

DISTRICT COURT, EL PASO COUNTY, COLORADO	
Court Address: 270 S. TEJON, COLORADO SPRINGS, CO, 80903	
Plaintiff(s) FLYING HORSE METROPOLITAN DISTRICT NO 1	DATE FILED: December 19, 2023 2:36 PM
v.	CASE NUMBER: 2023CV31550
Defendant(s) FLYING HORSE METROPOLITAN DISTRICT NO 2 et al.	
△ COURT USE ONLY △	
Case Number: 2023CV31550	
Division: 3	Courtroom:
RE Receivership Order	

The motion/proposed order attached hereto: DENIED.

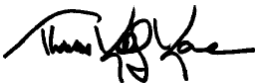
The Motion For Appointment of a Receiver is DENIED.

C.R.C.P. 66(a) establishes the elements necessary for the appointment of a receiver in this case.

District 1 must have a right to the funds at issue; the funds must be in the possession of District 2 and District 3; and the funds must be in danger of being lost or removed beyond the jurisdiction of the court.

Here, it is undisputed that, upon the actions of the boards of directors of District 2 and District 3, Defendants are in possession of the disputed funds. Whether District 1 has legal right to the funds is contested. .In addition, there is no danger that the funds will be lost or removed beyond the jurisdiction of the Court.

Issue Date: 12/19/2023



THOMAS KELLY KANE
District Court Judge

<p>DISTRICT COURT, EL PASO COUNTY COLORADO</p> <p>El Paso County Judicial Building 270 S. Tejon St. Colorado Springs, CO 80903</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p> <hr/> <p>Case No.: 2023CV031550</p> <p>Division: 3</p>
<p>Plaintiff(s):</p> <p>FLYING HORSE METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado</p> <p>v.</p> <p>Defendant(s):</p> <p>FLYING HORSE METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado, BOARD OF DIRECTORS OF FLYING HORSE METROPOLITAN DISTRICT NO. 2 and FLYING HORSE METROPOLITAN DISTRICT NO. 3, a quasi-municipal corporation and political subdivision of the State of Colorado, BOARD OF DIRECTORS OF FLYING HORSE METROPOLITAN DISTRICT NO. 3</p>	
<p style="text-align: center;">ORDER GRANTING FLYING HORSE METROPOLITAN DISTRICT NO. 1'S MOTION FOR APPOINTMENT OF RECEIVER, FOR PRELIMINARY INJUNCTION AND FOR MANDAMUS RELIEF</p>	

This matter is before the Court on the Motion for Appointment of Receiver, for Preliminary Injunction, and for Mandamus Relief (the “**Motion**”) filed by Plaintiff Flying Horse Metropolitan District No. 1 (“**District 1**”).

1. The Court has jurisdiction and venue is proper pursuant to C.R.C.P. 98(a).
2. Flying Horse is entitled to the appointment of a Receiver, to preliminary injunctive relief, and to mandamus relief, granting the relief requested in the Motion.
3. This Order shall be effective immediately and shall continue in effect until terminated or modified by further order of this Court.

IT IS THEREFORE ORDERED THAT:

1. Injunction. A preliminary injunction is hereby issued as follows:

(a) Defendants, Flying Horse Metropolitan District No. 2 and the Board of Directors of Flying Horse Metropolitan District No. 2 (collectively “**District 2**”) and Flying Horse Metropolitan District No. 3 and the Board of Directors of Flying Horse Metropolitan District No. 3 (collectively “**District 3,**”) shall perform all of their obligations under the Intergovernmental Agreement between District 1, District 2 and District 3 (collectively, the “**Districts**”), dated December 2, 2004, and amended by that certain First Amendment to Intergovernmental Agreement dated April 28, 2023 (the “**IGA,**”)¹, including, without limitation:

(i) Within ten (10) days of entry of this Order, for the period from May 2023 to the present for District 2 and the period from June 2023 to the present for District 3 (the “**Period of Noncompliance**”), Districts 2 and 3 shall each pay to District 1 all amounts that were due under the IGA, and which have not been paid in full including:

(A) \$354,971.79 from District 2 for amounts paid to El Paso County through June 30, 2023, plus any amounts constituting tax revenues derived from the Operations and Maintenance mill levy imposed by District 2 and received by District 2 from June 30, 2023 through the date of payment, plus any specific ownership tax revenues not pledged to debt service; and

(B) \$165,478.49 from District 3 for amounts paid to El Paso County through June 30, 2023, plus any amounts constituting tax revenues derived from the Operations and Maintenance mill levy imposed by District 3 and received by District 3 from June 30, 2023 through the date of payment, plus any specific ownership tax revenues not pledged to debt service.

(ii) While this Order is in place, all tax revenues of District 2 and District 3, including, without limitation, property tax revenues and specific ownership tax revenues, if not paid directly to the Receiver by El Paso County, shall be remitted to the Receiver, to be applied by the Receiver as set forth below; and

(A) Districts 2 and 3 shall not interfere with District 1’s ability to own, operate and maintain all Facilities (as defined in the IGA);

(B) Districts 2 and 3 shall not operate or maintain any of the Facilities; and

(C) Districts 2 and 3 shall not interfere with District 1’s ability to impose and collect fees and charges in connection with District 1’s provision of Operations and Maintenance services.

¹ Capitalized terms not specifically defined herein have the meaning given to them in the IGA.

(b) District 1 is a public entity, and need not post any bond or other security as a condition of the issuance of the preliminary injunction.

2. Mandamus. An order of mandamus is hereby entered directing Districts 2 and 3 to:

- (a) Comply with the budgeting procedures mandated under the IGA, and adopt a final budget as required under the IGA; and
- (b) To certify to El Paso County, by or before the applicable statutory deadline, mill levy amounts consistent with the budgets required under the IGA.

3. Appointment of Receiver. The Receiver Group, LLC and Ryan Gulick, its Managing Member (“**Receiver**”), are appointed as Receiver for both Districts 2 and 3, and shall forthwith assume control of the Receivership Estate (as defined in Section 7, below). Once the Receiver has taken possession of and control of the Receivership Estate, or any part thereof, the Receiver shall deliver and disburse funds as required under the IGA, or as otherwise set forth in this Order.

4. Receiver’s Oath and Bond. Within seven (7) business days of the date of this Order, the Receiver shall submit to the Court, a signed oath, swearing to perform the duties of the Receiver faithfully and to pay over and account for all money and property which may come into his hands as the Court may direct, and will obey the orders of the Court. Also within seven (7) business days of the date of this Order, the Receiver shall file with this Court a copy of a receiver’s bond in the amount of at least \$10,000. In the alternative to filing a copy of a bond, the Receiver may deposit the amount of \$10,000 into the Registry of the Court. The bond, or such deposit, shall serve as security for the performance of the Receiver’s duties and is to be released at the conclusion of the receivership. The bond or deposit may be sued upon in the name of the people of the state of Colorado, at the instance and for the use of any party injured.

5. General Powers. Upon taking the necessary Oath, the Receiver shall, unless otherwise ordered by this Court, have all the powers and authority usually held by Receivers and reasonably necessary to accomplish the purposes herein stated, including, but not limited to, the powers more described herein, and all powers conferred upon a receiver by the provisions of C.R.C.P. 66, which may be executed by the Receiver without further order of this Court, except as otherwise provided herein.

6. Notice of Receivership. District 1 shall give notice of the appointment of the Receiver by providing a copy of this Order to the Defendants, as provided in C.R.C.P. 4 and/or C.R.C.P. 5. Pursuant to C.R.C.P. 66(d)(3), the Receiver shall provide written notice of this Order to any persons known or believed to be in possession of any property affected by this Order. Without limitation, the Receiver shall provide written notice of this Order to El Paso County, and until further Order of the Court, El Paso County shall pay any amounts due to be paid to either District 2 or District 3 directly to the Receiver.

7. Receivership Estate. The receivership estate includes all property, monies, and other assets held by, or to be paid to, either District 2 or District 3 (“**Receivership Estate**”). To the extent the Receivership Estate includes interests in any municipal corporation, quasi-

municipal corporation, corporation, partnership, trust, limited partnership, limited liability company and/or limited liability limited partnership (collectively “**Entities**”) which Entities themselves own real estate or other assets, the Receivership Estate includes such underlying assets owned by the Entities. The Receivership Estate shall be managed and accounted for separately as it relates to property, monies and other assets of District 2, and property, monies and other assets of District 3. Property, monies and other assets of District 2 and District 3 shall not be commingled. However, the Receiver may charge District 2 and District 3 each with a pro rata share (based on relative amounts of overall revenues received for each) of the administrative expenses of the Receivership Estate, and neither the Receiver nor its agents must account for time separately between District 2 and District 3.

The Receiver’s possession of, and dominion, management and control of the Receivership Estate shall be exclusive of any interest of any Defendant and of any person with any legal or beneficial interest in the Receivership Estate, and of all persons acting in concert or participation with them. All debts, liabilities or obligations incurred by the Receiver in the course of this receivership, including the operation or management of the Receivership Estate, whether in the name of the Receiver, or the Receivership Estate, shall be the debt, liability, and obligation of the Receivership Estate only and not a personal liability of the Receiver or any employee or agent of the Receiver. Nevertheless, to the extent the Receiver advances sums of money in furtherance of the Receivership Estate, such sums and the Receiver’s fees may be included as amounts due and owing as costs of the Receivership Estate.

8. Receiver’s Powers and Authority. The Receiver shall have all the rights and powers usually held by receivers and the rights and powers reasonably necessary to accomplish the purposes of the receivership. The Receiver may, except as otherwise provided by this Order, exercise such rights and powers without further order of the Court. The Receiver may (but has no duty to), by way of example and not limitation:

- (a) Take possession and otherwise assume control of the Receivership Estate, including, without limitation, all rights to receive money that District 2 or District 3 now have or may have in the future;
- (b) To use reasonable efforts to determine the nature, location, and value of all components of the Receivership Estate;
- (c) To obtain a full and complete accounting of all revenues and expenditures of District 2 and District 3 from April 2023 through the date of completion of such accounting;
- (d) Compel the Defendants to identify any components of the Receivership Estate and otherwise cooperate with the Receiver in performing the Receiver’s duties established by this Order;
- (e) Retain and otherwise obtain the advice and assistance of such legal counsel, accountants, consultants and other professionals as the Receiver may deem reasonably necessary;
- (f) Manage, operate, and take any action reasonably necessary to protect and preserve the value of the Receivership Estate;

(g) Hire and fire such personnel, and to obtain such services as the Receiver may deem reasonably necessary, including but not limited to accountants and attorneys. However, no contract entered into by the Receiver shall extend beyond the termination of this Receivership unless authorized in writing by the parties. The Receiver may utilize its own personnel for such purposes;

(h) Open, close, draw upon, or transfer the deposits in bank accounts and trade accounts used in connection with the Receivership Estate;

(i) Pay charges, fees, and other expenses and costs reasonably incurred in managing and preserving the Receivership Estate.

(j) Demand, collect, enforce and hold the proceeds of all accounts receivables, contracts and claims arising from the Receivership Estate;

(k) Commence, defend, intervene in, compromise and settle any court, alternative dispute resolution, or administrative proceedings in the name of the Receiver to obtain possession or enforce collection of any assets of the Receivership Estate, and to otherwise preserve the Receivership Estate;

(l) To use the components of the Receivership Estate for the benefit of the Receivership Estate, making payments and disbursements and incurring expenses as may be necessary or advisable in the ordinary course of business in discharging its duties as Receiver;

(m) Borrow from District 1 or third parties on an unsecured basis and on such other reasonable terms as may be acceptable to the Receiver, funds to meet the needs of the Receivership Estate in excess of the income of the Receivership (each an “**Advancing Party**” and collectively, the “**Advancing Parties**”);

(n) Communicate in full with the parties who have interest in the Receivership Estate;

(o) To issue subpoenas for documents and testimony consistent with the Colorado Rules of Civil Procedure, concerning any subject matter within the powers and duties granted by this Order;

(p) To bring such legal actions based on law or equity in any state, federal, or foreign court as the Receiver deems necessary or appropriate in discharging his duties as Receiver;

(q) Notify appropriate officials of El Paso County, Colorado that any proceeds, including, without limitation, property tax revenues and specific ownership tax revenues, collected by the County and to be paid to District 2 or District 3 (collectively, the “**Tax Revenues**”) shall be paid to the Receiver until such time as such officials are advised to the contrary by this Court or until they receive a certificate issued by the Clerk of the Court evidencing the dismissal of this action;

(r) To remit to UMB Bank, n.a. as trustee (in such capacity, the “**District 2 Trustee**”) of District 2’s Series 2020A and Series 2020B Bonds (collectively, the “**District 2**”

Bonds”), all payments due pursuant to the relevant bond documents, as more particularly set forth below;

(s) To remit to UMB Bank, n.a. as trustee (in such capacity, the “**District 3 Trustee**”) of District 3’s Series 2019 Bonds (the “**District 3 Bonds**”), all payments due pursuant to the relevant bond documents, as more particularly set forth below;

(t) To remit to District 1 all remaining Tax Revenues, as more particularly set forth below; and

(u) Generally, to do such other lawful acts as the Receiver reasonably deems necessary to the effective operation and management of the Receivership Estate, and to perform such other functions and duties as may from time to time be required and authorized by this Court, by the laws of the State of Colorado or by the laws of the United States of America.

9. Holding and Application of Receivership Funds. The Receiver shall deposit and hold all funds in the Receivership Estate not expended by the Receiver in accordance with the provisions of this Order in or more depository accounts with a federally-insured financial institution in the name of the Receiver.

(a) Consistent with the IGA, in tax collection year 2023, District 2 imposed a total mill levy of 45.534 mills, comprised of 11.383 mills for Operations and Maintenance expenses, and 34.151 for debt service. The total number of mills District 2 imposed for Operations and Maintenance expenses divided by the total number of mills District 2 imposed in a given year, stated as a percentage, is referred to as the “**District 2 O&M Mill Levy Percentage.**” For tax collection year 2023, the District 2 O&M Mill Levy Percentage is 24.999%. The total number of mills District 2 imposed for debt service divided by the total mills District 2 imposed in a given year, stated as a percentage, is referred to as the “**District 2 Debt Service Mill Levy Percentage.**” For tax collection year 2023, the District 2 Debt Service Mill Levy Percentage is 75.001%. If District 2 adopts a budget in accordance with the requirements of the IGA for subsequent years, the District 2 O&M Mill Levy Percentage and the District 2 Debt Service Mill Levy Percentage may change for that year, and shall be recalculated by the Receiver as set forth above.

(b) Consistent with the IGA, in tax collection year 2023, District 3 imposed a total mill levy of 42.277 mills, comprised of 10.569 mills for Operations and Maintenance expenses, and 31.708 mills for debt service. The total number of mills District 3 imposed for Operations and Maintenance expenses divided by the total number of mills District 3 imposed in a given year, stated as a percentage, is referred to as the “**District 3 O&M Mill Levy Percentage.**” For tax collection year 2023, the District 2 O&M Mill Levy Percentage is 24.999%. The total number of mills District 3 imposed for debt service divided by the total mills District 3 imposed in a given year, stated as a percentage, is referred to as the “**District 3 Debt Service Mill Levy Percentage.**” For tax collection year 2023, the District 3 Debt Service Mill Levy Percentage is 75.001%. If District 3 adopts a budget in accordance with the requirements of the IGA for subsequent years, the District 3 O&M Mill Levy Percentage and the District 3 Debt Service Mill Levy Percentage may change for that year, and shall be recalculated by the Receiver as set forth above.

(c) The Receiver is hereby instructed to apply and disburse all Tax Revenues received from El Paso County based on mill levies imposed by District 2, within 10 days of receipt as follows:

(i) An amount equal to the District 2 Debt Service Mill Levy Percentage is to be considered “**District 2 Debt Service Mill Levy Revenues**”. The Receiver shall apply and disburse all Tax Revenues constituting District 2 Debt Service Mill Levy Revenues into an appropriate account as designated by the District 2 Trustee for application to the District 2 Bonds.

(ii) An amount equal to the District 2 O&M Mill Levy Percentage is to be considered “**District 2 O&M Mill Levy Revenues**”. The Receiver shall apply and disburse all Tax Revenues constituting District 2 O&M Mill Levy Revenues as follows:

- (A) First, to payment of the Receiver’s compensation;
- (B) Second, to the other costs and expenses of the Receivership, including any management fees, taxes, liens, attorney fees and other out of pocket expenses incurred or advanced by the Receiver in connection with the Receivership;
- (C) Third, to the costs of operating, maintaining, repairing, and protecting the Receivership Estate and enforcing and defending claims by or against the Receivership Estate;
- (D) Fourth, to payment of expenses of the Receivership Estate, including but not limited to payment of real and personal property taxes, insurance, utilities, and operating expenses;
- (E) Fifth, to establish a reserve as deemed reasonable by the Receiver to pay amounts set forth in *First* through *Fourth* above;²
- (F) Sixth, to any Advancing Party as reimbursement for any and all funds advanced to Receiver as permitted under this Order and (to the extent that there is more than one Advancing Party), on a parity or priority basis, as agreed to among the Receiver and such Advancing Parties; and
- (G) Seventh, to District 1 for use for its Operations and Maintenance expenses.

² Reflecting the reality that Tax Revenues are not collected in even installments by the Defendants; rather, the vast majority of Tax Revenues are collected and paid to the Districts in the months of March, May and July.

(d) The Receiver is hereby instructed to apply and disburse all Tax Revenues received from El Paso County based on mill levies imposed by District 3, within 10 days of receipt as follows:

(i) An amount equal to the District 3 Debt Service Mill Levy Percentage is to be considered “**District 3 Debt Service Mill Levy Revenues**”. The Receiver shall apply and disburse all Tax Revenues constituting District 3 Debt Service Mill Levy Revenues into an appropriate account as designated by the District 3 Trustee for application to the District 3 Bonds.

(ii) An amount equal to the District 3 O&M Mill Levy Percentage is to be considered “**District 3 O&M Mill Levy Revenues**”. The Receiver shall apply and disburse all Tax Revenues constituting District 3 O&M Mill Levy Revenues as follows:

- (A) First, to payment of the Receiver’s compensation;
- (B) Second, to the other costs and expenses of the Receivership, including any management fees, taxes, liens, attorney fees and other out of pocket expenses incurred or advanced by the Receiver in connection with the Receivership;
- (C) Third, to the costs of operating, maintaining, repairing, and protecting the Receivership Estate and enforcing and defending claims by or against the Receivership Estate;
- (D) Fourth, to payment of expenses of the Receivership Estate, including but not limited to payment of real and personal property taxes, insurance, utilities, and operating expenses;
- (E) Fifth, to establish a reserve as deemed reasonable by the Receiver to pay amounts set forth in *First* through *Fourth* above;³
- (F) Sixth, to any Advancing Party as reimbursement for any and all funds advanced to Receiver as permitted under this Order and (to the extent that there is more than one Advancing Party), on a parity or priority basis, as agreed to among the Receiver and such Advancing Parties; and
- (G) Seventh, to District 1 for use for its Operations and Maintenance expenses.

10. Advances by District 1. In the event sums are loaned or advanced by District 1 for the purposes of this Receivership, such sums shall be debt of the Receivership Estate. The Receiver has the authority to issue receiver certificates upon Court approval which shall serve as

³ Reflecting the reality that Tax Revenues are not collected in even installments by the Defendants; rather, the vast majority of Tax Revenues are collected in the months of March, May and July.

a first priority lien against the Receivership Estate. Payment of amounts owed on such debts may be paid by the Receiver as set forth above.

11. Receiver's Compensation. Until the Receivership Estate is terminated, the Receiver shall be compensated for services performed pursuant to this Order at the rate of \$275.00 per hour, and such other rates as set forth in the Receiver's current rate sheet, a copy of which is attached hereto as Exhibit A. The Receiver may reasonably update its rate sheet periodically, and shall provide a copy of any such updated rate sheet to counsel for District 1 and the Defendants. Such updated rates shall apply unless objected to, by Motion to the Court, filed within ten (10) business days of receipt. The Receiver may, in addition, reimburse itself for customary expenses and other expenses, costs, obligations and the like incurred pursuant to this Order.

12. Periodic Receiver Reports. The Receiver shall account to this Court for all sums received and expenditures made and file periodic reports to this Court from time to time. The first report shall be filed within thirty (30) days of this Order, and thereafter not less than every three (3) months. Filings shall be made in editable Microsoft Word format. The Receiver shall not be required to, but as reasonably necessary may, follow generally accepted accounting principles, or use auditors or accountants in the preparation of its reports to the Court. The Receiver shall elect between accrual-basis or cash-basis accounting before publishing its First Receiver's Report, but may change if the Receiver later determines the other method is more appropriate. Reports shall be provided to District 1, the Defendants, and all persons who file an appearance in the case by first class, U.S. mail, the Colorado Courts e-filing system, or, with the written consent of such person, by email.

13. Final Report and Accounting. Following the termination of the Receivership Estate, the Receiver shall issue a Final Report accounting for sums received and expenditures made as Receiver. Such Report shall be provided to District 1, the Defendants, and all persons who file an appearance in the case by first class, U.S. mail, the Colorado Courts E-Filing system, or, with the written consent of such person, by email.

14. Orders Applicable to the Defendants and Other Parties. The Defendants, and all persons, are hereby ordered to:

(a) Cooperate with the Receiver in carrying out the Receiver's duties under this Order in all reasonable ways, including, without limitation, providing documentation requested by the Receiver in aid of identify and taking possession of the Receivership Estate, which documents may include, but are not limited to, tax returns, insurance certificates and policies, trust agreements, bank statements, and the like, as well making provisions of keys, passwords, and training on any specialized equipment.

(b) With respect to any items required to be turned over to Receiver under this Order, the Receiver, may, in the Receiver's sole discretion, accept copies of such documents accompanied, in each case, by the certificate of the person delivering the copy that such document is a true, correct, and complete copy of the original. In such event, the Receiver shall have the right at any reasonable time, on reasonable notice, to inspect the originals of any such documents.

15. Defendants and Others Enjoined. Except as may be expressly authorized by this Court after notice and hearing, the Defendants, their agents, employees and all persons in active participation with them, and all other persons are enjoined from:

(a) Collecting any revenues from the Receivership Estate or withdrawing funds from any bank or other depository account containing funds related to the Receivership Estate.

(b) Terminating, or causing to be terminated, any license, permit, lease, insurance policy, contract or agreement relating to the Receivership Estate or the operation of any business on the Receivership Estate, if and to the extent such termination would interfere with the Receiver's ability to carry out this Order;

(c) Exercising dominion, control or management over, or possession of the Receivership Estate and/or the Receivership in violation of the exclusive rights to possession, management, control and dominion over the same vested in the Receiver by this Order.

(d) Contracting or otherwise causing construction or other improvements to be made upon Receivership Estate.

(e) Causing liens or other encumbrances from attaching to the Receivership Estate.

(f) Transferring, disclaiming, or otherwise hypothecating, directly or indirectly, the Defendants' interests in the Receivership Estate.

(g) Committing waste upon the Receivership Estate; and

(h) Otherwise interfering with the Receiver's discharge of its duties under this Order as well as the Receiver's exclusive possession, management and control of the Receivership Estate.

16. Actions Equitable. Other than this action, all actions which are equitable in nature or purport to seek equitable relief against the Receiver, or the Receivership Estate are hereby stayed. Nothing in this Order shall be construed as interfering with or invalidating any lawful lien or claim by any person or entity.

17. Access to information:

(a) The officers, board members, members, managers, trustees, attorneys, accountants, agents, affiliates, and employees of the Defendants, as well as those acting on their behalf, are hereby ordered and directed to preserve and turn over to the Receiver forthwith all paper and electronic information of, and/or relating to, the Defendants and/or all Receivership Estate; such information shall include but not be limited to books, records, documents, accounts, and all other instruments and papers, including the provision of access to any and all hardware devices, passwords, credentials, and cryptographic keys necessary to access such information.

(b) The officers, board members, members, managers, trustees, attorneys, accountants, agents, affiliates, and employees of the Defendants, as well as those acting on their behalf, shall answer to the Receiver all questions which the Receiver may put to them and

produce all documents as required by the Receiver regarding the business of the Defendants, the Receivership Estate, and any other matter relevant to the operation or administration of the receivership or the collection of funds due to the Defendants. In the event that the Receiver deems it necessary to require the appearance of the aforementioned persons or entities, the Receiver shall make discovery requests in accordance with the Colorado Rules of Civil Procedure.

(c) The Defendants, as well as the officers, board members, members, managers, trustees, attorneys, accountants, agents, affiliates, and employees of the Defendants, as well as those acting on their behalf, are required to assist the Receiver in fulfilling his duties and obligations. As such, they must respond promptly and truthfully to all requests for information and documents from the Receiver

18. Access to Books, Records, and Accounts:

(a) The Receiver is authorized to take immediate possession of all assets, bank accounts, credit card accounts, or other financial accounts, books and records and all other documents or instruments relating to the Defendants.

(b) The Defendants, as well as any of its officers, board members, members, managers, trustees, attorneys, accountants, agents, affiliates, employees, and any other persons acting for or on behalf of the Defendants, and any persons receiving notice of this Order by personal service, email, facsimile, or otherwise, having possession of the property, business, books, records, accounts, or assets of the Defendants, or other components of the Receivership Estate (including but not limited to hardware wallets and digital asset storage devices in any form), are hereby directed to deliver the same to the Receiver, his agents and/or employees. All persons and entities having control, custody, or possession of any components of the Receivership Estate are hereby directed to turn such monies, property or assets over to the Receiver, together with all passwords, credentials, and cryptographic keys necessary for accessing and exercising control over such property.

(c) All banks, brokerage firms, financial institutions, digital asset trading platforms, and other persons or entities which have possession, custody, or control of any components of the Receivership Estate that receive notice of this Order by personal service, email, facsimile, or otherwise shall:

(i) Not liquidate, transfer, sell, convey, or otherwise transfer any part of the Receivership Estate except upon express and written instructions from the Receiver;

(ii) Not exercise any form of set-off, alleged set-off, lien, or any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the permission of this Court;

(iii) Within five (5) business days of receipt of notice of this Order, serve upon the Receiver and counsel for all parties to this case a certified statement setting forth, regarding any account or other asset that is a part of the Receivership Estate, the balance in the account or description of the assets as of the close of business on the date of receipt of the notice; and

(iv) Cooperate expeditiously in providing information and transferring funds, assets, and accounts to the Receiver or at the direction of the Receiver.

19. Mail. The Receiver is authorized to instruct the United States Postmaster to hold and/or reroute mail which is related, directly or indirectly, to the business, operations or activities of the Defendants including all mail addressed to, or for the benefit of, the Defendants (the “Receiver’s Mail”). The Postmaster shall not comply with, and shall immediately report to the Receiver, any change of address or other instruction given by anyone other than the Receiver concerning the Receiver’s Mail. The foregoing instructions shall apply to any proprietor, whether individual or entity, of any private mailbox, depository, business or service, or mail courier or delivery service, hired, rented, or used by the Receivership. Following receipt and review of the Receiver’s Mail, the Receiver may forward copies of the Receiver’s Mail to District 2 or District 3 as applicable.

20. Further Orders. The Receiver, and any other party to this action, may at any time, by motion and notice to all parties that have appeared in this action, apply to this Court for further orders or instructions or for the approval of any action taken or contemplated by the Receiver, whether or not such action requires Court approval.

21. Notice. Notice of a motion seeking additional orders or instructions or approvals may be given to the parties by any method permitted by C.R.C.P. 5. To the extent that the party filing a motion determines that notice to interested non-parties is appropriate, service may be accomplished by mailing by U.S. Mail Certified Return Receipt Requested, or by any other means consented to by the party served.

22. Approval of Motions. Court approval of any motion filed by the Receiver shall be given as a matter of course, unless a party files an objection with the Court within ten (10) days after service. In the event of an objection, the Court shall promptly hold a hearing on the motion upon at least three (3) days' prior written notice to all objecting parties.

23. Service. All pleadings filed herein by any party shall be served upon the Receiver by service upon legal counsel appearing herein for the Receiver.

24. Winding Up. The Receiver shall continue in exclusive possession and dominion of the Receivership Estate until such possession is terminated or the Receiver is discharged by the Court. The Receiver shall endeavor to wind up the Receivership expeditiously in cooperation with District 1 or otherwise at the direction of the Court. To wind up the receivership, the Receiver shall file a Final Report and a motion seeking the discharge of the Receiver and if one exists, the dismissal of the Receiver’s bond. Such motion may be served on any party appearing in this action by any method permitted by C.R.C.P. 5. If no objections to the Final Report and motion to discharge the Receiver are filed with the Court within fifteen (15) days after the Final Report and motion for discharge are filed with the Court, the Final Report will be accepted by the Court, and the Court will enter an order terminating the Receivership, discharging the Receiver, and dismissing the Receiver's bond.

25. Officer of the Court. The Receiver's actions in the performance and discharge of its duties are performed in a representative capacity as an officer of this Court. Except for claims

of misfeasance or malfeasance outside the scope of its duties, the Receiver is not and shall not be personally liable to any person or governmental entity under any law, statute, rule, regulation, or other doctrine of law or equity. Any claim alleging the Receiver's misfeasance or malfeasance outside the scope of its duties must be made to this Court prior to the time the order discharging the Receiver is entered by the Court. All persons acting on behalf of the Receiver at the Receiver's request are protected and privileged with the same protections of this Court as the Receiver, including, without limitation, the officers, directors, employees, agents and contractors of the Receiver.

26. Agents. All who act on behalf of the Receiver at the request of the Receiver are protected and privileged with the same protections of this Court that the Receiver is granted by this Order. In order to avail the agents of the Receiver with these protections and privileges, the Receiver should file a notice of the appointment of all such agents with this Court, which shall be freely available to the public. All persons acting on behalf of the Receiver at the Receiver's request are protected and privileged with the same protections of this Court as the Receiver, including, without limitation, the officers, directors, employees, agents and contractors of the Receiver.

27. Receivership Estate Debts. Any debts, liabilities or obligations incurred by the Receiver in the course of this Receivership, including the operation or management of the Real Property, whether in the name of the Receiver, or the Receivership Estate, shall be the debt, liability and obligation of the Receivership Estate, only, and not of the Receiver or any employee or agent, personally.

28. Utilities. Any and all providers of utilities to the Receivership Estate shall cooperate with the Receiver and provide any and all necessary information, including any information regarding billing, occupancy or history, the utility provider may have. This Court Order shall have the same weight and effect as a subpoena for such information.

29. Enforcement. This Order shall be enforceable by the contempt power of the Court. The Sheriff of El Paso County is hereby authorized to enforce the terms of this Order in the form of peace-keeping duties by assisting the Receiver in serving notices, escorting unauthorized individuals or tangible things from any of the Receivership Estate and providing any other assistance that the Receiver may need in the performance of its respective duties contained herein.

DATED this _____ day of _____, 2023.

BY THE COURT:

District Court Judge

Exhibit A



Rate Card and Cost Schedule

File Intake	Notes	Cost
Initiate / Intake, Prep, Case Review	Flat Fee Charge	\$750.00

Professional Services Fees

Court Appointment for Asset Protection and Operation of Estates of Business Equity, Real Property, & Judgment Collection		
Court Appointed Receiver / Agent	Per Hour	\$275.00
Level 1 Agent	Per Hour	\$225.00
Level 2 Agent	Per Hour	\$175.00
Court Hearing or Testimony / Pre-Appointment	Per Hour	\$275.00

General Costs

Surety Bond (\$10 per \$1,000, \$100 minimum)	\$1 - \$10,000 > \$10,000	\$100.00 \$10.00 per \$1k
Notary Public	Per Notary	\$5.00
Database Reports	Flat Rate	\$20.00
General Office – Printing, Supplies, Office Services	Flat Rate	\$50.00-\$150
Copies	Per Page	\$0.15
Postage & Envelopes	At Cost	Varies
Financial Software Package (QuickBooks)	Subscription	\$60-\$100
Scanning	Per Page	\$0.50
Mileage (IRS Rate)	Per Mile / Federal Rate	Current IRS Rate

Other Costs Associated with Receivership or Agents Administration

Receivership fees and costs are tracked in financials for the estate and reported to the Court. In most cases the Receiver will advance funds necessary for minor expenses to initiate work and accomplish tasks expeditiously. All costs advanced by the Receiver are invoiced for reimbursement unless assets exist within the estate to cover them. Approval and funding from petitioner or plaintiff parties is sought for major capital expenditures associated with the estate or as required by the Order of Appointment. Costs are pass through and not marked up by Receiver.

Fees and Costs are paid in accordance with the Order of Appointment and as approved by the Receivership Court.

Counsel for Receiver, Representation and Filings	Hourly Rate	+ Costs
CPA or Forensic Accountant, Consultant	Hourly Rate	+ Costs
Property Management (Exclusive of Receiver)	Contracted Rate	+ Costs
Misc. Professional Services	Contracted Rate	+ Costs
Evictions	Hourly Rate + court fees	+ Costs

Payment Schedule & Terms

1. On a monthly basis, the Receiver is to pay for its services as Receiver and its staff at the following hourly rates: \$275.00 per hour for principals of The Receiver Group, LLC; \$225.00 per hour for Level 1 Agents of the Receiver, and \$175.00 per hour for Level 2 Agents/Admins of the Receiver.
2. The Receiver may incur and shall be reimbursed for costs of the Receivership, which may include but are not necessarily limited to surety bond, notary public, public database reports, general office supplies, mileage, locksmith, legal counsel, CPA, property management, evictions, etc.
3. The Receiver shall prepare its invoices on a monthly basis. If there are enough assets or income in the estate to pay receivership fees and costs, they will be paid on a monthly basis through the estate. If assets or income of the estate is not enough to cover the receivership fees and costs, the Receiver shall submit invoices monthly to Plaintiff for payment while the matter is pending. Receiver will submit and include all billing and invoices in periodic Court Reports for review and approval.