RESOLUTION
OF THE BOARD OF DIRECTORS OF
WARD TOD METROPOLITAN DISTRICT NO. 1

A Resolution Providing for the Defense and Indemnification of District Personnel

WHEREAS, any present, past, or future director, officer, employee, or manager (collectively, "Personnel") of the Ward TOD Metropolitan District No. 1 ("District") may be subject to legal action arising from acts, errors, or omissions in the scope of their duties and employment; and

WHEREAS, the State of Colorado, through the Governmental Immunity Act, Section 24-10-101 et seq., C.R.S., has adopted a public policy that governmental entities shall defend and indemnify their Personnel against lawsuits arising from acts, errors, or omissions arising during the performance of their duties and within the scope of their employment with the District; and

WHEREAS, past judicial interpretation of the Governmental Immunity Act resulted in immunity for government personnel that differed from the immunity enjoyed by the political subdivision that they served; and

WHEREAS, the Board of Directors of the District ("Board of Directors") wishes to further the public policy of the State of Colorado by ensuring that its Personnel are protected against certain legal actions as set forth herein; and

WHEREAS, the District desires to establish a pre-existing legal relationship and duty whereby the District shall indemnify, defend, and hold harmless its Personnel pursuant to the terms hereof; and

WHEREAS, this duty of care owed by the District to its Personnel is independent of any duty of care owed by a tortfeasor to an injured third party; and

WHEREAS, the Board of Directors have revealed their potential conflicts of interest in this matter as required by law; and

WHEREAS, this Resolution has been considered at an open public meeting, where the Board has found and hereby finds that claims for punitive or exemplary damages or for damages for outrageous conduct are often brought against public entities and their Personnel whether such claims have merit or not and that it is in the best public interest, in order to encourage the entry and retention of quality people in the service of the District, for the District to defend, pay, or settle any punitive or exemplary damage claim against its Personnel to the extent allowed by Colorado law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF WARD TOD METROPOLITAN DISTRICT NO. 1 THAT:

1. Definitions. The following definitions shall apply to this Resolution:

A. "Acted" means, (1) during the performance of a person's past, present, or future duties for the District and within the scope of their then-current employment with the District, undertaking an act, committing an error, suffering an omission, exceeding authority, or otherwise serving the District, and (2) if such person is or was a District Director or officer, such person's conduct occurred in good faith and in a manner reasonably believed by the person to be in the best interests of the District, or, if such person's is or was in a capacity other than as a Director or officer, such person's conduct occurred in good faith and in a manner reasonably believed to be, at a minimum, not opposed to the best interests of the District.

B. "Civil claim," with the exception of claims brought by or in the right of the District, includes all past, present, or future non-criminal personal injury, property damage, and other claims, actions, liabilities, proceedings, administrative proceedings, amounts paid in settlement, costs of appeals, punitive or exemplary damage amounts, interest, attorneys fees, costs, and:

(1) any civil claim which lies in tort or could lie in tort, including negligence committed by Personnel (whether by their sole or joint negligence) and (to the extent allowed by law) intentional torts committed by Personnel, and further including the defense of claims for which the District or the Personnel enjoy statutory or common law governmental immunity, including but not limited to immunity pursuant to Section 24-10-101 et seq., C.R.S.;

(2) any civil claim based on contract or quasi-contract;

(3) any civil claim based on a breach of a fiduciary duty (including but not limited to a breach of sections 24-75-601 et seq., C.R.S. or 15-1-304, C.R.S.);

(4) any civil claim based on a violation of civil rights guaranteed by the United States or Colorado Constitutions or statutes (including but not limited to 42 U.S.C. § 1983);

(5) any civil claim based on a violation of antitrust laws of the United States or Colorado statutes;

(6) any civil claim based on a violation of the tax laws of the United States or Colorado unless indemnity is precluded by such law;

(7) to the extent allowed by law, and specifically excluding claims brought under Section 16(b) of the Securities Exchange Act of 1934 (insider trading), any civil claim that may arise from federal or state securities laws;

(8) any civil claim based on a violation of Article X, Section 20 of the Constitution of the State of Colorado or statutes enacted pursuant thereto;

(9) any civil claim that may involve application of strict liability;

(10) any civil claim for libel, provided that the Board finds that the statement that forms the basis of the claim is apparently innocent and the indemnitee had no reason to believe that the statement was actually libelous at the time the statement was made;

(11) any civil claim based upon violation of any law related to the protection of the environment, including civil claims arising from the generation, storage, treatment, transport, or disposal of hazardous substances, waste, or other materials;

(12) any civil claim based on the grant or denial of a privilege, permit, license, or property right; and

(13) to the extent allowed by law, any other civil claim.

C. "Criminal Claim," with the exception of claims brought by or in the right of the District, to the extent allowed by law, includes all non-civil claims, actions, liabilities, proceedings, grand jury proceedings, administrative proceedings, amounts paid in settlement, and costs of appeals, provided the Personnel did not know and was not bound to know that the act which formed the basis for the Criminal Claim was unlawful.

D. "Claim" includes any Civil Claim and Criminal Claim.

E. "Director" includes any person currently holding, in the future holding, or who has in the past held, the office of director of the District whether by valid or invalid election, appointment, or by color of office.

F. "Employee" includes any person currently employed, in the future employed, or who has in the past been employed by the District.

G. "Officer" includes any person recognized as such by the Board of Directors, be the person paid or not.

H. "Manager" includes any person recognized as such by the Board of Directors, be the person paid or not.

I. "Personnel" includes any present, past, or future director, officer, employee, or manager of the District.

2. Right and Duty to Defend and Indemnify.

A. The District shall have the right and duty to defend and indemnify any person serving as Personnel of the District against any Claim, other than a Claim by or in the right of the District, to which such person becomes subject by reason of having Acted.

B. The District will not have the duty to defend or indemnify unless the Personnel to be defended Acted in good faith, and Acted in a manner reasonably believed to be in the best interests of the District, or in respect to conduct in a capacity other than as a Director or officer, Acted in a manner reasonably believed to be, at a minimum, not opposed to the best interests of the District. Termination of any Claim by judgment, order, or settlement shall not of itself create a presumption that the Personnel had not Acted in good faith in a manner which was reasonably believed in, or not opposed to, the best interests of the District.

C. If a court, or independent legal counsel hired at the expense of the District, determines that conflicts of interest exist whereby it would be improper for the District to pay directly the costs of the Personnel's defense, then the Personnel shall pay his or her own defense costs, subject to possible reimbursement under the provisions of Section 4 hereof.

D. Notwithstanding any other provision of this Resolution to the contrary, indemnification shall not be made in respect to any Claim if the Personnel has been adjudged to be liable for willful and wanton misconduct in the performance of a duty owed to the District. This Paragraph 2D applies only to duties owed to the District itself, and does not apply to duties owed to others.

E. Notwithstanding any other provision of this Resolution to the contrary, and subject to the standards set forth in Paragraph 2B hereof, indemnification by the District for Criminal Claims shall extend only to the duty to pay the costs of defense of a Criminal Claim including grand jury proceedings. The District shall not indemnify Personnel for the consequences of a criminal act, whether they be monetary or of a personal nature.

F. Notwithstanding any other provision of this Resolution to the contrary, the duty of the District set forth herein to indemnify shall not extend to a Claim if the Personnel involved compromises or settles the Claim without the written consent of the District.

3. Procedures for Indemnification.

A. Indemnification shall be made by the District only after a determination by the Board of Directors that the Personnel involved has met the applicable standard of conduct set forth in Paragraph 2.

B. Such determination shall be made by the Board of Directors by a majority vote of a quorum of the Board of Directors, provided such quorum consists solely of disinterested directors. In the event a quorum consisting solely of disinterested directors is not attainable, a majority of the disinterested directors may direct that such determination be made by either: (l) independent legal counsel in a written opinion, or (2) the disinterested directors. A director shall be deemed "disinterested" in a matter if such director has no interest therein other than as a director of the District.

C. The District hereby waives any defense against an action for indemnification based upon the acquiescence of the Personnel involved in the matter forming the basis for indemnification by the District.

4. Indemnification when the District does not Defend. If, and in the event that the District does not defend a Claim, expenses (including attorneys' fees) reasonably incurred by Personnel in defending the Claim may be paid by the District prior to the final disposition of the Claim if authorized in the manner provided in Section 3 above and if the Personnel: (l) furnishes to the District a statement under oath of his or her good faith belief that he or she has met the standard of conduct described in Paragraph 2 above, and (2) provides to the District a written agreement or note in a form acceptable to the District to repay such amount unless it is ultimately determined that such person is entitled to be indemnified by the District.

5. Rights Not Exclusive. The rights of indemnification provided under this Resolution shall not be deemed exclusive of any other rights or procedures to which those indemnified may be entitled under any law, bylaw, agreement, vote of directors or disinterested directors, or otherwise.

6. Successors. The provisions of this Resolution shall apply to a person who has ceased to be Personnel and shall inure to the benefit of the heirs, executors, personal representatives, and administrators of such persons.

7. Maintenance of Insurance. In the discretion of the Board of Directors, the District may purchase and maintain insurance to fulfill its obligations hereunder.

8. Severability, Intent. In the event any provision of this Resolution shall be deemed invalid because its scope exceeds that which is authorized by or available under the Governmental Immunity Act, other Colorado law, or federal law, then in said event, this Resolution shall not be construed as invalid in its entirety, but shall instead be construed as extending the scope of the indemnification to be made by the District to the greatest extent available under the Governmental Immunity Act, other Colorado law, and federal law.

9. Liberal Construction. This Resolution shall be liberally construed to effectuate its purpose to provide the broadest indemnification by the District to its personnel as may be allowed by law.

10. Exemplary or Punitive Damages. In accordance with the authority granted to the District by Section 24-10-118(5), C.R.S., the District shall defend and indemnify its Personnel against Claims for exemplary or punitive damages or damages for outrageous conduct to the extent allowed by Colorado law and up to the limitations on judgments provided in Section 24-10-114, C.R.S.

11. No Waiver of Immunity. Nothing herein shall be deemed to waive or abrogate the sovereign immunity of the District or its Personnel as provided in the Governmental Immunity Act. Nothing herein shall be deemed to waive the dollar limitations in Section 24-10-114, C.R.S. or in any other provision of Colorado law.

12. No Waiver of Insurance Coverage. The approval and adoption of this Resolution shall not constitute a waiver by the District of insurance coverage with respect to any liability covered by this Resolution. The Resolution shall be deemed to render the District secondarily liable in the event the District's insurance policies do cover such liability and the conditions of this Resolution are met.

13. No Coverage of Certain Personnel Costs. Except as may be required by the Fair Labor Standards Act or other law, the District shall not be responsible for costs to its Personnel associated with time spent in giving depositions, testifying, or otherwise cooperating in his or her defense.

14. No Third Party Beneficiaries. There are no third party beneficiaries of this Resolution.

15. Budget and Appropriations, Fiscal Matters. The obligations of the District hereunder are subject to the requirements for an annual budget and appropriations as provided by Colorado law. Nothing contained herein shall be deemed to require budget items or appropriations for any particular purpose. This Resolution shall not be deemed or construed as creating a debt or other multiple year financial obligation whatsoever.

16. Best Interests of the District. The Board of Directors of the District, based upon evidence presented to the Board, has found and hereby finds that this Resolution is in the best interests of the District, furthers the public purpose of encouraging Personnel to enter and provide service to the District, provides indemnification for losses and does not involve additional compensation to Personnel, and advances the management and control of the affairs of the District.

17. Headings. The headings used herein are for convenience only and in no way expand or restrict the provisions hereof.

18. Effective Date. This Resolution shall be effective as of the date of the organization of the District by order of the Jefferson County District Court on June 1, 2012.

19. Construction. This resolution has been prepared by the District. To the extent allowed by law, ambiguities herein shall be construed against the District and in favor of the party seeking indemnity.

20. Attorneys Fees and Costs to Enforce the Resolution. In the event that Personnel incur attorneys fees, costs, or any other reasonable expense arising from claims or actions to enforce this resolution against the District, and such Personnel prevails in such claim or action, then the District shall, in addition to any payment made for indemnity, reimburse the Personnel for its attorneys fees, costs or any other reasonable expense arising from such claim or action.

21. Arbitration. Any dispute regarding: (i) whether a person is deemed to be "Personnel" as defined herein; (ii) whether Personnel "Acted" as defined herein; (iii) whether a given Civil Claim or Criminal Claim or component thereof is covered under this Resolution to permit or require indemnification by the District; or (iv) any other coverage issue arising under this Resolution, shall be submitted for determination by binding grievance arbitration pursuant to the rules of the American Arbitration Association. The decision of the arbiter may be entered as a judgment in any court in the State of Colorado or elsewhere.

ADOPTED this 3rd day of July, 2012.

(SEAL)

WARD TOD METROPOLITAN DISTRICT NO. 1

By: _____
President

ATTEST:

_____
Secretary

The undersigned, as Personnel of the Ward TOD Metropolitan District No. 1, Jefferson County, Colorado, acknowledge and accept the terms of the RESOLUTION OF THE BOARD OF DIRECTORS OF WARD TOD METROPOLITAN DISTRICT NO. 1 (A Resolution Providing for the Defense and Indemnification of District Personnel):

Name	Signature
Jeffrey B. Dean	
Brian C. Mott	
Karen A. Mott	