its pro rata share of any outstanding Authority indebtedness.

Section 2.15. Consolidation of Members.

If the Members determine to consolidate with one another under Sections 32-1-601, *et seq.*, C.R.S., the Members shall either (a) terminate this Agreement in accordance with Article VIII, subject to the restrictions therein applicable while Bonds remain outstanding, or (b) amend this Agreement in accordance with Section 10.03 to reflect the consolidated entity as the sole Member and to make other changes to this Agreement as necessary.

Section 2.16. Advisory Committees.

The Board may establish one or more advisory committees, the members of which may be any person designated by the Board. Any such committee shall serve solely in an advisory capacity to the Board. Advisory committee members serve at the pleasure of the Board and may be removed, with or without cause, upon majority vote of the Board and provision of written notice to the committee and committee member.

ARTICLE III - POWERS OF THE AUTHORITY

Section 3.01. Delegation of Powers.

Each Member delegates to the Authority the power and responsibility to provide the Services and to incur financial obligations on behalf of the Authority in furtherance thereof. From and after the transfer of a Member's Water System and Water Resources to the Authority pursuant to Article IV, such Member shall not itself provide non-potable water service within the Authority Service Area, except through the Authority, without the Board's prior written consent.

Section 3.02. Plenary Powers.

Except as limited by this Agreement, the Authority shall exercise all powers lawfully authorized under Sections 29-1-203 and 29-1-204.2, C.R.S., and the Special District Act, including all powers incidental, implied, or necessary to carry out the purposes of this Agreement. The Authority shall act through its Board and its officers, agents, consultants, and employees as authorized by the Board. The Authority shall not represent itself as, or act as agent for, any individual Member without that Member's express written consent.

Section 3.03. Enumerated Powers.

To the extent permitted by Section 29-1-204.2, C.R.S., and subject to the limitations set forth in this Agreement, the Authority's powers include, without limitation, the power to:

- (a) develop, acquire, construct, manage, maintain, and operate the Water Systems and Water Resources for the benefit of the Members, their residents, constituents, and customers, and, at the Board's discretion, others;
- (b) acquire, hold, lease (as lessor or lessee), sell, or otherwise dispose of real and personal property utilized for water treatment, storage, distribution, and related purposes;
- (c) make and enter into contracts, including with the Members, other governmental entities, and private parties;
- (d) employ, contract with, and terminate agents, employees, consultants, and professionals;
- (e) fix, impose, collect, pledge, and revise rates, fees, tolls, and charges for the Services, in accordance with Section 4.05;
- (f) incur debts, liabilities, and obligations, and issue Bonds, including refunding obligations, in accordance with Article V;
- (g) sue and be sued in its own name;
- (h) accept gifts, grants, contributions, and loans from any lawful public or private source;
- (i) adopt, by resolution, regulations respecting the exercise of its powers and the carrying out of its purpose;
- (j) prepare and adopt annual budgets, and amendments thereto, in accordance with Article VI;

- (k) keep financial books and records and obtain an annual audit, or exemption therefrom, in accordance with Section 6.05;
- (l) adopt investment policies and invest available funds in accordance with Articles 10.5 and 47 of Title 11, C.R.S.;
- (m) have and use a corporate seal;
- (n) admit additional Members in accordance with Section 2.06; and
- (o) exercise any other power essential to providing the Services that is specified in this Agreement or granted by Section 29-1-204.2, C.R.S.

Section 3.04. Limitations on Powers. The Authority shall not have the power to:

- (a) levy any ad valorem tax;
- (b) impose special assessments under Article 25 of Title 31 or Article 1 of Title 32, C.R.S.;
- (c) exercise the power of eminent domain;
- (d) exercise zoning or other land use regulatory powers; or
- (e) impose building, fire, or public health and safety codes.

Section 3.05. Spending Authority.

The Authority is limited in its spending to the total annual budget approved by the Board, as such budget may be amended from time to time.

Section 3.06. No Private Inurement.

No part of the Authority's net earnings or assets shall inure to the benefit of any director, officer, or other private person, except that the Authority may pay reasonable compensation for services actually rendered and reimburse reasonable expenses actually incurred in exercising its powers or carrying out its purposes.

Section 3.07. Enterprise Status.

It is the intent of the Members that the Authority qualify and be operated as an "enterprise" within the meaning of TABOR, so long as the Authority (a) receives under ten percent (10%) of its annual revenue in grants, as defined by TABOR, from all Colorado state and local governments combined, and (b) is authorized to issue its own revenue bonds. So long as the Authority maintains enterprise status, the Authority shall not be subject to the revenue and spending limitations, reserve requirements, or election requirements of TABOR, including with respect to the adoption or increase of rates, fees, and charges for the Services. The Board shall take such actions as are reasonably necessary to preserve the Authority's enterprise status, unless the Board determines that maintaining such status is no longer in the Authority's best interest.

ARTICLE IV WATER SYSTEMS, WATER RESOURCES, AND RATES

Section 4.01. Conveyance of Water Systems and Water Resources.

- (a) As promptly as practicable after the execution of this Agreement, but not before a closing on Bonds if such action would violate provisions of the Raindance Bonds or PTMD Loan, each Member shall convey, assign, and transfer to the Authority, by special warranty deed, bill of sale, assignment, or other appropriate instrument, all of such Member's right, title, and interest in and to its Water System and Water Resources, including the water rights, decrees, augmentation plans, storage rights, ditch and reservoir company shares, easements, and physical infrastructure described on **Exhibit A** attached hereto (collectively, the "Authority-Owned Water Assets"), free and clear of all liens and encumbrances other than those disclosed in, and permitted under, the applicable conveyance documents. The Authority-Owned Water Assets, set forth in Exhibit A, shall be updated from time to time, and such updated Exhibit A shall be automatically incorporated into this Agreement without the need for a formal amendment.
- (b) The Members shall cooperate, and shall cause their respective engineers, water counsel, and other consultants to cooperate, in preparing and recording all deeds, assignments, and other instruments of conveyance, and in prosecuting any change of ownership or other filings with the Colorado Division of Water Resources or the applicable water court necessary to reflect the Authority's ownership of the water rights included in the Authority-Owned Water Assets.
- (c) It is not necessary for the Authority-Owned Water Assets to be conveyed to the Authority in order for the Authority to issue the Bonds described in Article V; the financed assets are, and following formation of the Authority will remain, owned by a governmental entity. The Members have nonetheless determined that conveyance of the Authority-Owned Water Assets to the Authority, consistent with the Authority's purpose of owning, operating, and maintaining a single, consolidated non-potable water utility, will strengthen the combined credit and lending profile supporting the Bonds.
- (d) If this Agreement is terminated pursuant to Article VIII, the Authority-Owned Water Assets will revert back to the Member as indicated in such Article VIII.

Section 4.02. Authority-Owned Improvements.

The Authority shall hold title to the Authority-Owned Water Assets and shall operate and maintain the same for the benefit of the Members, Authority Service Area residents, constituents, and the general public. The Authority shall not sell, transfer, convey, or further encumber any Authority-Owned Water Asset, other than in connection with financing permitted under Article V or dispositions in the ordinary course of operations, without the vote required under Section 2.07(d).

Section 4.03. Construction of Improvements.

The Authority shall have the right and power to construct new, and to repair and replace existing, Authority-Owned Water Assets and other improvements to the Water Systems. Construction shall conform to applicable federal, state, and local standards and, if required by law, shall be publicly bid and awarded at a meeting of the Board.

Section 4.04. Operation and Maintenance.

The Authority shall operate and maintain the Water Systems in accordance with operating policies, procedures, and minimum maintenance standards adopted by the Board, which shall be no less protective than those under which the Members historically operated their respective Water Systems, unless the Board determines otherwise. Operation of the Water Systems shall include obtaining insurance in accordance with Article VII.

Section 4.05. Consolidated Rates, Fees, and Charges.

- (a) The Authority shall establish, impose, and collect uniform, system-wide rates, fees, tolls, and charges for non-potable water service sufficient, together with other available Authority revenues, to pay Operations Costs, Capital Costs, and debt service on any Bonds issued under Article V, and to fund and maintain any reserves required by the documents governing such Bonds.
- (b) Rates need not be uniform as to classes of customers reasonably distinguished by usage characteristics, but shall not discriminate between similarly situated customers based solely on whether the customer is located within the boundaries of a specific Member.
- (c) The Authority shall be responsible for billing and collection of the rates, fees, tolls, and charges described in this Section 4.05, unless the Board contracts in writing with a Member or a third party to perform billing and collection services on the Authority's behalf.

Section 4.06. Termination of 2021 IGA.

Upon completion of the transfers and conveyances contemplated under this Article IV, the 2021 IGA is terminated in its entirety and is superseded by this Agreement, and neither Member shall have any further rights or obligations under the 2021 IGA, other than obligations that by their terms expressly survive termination.

ARTICLE V BONDS AND FINANCING

Section 5.01. Authorization to Issue Bonds.

Pursuant to Section 29-1-204.2(7), C.R.S., the Authority is authorized to issue bonds, notes, and other obligations (collectively, "Bonds") payable solely from the revenues of the Water Systems, the combined functions, services, or facilities of the Authority, or other available funds of the Authority, to carry out the purposes for which the Authority is established, including the refunding of outstanding obligations of the Members. Any such bonds, notes, and other obligations may be issued on behalf of the Members for federal tax purposes.

Section 5.02. Refunding of Raindance Bonds and PTMD Loan.

As its initial financing, the Authority intends to issue one or more series of Bonds, in whole or in part, for the purpose of refunding and refinancing the Raindance Bonds and the PTMD Loan on a combined basis, on such terms as the Board determines will achieve a cost-effective financing for the Members, and for the purpose of paying costs of issuance and other costs related thereto.

Section 5.03. Terms of Bonds.

The terms, conditions, and details of any Bonds, and the procedures relating to their authorization, issuance, sale, and refunding, shall be set forth in a resolution or resolutions of the Board and, as nearly as practicable, shall be consistent with Part 4 of Article 35 of Title 31, C.R.S., relating to water and sewer revenue bonds, except that the purposes for which Bonds may be issued are not so limited and Bonds may be sold at public or private sale, in each case as authorized by Section 29-1-204.2(7)(a), C.R.S. Bonds may mature not more than forty (40) years from their date of issuance and shall bear interest at such rates, and be sold at, above, or below par, as the Board determines.

Section 5.04. Limited Obligation; No Debt of Members.

BONDS ISSUED BY THE AUTHORITY SHALL BE PAYABLE SOLELY FROM THE REVENUES AND OTHER AVAILABLE FUNDS OF THE AUTHORITY PLEDGED FOR THEIR PAYMENT AND SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE MEMBERS, AND NO MEMBER'S FULL FAITH AND CREDIT OR TAXING POWER SHALL BE PLEDGED TO THEIR PAYMENT. Each Bond shall recite in substance that it is payable solely from the revenues and other available funds of the Authority pledged for its payment and does not constitute a debt of the Authority or the Members within the meaning of any constitutional or statutory debt limitation, all in accordance with Section 29-1-204.2(5) and (7)(a), C.R.S.

Section 5.05. Security for Bonds.

The resolution, trust indenture, or other instrument under which Bonds are issued may contain such provisions as the Board determines necessary or appropriate to secure the Bonds, including a pledge of, or mortgage or other security interest in, the revenues, funds, rights, or properties of the Authority, and a rate covenant requiring the Authority to establish and maintain rates, fees, and charges sufficient to satisfy any additional bonds test and debt service coverage requirement set forth therein.

Section 5.06. Additional Bonds.

The Authority may issue additional Bonds subject to the terms of the resolution, trust indenture, or other instrument authorizing the outstanding Bonds and the vote required under Section 2.07(b).

Section 5.07. No Pledge Agreement Required.

Because the Authority is authorized to establish and collect the rates, fees, and charges pledged to the payment of Bonds pursuant to Section 4.05, no separate pledge or rate-covenant agreement between the Authority and the Members is required in connection with the issuance of Bonds, unless the Board determines that continued collection of rates by a Member on the Authority's behalf, together with a pledge of the resulting revenues to the Authority, is preferable for a particular financing, in which case the Members and the Authority shall enter into an intergovernmental agreement providing for such arrangement consistent with this Article V.

Form of Agreement

ARTICLE VI BUDGETS AND FUNDING

Section 6.01. Annual Budget.

On or before September 15 of each year, each Member shall provide the Authority with such financial information as the Authority reasonably requests for budgeting purposes. By October 15, or as soon as practicable thereafter, the Board shall cause a proposed annual budget for the next fiscal year to be prepared and submitted to the Members. On or before December 15, the Board shall adopt the Authority's annual budget and provide a copy to the Members. Annual budgets shall conform to Sections 29-1-101, *et seq.*, C.R.S., and this Agreement, and may be amended in accordance with applicable law. The Authority shall make available to each Member a detailed statement of final costs and expenses for the prior fiscal year as soon as practicable after the close of each fiscal year.

Section 6.02. Funding.

The Authority shall fund the Services from Authority revenues, including rates, fees, and charges collected under Section 4.05, Bond proceeds, grants, and other lawful sources, and, to the extent such revenues are insufficient, from Member contributions as provided in this Article VI. Neither Member shall take or fail to take any action that would delay a payment to the Authority or impair the Authority's ability to receive payments due to it. Members may make loans or grants to the Authority, provided such loans or grants do not jeopardize the Authority's enterprise status under Section 3.07 unless approved by the Board.

Section 6.03. Operations Costs.

To the extent Authority revenues are insufficient to pay the Authority's ongoing operations and administrative costs, including legal, engineering, accounting, auditing, insurance, and management costs (the "Operations Costs"), each Member cooperate with the Authority to fund its Pro Rata Share of such shortfall, as set forth in the Authority's annual budget. Unless and until the Board adopts an alternative cost-of-service allocation methodology, each Member's "Pro Rata Share" shall be equal.

Section 6.04. Capital Costs.

To the extent Authority revenues, including Bond proceeds, are insufficient to pay the costs of constructing, repairing, or replacing the Water Systems (the "Capital Costs"), each Member shall cooperate with the Authority to fund its Pro Rata Share of such shortfall, as set forth in the Authority's annual budget, provided that Capital Costs may be apportioned over multiple years upon the unanimous consent of the Members.

Section 6.05. Books and Records; Audit.

The Authority shall keep accurate books of accounts on an accrual basis in accordance with the Local Government Uniform Accounting Law, Part 5 of Article 1, Title 29, C.R.S. Such books and records shall be open to inspection during normal business hours by any representative of a Member. The Board shall provide for an annual audit of the Authority's books, accounts, and other financial records (or an application for exemption therefrom) in accordance with the Colorado Local Government Audit Law, Part 6 of Article 1, Title 29, C.R.S., completed and filed in a timely

manner as described in Section 29-1-606, C.R.S. All Authority funds shall be invested in accordance with applicable state statutory requirements.

Section 6.06. Remittance of Funds.

The Authority shall submit requests for funding of any shortfall in Operations Costs or Capital Costs to each Member as needed. Each Member shall cooperate with the Authority to fund its Pro Rata Share within thirty (30) days after receipt of such request.

Section 6.07. TABOR Reserve.

So long as the Authority maintains enterprise status under Section 3.07, the Authority shall not be required to maintain the emergency reserve described in paragraph (5) of TABOR. If the Authority's enterprise status is lost, the Members shall cooperate with the Authority to establish and maintain any reserve required by TABOR from legally available sources; provided that neither Member's TABOR reserves shall be transferred to the Authority but shall remain with the respective Member.

Form of Agreement

ARTICLE VII INSURANCE

Section 7.01. General Liability.

The Authority shall maintain, at a minimum, the following insurance coverage:

General liability coverage protecting the Authority and its officers, Directors, and employees against loss, liability, or expense arising from personal injury, death, property damage, or otherwise, in connection with the Authority's management, administration, or operations, in amounts not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) general aggregate, or the maximum amount recoverable under the CGIA, whichever is greater.

Section 7.02. Directors and Officers Liability.

The Authority shall maintain, at a minimum, the following insurance coverage:

Directors' and officers' liability (errors and omissions) coverage protecting the Authority and its Directors and officers against loss, liability, or expense arising from the actions or inactions of the Authority and its Directors and officers in the performance of their duties.

Section 7.03. Additional Insurance.

The Authority may obtain, at its own expense, such further or additional insurance coverage as the Board determines appropriate.

ARTICLE VIII TERMINATION

Section 8.01. Restriction While Bonds Outstanding.

Notwithstanding any other provision of this Agreement, this Agreement may not be terminated, rescinded, or wound up so long as any Bonds of the Authority remain outstanding, unless provision for the full payment of such Bonds, by escrow or otherwise, has been made in accordance with the terms of such Bonds, consistent with Section 29-1-204.2(2)(d), C.R.S.

Section 8.02. Termination by Notice.

Subject to Section 8.01, this Agreement may be terminated upon (a) the unanimous written consent of the Members, and (b) an affirmative vote of the Board.

Section 8.03. Wind-Up and Liquidation.

In the event of termination, the Board, or a person or persons appointed by the Board, shall wind up and liquidate the assets of the Authority, if any. Any Authority-Owned Water Asset conveyed to the Authority by a Member under Section 4.01, and any asset acquired by the Authority in substitution or improvement of such conveyed asset, shall, upon dissolution of the Authority, revert to the Member that originally conveyed the underlying asset; provided that assets funded through the joint capital contributions of both Members (such as the Raindance Reservoir improvements) shall be allocated between the Members in order to assure that each Members' infrastructure can operate as a discrete non-potable water system, in each case except to the extent an asset remains subject to a lien or other encumbrance securing outstanding Bonds.

ARTICLE IX DEFAULT

Section 9.01. Events of Default.

Each of the following constitutes an “Event of Default” under this Agreement:

- (a) the failure of a Member to fund its Pro Rata Share of Operations Costs or Capital Costs when due, and the failure to cure within ten (10) business days after receipt of written notice from the Authority or the other Member; or
- (b) the failure of a Member to perform or observe any other material covenant, agreement, or condition under this Agreement, and the failure to cure within thirty (30) days after receipt of written notice from the Authority or a majority of the other Members, unless such default cannot reasonably be cured within thirty (30) days, in which case the cure period shall be extended so long as the defaulting Member has commenced and is diligently pursuing a cure to completion.

Section 9.02. Remedies on Occurrence of Events of Default.

Upon the occurrence of an Event of Default, the non-defaulting Member and/or the Authority shall have the following rights and remedies:

- (a) to seek a writ of mandamus or similar relief, or a temporary or permanent restraining order or order of specific performance, to compel the board of directors of the defaulting Member to perform its duties under this Agreement;
- (b) to protect and enforce their rights under this Agreement by such suits, actions, or proceedings as they deem appropriate, including proceedings for specific performance, for enforcement of any other legal or equitable remedy, or for recovery of damages, including reasonable attorneys’ fees and costs incurred in enforcing this Agreement; and
- (c) to budget and expend funds as necessary to enforce the terms of this Agreement.

ARTICLE X MISCELLANEOUS PROVISIONS

Section 10.01. Notices.

Any notice required under this Agreement shall be given in writing, delivered personally, electronically, or sent by registered mail, postage prepaid, addressed to each Member and the Authority at the addresses set forth below, or such other address as a party may designate by written notice given in accordance with this Section 10.01. Notice shall be considered given and received when personally or electronically delivered, or on the third day after mailing.

To Raindance:
Raindance Metropolitan District No. 1
c/o SpencerFane, LLC
Attn: Tom George
1700 Lincoln Street, Suite 2000
Denver, CO 80203
tgeorge@spencerfane.com

To PTMD:
Poudre Tech Metropolitan District
c/o Seter, Vander Wal & Mielke
Attn: Colin Mielke
7400 E. Orchard Road, Suite 3300
Greenwood Village, CO 80111
cmielke@svwpc.com

To the Authority:
c/o WBA, P.C.
Attn: Zachary White
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122
zwhite@wbapc.com

Section 10.02. Consent.

Whenever this Agreement requires the consent or approval of a Member, the same shall not be unreasonably withheld, conditioned, or delayed.

Section 10.03. Amendments.

Unless otherwise stated in this Agreement, no alteration, amendment, or modification to this Agreement is valid unless approved by the vote of the Board required under Section 2.07(f) and executed by an instrument in writing, with the same formality as this Agreement, signed by all Members. No prior, contemporaneous, or subsequent oral agreement shall have any validity.

Section 10.04. Severability.

If any clause or provision of this Agreement is adjudged invalid or unenforceable, such invalidity or unenforceability shall not affect the validity of this Agreement as a whole, and all other clauses and provisions shall remain in full force and effect.

Section 10.05. Binding Effect.

This Agreement is binding upon, and inures to the benefit of, the Members and their respective successors and permitted assigns.

Section 10.06. Assignment and Delegation.

No Member shall assign any right nor delegate any duty under this Agreement without the affirmative vote of the Board. Any attempted assignment or delegation not in conformance with this Section 10.06 is void.

Section 10.07. Applicable Law; Venue.

This Agreement is governed by and construed in accordance with the Constitution and laws of the State of Colorado. The Members agree not to institute any legal action or proceeding against the Authority, or any of its Directors, officers, employees, agents, or property, concerning any matter arising out of or related to this Agreement, in any court other than the District Court for Weld County, Colorado.

Section 10.08. Paragraph Headings.

Paragraph headings are inserted only as a matter of convenience and reference and are not intended to define, limit, or describe the scope or intent of this Agreement or the particular paragraphs to which they refer.

Section 10.09. Singular and Plural.

Whenever the context so requires, the singular includes the plural and the plural includes the singular.

Section 10.10. Negotiated Provisions.

This Agreement shall not be construed more strictly against one Member than another merely because it may have been prepared by counsel for one Member, it being acknowledged that each Member has contributed substantially and materially to its preparation.

Section 10.11. No Third-Party Beneficiaries.

Enforcement of this Agreement, and all rights of action relating to such enforcement, are strictly reserved to the Members, and nothing in this Agreement gives or allows any claim or right of action to any other third party. Any person, other than the Members, receiving Services or benefits under this Agreement is an incidental beneficiary only.

Section 10.12. Counterparts.

This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument. Executed copies

delivered by facsimile or electronic (PDF) transmission shall be deemed originals and binding upon the signatories, with the full force and effect of an original for all purposes, including rules of evidence applicable to court proceedings.

Section 10.13. No Personal Liability.

No elected official, director, officer, agent, or employee of a Member shall be charged personally or held contractually liable under any term or provision of this Agreement, or because of any breach thereof, or because of its or their execution, approval, or attempted execution of this Agreement.

[Remainder of this page intentionally left blank; signature pages follow]

Form of Agreement

IN WITNESS WHEREOF, the Districts have caused this Agreement to be executed as of the day and year first written above.

RAINDANCE METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado

By: _____
President

ATTEST:

Secretary

POUDRE TECH METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

By: _____
President

ATTEST:

Secretary

EXHIBIT A

Authority-Owned Water Assets

Form of Agreement