

BYLAWS

SCHOOL DISTRICT 27J CAPITAL FACILITY FEE FOUNDATION

As Amended April 21, 2004
As Amended November 20, 2009
As Amended January 18, 2013
As Amended April 12, 2013
As Amended June 14, 2013
As Amended December 10, 2015
As Amended February 9, 2017

ARTICLE I – OFFICES AND REGISTERED AGENT

1.1 Offices. The physical offices of the Corporation shall be at 18551 E. 160th Avenue, Brighton, Colorado 80601, but the Corporation may, at the discretion of the Board of Directors, keep and maintain offices wherever the business of the Corporation may require.

1.2 Registered Office and Agent. The Corporation shall have and continuously maintain in the State of Colorado a registered office and a registered agent whose business offices identical with such registered office. The initial registered office and the initial registered agent are specified in the Articles of Incorporation. The Corporation may change its registered office or change its registered agent, or both, upon filing a statement as specified by the Colorado Nonprofit Corporation Act in the offices of the Secretary of State of Colorado, or by otherwise complying with Colorado law as it may apply from time to time.

ARTICLE II - DIRECTORS

2.1 Foundation and Duties of Board of Directors. The business and affairs of the Corporation shall be managed by a Board of Directors, except as otherwise provided by Colorado law, the Articles of Incorporation of the Corporation or these Bylaws. In addition to any duties imposed by law, the Articles of Incorporation or these Bylaws, each Director shall have the duty to attend meetings of the Board of Directors and to fulfill any responsibilities assigned to the Director by the Board of Directors.

2.2 Number. The number of voting Directors of this Corporation shall be ten (10). There may be such number of non-voting, ex-officio Directors as the Board may from time to time designate.

2.3 Qualification. Directors shall be natural persons at least eighteen (18) years old, and shall be residents of the State of Colorado.

2.4 Classification of Directors. The Board of Directors shall be chosen to serve according to the following classifications:

a) Developer/Builder Directors. Three (3) members (the "Developer/Builder Directors") shall serve on the Board as representatives of the residential development and building community doing business within the Brighton School District who are parties to an agreement between such members, the Foundation and School District 27J (the "Participants" and the "Participant Agreement" respectively), where Capital Facility Fees are still to be paid thereunder, and the Participants are not otherwise in default of their respective obligations under the Participant Agreement (the "Qualified Participants").

b) School District Directors. Three members (the "School District Directors") shall serve on the Board as representatives of the School District.

c) Public Entity Directors. The City of Brighton, the City of Commerce City and the City of Thornton (individually the "City," or collectively the "Cities"), and the County of Adams shall each be entitled to appoint a person to serve on the Board of Directors (collectively, the "Public Entity Directors") to serve on behalf of their respective governing bodies.

d) Ex Officio Directors. The Board of Directors of the Corporation may appoint from time to time such non-voting Ex Officio Directors as it shall desire. All Ex Officio Directors shall hold such positions at the pleasure of the Board of Directors, or until removed by the entity which appointed them.

2.5 Election and Term. The members of the Board of Directors shall hold office according to the following schedule and term:

a) Developer/Builder Directors. The Qualified Participants shall appoint three Developer/Builder Directors, each of which shall serve a two year term. All terms shall expire on January 1 of the applicable term (initially January 1, 2014) regardless of the date of appointment by the Qualified Participants. All Directors shall serve until the applicable expiration date of the term for which they are appointed, or until such later date as their successor shall be appointed. Directors shall not be limited in the number of terms they may serve.

b) School District Directors. The Board of Education shall appoint three School District Directors, each of which shall serve a two year term. All terms shall expire on January 1 of the applicable term (initially January 1, 2014) regardless of the date of appointment by the Board of Education. All Directors shall serve until the applicable expiration date of the term for which they are appointed, or until such later date as their successor shall be appointed. Directors shall not be limited in the number of terms they may serve.

c) Public Entity Directors. The Cities of Brighton, Commerce City and Thornton, and the County of Adams, shall each appoint one Public Entity Director to serve a two year term. All terms shall expire on January 1 of the applicable term (initially January 1, 2014) regardless of the date of appointment by the respective governing body. All Directors shall serve until the applicable expiration date of the term for which they are appointed, or until such later date as their successor shall be appointed. Directors shall not be limited in the number of terms they may serve.

2.6 Removal and Resignation. Any Director may be removed for cause by action of a majority of the remaining Directors of the Corporation. The term "for cause" as used herein, shall include, but shall not be limited to, official misconduct, negligence, unlawful acts, or actions outside the scope of the Director's duties. Prior to removing a Director for cause hereunder, the remaining Directors of the Corporation shall serve written notice of the nature of the actions upon which removal of the Director is based, at least 24 hours prior to a meeting at which the action to remove such Director is to be taken. The Director subject to removal for cause shall be given reasonable opportunity to respond to the written notice prior to the vote being taken. Any Director may resign at any time by giving written notice to the President or to the Secretary, and acceptance of such resignation shall not be necessary to make effective unless the notice so provides. Additionally, any Director may be removed by the entity (Qualified Participants, Board of Education of the School District, or governing body of the City or County, as appropriate) appointing the Director to the Board of Directors.

2.7 Vacancies. Any vacancy occurring on the Board of Directors shall be filled as follows:

a) Developer/Builder Director. If a Developer/Builder Director is removed or resigns from the Board pursuant to Section 2.7 above, his or her successor shall be appointed in accordance with Section 2.5 hereof.

b) School District Director. If a School District Director is removed or resigns from the Board pursuant to Section 2.7 above, his or her successor shall be appointed in accordance with Section 2.5 hereof.

c) Public Entity Director. If a Public Entity Director is removed or resigns from the Board pursuant to section 2.7 above, his or her successor shall be appointed in accordance with Section 2.5 hereof.

d) Ex Officio Director. If an Ex Officio Director is removed or resigns from the Board, his or her successor shall be appointed by the entity making the initial appointment to such position, unless otherwise determined by the Board of Directors.

The Directors appointed to fill a vacancy shall hold office during the unexpired term of his or her predecessor in office and until his or her qualified successor shall have been appointed, except when such Director is removed for cause, in which case the removed Director's office shall be deemed vacant upon removal.

2.8 Meetings. The Board of Directors may, by resolution, establish a time and place for regular meetings, which may thereafter be held without further notice. Special meetings of the Board of Directors may be called by the President or any three members of the Board of Directors.

2.9 Notices. Notice of each special meeting of the Board of Directors, stating the date, hour and place of such meeting, shall be given to each member of the Board of Directors by the President (or by the Executive Director at the President's direction) or the three members of the Board of Directors of the Corporation calling the special meeting. Notice of a regular meeting at which the question of the removal of a Director is to be considered shall be given according to the notice provisions established in this Section 2.10 as though the meeting were a special meeting. The notice may be given by depositing it in the United States mail at least seven days before the meeting addressed to the Director at the last address he or she has furnished to the Corporation for this purpose, and any notice so mailed shall be deemed have been given at the time it is mailed. Notice also may be given at least 24 hours before the meeting in person or by telephone, by prepaid telegram, telex, telecopy, telefax, electronic mail or similar method, and such notice shall be deemed to have been given at the time when the personal or telephone conversation occurs, or when the telegram, telex, telecopy, electronic mail, or other form of notices is either personally delivered to or otherwise received by the Director, or delivered to the last address of the Director furnished to the Corporation by him or her for this purpose. To the extent practicable, the meeting notice shall contain either a description of the purpose(s) of the meeting or a copy of a proposed agenda containing topics for discussion and action by the Board.

2.10 Quorum. A majority of the number of voting Directors fixed in accordance with these Bylaws shall constitute a quorum for the transaction of business at all meetings of the Board of Directors, subject to the additional requirement that the attendance of at least two Developer/Builder Directors, at least two School District Directors, and at least one Public Entity Director shall be required to establish a quorum. The act of a majority of the voting Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise specifically required by law.

2.11 Waiver. A written waiver of notice signed by a Director, whether before, at or after the time stated therein, shall be equal to the giving of due and proper notice and a waiver of objections to the calling of the meeting. Attendance or participation of a Director at a meeting shall constitute a waiver of notice of such meeting, except when a Director attends or participates in a meeting for the sole purpose of objecting to the transaction of any business because the meeting is not lawfully called or convenient and does not otherwise participate in the meeting.

2.12 Attendance by Telephone. Members of the Board of Directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear

2.13 Action by Directors Without a Meeting. Any action required to be taken or which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the actions so taken, shall be signed by all of the Directors. Such consent to may be executed and counterparts and shall be effective as of the date of the last signature thereon, unless the consent specifies a different effective date.

2.14 Compensation of Directors. Directors shall not receive any stated salary for their services as Directors, and shall not serve the Corporation in any paid capacity.

2.15 Conflicts of Interest. No individual serving as a Director shall have a pecuniary interest in any contract made by them in their capacity as members of the Board of Directors, without first disclosing the nature of their pecuniary interest to the Board of Directors prior to any discussion or action on the contract. Such disclosure may be made orally or in writing unless otherwise prescribed by these Bylaws. Any Director who has a potential conflict of interest with respect to any transaction proposed for consideration or action by the Board of Directors shall disclose such potential conflict of interest prior to any discussion or action on the transaction. Such disclosure may be made orally or in writing unless otherwise prescribed by these Bylaws. The existence of a potential conflict of interest which has been disclosed as provided herein, shall not automatically disqualify a Director from participating in discussion or voting on the matter. The Board, at its sole discretion by majority vote, shall permit or deny the disclosing member's participation in discussion or voting on the matter. Failure on the part of a Director to make disclosure as provided herein shall not render void or voidable any action by the Board of Directors, notwithstanding the participation of the Director in discussion and voting, if a disinterested majority of the Board approves the action or transaction involved. The existence of a potential or actual conflict of interest on the part of a Director shall not disqualify such Director from being counted towards a quorum.

ARTICLE III – COMMITTEES

3.1 Authorization of Committees of the Board of Directors. The Board of Directors, by resolution adopted by a majority of the Board of Directors, may designate and appoint from among its members one or more committees, each of which shall consist of two or more Directors and each of which, to the extent provided in the Resolution, shall have all of the authority, powers and duties of the Board of Directors, except that no such Committee shall have the authority of the Board of Directors in reference to: amending, restating or repealing the bylaws; electing, appointing or removing any member of any such committee or any officer or Director of the Corporation; amending the Articles of Incorporation; restating the Articles of Incorporation; authorizing the release of Capital Facility Fees to the District; adopting a plan of merger or adopting a plan of consolidation with another Corporation; authorizing the sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the property or assets of the Corporation; authorizing the voluntary disillusion, liquidation, bankruptcy, or reorganization under the bankruptcy laws of the Corporation

or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Corporation; amending, altering or repealing any resolution of the Board of Directors; or taking any other action which may hereafter be prohibited to committees of Directors by law. This section shall be automatically amended to be consistent with the Colorado Nonprofit Corporation Act's provisions relating to the authority of committees of Boards of Directors, as those provisions may exist from time to time. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual Director of any responsibility imposed upon him or her by law.

The Board of Directors may also establish committees which have as members one or more persons who are not Directors of the Corporation. Such committees shall not have or exercise any of the authority, positions or duties of the Board of Directors, but shall undertake such tasks as may be assigned to them by the Board of Directors.

3.2 Committee Procedures. Subject to section 3.1, the Board of Directors may provide by resolution such powers, limitations and procedures for committees as the Board deems advisable. To the extent that the Board of Directors does not establish other procedures for such a committee, each committee shall (except as they relate to an annual meeting of Directors) be governed by the procedures established in Sections 2.7 - 2.15 of these Bylaws, as if the committee were the Board of Directors.

ARTICLE IV – OFFICERS AND EXECUTIVE DIRECTOR

4.1 Number and Election. The officers of the Corporation shall be: a President, a Vice-President, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors to serve a one year term commencing on such date as the Board of Directors shall determine. In addition, the Board of Directors may elect one or more additional Vice-Presidents, and the Board of Directors may appoint one or more Assistant Secretaries or Assistant Treasurers, and such other subordinate officers and agents as the Board shall deem necessary. Such officers shall have such authorities, powers and duties as shall be determined from time to time by these Bylaws, or the Board of Directors. Any two or more offices may be held by the same person, except the office of President. The officers of the Corporation shall be natural persons at least eighteen years old.

4.2 President. The President shall be the chief executive officer of the Corporation. The President shall preside at all meetings of the Board of Directors. Subject to direction and control of the Board of Directors, the President shall have general and active management of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President may negotiate for, enter into and execute contracts, deeds and other instruments and agreements on behalf of the Corporation as are necessary or appropriate, subject to the approval of the Board of Directors. The President shall have such additional authority, powers and duties as are appropriate and customary for the office of President, general manager and chief executive officer, and as the Board of Directors may prescribe from

time to time. The President may delegate authority and powers hereunder to the Executive Director, subject to the approval of the Board of Directors.

4.3 Vice-President. The Vice-President or, if there shall be more than one, the Vice-Presidents in the order determined by the Board of Directors, shall be the officer or officers next in seniority after the President. Each Vice-President shall have such authority, powers and duties as are prescribed by the Board of Directors. Upon the death, absence or disability of the President, the Vice-President or, if there shall be more than one, the Vice-Presidents in the order determined by the Board of Directors, shall have the authority, powers and duties of the President.

4.4 Secretary. The Secretary shall give, or cause to be given, notice of meetings of the Board of Directors pursuant to Section 2.9, shall keep the minutes of such meetings, shall have charge of the corporate seal, shall be responsible for the maintenance of all corporate records and files and the preparation and filing of reports to governmental agencies (other than tax returns), shall have authority to impress or affix the Corporate seal to any instrument requiring it (and, when so impressed or affixed, it may be attested by his/her signature), and shall have such other authority, powers and duties as are appropriate and customary for the office of secretary or as the Board of Directors may prescribe from time to time. Subject to the approval of the Board of Directors, the Secretary may delegate some or all of the Secretary's duties to one or more Assistant Secretaries appointed by the Board of Directors pursuant to Section 4.5 hereof, or to the Executive Director.

4.5 Assistant Secretary. The Assistant Secretary, if any, or, if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors shall, under the supervision of the President, and the Secretary, have such authority, powers and duties as may be prescribed from time to time by the Board of Directors. Upon the death, absence or disability of the Secretary, the Assistant Secretary, if any, or, if there shall be more than one, the Assistant Secretaries in the order designated by the Board of Directors shall have the authority, powers and duties of the Secretary.

4.6 Treasurer. The Treasurer shall have control of the funds and the care and custody of all stocks, bonds and other securities owned by the Corporation and shall be responsible for the preparation and filing of tax returns. The Treasurer shall receive all monies paid to the Corporation and, subject to any limits imposed by the Board of Directors, shall have authority to give receipts and vouchers, to sign and endorse checks and warrants in the Corporation's name and on the Corporation's behalf, and give full discharge for the same. The Treasurer shall also have charge of disbursement of the funds of the Corporation, shall keep full and accurate records of the receipts and disbursements, and shall deposit all monies and other viable effects in the name of and to the credit of the Corporation in such depositories as shall be designated by the Board of Directors. The Treasurer shall have such additional authority, powers and duties as are appropriate and customary for the office of Treasurer and as the Board of Directors may prescribe from time to time. Subject to the approval of the Board of Directors, the Treasurer may delegate some or all of the Treasurer's duties to one or more Assistant

Treasurers appointed by the Board of Directors pursuant to Section 4.5 hereof, or to the Executive Director.

4.7 Assistant Treasurer. The Assistant Treasurer, if any, or, if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors shall, under the supervision of the President and the Treasurer, have such authority, powers and duties as may be prescribed from time to time by the Board of Directors of the Corporation. Upon the death, absence or disability of the Treasurer, the Assistant Treasurer, if any, or, if there shall be more than one, if the Assistant Treasurers in order determined by the Board of Directors, shall have the authority, powers and duties of the Treasurer.

4.8 Removal and Resignation; Vacancies. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. Any officer may resign at any time by giving written notice of his resignation to the President or to the Secretary, and acceptance of such resignation shall not be necessary to make it effective unless the notice so provides. Any vacancy occurring in any office (which shall be deemed to have occurred when the person appointed to such office is no longer qualified to serve as a Director), the election or appointment to which is made by the Board of Directors, shall be filled by the Board of Directors. Any vacancy occurring in any other office of the Corporation may be filled by the Board of Directors for the unexpired portion of the term.

4.9 Executive Director. The Executive Director shall be appointed by the Board of Directors, and shall have the day to day management of the activities of the Corporation, together with such other activities of the Officers of the Corporation that have been delegated to the Executive Director with the approval of the Board of Directors. The Executive Director may utilize other individuals to perform activities of the Corporation authorized to the Executive Director, subject to the advice and consent of the Board of Directors. The Executive Director shall be subject to removal at the pleasure of the Board of Directors.

ARTICLE V – SEAL

5.1 Seal. The Board of Directors may adopt a Seal which shall be circular in form and shall bear the name of the Corporation and the words “SEAL” and “COLORADO” which, when adopted, shall constitute the corporate seal of the Corporation. The Seal may be used by causing it or a facsimile thereof to be impressed, affixed, manually reproduced or rubber stamped with indelible ink.

ARTICLE VI – INDEMNIFICATION

6.1 Definitions. As used in this Article VI: a) “Corporation” includes any domestic predecessor entity of the Corporation in a merger, consolidation or other

transaction in which they predecessor's existence ceased upon consummation of the transactions; b) "Director or officer" means an individual who is or was a Director or officer of the Corporation. "Director or officer" includes, unless the context otherwise requires, the estate or personal representatives of a Director or officer; c) "expenses" includes attorneys' fees; d) "liability" means the obligation to pay a judgment, settlement, penalty, fine or reasonable expense incurred with respect to a proceeding; e) "official capacity," when used with respect to a Director or officer, means the office of Director or officer in the Corporation. "Official capacity" does not include service for any other foreign or domestic Corporation or for any partnership, joint venture, trust, or other enterprise; f) "party" includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding; g) "proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

6.2 Mandatory Indemnification.

a) Except as provided in paragraph (d) of this Section 6.2, the Corporation shall indemnify against liability incurred in any proceeding an individual made a party to the proceeding because the party is or was a Director or officer of the Corporation if the individual conducted himself or herself in good faith, and reasonably believed:

i) in the case of conduct in his or her official capacity with the Corporation, that his or her conduct was in the Corporation's best interests; or

ii) in all other cases, that his or her conduct was at least not opposed to the Corporation's best interests; and

iii) in the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful.

b) The termination of any proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, is not of itself determinative that the individual did not meet the standard of conduct set forth in paragraph a) of this Section 6.2.

c) The Corporation may not indemnify a Director or officer under this Section 6.2 either:

i) in connection with a proceeding by or in the right of the Corporation, in which the Director or officer was judged liable to the Corporation; or

ii) in connection with any proceeding charging improper personal benefit to the Director or officer, whether or not involving action in his or her official capacity, in which he or she was judged liable on the basis that personal benefit was improperly received.

d) Without limiting the obligations of the Corporation to indemnify as set forth in this Section 6.2, the Corporation shall indemnify such Public Directors from any

cost or liability (including costs of defense and judgments) incurred by such Public Directors as a result of their membership on the Board of Directors, provided that such Public Directors meets the standards established in subsection a) of this Section 6.2.

e) Indemnification permitted under this Section 6.2 in connection with a proceeding by or in the right of the Corporation is limited to reasonable expenses incurred in connection with a proceeding.

6.3 Authorization.

a) The Corporation shall not indemnify a Director or officer under Section 6.2 unless authorized in the specific case after a determination has been made that indemnification of the Director or officer is permissible in the circumstances because he or she has met the standard of conduct set forth in paragraph a) of Section 6.2.

b) The determination required to be made by paragraph a) of this Section 6.3 shall be made:

i) by the Board of Directors by a majority vote of a quorum, which quorum shall consist of Directors not parties to the proceeding; or

ii) if a quorum cannot be obtained, by a majority vote of a committee of the Board designated by the Board, which committee shall consist of two or more Directors not parties to the proceeding; except that Directors who are parties to the proceeding to participate in the designation of Directors for the committee.

c) If the quorum cannot be obtained or the committee cannot be established under paragraph b) of this Section 6.3, or even if a quorum is obtained or a committee designated, if such quorum or committee so directs, the determination required to be made by paragraph a) of this Section 6.3 shall be made by independent legal counsel selected by a vote of the Board of Directors or the committee in the manner specified in subparagraph (i) or (ii) of paragraph b) of this section 6.3 or, if a quorum of the full Board cannot be obtained and a committee cannot be established, by independent legal counsel selected by a majority vote of the full Board.

d) Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as a determination that indemnification is required; except that, if the determination that indemnification is required is made by independent legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by the body that selected said counsel.

6.4 Insurance. The Corporation may purchase and maintain insurance on behalf of a person who is or was a Director, officer, employee fiduciary or agent of the Corporation or who, while a Director, officer, employee, fiduciary or agent of the Corporation, is or was serving at the request of the Corporation as a Director, officer, partner, trustee, employee, fiduciary or agent of any other foreign or domestic

Corporation or of any partnership, joint venture, trust, or other enterprise against any liability asserted against or incurred by him in any such capacity or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify against such liability under the provisions of this Article VI. Any such insurance may be procured from any insurance company designated by the Board of Directors of the Corporation, whether such insurance companies formed under the laws of Colorado or any other jurisdiction of the United States or elsewhere.

ARTICLE VII – FISCAL YEAR

The Fiscal Year for this Corporation shall be the period from July 1 to June 30 of each year.

ARTICLE VIII – AMENDMENT

These Bylaws may at any time and from time to time be amended, supplemented or repealed by the Board of Directors, provided that the provisions hereof may not be amended, supplemented or repealed without the affirmative vote of a majority of the Developer/Builder Directors and a majority of the School District Directors fixed by these Bylaws to serve on the Board.

ARTICLE IX – CAPITAL FACILITY FEES

9.1 Power to Establish Capital Facility Fees/Enforcement of Agreements. The Board of Directors shall have the power to establish and amend from time to time as set forth in these Bylaws, Capital Facility Fees to be paid by the Participants, and the form of Participant Agreement by which such Capital Facility Fees will be paid. The Board of Directors shall have the power to approve modifications to the form of Participant Agreement to account for specific issues that may arise on a case-by-case basis. Notwithstanding the foregoing, the Foundation shall take all such action as may be permitted by law to promote the collection of Capital Facility Fees from any person or entity engaged in, or expected to be engaged in the construction and sale of residential units within School District 27J, Adams County, Colorado, which have not executed a Participant Agreement. Further, the Foundation shall have the power to enforce the terms of the Participant Agreement, or any other agreement to which it is a party or with respect to which it has legal standing to enforce, in order to fulfill the purposes for which the Foundation was formed.

9.2 Determination of Capital Facility Fees/Adjustments. The Foundation shall establish a schedule of Capital Facility Fees for the Participants in accordance herewith. The current schedule of Capital Facility Fees is attached hereto as Exhibit "A." The Capital Facility Fees set forth in the Schedule shall automatically increase every two years on January 1st (the "Adjustment Date"), commencing on January 1, 2015 (the "Initial Adjustment Date"). The increase in Capital Facility Fees applicable on any given Adjustment Date shall be equal to the cumulative percentage increase in the Engineering News-Record Index from the prior Adjustment Date to September 1 of the year

immediately preceding the next Adjustment Date. Notice of the increase shall be given in writing to the Participant on or before October 1 of the year immediately preceding the next Adjustment Date. The increase shall become effective on the Adjustment Date.

9.3 Payment of Capital Facility Fees. Capital Facility Fees shall be payable to the Foundation for Residential Units constructed within the property identified in a Participant Agreement (the "Property"), according to the schedule of Capital Facility Fees then in effect at the time such amounts are paid. "Residential Units" shall include single-family detached homes, single-family attached homes, condominiums, townhomes, multi-family residential structures such as apartments, and mobile homes. Notwithstanding the foregoing, the Board of Directors may determine to exclude certain types of residential property with respect to which student-age occupancy is not permitted. The Board of Directors may also determine at its sole discretion to institute a separate fee structure for other types of residential projects. Capital Facility Fees shall be due and payable at such time as the Foundation may determine, but in no event later than issuance of a building permit for a given Residential Unit. The projected number and type of Residential Units expected to be constructed on the Property shall be identified in an exhibit to a given Participant Agreement. To the extent the number of Residential Units is not based on the number included within the "Final Approval" for the Property, and thus is an estimate, such estimate shall be modified and Exhibit B replaced with the number and type of units specified in the "Final Approval" by the Foundation, subject to written notice thereof given to the Participant, "Final approval" as used herein shall mean the last approval that is required by the governing body of the jurisdiction within which the development is proposed, before Building Permits for construction within such development may be issued. The number of Residential Units set forth in a given Participant Agreement additionally shall be subject to increase or decrease to the extent the Property is replatted to increase or decrease the number or type of units, upon presentation to the Foundation of a recorded plat with the number and type of Residential Units identified. The Foundation shall prescribe the precise manner in which such Fees shall be paid. Fees not paid when due shall be subject to interest at the option of the Foundation at a maximum rate of fifteen percent (15%) per annum (with the applicable rate to be fixed by the Board of Directors) until paid. The Foundation shall have the power to adopt policies with respect to acceptance of other forms of receiving credit for payment of Capital Facility Fees, other than payment in cash, and for prepayments of Capital Facility Fees, subject to the prior consent of the District given or withheld in its sole discretion.

9.4 Collection and Administration of Capital Facility Fees. Unless otherwise agreed by the Foundation and the District, all Capital Facility Fees shall be paid to the Foundation, which shall issue written receipts therefor to the Participant at the time payment is received. The Foundation shall account on a monthly basis for such funds according to generally accepted accounting principles, and shall complete an annual audit of receipts and expenditures of the Foundation by October 1 of each year. The accounting records of the Foundation shall be open for inspection and copying, subject to reasonable rules and regulations of the Foundation adopted to avoid undue interruption of the conduct of the Foundation's business.

9.5 Use of Capital Facility Fees. Capital Facility Fees paid to the Foundation shall be used for the purpose of acquiring (inclusive of acquisition of water resources and/or water supplies), developing, constructing or expanding school facilities (including but not limited to elementary, middle school, K-8 school, high school facilities, or any combination thereof, but excluding, school administration and/or transportation facilities), for the costs operating the Foundation, and for any other lawful purpose as may be set forth in the Foundations Articles of Incorporation or these Bylaws, as they may exist from time to time. The District shall be required to demonstrate to the satisfaction of the Foundation Board of Directors that the proposed release of funds to the District is in compliance with the purposes for which such funds may be expended as set forth in this paragraph. The Foundation shall not substitute its judgment for that of the District in the determination of the expenditure of funds released hereunder; rather, the District shall retain the discretion to apply the funds in accordance with these Bylaws, in a manner which serves the best interests of the District. The Foundation shall only review the information submitted by the District in connection with the application to release funds for compliance with the purposes for which the funds may be used.

9.6 Disbursement of Capital Facility Fees to District. The Foundation shall disburse any and all Capital Facility Fees that have been deposited in the Foundation's accounts upon receipt of a written request therefor (the "Draw Request") received from the District's Board of Education in compliance with this Section 9. A standard form of Draw Request shall be approved by the Foundation. The District shall present a written request to the Foundation containing the following items:

- a. A description of the purpose for which the Capital Facility Fees are being released;
- b. The dollar amount of Capital Facility Fees requested;
- c. A statement that the Capital Facility Fees so released shall be forthwith deposited in an account of the District, and used solely for the purposes stated in the Draw Request;
- d. A statement describing the time frame within which the funds are expected to be used;
- e. A statement that the District is in compliance with its obligations under the Participant Agreement;
- f. A statement that, at such time as the District in good faith determines that in excess of \$5,000 of funds released under the Draw Request are not required for the purposes described in "a" above, the District will notify the Foundation within a reasonable period of time of the excess amount, and the District shall either: i) submit an amended Draw Request, and retain such funds until the Draw Request is approved; or, if

no amended Draw Request is submitted, ii) return the unused funds to the Foundation for release in the future pursuant to a new Draw Request; and

g. Such documentation as the Foundation may reasonably require in order to substantiate the contents of the Draw.


The Foundation shall promptly notify the District of any deficiency in the Draw Request or the information submitted in connection therewith.

ARTICLE X – MISCELLANEOUS

10.1 Uniform Policies. The policies, procedures and regulations of the Foundation shall be uniform and non-discriminatory among the Participants, the District and the Cities.

10.2 Management and Engagement of Consultants. The Foundation shall be authorized to engage such consultants as may be necessary to effectuate the management of the affairs of the Foundation and the discharge of its various duties under the Articles of Incorporation, these Bylaws, the Participant Agreement and other agreements entered into by the Foundation from time to time in the exercise of its powers. Nothing shall prohibit the Foundation from engaging the District, its staff or consultants, to perform any of the management or operational requirements of the Foundation.

I, Patrick D. Day, the Secretary of the School District 27J Capital Facility Fee Foundation hereby certify that the attached Bylaws of the Foundation are complete and accurate copies of the original documents as duly adopted by the Foundation's Board of Directors.



Secretary
Dated: 4-26-17

EXHIBIT A
SCHEDULE OF CAPITAL FACILITY FEES

- Single family attached/detached home \$795 per unit
- Condominiums/townhomes/multifamily \$454 per unit

