

Resolution No. 2020-08-03

**RESOLUTION
OF THE
BOARD OF DIRECTORS
OF
RM MEAD METROPOLITAN DISTRICT**

REGARDING ACCEPTANCE OF DISTRICT ELIGIBLE COSTS

WHEREAS, the RM Mead Metropolitan District in the Town of Mead, Weld County, State of Colorado (the “**District**”), is a quasi-municipal corporation and political subdivision of the State of Colorado duly organized and existing as a metropolitan district under §§ 32-1-101, *et seq.*, C.R.S., the Colorado Constitution and the laws of the State of Colorado; and

WHEREAS, the District was formed for the purpose of design, acquisition, construction, installation, maintenance and financing of water, sanitation, streets, safety protection, parks and recreation, transportation, television relay and translation, limited fire protection, and mosquito control improvements and services within and without the boundaries of the District; subject to any limitations contained in the Service Plan for the District, as amended (the “**Service Plan**”); and

WHEREAS, in accordance with § 32-1-1001(1)(f), C.R.S., the District has the power to acquire real and personal property, including rights and interests in property and easements necessary to its functions or operations; and

WHEREAS, the District has entered into a Public Improvements Acquisition and Reimbursement Agreement, dated December 4, 2019, (the “**Acquisition and Reimbursement Agreement**”) by and between the District and Second Royalty, LLC, a Colorado limited liability company, and its affiliates, successors or assigns (the “**Developer**”); and

WHEREAS, pursuant to the Acquisition and Reimbursement Agreement, the Developer has agreed to fund soft and hard costs for the benefit of the District and sell and convey various public improvements (“**Public Improvements**”) to the District or another governmental entity, and the District has agreed to reimburse for the same, subject to the satisfaction of certain terms and conditions set forth therein; and

WHEREAS, the Developer has funded certain costs in furtherance of organizing the District and the construction of the Public Improvements for the benefit of the District (the “**District Eligible Costs**”), and the District has agreed to reimburse for the same, subject to the satisfaction of certain terms and conditions; and

WHEREAS, the Board of Directors of the District (the “**Board**”) has determined that the best interests of the District, its residents, users, and property owners would be served by the

District's recognition and acceptance of the District Eligible Costs and reimbursement to the Developer for the same and, in that regard, the District should expend funds for such purposes; and

WHEREAS, the Board engaged MMI Water Engineers, LLC, a Colorado limited liability company (the "**District Engineer**"), an independent engineer, who has reviewed receipts, invoices, and/or other satisfactory evidence of District Eligible Costs, and the District Engineer has advised the Board that certain of the costs submitted by the Developer are reasonable and appropriate and related to the Public Improvements authorized and contemplated under the terms of the Service Plan and Acquisition and Reimbursement Agreement and are therefore eligible for reimbursement by the District; and

WHEREAS, the Board engaged Simmons & Wheeler, P.C., the (the "**District Accountant**") who has also reviewed receipts, invoices, and/or other satisfactory evidence of District Eligible Costs as well as the certification of the District Engineer to substantiate the amount of District Eligible Costs, and the District Accountant has advised the Board that certain of the costs submitted by the Developer are reasonable and appropriate and related to the Public Improvements authorized and contemplated under the terms of the Service Plan and Acquisition and Reimbursement Agreement and are therefore eligible for reimbursement by the District; and

WHEREAS, the Board has reviewed the information submitted by the District Engineer and District Accountant and other information as appropriate and has determined that the best interests of the District, its residents, users, and property owners would be served by the District's recognition and acceptance of the District Eligible Costs, and the District should expend funds for such purposes; and

WHEREAS, the District desires to recognize and reimburse the Developer for the District Eligible Costs, subject to the availability of District funds for such purpose.

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

1. Description of District Eligible Costs. The Developer has represented that it has funded the District Eligible Costs at its sole cost and expense, which District Eligible Costs are directly related to sanitary, street, parks and recreation, and traffic and safety improvements intended, all for the benefit of the District, which improvements are intended to be conveyed to another governmental entity with final, preliminary or conditional acceptance by the applicable governmental entity. The Board finds that the total reimbursable value of the District Eligible Costs is \$198,469.79.

2. Acknowledgement of Materials Received. As provided in Section 4.a. of the Acquisition and Reimbursement Agreement for improvements to be dedicated to other governmental entities, the Board hereby acknowledges satisfaction of the requirements set forth in Section 5.a. of the Acquisition and Reimbursement Agreement for the Public Improvements, which constitute District Eligible Costs. The completed Application for Acceptance of District Eligible Costs is attached hereto as **Exhibit A**.

3. Engineer's Cost Certification. As required under Section 5.b. of the Acquisition and Reimbursement Agreement, the District Engineer has reviewed the invoices and associated

documentation, and has issued the “**Engineer’s Cost Certification**,” attached hereto as **Exhibit B**, stating that the invoices and associated documentation are true and accurate, and the costs qualify as District Eligible Costs.

4. Accountant’s Certification. As required under Section 5.c. of the Acquisition and Reimbursement Agreement, the District Accountant has reviewed the invoices and associated documentation, and has issued the “**Accountant’s Cost Certification**,” attached hereto as **Exhibit C**, stating that the invoices and associated documentation are true and accurate, and the costs qualify as District Eligible Costs.

5. Acceptance of District Eligible Costs. Based on the certifications provided, the District hereby finds that the requirements set forth in the Acquisition and Reimbursement Agreement have been met, and that the District Eligible Costs are hereby accepted and approved for reimbursement by the District. This Resolution shall constitute the Acceptance Resolution pursuant to 6.a. of the Acquisition and Reimbursement Agreement.

6. Subject to Annual Appropriations. Any payments due hereunder are subject to annual appropriation by the District and do not create a multiple-fiscal year obligation or debt whatsoever. Furthermore, any payments due hereunder are subject to any repayment terms and conditions as set forth in the Acquisition and Reimbursement Agreement.

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

ADOPTED this 25th day of August, 2020.

RM MEAD METROPOLITAN DISTRICT

Glen R. Smith

Officer of the District

ATTEST:

Blake Smith

Blake Smith (Sep 15, 2020 09:48 MDT)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Jimmy D. Anole

General Counsel to the District

Signature Page to Resolution Regarding Acceptance of District Eligible Costs

EXHIBIT A
(Application for Acceptance of District Eligible Costs)

APPLICATION FOR ACCEPTANCE OF DISTRICT ELIGIBLE COSTS

Applicant Name: Second Royalty LLC

Applicant Address: 1805 S. Bellaire Street, Suite 110
Denver, CO 80222

Email: glensmith@park-land.com

Phone: 303-809-5084

A narrative description and location of the corresponding Public Improvements: Soft costs (engineering, legal, planning, landscape) expended in 2019 on behalf of the District by the Owner (Second Royalty LLC).

Public Improvements Category and Costs:

Category	Entity that will own, operate, and/or maintain Public Improvements	Final, preliminary or conditional acceptance by the applicable governmental entity (Yes/No)	Hard Construction Costs (including Staking and Testing)	Soft Costs (Engineering, Legal, Planning, Landscape & Irrigation Design)
Street	Town of Mead	Yes, conditional		\$69,464.43
Parks and Recreation	RM Mead District	Yes, conditional		\$29770.47
Water	Little Thompson	Yes, conditional		\$49617.45
Sanitation/Storm Sewer	St. Vrain Sanitation District	Yes, conditional		\$49,617.45
Transportation				
Mosquito				
Safety Protection				
Fire Protection				
Television Relay and Translation				
Security				

Total Amount of District Eligible Costs: \$ 198,469.79

By its signature below, the Applicant certified that this Application and all documents submitted in support of this Application are true and correct, that the Applicant is authorize to sign this Application, and the costs submitted for reimbursement herein qualify at District Eligible Costs pursuant to the Public Improvement Acquisition and Reimbursement Agreement.

Signature: *Glen R. Smith*

Date: August 19, 2020

EXHIBIT B
(Engineer's Cost Certification)



June 29, 2020

Ms. Jennifer Tanaka, Esq.
RM Mead Metropolitan District
%White Bear Ankele Tanaka & Waldron
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
(via email: jtanaka@wbapc.com)

Re: Cost Certification Services - District Organization and Public Improvements
Second Royalty LLC

Dear Ms. Tanaka:

I have been provided documentation from Second Royalty LLC reflecting costs incurred through December 20, 2019, in connection with the organization of the RM Mead Metropolitan District (District), including preliminary planning associated with Public Improvements. The documentation was provided for my evaluation for the purpose of obtaining reimbursement by the District. The District is authorized to provide for the planning, design, acquisition, construction, installation, relocation, and redevelopment of Public Improvements.

Included in the documents provided for review were consultant contracts, invoices, and records of payments (i.e. checks).

Based upon my review, a total of \$198,469.79 of the \$210,858.24 requested are certified as District Eligible Costs for the organization of the District, including preliminary planning associated with Public Improvements. The attached table is a summary of the payments, invoices, and allocations arriving at the certified costs totaling \$198,469.79. The certified costs totaling \$198,469.79 are reasonable and appropriate for the organization of the District, including preliminary planning associated with Public Improvements.

I am available to answer any questions that might arise in connection with this certification and its review.

Should you have any comments or questions, please contact me at 720-234-8398.

Sincerely,

MMI WATER ENGINEERS, LLC

A handwritten signature in blue ink, appearing to read 'BAS', with a long horizontal flourish extending to the right.

Bradley A. Simons, P.E.
Principal

cc: Glen Smith, Second Royalty LLC (via email: glensmith@feinprop.com)

EXHIBIT C
(Accountant's Cost Certification)

ACCOUNTANT'S CERTIFICATE

August 24, 2020

Board of Directors
RM Mead Metropolitan District
c/o White, Bear, Ankele, Tanaka & Waldron, P.C.
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122

Re: District Eligible Improvements Cost Certification

This report summarizes the results of the procedures we have performed related to substantiation of the costs of District Eligible Costs to be reimbursed or acquired by RM Mead Metropolitan District (the "District") pursuant to the Public Improvements Acquisition and Reimbursement Agreement between the District and Second Royalty LLC (the "Developer") dated December 4, 2019.

The Developer has submitted documentation substantiating \$198,469.79 of expenditures for District Eligible Costs consisting of invoices and other supporting documentation (Exhibit A).

MMI Water Engineers, ("MMI"), the District's independent engineer, has reviewed certain underlying documentation supporting Exhibit A and has submitted an engineering certification certifying that the District Eligible Improvements were complete and in satisfactory form and, in their opinion, that the District Eligible Costs are specifically contemplated and allowed under the Reimbursement Resolution, relate to the District Eligible Improvements, and are reasonable and within the fair market as to similar soft costs related to the District Eligible Improvements for similar purposes. MMI also verified the payment of these costs.

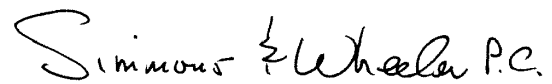
Based upon the certification provided by MMI, District Eligible Costs in the amount of \$198,469.79 should be reimbursed by the District to the Developer.

We read the Engineer's Certification and reviewed certain underlying documentation supporting Exhibit A as necessary and appropriate, in accordance with accounting principles generally accepted in the United States of America, to verify the accuracy of the cost summary set forth in Exhibit A and the related conclusions in the Engineer's Certifications. Based on the above described procedures, the costs set forth in Exhibit A represent reimbursable costs incurred for the completed District Eligible Improvements.

We did not evaluate the quantity and quality measurements with respect to materials and or contractor overhead rates used for the District Eligible Improvements.

We were not engaged to and did not conduct an examination in accordance with generally accepted auditing standards in the United States of America, the objective of which would be the expression of an opinion on the financial statements of the District. Accordingly, we do not express such an opinion. We performed our engagement as a consulting service under the American Institute of Certified Public Accountants' Statement of Standards for Consulting Services. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are not independent with respect to the District.

A handwritten signature in black ink that reads "Simmons & Wheeler P.C." The signature is written in a cursive, flowing style.

Simmons & Wheeler, P.C.

Check No.	Date	Issued to	Amount	Invoice No.	Date	Amount	Organization & Formation				Geotechnical	General Surveying	Utility Planning	Water Rights
							Administrative	Legal	Service Plan					
1291	2/12/2019	White Bear Ankele Tanaka & Waldron	893.29	3697	1/31/2019	893.29		893.29						
1292	2/19/2019	Innovative Land Consultants	9,230.35	2019-43	2/9/2019	9,230.35			9,230.35					
1294	3/12/2019	White Bear Ankele Tanaka & Waldron	3,030.41	3928	2/28/2019	3,030.41		3,030.41						
1295	3/19/2020	Innovative Land Consultants	6,018.05	2019-65	3/10/2019	6,018.05						1,848.75		
1299	4/12/2019	White Bear Ankele Tanaka & Waldron	2,850.53	4467	3/31/2019	2,850.53		2,850.53						
1303	4/25/2019	Innovative Land Consultants	1,428.75	2019-88	4/11/2019	1,428.75			1,428.75					
1304	4/30/2019	Lind, Ottenhoff & Root	4,545.00	31093	3/31/2019	4,545.00								4,545.00
1307	5/10/2019	White Bear Ankele Tanaka & Waldron	492.00	4880	4/30/2019	492.00		492.00						
1308	5/24/2019	A.G. Wassenaar	6,850.00	302721	5/10/2019	6,850.00				6,850.00				
1309	5/24/2019	Innovative Land Consultants	3,121.95	2019-108	5/13/2019	3,121.95								
1311	5/31/2019	Lind, Ottenhoff & Root	1,425.00	31128	4/30/2019	1,425.00								1,425.00
1312	6/11/2019	White Bear Ankele Tanaka & Waldron	1,984.40	5154	5/31/2019	1,984.40		1,984.40						
1313	6/12/2019	Town of Mead	5,000.00	Letter	6/24/2019	5,000.00								
1314	6/12/2019	Town of Mead	1,000.00			1,000.00								
1316	6/20/2019	Lind, Ottenhoff & Root	1,158.15	31240	5/31/2019	1,158.15								1,158.15
1322	7/16/2019	White Bear Ankele Tanaka & Waldron	7,684.94	5716	6/30/2019	7,684.94		7,684.94						
1324	7/23/2019	Norris Design	7,150.34	01-52086	6/30/2019	7,150.34								
1325	8/5/2019	LSC Transportation Consultatnts	242.30	56761	6/10/2019	242.30								
1327	8/8/2019	White Bear Ankele Tanaka & Waldron	2,895.63	6421	7/31/2019	2,895.63		2,895.63						
1328	8/21/2019	Atwell	11,104.92	0224371	7/23/2019	11,104.92			4,532.92			6,572.00		
1329	8/21/2019	Norris Design	931.45	01-52565	7/31/2019	931.45								
1330	8/26/2019	LSC Transportation Consultatnts	526.50	57038	8/15/2019	526.50								
1332	9/9/2019	White Bear Ankele Tanaka & Waldron	6,462.97	6763	8/31/2019	6,462.97		6,462.97						
1335	9/16/2019	LSC Transportation Consultatnts	1,267.50	57123	8/21/2019	1,267.50								
1336	9/16/2019	Atwell	6,389.58	0225297	8/19/2019	6,389.58			152.68			6,046.40		
1338	9/25/2019	LSC Transportation Consultatnts	5,420.10	57323	9/10/2019	5,420.10								
1339	9/25/2019	Norris Design	2,622.83	01-53139	8/31/2019	2,622.83								
1340	9/25/2019	Lind, Ottenhoff & Root	555.00	31507	8/31/2019	555.00								555.00
1343	10/4/2019	White Bear Ankele Tanaka & Waldron	4,288.71	6918	9/30/2019	4,288.71		4,288.71						
1345	10/8/2019	Atwell	27,601.42	0226888	9/18/2019	27,601.42			170.42			22,931.00		
1350	10/16/2019	LSC Transportation Consultatnts	939.90	57449	10/8/2019	939.90								
1351	10/16/2019	EST	1,300.00	46598	10/14/2019	1,300.00								
1352	10/16/2019	Norris Design	6,686.20	01-53648	9/30/2019	6,686.20								
1356	11/4/2019	Atwell	1,245.75	0227998	10/14/2019	1,245.75						214.00		
1358	11/20/2019	Norris Design	2,925.93	01-54827	10/31/2019	2,925.93								
1360	11/20/2019	LSC Transportation Consultatnts	1,329.40	56604	5/8/2019	544.85								
				57584	11/6/2019	784.55								
1361	11/20/2019	Town of Mead	1,537.75	1662	11/12/2019	1,537.75								
1362	11/21/2019	Town of Mead	5,107.27	Statement	11/1/2019	5,107.27								
1363	12/5/2019	White Bear Ankele Tanaka & Waldron	15,429.48	7493	10/31/2019	5,561.65		5,561.65						
						247.00		247.00						
				7786	11/30/2019	126.59		126.59						
						9,494.24		9,494.24						
1365	12/5/2019	Atwell	21,984.07	0229887	11/20/2019	21,984.07			233.95	1,350.00		14,662.87		
1366		RM Mead Metropolitan District	500.00	Email	12/5/2019	500.00	500.00							
1368	1/3/2020	White Bear Ankele Tanaka & Waldron	1,854.01	8320	12/31/2019	1,854.01		1,854.01						
1369	1/3/2020	LSC Transportation Consultatnts	495.95	57713	12/7/2019	495.95								
1370	1/3/2020	Atwell	15,350.46	0231451	12/20/2019	15,350.46			264.25			6,156.17		
		TOTALS	210,858.24			210,858.24	500.00	47,866.37	20,182.62	8,200.00	-	58,431.19	7,683.15	

