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LAW OFFICES OF

# HAFFKE, HAFFKE & LEBSACK

GEORGE R. HAFFKE  
RONALD A. LEBSACK

HON. GEORGE A. DOLL  
(1887-1978)  
EARL W. HAFFKE  
(1914-1998)

108 E. KIOWA - P.O. BOX 688  
FORT MORGAN, COLORADO 80701  
TELEPHONE: 970 687-2445  
FAX NO.: 970 687-2448  
1-800-807-1688

4352

January 3, 2006

Mr. Fred Gibbs  
1001 O. Street  
Greeley, CO 80631

Re: **Prairie View Ranch Water District**

Dear Fred:

The Court did enter the Order Authorizing Election for Organization of Special District. Now that that Order has been entered, it is required that we hold an election. At the election, there will only be two (2) issues to be decided. The first issue is the question of organization and the second is the election of a Board of Directors to serve until the next regular election of the board. Colorado Law does require that organizational elections be held, even though there is no contest and we will be required to publish notice of the election in the newspaper, hold the election and then certify the election results to the Court.

Before we can do so, you need to provide me with a list of five (5) individuals who can serve on the Board of Directors. A special district is required to have five (5) directors, at a minimum, and they all must be land owners within the district.

Therefore, before we can publish the notice and hold the election, you need to gather up five (5) people who can serve as members of the board. Two (2) members of the board would serve until the next regular election, which is the Tuesday following the first Monday in May in 2006. Three (3) members of the board would serve until the next regular election, which would be the Tuesday following the first Monday in May in 2008. May 13, 2006

Once we have the board elected and the organizational election held, we will be able to cancel all future elections, unless and until you intend to raise money to fund projects for the water district.

Further, after the election has been held, the results are certified to the Court who enters a Decree organizing the district. A certified copy of this Decree must be recorded with the County Clerk and Recorder. In addition, a copy of the service plan for the district must be filed with the Clerk and Recorder and a copy of the Decree and the service plan must be filed with the Division of Local Governments. Finally, a map of the special district must be delivered to the Division of Local Governments and the County Assessor.

# **BOARD OF DIRECTORS**

## **MEMBERS AND TERM**

The initial board of directors of Prairie View Ranch Water District LLC will consist of 5 members appointed by the current owners (Fred O. Gibbs and John D. Pearson). Each will serve for a 4 year period of time and will be up for election at the end of their appointment period. At least 1 member of the board will be a lot owner of Prairie View Ranch P.D. All new future members of the board must be a lot owner in Prairie View Ranch P.D., and/ or a member of the HOA.

## **INITIAL APPOINTED BOARD MEMBERS AND TERM (2006)**

Fred O. Gibbs Pres.	2 years
John D. Pearson V.P.	2 years
Jo Ann H. Pearson Sec.	1 year
Doryea L. Gibbs	1 year
Fred G. Gibbs	2 years

## **ELECTION OF BOARD MEMBERS**

There are 85 lots in Prairie View Ranch P.D. therefore there is a potential of 85 different lot owners. All lot owners will be eligible to be a member of the Prairie View Ranch Water District Board of Directors and must be elected by the lot owners of Prairie View Ranch HOA at their annual meeting to be held annually on the 1<sup>st</sup> Tuesday after the first Monday of May. Their term of office will be 4 years from the date of their election. In case of a vacancy, the board will appoint a new member to fill out the term of a board member that has been vacated until the annual elections of the HOA, at which time a new member will be elected to serve out the remaining term of the board member being replaced. Each lot owner will have 1 vote.

Date: April 15, 2007

NOTICE  
OF  
ANNUAL MEETING  
For  
Prairie View Ranch Water District LLC

To Be Held On

MAY 8, 2007

At

1001 "O" Street  
Greeley, Colorado 80631  
970-356-7090  
1PM MST

May 8, 2007  
Prairie View Ranch Water District LLC  
Annual Meeting

President Fred Gibbs called the first annual meeting to order. Roll call was taken and all 5 board members were present. A treasury report was presented and approved. Only 1 lot was sold and the proceeds were used to pay water engineering fees to John Gauthiere.

New business was called for. Payment to G&P Enterprises for the purchase of (land, buildings, water rights from 2 wells, well pumps, holding tanks, pressure tanks, chlorine injection equipment, water lines, fire hydrants, and variable frequency controllers and pressure pumps) was discussed and it was agreed that an attorney and our accountant should be contacted to help set up the proper paper work for this purchase and transfer of these items to assure that G&P Enterprises was adequately compensated for the money, time and labor that they had put into developing the water system, & perfecting the water rights for the water district use. Also, what tax ramifications and assurances that all 85 lots would have guaranteed taps at a guaranteed price when they were sold. All members were unanimously in favor of this approach.

Election was held for the two board members whose term expired at this meeting. A unanimous vote was given to re-elect each of them (Jo Ann Pearson & Doryea Gibbs) to a new 4 year term of office.

Changes in the rules and regulations of Prairie View Ranch W.D. LLC were discussed and it was unanimously agreed that:

1. Plant Investment Fee be increased to \$15,000
2. Plant Investment Fee could be sold on promissory note bearing a minimum of 10% interest and a maximum Term of 96 months. This note must be recorded with the Morgan County Clerk and Recorder.

Motion for adjournment was made and seconded, unanimous approval

*Call and  
request  
notice of cancellation  
since no meeting  
was held.*

Date: April 15, 2008

NOTICE  
OF  
ANNUAL MEETING  
For  
Prairie View Ranch Water District LLC

To Be Held On

MAY 13, 2008

At

1001 "O" Street  
Greeley, Colorado 80631  
970-356-7090  
1PM MST

May 13, 2008  
Prairie View Ranch W. D. LLC  
Annual Meeting

President Fred O. Gibbs called the 2<sup>nd</sup> annual meeting to order. All 5 board members were present. The treasury report was read and approved. There were 2 water plant investments sold since the last meeting.

- 1) Don & April Harris (Lot 4)
- 2) Steve Sands (Sold on installment 10% Interest with 96 payments of \$227.61)(\$15,000)(Lot 10)

The board heard the recommendations of legal council and accountants and decided to enter into an agreement calling for a 1/3:2/3 split of each Plant Investment Fee sold (to new lots and abandoned lots) with 1/3 of the fee going to the water district (for operation, maintenance and expansion of the water district) and 2/3 going to G&P Enterprises or its assigns for repayment for their contributions of land, equipment, and water rights. It was their guidance, hard work, and knowledge, that were necessary for the formation and development of the water district to occur. This split can not be modified without consent of both parties.

Election of three board members to new 4 year terms of office was voted on and approved (Fred O. Gibbs, John D Pearson, & Fred G. Gibbs).

In new business the board approved the following changes in the rules and regulations of Prairie View Ranch Water District LLC.

1. Plant Investment Fee raised to \$17,000 for fiscal year 2008.
2. Maximum time for waiver of minimum water payment will be 1 month or until the water is turned on, which ever is first.
3. Abandonment: If the minimum pumping plant fee and/or plant investment purchase payments are not paid for a period of 6 months or longer, they will be considered abandoned. Before water service to a property will be resumed, all outstanding bills to the water district must be paid in full and the lot owner will be required to purchase a new plant investment for the property at the current plant investment fee price.

Motion for adjournment was made and seconded and unanimously approved.

# OATH OF OFFICE

THE UNDERSIGNED, being a duly elected Director of **Prairie View Ranch Water District, LLC**, does hereby state that I will faithfully perform the duties of my office as required by law, and will faithfully support the Constitution of the United States, the Constitution of the State of Colorado, and all laws made pursuant thereto.

Dated: June 8, , 2006.

JoAnn H. Pearson  
Member, Board of Directors

STATE OF COLORADO )

COUNTY OF Weld )

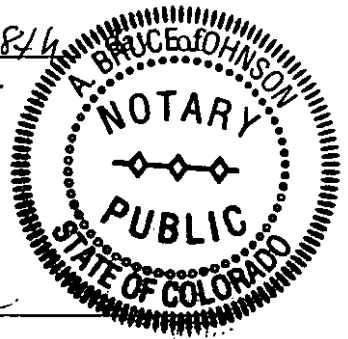
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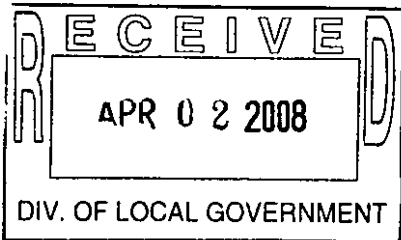
Subscribed, sworn to and acknowledged before me this 8th  
June , 2006, by JoAnn H. Pearson.

Witness my hand and official seal.

My Commission Expires: July 16, 2011

A. Bruce Johnson  
Notary Public





# OATH OF OFFICE

THE UNDERSIGNED, being a duly elected Director of **Prairie View Ranch Water District, LLC**, does hereby state that I will faithfully perform the duties of my office as required by law, and will faithfully support the Constitution of the United States, the Constitution of the State of Colorado, and all laws made pursuant thereto.

Dated: June 3, 2006.

*Dorzea L. Gibbs*  
Member, Board of Directors

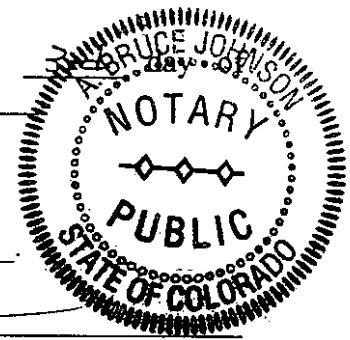
STATE OF COLORADO )  
COUNTY OF Webb ) ss.

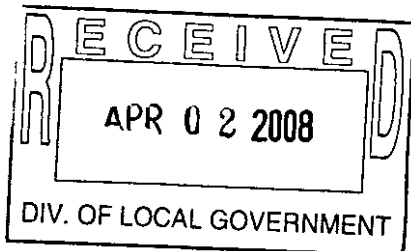
Subscribed, sworn to and acknowledged before me this June, 2006, by Dorzea L. Gibbs

Witness my hand and official seal.

My Commission Expires: July 16, 2011

*Debra Johnson*  
Notary Public





# OATH OF OFFICE

THE UNDERSIGNED, being a duly elected Director of **Prairie View Ranch Water District, LLC**, does hereby state that I will faithfully perform the duties of my office as required by law, and will faithfully support the Constitution of the United States, the Constitution of the State of Colorado, and all laws made pursuant thereto.

Dated: June 3, 2006.

Fred O. Gibbs  
Member, Board of Directors

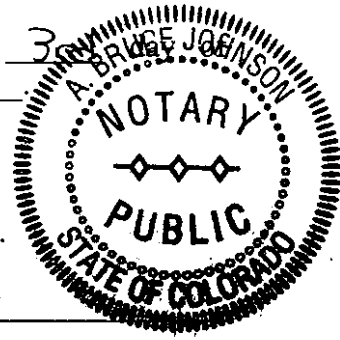
STATE OF COLORADO )  
COUNTY OF Webb ) ss.

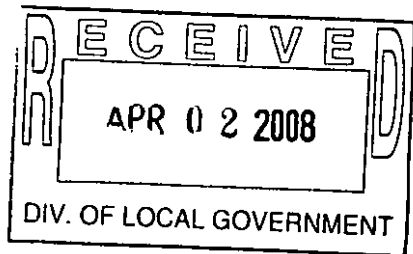
Subscribed, sworn to and acknowledged before me this 3  
June, 2006, by Fred O. Gibbs

Witness my hand and official seal.

My Commission Expires: July 16, 2011

[Signature]  
Notary Public





## OATH OF OFFICE

**THE UNDERSIGNED**, being a duly elected Director of **Prairie View Ranch Water District, LLC**, does hereby state that I will faithfully perform the duties of my office as required by law, and will faithfully support the Constitution of the United States, the Constitution of the State of Colorado, and all laws made pursuant thereto.

Dated: June 8, 2006.

  
Member, Board of Directors

STATE OF COLORADO )

COUNTY OF Weld )

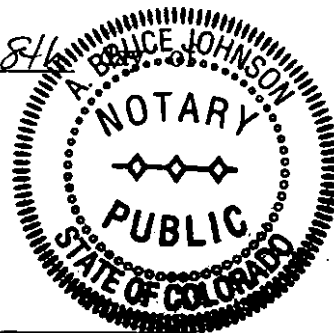
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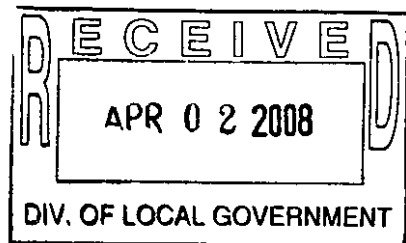
Subscribed, sworn to and acknowledged before me this 8th of June, 2006, by John D. Pearson.

Witness my hand and official seal.

My Commission Expires: July 16, 2011

  
Notary Public

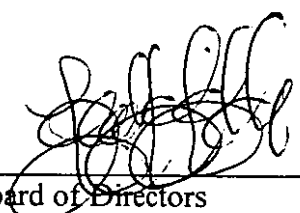




# OATH OF OFFICE

THE UNDERSIGNED, being a duly elected Director of **Prairie View Ranch Water District, LLC**, does hereby state that I will faithfully perform the duties of my office as required by law, and will faithfully support the Constitution of the United States, the Constitution of the State of Colorado, and all laws made pursuant thereto.

Dated: June 6, 2006.

  
\_\_\_\_\_  
Member, Board of Directors

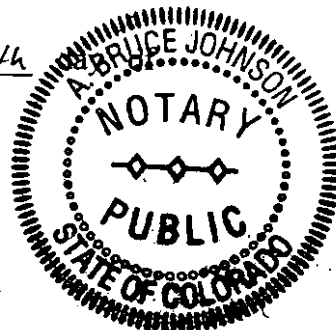
STATE OF COLORADO )  
                                  )  
COUNTY OF Weld ) ss.

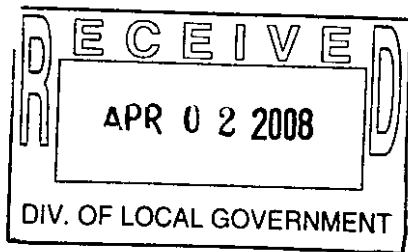
Subscribed, sworn to and acknowledged before me this 6th  
June, 2006, by Fred G. Gibbs.

Witness my hand and official seal.

My Commission Expires: July 16, 2011

  
\_\_\_\_\_  
Notary Public





## NAME SCHEDULE



# Western Surety Company

BOND No. 15118465

## FIDELITY BOND

WESTERN SURETY COMPANY, as Surety, hereby agrees to reimburse PRAIRIE VIEW WATER DISTRICT LLCof 1001 O STREET  
(Street)GREELEY  
(City)Colorado  
(State)

as Employer, the amount of any direct loss of moneys or other property of the Employer, including that for which the Employer is legally responsible, which any Employee named in the schedule attached, or who may be added thereto by written acceptance of the Surety, may while in any position in the continuous service of the Employer, directly or by collusion, cause to the Employer, not exceeding the sum specified in said schedule or written acceptance of the Surety as to each Employee, through any act of fraud, larceny, forgery, theft, embezzlement, wrongful abstraction, willful misapplication or willful misappropriation, or other fraudulent or dishonest acts, committed

by any Employee named in said schedule after the 20th day of March, 2008, and as to added Employees, after the effective date of the Surety's written acceptance.

## THIS BOND IS SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

1. Automatic coverage is granted for the first thirty days' service of any Employee succeeding one listed in the Schedule of Employees, in the same amount, but in no event for more than Twenty-Five Hundred and No/100 Dollars (\$2,500.00).

Provided, however, that the automatic coverage herein granted shall be void and of no effect from the beginning, unless during the said thirty days' period the Employer has requested in writing that the Employee be added to the schedule, and the Surety by written acceptance has consented thereto.

2. Coverage on any Employee may be increased or decreased upon written request of the Employer, and agreed to in writing by the Surety, without impairing the continuity hereunder, provided, however, that where it is decreased, the discovery period as set forth in paragraph 4 of these conditions (as to the cancelled portion of the suretyship by reason of any decrease) shall become effective as of the date of such request.

The Surety's liability under this bond and all continuations thereof shall not be cumulative, and regardless of the number of years this bond is continued in force, and, regardless of the number of annual premiums that may be payable or paid, the Surety's aggregate liability in account of any and all acts committed by any one Employee during the effective period of this bond shall not exceed the largest single amount for which the Employee causing said loss is or has been covered in the schedule, whether said loss occurred during the term of any one or more years, nor shall the liability exceed the amount in effect as to the Employee when the dishonest act shall have occurred.

3. Any loss discovered within thirty-six months after the cancellation of this bond or its termination as to the Employee causing said loss, whichever shall first occur. Within fifteen days after discovery of a loss, written notice of such loss must be delivered to the Surety at its home office in Sioux Falls, South Dakota. Within three months after discovery of the loss, written proof must be furnished to the Surety at its home office in Sioux Falls, South Dakota, in itemized form duly sworn to. No suit to recover for loss hereunder shall be brought after termination of fifteen months from the discovery of the loss.

4. Any net recovery of any loss or portion thereof (except reinsurance, coinsurance, or surety or indemnity taken from any source by or for the benefit of the Surety) shall first be applied to reimburse the Employer in full, the balance of the recovery, if any, to be the property of the Surety.

5. Cancellation hereunder is effective, and all liability under this bond shall cease as to future acts or omissions as to any Employee, immediately upon the termination of such Employee's services, or immediately upon the Employer's (or if the Employer be a co-partnership, by any partner thereof, or if the Employer be a corporation, by any officer thereof) discovery either of a loss hereunder or of any dishonest act committed by any Employee, or on the date specified in written notice given by the Employer to the Surety as to any and all Employees or after thirty days' written notice given by the Surety to the Employer at the above stated address of its intent to cancel this bond in its entirety, or as to any Employee. In the event of cancellation, the Surety shall refund to the Employer, upon demand, any unearned premium due, if no claim has been made hereunder.

6. None of the specifications of this bond shall be altered or waived, except in writing by the Surety executed by the Chairman of the Board, its President, Vice President, Secretary, Treasurer, or Assistant Secretary, and the liability of the Surety shall not be affected by any attempt by anyone representing, or purporting to represent the Surety to construe or interpret this bond.

Dated this 19th day of March, 2008.

WESTERN SURETY COMPANY

By

Paul T. Bruffa, Senior Vice President

# SCHEDULE OF EMPLOYEES

ITEM NUMBER	NAME	POSITION	LOCATION	AMOUNT	PREMIUM
1	DORYEA L. GIBBS	DIRECTOR		\$1,000.00	\$50.00
2	FRED C. GIBBS	DIRECTOR		\$1,000.00	\$50.00
3	FRED C. GIBBS	DIRECTOR		\$1,000.00	\$50.00
4	JOANN H. PEARSON	DIRECTOR		\$1,000.00	\$50.00
5	JOHN D. PEARSON	DIRECTOR		\$1,000.00	\$50.00
*****	*****	*****			
	End of Schedule				

