

Ken-Caryl Ranch Metropolitan District Regular Business Meeting Agenda
Tuesday, October 26, 6:00 p.m.
Ranch House, 7676 S. Continental Divide Rd, Littleton, CO 80217
This is a proposed agenda and is subject to change at the Board's discretion.

Join Zoom Meeting

<https://us02web.zoom.us/j/86577845627>

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Webinar ID: 865 7784 5627



- I. Call to Order**
- II. Approval of the Agenda**
- III. Conflict of Interest**
- IV. Business & Reports**
 - a. Minutes Approval
 - i. September 7, 2021 Joint Study Session minutes, pages 2-5
 - ii. September 28, 2021 Regular Board Meeting minutes, pages 6-9
- V. Financial Report and Staff Updates, pages 10-12**
- VI. Communication & Discussion Topics**
 - a. Agreement for Inclusion of Property with the North American Development Group, pages 13-43
 - b. Surplus Property Auction, pages 44-45
 - c. Budget Discussion, page 46 (budget document has separate page numbers)
- VII. Public Comment**
- VIII. Action Items**
 - a. Resolutions:
 - i. Consideration of a Resolution Authorizing Sale of Surplus Property
 - b. Motions:
 - i. Consideration of the Agreement for Inclusion of Property with the North American Development Group
 - ii. Consideration of any other matter arising during the meeting
- IX. Board Comments**
- X. Executive Session (if needed)**

Executive Session pursuant to C.R.S. 24-6-402(4)(f) to discuss a personnel matter regarding the performance evaluation of the District Manager
- XI. Possible Action on Items Discussed in Executive Sessions (if necessary)**
- XII. Adjourn**

Individuals who require special accommodation to attend and/or participate in the meeting should call 303-979-1876 x136 to advise the ADA Compliance Officer of their specific need(s) prior to the meeting. The next regular Board meeting is scheduled for Monday, November 15 at 6:00 p.m.

MINUTES
BOARD OF DIRECTORS JOINT STUDY SESSION WITH MASTER ASSOCIATION
KEN-CARYL RANCH METROPOLITAN DISTRICT

A joint study session of the Ken-Caryl Ranch Metropolitan District ("Metropolitan District") Board of Directors with the Ken-Caryl Ranch Master Association ("Master Association") was held on Tuesday, September 7, 2021 at the Ranch House, 7676 South Continental Divide Road, Littleton, CO 80127.

ATTENDANCE

Board Members Present:

John Huggins, President/Chairperson (by phone)
Kayla Kirkpatrick, Vice President (initially by phone; arrived in person at 6:52 p.m.)
Joe Levy, Secretary
John Ostrom, Director

Not Present

Bruce Tugman, Treasurer (not present)

Others Present:

Traci Wieland, District Manager
Scotty Martin, Master Association
Tom Bratschun, Master Association
Philip Varley, Master Association
Chris Schroeder, Master Association
Dave Seagraves, Master Association (by phone)
Victoria DeSair, Master Association

I. Call to Order and Pledge of Allegiance

Chairperson John Huggins called the meeting to order at 6:00 p.m. and Board member John Ostrom led the Pledge of Allegiance.

II. Community Planning Committee Survey Recommendations

Master Association President Scotty Martin introduced Community Planning Committee members Kristen Potts and John Hamilton, who gave a presentation summarizing the committee's interpretation of the results of the 2021 Ken Caryl Ranch Community Survey and committee recommendations to both the Master Association and Metropolitan District Boards. Those recommendations were detailed in an eight-page memo delivered to both Boards that was attached to the meeting agenda. Ms. Potts said the committee tried to focus on the data, and took into consideration items that were already in Board budgets in making its recommendations. Mr. Hamilton recognized Ms. Potts for the committee's data-driven approach.

Shade structures at all three pools, special events, picnic areas/pavilions in parks, a task force to study the feasibility of a dog park in Ken-Caryl Ranch, crosswalks and speed control in community streets, sensitive resource and recreation management planning, and fire

mitigation in open space were all discussed. The committee noted that Community Park updates, playground upgrades and pickleball court construction are already being discussed in future budgets.

III. Budget Town Hall

a. Public Comments Related to Budget

Master Association Executive Director Victoria DeSair explained that this town hall meeting precedes discussion of a rough draft of the Master Association's 2022 budget at its Sept. 21 Board meeting, with adoption of the Master Association budget no later than October or November. Metropolitan District Manager Traci Wieland reported that the Metropolitan District will be reviewing capital projects for 2022 at its Sept. 28 meeting, with public hearings on the budget planned for October and November, with Board approval of a 2022 budget required by statute by Dec. 15.

Resident Chris Figge discussed the need for the community to fund common fence repair and maintenance, even if it requires \$1 of Master Association dues to go toward ongoing funding of such an effort.

Resident Jerry Sullivan agreed with Mr. Figge's thoughts on fences, supporting a community task force to help the Master Association put together a fence management plan.

Resident John Hamilton inquired about asphalt walkways on South Valley Parkway. Manager Wieland answered that only about 1/3 of the walkway is maintained by the Metropolitan District – the rest is maintained by Jefferson County. Hamilton asked for it to be addressed in next year's Metropolitan District budget.

Master Association Executive Director DeSair read letters from residents Brad Fosser and Jim Antes. Mr. Fosser's letter expressed that pool and recreation fees in the Metropolitan District are too high – that tax dollars should be paying for these services for residents.

Mr. Antes' letter thanked the Board for supporting the Ken Caryl Ranch Historical Society and asked the Board to continue its support of the Society's efforts at the same level in the 2022 budget.

Master Association Board Member Philip Varley thanked Mr. Figge and Mr. Sullivan for their comments, and supported a program to stain the fences on an ongoing basis.

Metropolitan District Board Member Joe Levy agreed that fences should be addressed.

Master Association President Scotty Martin supported discussing fences in the next budget process.

IV. Asset Responsibility Clarification

Metropolitan District Manager Wieland reported that several questions have been raised regarding the current practice of capital project/reserve responsibility for Master Association owned property, and requests have been made regarding the standardization of language. Staff presented the practices outlined in the 1988 Reorganization Agreement, the 1996 Letter of Understanding, the 2014 First Amendment to the Reorganization Agreement and the Second Amendment to the Reorganization Agreement.

Staff pointed out that, with decades of time, new staff, and new technology, there can be variation when it comes to terminology and interpretation. Numerous verbs have been used, sometimes interchangeably, such as repair, maintain, preserve, resurface, upgrade, replace, relamp, and more. Staff recommended continuing with the maintenance (Metropolitan District responsibility) versus replacement (Master Association responsibility) philosophy established decades ago and recommended moving toward the following for clarification.

Metropolitan District: maintain, also known as repair, preserve, resurface (tennis courts), and upgrade (without full replacement).

Master Association: replace, also known as relamp, refurbishment, resurface (parking lots), replaster (pools).

The Boards were asked to provide general feedback to staff on this approach for moving forward. Members of both Boards supported staff's approach and definitions as presented in the meeting packet. Metropolitan District Board Member Kirkpatrick had additional questions.

V. Public Comments

Resident Rilla Reinsma spoke in favor of conservation and nighttime trail closures, and pointed out that the 2017 Community Survey showed that 85 percent of residents were satisfied with the number of trails at that time, that the 1997 open space management plan said that no outdoor events with the potential for loud noise would be permitted, and asked for clarification from both Boards.

Resident Jerry Sullivan said a library on the grounds of Community Park would be a good asset for the community, and expressed frustration that tennis courts were not available when he visited on a recent evening.

VI. Board/Manager Comments

Executive Director DeSair announced that Mark Knott has been hired as Finance Manager for the Master Association. She thanked staff for helping her in the interim.

Metropolitan District Manager Wieland reported that parks staff would be meeting with a disc golf designer to discuss maintenance, hazard tree removal and neighbor concerns related to the disc golf course.

VII. Adjourn

President Huggins motioned to adjourn, and Board Member John Ostrom seconded. Motion passed unanimously and the meeting adjourned at 7:36 pm.

These are the correct minutes for the meeting held on the above date and were approved by the Board on this 26th day of October 2021.

**MINUTES
BOARD OF DIRECTORS REGULAR MEETING
KEN-CARYL RANCH METROPOLITAN DISTRICT**

A regular meeting of the Ken-Caryl Ranch Metropolitan District Board of Directors was held on Tuesday, September 28, 2021 at the Ranch House, 7676 South Continental Divide Road, Littleton, CO 80127.

ATTENDANCE

Board Members Present:

John Huggins, President
Kayla Kirkpatrick, Vice President
Joe Levy, Secretary
Bruce Tugman, Treasurer
John Ostrom, Director

Board Members Absent:

None

Others Present:

Traci Wieland, District Manager
Lauren Feeney, Finance Director
Emily Powell, Attorney (via telephone)
DJ Hinckley, Parks Department
Amy Lear, Recreation Director (via telephone)
Dylanna Gross, COLOTRUST (via telephone)

I. Call to Order

Chairperson Huggins called the meeting to order at 6:00 p.m. in the Ken Caryl Ranch House Bradford Room and led the Pledge of Allegiance.

II. Approval of the Agenda

Director Levy made a motion to approve the agenda as submitted. Director Ostrom seconded the motion, which passed 5-0.

III. Conflict of Interest

None.

IV. Communication & Discussion Topics

Dylanna Gross, Vice President for Investment Advisory Services for COLOTRUST, presented material regarding COLOTRUST's investment products intended solely for the use of Colorado local governments. The Trust was created on January 1, 1985 in accordance with the "Pooling Act", which states that any county, city and county, city, town, school district, special district, or other political subdivision of the state, or any department, agency, or instrumentality thereof, or any political or public corporation of the state is authorized to pool its funds with the funds of any other local government in order to take advantage of short-term investments and maximize net interest earnings. Ms. Gross presented information about COLOTRUST products: COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE. EDGE was introduced in 2021 and is an enhanced cash, variable NAV fund that is managed to approximate a \$10.00 per share

and offers weekly liquidity. It provides a more competitive yield by investing in securities with a maturity range beyond that of current liquidity options of PRIME and PLUS+. EDGE is best suited for funds that do not need to be withdrawn or redeemed until a more distant point in the future. The Board asked questions about terms and interest rates of the different products and will work with staff to continue discussion of their possible usage.

V. Business & Reports

a. Minutes Approval, August 24, 2021 Regular Board Meeting Minutes
The Board discussed several questions about the Aug. 24 minutes:

(1) Secretary Levy asked Director Kirkpatrick to clarify whether the minutes accurately reflected that Director Kirkpatrick's amendment to the Aug. 24 Board meeting minutes was intended to change her recorded vote on action item (a)(4) in the July 27 minutes. Director Levy apologized that he did not question this at the time, but he did not believe it was proper for a Director to change a vote during the approval of the minutes at the subsequent meeting. Director Kirkpatrick said that she did not intend to change her vote, but wanted to record that, on Aug. 24 she no longer supported the motion she had voted for on July 27. It was the consensus of the Board that votes cast at a Board meeting cannot be changed during approval of the minutes at a subsequent meeting, but that any Board member is free to express that their personal views have changed over time.

(2) Director Kirkpatrick offered alternative language for Paragraph VI(c) in the minutes and stated that she did not believe the minutes were factually correct.

Director Tugman moved to approve the minutes as presented and Director Ostrom seconded the motion, which passed 4-0, with Director Kirkpatrick not voting.

The Board discussed and reached consensus that future minutes should be less-detailed and record topics and actions, but not conversations. The Board also reached consensus that a motion should be considered during the Action Item portion of the agenda accepting Manager Wieland's offer to resume duties as the recording secretary for District meetings. Secretary Levy has performed this role since June 1 as a cost-saving measure for the District after concerns from Director Kirkpatrick that the minutes were not impartial. Director Levy said he would be happy to give up the dual-role as recording secretary.

VI. Financial Report and Staff Update

Finance Director Lauren Feeney presented the monthly financial report. Staff is exploring a software purchase that will enable a more-detailed breakdown of credit card transactions in the monthly report to the Board. Treasurer Tugman believes that evaluation will assist both Board and staff and will lead to cost savings.

Manager Wieland reported that Board discussion of the proposed Inclusion Agreement with North American Development Group will be delayed until October, as the District's legal staff is still reviewing some details of the proposal.

Manager Wieland reported that staff is planning interactive community meetings in conjunction with the Master Association to gather community input on playground improvements.

Recreation Manager Ami Lear discussed upcoming fall and winter special events, and that the District's Brew Ha party and Doggy Dip Day were very well attended and received. The District just hired a new recreation coordinator, Victoria, and is still trying to hire positions in the preschool and before-and-after school programs, where there continues to be a staff shortage.

Parks Department employee DJ Hinckley reported that the District's fertilization program began this week and will continue through Oct. 5. The District cut fertilization in 2020 as a COVID-related cost savings measure, but hopes to return to spring-and-fall fertilization. The Community Park Playground surface replacement has been completed, and the District is installing bear-proof trash containers in locations around Ken Caryl as a joint-project with the Master Association Board. The District is also working with the Master Association on improvements and permanent hole and player-instruction signage to the Disc Golf Course at the Ranch House.

Mr. Hinckley also reported that the parks department is investigating whether an agreement with Jefferson County to purchase vehicle fuel would offer savings. The potential drawback of such an agreement would be if Jefferson County's fuel station is only open 5 am to 5 pm, which may be an issue when snowplow work is being done. Staff should have more information at the next Board meeting.

Attorney Emily Powell reported that she is working with staff to evaluate potential impacts of ballot initiatives regarding property tax assessment rates in 2022 and beyond, as well as working on the proposed Inclusion Agreement with North American Development Group.

VII. Communication & Discussion Topics, Continued

a. Budget Discussion – 10 Year Capital Plan

Manager Wieland asked the Board to discuss and review the 10-year Capital Plan, as well as specific items proposed to be included in the 2022 budget as capital improvement projects. This discussion will help staff prepare the draft budget to be presented at the October meeting, and will help staff further forecast future capital projects. Manager Wieland cautioned the Board and the community that all projections on the 10-year plan from 2023-2031 are starting points based on professional best guesses right now, and are subject to things like economic changes, inflation, supply issues and changes in tax revenue based on RAR changes.

The Board asked questions about individual items in the plan, about projects related to ADA compliance, and about overall financing challenges of the 10-year plan.

President Huggins complimented staff for managing finances exceptionally well in the COVID-challenged 2020 fiscal year, and stated that – with an approximately \$2.9 million projected fund balance at the end of 2021 – he believes staff's 2022 projections of \$713,820 in capital projects should move forward into budget discussions in October for the District's 2022 budget. The other Board members concurred.

Other discussion involved developing a better process to continue productive Board discussion of years 2-10 in the 10-year plan, and the need to locate cost savings and efficiencies in future projects.

Director Kirkpatrick requested that any future distribution of funds from the District's settlement with the Plains Metropolitan District be reviewed by legal staff to ensure it meets with settlement requirements.

The Board also discussed the need to establish future fund balance, operating reserve, and capital reserve target levels in future discussions.

VIII. Public Comment

Resident Rilla Reinsma complimented the Board on a productive discussion and asked the Board to reconsider night-time trail closures for District trails on the South Hogback, and asked when the bicycle memorial on Ken Caryl Avenue and Chatfield will be taken down.

IX. Action Items

a. Motions:

Director Tugman made a motion to appoint Manger Wieland as the District's Recording Secretary, thanking Director Levy for his temporary service. Director Ostrom seconded the motion, which passed 4-0, with Director Kirkpatrick abstaining.

X. Board Comments

Director Tugman said that he had heard that a 6-foot-wide paved pedestrian path on the south side of Ken Caryl Avenue between Continental Divide and Chatfield would cost \$1 million to build. Manager Wieland said that \$500,000 estimates would not include any retaining wall, and that the property belongs to the Master Association. Director Tugman believes the 10-year Capital Plan includes \$10.013 million in projects and may be able to be funded by maintaining fund balances similar to this year.

XI. Executive Session (if needed)

None.

XII. Possible Action on Items Discussed in Executive Sessions (if necessary)

None.

XIII. Adjourn

Director Tugman motioned to adjourn the meeting at 9:27 p.m. Director Levy seconded the motion, which passed 5-0.

Ken-Caryl Ranch Metropolitan District
 KCRMD Balance Sheet
 As of September 30, 2021

	General Fund Year To Date 09/30/2021	Conservation Trust & Grant Fund Year To Date 09/30/2021	Debt Service Fund Year To Date 09/30/2021	Plains Metropolitan Dist Settlement Fund Year To Date 09/30/2021	Community Garden Fund Year To Date 09/30/2021	Veterans Monument Fund Year To Date 09/30/2021	All Locations Year To Date 09/30/2021
Assets							
Cash and cash equivalents unrestricted	4,934,692	-	-	-	-	-	4,934,692
Cash and cash equivalents restricted	-	168,700	-	29,360	-	-	198,060
Accounts and grants receivable	39,989	-	-	-	-	-	39,989
Due from KCRMA	39,126	-	-	-	-	-	39,126
Due from other funds	40,840	-	865,639	-	34,096	9,399	949,974
Prepaid expenditures	29,204	-	-	-	-	-	29,204
Property taxes receivable	44,682	-	11,647	-	-	-	56,329
Total Assets	5,128,533	168,700	877,286	29,360	34,096	9,399	6,247,374
Liabilities, Deferred Inflows, and Fund Balances (Deficits)							
Liabilities							
Accounts payable and accrued liabilities	233,613	-	-	-	-	-	233,613
Refunds and deposits payable	7,800	-	-	-	1,900	-	9,700
Due to other funds	909,135	-	-	-	-	-	909,135
Unearned revenue	104,641	-	-	-	-	-	104,641
Total Liabilities	1,255,189	-	-	-	1,900	-	1,257,089
Deferred Inflow of Resources							
Deferred property tax revenues	44,682	-	11,647	-	-	-	56,329
Total Deferred Inflow of Resources	44,682	-	11,647	-	-	-	56,329
Total Fund Balances (Deficits)							
Nonspendable	29,204	-	-	-	-	-	29,204
Restricted for specific uses	112,000	168,700	865,639	29,360	32,196	9,399	1,217,294
Unassigned	3,687,458	-	-	-	-	-	3,687,458
Total Fund Balances (Deficits)	3,828,662	168,700	865,639	29,360	32,196	9,399	4,933,956
Total Liabilities, Deferred Inflows, and Fund Balances (Deficits)	5,128,533	168,700	877,286	29,360	34,096	9,399	6,247,374

Ken-Caryl Ranch Metropolitan District
 KCRMD Budget to Actual
 As of September 30, 2021

	Actual 1/1/2021 Through Through 9/30/2021	Monthly Budget Through 9/30/2021*	2021 Annual Budget 12/31/2021	Budget Variance*
Property Tax Revenue	3,238,043	2,462,044	3,282,725	(44,682)
Specific Ownership Taxes	241,651	202,500	270,000	(28,349)
General & Administration	318,547	222,525	296,700	21,847
Facilities - RH	19,774	20,088	26,784	(7,010)
Facilities - DL	12,961	14,256	19,008	(6,047)
Parks	48,556	27,000	36,000	12,556
Wellness	69,109	94,559	126,078	(56,969)
General Recreation Programs	51,219	36,866	49,154	2,065
Aquatics	201,802	122,325	163,100	38,702
Events	4,666	8,100	10,800	(6,134)
Tennis	485,181	288,278	384,371	100,810
School Age Youth Programs	501,715	405,424	540,565	(38,850)
Preschool	210,278	186,458	248,611	(38,333)
Total Revenue	5,403,502	4,090,422	5,453,896	(50,394)
General & Administration	737,393	806,867	1,075,823	(338,430)
Facilities - RH	206,214	226,784	302,379	(96,165)
Facilities - DL	22,164	24,459	32,612	(10,448)
Facilities - CC	175,423	186,896	249,195	(73,772)
Parks	1,150,705	1,276,936	1,702,581	(551,876)
Recreation Management	200,030	208,556	278,074	(78,044)
Wellness	58,382	64,096	85,461	(27,079)
General Recreation Programs	27,723	19,901	26,534	1,189
Aquatics	269,908	205,910	274,546	(4,638)
Events	12,574	19,317	25,756	(13,182)
Tennis	271,512	299,514	399,352	(127,840)
School Age Youth Programs	302,362	296,996	395,995	(93,633)
Preschool	165,806	196,692	262,256	(96,450)
Total Expenditures	3,600,196	3,832,923	5,110,564	(1,510,368)
Excess of Revenues Over Expenditures	1,803,306	257,499	343,332	1,459,974
Other Financing Sources (Uses)	0	-	0	0
Net Change in Fund Balance	1,803,306	257,499	343,332	1,459,974
Fund Balance - Beginning of Year	2,025,356		0	2,025,356
Fund Balance - End of Period	3,828,662	257,499	343,332	3,485,330

*Calculated columns: "Monthly Budget Through 9/30/21" is calculated as follows: 2021 Annual Budget divided by twelve months multiplied by number of full months to date. Please note this is not representative of seasonality. "Budget Variance" is calculated as follows: Actual less 2021 Annual Budget.

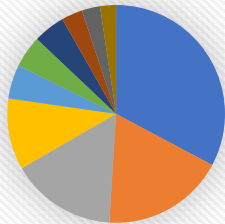
Top September 2021 Vendors

Vendor	Amount Paid	Description
Star Playgrounds	72,528	playground resurface final
Colorado Employer Benefit Trust (CEBT)	40,264	health insurance
Ken-Caryl Ranch Water & Sanitation District	34,680	September service period
Renner Sports Surfaces	23,435	resurfacing courts (1 & 4)
FirstBank	11,148	pcard transactions
Ken-Caryl Ranch Master Association	10,500	mower
CORE Electric Cooperative (prev. IREA)	10,447	electricity
Anchor Network Solutions	6,933	IT services
C4	6,000	egress door
Denver Janitorial Company	5,245	janitorial

Top 2021 Vendors

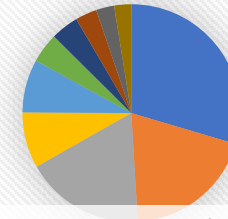
Vendor	Amount Paid	Description
FirstBank	517,589	pcard transactions
Colorado Employer Benefit Trust (CEBT)	340,432	health insurance
Ken-Caryl Ranch Master Association	310,500	pool installment; mower
Star Playgrounds	145,055	playground resurface
Ken-Caryl Ranch Water & Sanitation District	138,163	September service period
Anchor Network Solutions	77,471	IT services
Ireland Stapleton	72,260	legal services
Denver Janitorial Company	56,131	janitorial
CORE Electric Cooperative (prev. IREA)	47,067	electricity
Deere & Company	44,448	mower/snow remover

Top September 2021 Vendors



- Star Playgrounds
- Ken-Caryl Ranch Water & Sanitation District
- FirstBank
- CORE Electric Cooperative (prev. IREA)
- C4
- Colorado Employer Benefit Trust (CEBT)
- Renner Sports Surfaces
- Ken-Caryl Ranch Master Association
- Anchor Network Solutions
- Denver Janitorial Company

Top 2021 Vendors



- FirstBank
- Ken-Caryl Ranch Master Association
- Ken-Caryl Ranch Water & Sanitation District
- Ireland Stapleton
- CORE Electric Cooperative (prev. IREA)
- Colorado Employer Benefit Trust (CEBT)
- Star Playgrounds
- Anchor Network Solutions
- Denver Janitorial Company
- Deere & Company

Ken-Caryl Ranch Metropolitan District Agenda Item Executive Summary

Agenda Item: Agreement for Inclusion of Property with the North American Development Group

Meeting Date: October 26, 2021

Executive Summary:

Approximately 94 acres of privately owned land is being developed by North American Development Group (NADG) for residential use. The land is currently within the Master Association's boundaries but not the District's boundaries. The proposed development area includes three parcels:

- Parcel A: North of Ken Caryl Ave. and east of C-470 (also called the North Bowl)
- Parcel B: Southwest corner of Chatfield/Simms and Ken Caryl Ave. (north of the Sunset Ridge community)
- Parcel C: North of RTD Park 'n Ride

Over the course of 2021, the District has been discussing the impacts of the development's location within Master Association boundaries but not District boundaries. Unless specific action is taken, the new homeowners will be considered residents by the Master Association and non-residents by the District. Because it is anticipated that this will cause confusion and likely create administrative burdens, while still creating higher use levels at facilities and programs for both entities, the District explored options for addressing this issue and is considering approval of an Inclusion Agreement. "Inclusion" is a special districts term that is analogous to a municipal annexation. Entering into an inclusion agreement with NADG would result in the new development's property being included into the District's boundaries, thus ensuring all property owners, both current and those of the new development, pay property tax at the same rate to sustain the District's operations. As currently contemplated, the property would be included into the District in early 2023, once numerous conditions for the inclusion have been satisfied.

The District conducted a public information and participation process which included a dedicated webpage with project information and conducted two community meetings. Community feedback included concerns regarding traffic, amenity crowding, future litigation potential, and general impacts on existing residents. The most recent Board feedback included concerns regarding early years of development where maintenance costs may exceed property tax revenues collected. Language addressing a developer pass-through payment to the District addressing this issue has been added to Section 9.7 in the attached final version of the Inclusion Agreement.

Other project updates include:

- NADG is currently working through the planning and zoning process through Jefferson County. They are in the process of a second submittal for Parcel A and a first submittal for Parcel B. Staff had the opportunity to very recently meet with the designer to review concepts for Parcel B which still include pickleball courts, improvement of the existing trail north of Sunset Ridge, 2.5 acre green space, and a play area. Staff was able to make recommendations for the design. Staff was notified that NADG is exploring possible options for developing the residential units within Parcel B as rental units. This is based on changing market conditions in the area. A decision has not been made and may not be made until building occurs. Staff will share information as it becomes available.
- The future of the original seven acre Jefferson County School District site has not been discussed or determined.
- District financial forecasts include \$145,000 of annual property tax revenue at full build out based on current property tax projections. Staff will continue to monitor ballot initiatives this fall and in future years which may impact the Residential Assessment Rates thus impacting property tax collections.

Dennis Carruth, Carruth Properties, will be available during the meeting via Zoom to answer questions. The final version of the Inclusion Agreement follows this agenda item. Consideration for approval will occur during the action items section of the agenda.

**AGREEMENT FOR INCLUSION OF PROPERTY
(Ken-Caryl Ranch Metropolitan District)**

THIS AGREEMENT FOR INCLUSION OF PROPERTY (the “Agreement”), effective this ____ day of _____, 2021 (“Effective Date”), is made and entered into by and between the **KEN-CARYL RANCH METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (“District”), and **NADG KEN-CARYL RANCH LP**, a Delaware limited partnership and **NADG KEN-CARYL RANCH 2 LP**, a Delaware limited partnership (together, “Petitioner”) (the District and the Petitioner may each be referred to herein individually as a “Party” or collectively as the “Parties,” as the context implies).

RECITALS

A. The District is a duly and validly created quasi-municipal corporation and political subdivision of the State of Colorado located in unincorporated Jefferson County, Colorado, created in accordance with the provisions of the Special District Act, Section 32-1-101, et seq., C.R.S. (the “Act”), to provide park and recreation services to residents within, and to individuals passing through, its jurisdictional boundaries.

B. Petitioner is the owner of certain real property located in unincorporated Jefferson County, Colorado, more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the “Property”).

C. The Property is comprised of approximately 143 acres of land. Petitioner intends to develop the Property primarily for residential use, with 12 acres to be developed for parks, trails, common landscape, and recreation facilities, and 30 acres to be maintained as natural open space.

D. The Property is currently located within the service area of the Ken-Caryl Ranch Master Association and the jurisdictional boundaries of the Plains Metropolitan District, but the Property is not located within the District’s jurisdictional boundaries.

E. Petitioner intends to organize a new metropolitan district pursuant to the Act to provide certain public improvements and services necessary to serve the future development within the Property, which new metropolitan district is expected to be known as Hogback Metropolitan District (“HMD”).

F. It is anticipated that, following the organization of HMD, the Property will be excluded from the Plains Metropolitan District.

G. Following the organization of HMD and the exclusion of the Property from the Plains Metropolitan District, the Parties mutually desire, on the terms and conditions set forth herein, that the Property be included into the District’s jurisdictional boundaries and that certain park and recreation improvements constructed within the Property by Petitioner and/or HMD may be conveyed to the District for ongoing ownership, operation, and maintenance. The Parties further mutually desire and intend that, upon inclusion of the Property into the District’s jurisdictional

boundaries, the District's other park and recreation services, improvements, and facilities shall be available to the residents and property owners within the Property as residents and property owners within the District's jurisdictional boundaries.

H. HMD's Service Plan, as approved by the Jefferson County Board of County Commissioners on August 17, 2021, authorizes it to provide certain park and recreation services, improvements, and facilities within the Property. Pursuant to C.R.S. § 32-1-107(3)(b), the District consents to HMD providing such services, improvements, and facilities, provided that any such park and recreation services, improvements, or facilities to be provided by HMD shall be different and separate from, and shall not duplicate or interfere with, any park and recreation services, improvements, or facilities provided by the District within the Property.

AGREEMENT

NOW THEREFORE, for and in consideration of the foregoing recitals, which are incorporated herein, the promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Inclusion; Inclusion Process.

1.1. Concurrent with Petitioner's execution of this Agreement, Petitioner shall execute and submit to the District the petition for inclusion attached hereto as Exhibit B, which petition for inclusion requests and consents to the inclusion of the entirety of the Property into the District's jurisdictional boundaries (the "Petition for Inclusion").

1.2. The District shall schedule and hold a public meeting and hearing on the Petition for Inclusion within forty-five (45) days following receipt of the Petition for Inclusion, or as soon thereafter as is reasonably practicable (the "Public Meeting"), which Public Meeting may be continued to a subsequent meeting of the District's Board of Directors (the "Board"). If the Board approves the Petition for Inclusion at the Public Meeting or a continued meeting, the Board shall also adopt a resolution and certified order approving the Petition for Inclusion (collectively, the "Inclusion Resolution").

1.3. Following its adoption of the Inclusion Resolution, the District shall submit the Petition for Inclusion and the Inclusion Resolution to the District Court for Jefferson County, Colorado (the "District Court") and shall request that the District Court issue an order and decree including the Property into the District's jurisdictional boundaries (the "Order for Inclusion"). However, upon the issuance of any such Order for Inclusion, the District shall hold the Order for Inclusion in abeyance and shall not record such Order for Inclusion in the public records of Jefferson County (the "County") pursuant to C.R.S. § 32-1-105, or take any other action to further the inclusion process at set forth in the Act, until the conditions set forth in Section 2, below, are met.

1.4. Once the conditions set forth in Section 2, below, are met, the District shall record the Order for Inclusion in the public records of the County pursuant to C.R.S. § 32-1-105 to complete the inclusion process in conformance with the provisions of the Act.

1.5. Petitioner agrees to cooperate in good faith with the District in connection with the Public Meeting or any continued meeting, and in ultimately obtaining the Order for Inclusion from the District Court consistent with the terms and conditions of this Agreement.

1.6. In the event the Board fails to approve the inclusion of the Property at the Public Meeting or any continued meeting, or the District Court denies the request for the Order for Inclusion with prejudice, or, if for any reason the Order for Inclusion is not issued on or before December 31, 2025, then each Party shall have the unilateral right to terminate this Agreement and the inclusion process with respect to the Property by delivery of written notice to the other Party. In the event of any such termination, neither Party shall have any further rights or obligations under this Agreement.

1.7. Notwithstanding anything to the contrary contained herein, the District shall comply with all of the requirements of the Act, including but not limited to, C.R.S. § 32-1-401 and § 32-1-402, in connection with the inclusion of the Property into the District's jurisdictional boundaries.

2. Conditions of Inclusion.

2.1. As express conditions precedent to the inclusion of the Property into the District's jurisdictional boundaries, the District agrees that it shall not record the Order for Inclusion in the public records of the County pursuant to C.R.S. § 32-1-105, or take any other action to complete the inclusion of the Property into the District's jurisdictional boundaries, unless and until each of the following conditions are met:

2.1.1. the Property is excluded from the jurisdictional boundaries of the Plains Metropolitan District; and

2.1.2. HMD is legally organized and a certified order and decree of the District Court organizing HMD is recorded in the public records of the County pursuant to C.R.S. § 32-1-105; and

2.1.3. the final plats for development of the Property (Parcel A Filings 1, 2 and 3; Parcel B, Filings 1, 2, 3 and 4; and Parcel C Filings 1 and 2) are approved by the County and recorded in the public records of the County (the "Final Plats"); and

2.1.4. all Plans and Specifications (as defined in Section 7, below) for the Park and Rec Improvements (as defined in Section 6, below) have been approved by the District consistent with the review and approval process set forth in Section 7, below.

2.2. Petitioner shall provide written notice to the District within fourteen (14) days of the satisfaction of conditions set forth above in Sections 2.1.1, 2.1.2, and 2.1.3.

2.3. In the event that one or more of the conditions set forth in Sections 2.1.1, 2.1.2, 2.1.3, and 2.1.4 is not met and the Property is not included into the jurisdictional boundaries of the District on or before December 31, 2025, then each Party shall have the unilateral right to terminate this Agreement and the inclusion process with respect to the Property by delivery of written notice to the other Party. In the event of any such termination, neither Party shall have any further rights or obligations under this Agreement.

2.4. In the event the Order for Inclusion is recorded by the District or by any other party, whether intentionally or unintentionally, for any reason, inconsistent with the provisions of this Agreement and the foregoing conditions precedent, the Parties shall cooperate with one another and take any and all actions reasonably necessary to reverse and nullify the effects of recordation of the Order for Inclusion.

3. Effect of Inclusion. Petitioner acknowledges and agrees that after the date of inclusion of the Property into the District's jurisdictional boundaries, the Property shall, subject to C.R.S. § 32-1-402, be subject to the taxes and charges imposed by the District and shall be liable for its proportionate share of the District's existing bonded indebtedness, as well as its proportionate share of annual operation and maintenance charges and the cost of facilities of the District, and taxes, rates, fees, tolls, or charges may be certified, levied, and assessed therefor. Further, upon inclusion of the Property into the District's jurisdictional boundaries, all residents, owners, and taxpayers within the Property will be residents, owners, and taxpayers of the District and will be afforded the same rights and access to all District services, facilities, and improvements as all other District residents, owners, and taxpayers, consistent with the provisions of the Act and other applicable Federal and State of Colorado statutes, common law, rules, regulations, and other laws (collectively, "Applicable Law").

4. Fee Limitation. Notwithstanding any other provision of this Agreement or the Act to the contrary, and in consideration of the Park and Rec Improvements to be constructed or installed by Petitioner and thereafter conveyed to the District in accordance with the terms of this Agreement, the District will not impose on any portion of the Property any system development fee, impact fee, capital fee, or other rate, fee, toll, penalty, or charge of any kind, the purpose of which is to defray or recover the cost of any capital improvements or other capital infrastructure of the District specifically attributable to community growth within the Property and which is not uniformly imposed on all properties within the District. The District may, consistent with the Act, impose on the Property any rate, fee, toll, penalty, or charge for ongoing District administration, operations, or services, or for the use of District facilities, so long as such rate, fee, toll, penalty, or charge is not related to any capital improvements or other capital infrastructure of the District specifically attributable to community growth within the Property and is uniformly imposed on all properties within the District.

5. Disclosure to Purchasers. As part of any disclosure to purchasers and future tax payers of the property taxes that may be imposed on the property within HMD's service area, including, without limitation, any notice recorded in the public records of the County following HMD's organization, Petitioner will include, or will cause HMD to include, a statement of all mill

levies then imposed by the District, including any general operational mill levy and any mill levy for the repayment of District bonded indebtedness.

6. Park and Rec Improvements.

6.1. Petitioner, at no cost to the District, will plan, design, finance, and construct, or will cause HMD to plan, design, finance, and construct, certain park and recreation improvements within HMD consistent with the Final Plats, the Plans and Specifications (as defined in Section 7, below), and other applicable requirements of the County. Among the park and recreation improvements to be constructed within the Property are the following specific improvements (collectively, the “Park and Rec Improvements”):

6.1.1. Parcel A

6.1.1.1. neighborhood park (approximately 2.5 acres)

6.1.1.2. the following trail corridors:

6.1.1.2.1. neighborhood park to Chatfield High School – approximately 1,200 lineal feet

6.1.1.2.2. connect eastern cul-de-sacs to neighborhood park – approximately 1,100 lineal feet

6.1.1.3. Alkire Loop Road streetscape – approximately 4,000 lineal feet, 6-foot wide on each side of road

6.1.2. Parcel B

6.1.2.1. neighborhood park, greenspace and trail – approximately 4.98 acres

6.1.2.2. Ken-Caryl Avenue landscape buffer – approximately 1,200 feet long by 40 feet deep

6.1.2.3. Chatfield Avenue landscape buffer – approximately 550 feet long by 40 feet deep

6.1.2.4. Landscape buffer along western boundary of Parcel B – approximately 800 feet long by 30 feet wide

6.2. Petitioner, and/or HMD, if applicable and required by Petitioner, shall be solely responsible for obtaining approvals from any governmental, regulatory, or management agencies having jurisdiction over the construction of the Park and Rec Improvements and for obtaining any necessary easements, permits, or right-of-way approvals that may be needed to construct, install, operate, and/or maintain the Park and Rec Improvements. The Park and Rec Improvements shall be planned, designed, and constructed in conformance with all applicable

regulations of the County and any other applicable governmental entity with approving jurisdiction over them.

7. District Review and Approval of Park and Rec Improvement Plans and Specifications.

7.1. The District shall be afforded the opportunity to review, comment on, and approve the planning and design of the Park and Rec Improvements as well as any necessary easements, permits, or right-of-way approvals that may be needed for the construction, installation, operation, and/or maintenance of the Park and Rec Improvements (collectively, the “Plans and Specifications”) prior to the County’s approval of the same consistent with the provisions of this Section 7.

7.2. The Parties understand and agree the various components of the Park and Rec Improvements may be planned, designed, constructed, and/or installed in phases in order to facilitate and allow for the timely planning, design, construction, and installation of the Park and Rec Improvements in total. Accordingly, the Parties understand and agree the Plans and Specifications may be prepared in phases, and, consistent with the process set forth below, the review, comment, and approval process for the Plans and Specifications may occur in one or more separate phases for separate components of the Park and Rec Improvements, as applicable.

7.3. Petitioner shall, from time to time and prior to final approval by the County, as applicable, deliver or cause the Plans and Specifications to be delivered to the District for its review, comment, and approval. The District will have an initial forty-five (45) days from and after the District’s receipt of the same to review and comment on such Plans and Specifications. If the District provides comments, questions, or objections to any element of any of the Plans and Specifications so submitted to the District, then the District will deliver to Petitioner a written statement of its comments, questions, and/or objections (each, a “Comment Notice”), including sufficient detail to enable Petitioner and the District to address each of the stated comments, questions, and/or objections. Upon receipt of a timely delivered Comment Notice, Petitioner will revise the Plans and Specifications to address the District’s comments, questions, and/or objections as set forth in the Comment Notice and shall deliver revised Plans and Specifications to the District for its additional review and approval. The District will then have fifteen (15) days from and after the District’s receipt of the revised Plans and Specifications to review and provide a Comment Notice on the revised Plans and Specifications, and Petitioner will thereafter again revise the Plans and Specifications to address the comments, questions, and/or objections in the Comment Notice, if any. If further rounds of review, comment, and revision are necessary, each such round shall follow the foregoing process and the District shall have fifteen (15) days to review and respond in each round until the Plans and Specifications are approved.

7.4. If the District does not provide a Comment Notice within any of the forty-five or fifteen day Comment Notice periods set forth above, then the District will be deemed to have approved the Plans and Specifications; alternatively, upon the District’s approval of the Plans and Specifications, the District shall provide a written notice to the Petitioner indicating the District’s approval, which written notice may be provided by email. Any approved Plans and

Specifications, whether approved under either of the foregoing circumstances, shall be considered “Approved Plans and Specifications” as used herein.

7.5. Under all circumstances, the District’s review, comment, and approval of the Plans and Specifications shall be reasonable and shall not be unreasonably withheld, and the District shall not withhold approval with respect to any portion or all of the Plans and Specifications, or changes thereto, that are required by the County. The Parties further agree they will work together in good faith and collaboration regarding the planning and design of the Park and Rec Improvements and the preparation, review, comment, and approval of the Plans and Specifications. Petitioner agrees it will in good faith endeavor to accommodate comments, requests, and objections of the District regarding the Plans and Specifications, including without limitation the selection of landscaping materials, and the District agrees it will in good faith support Petitioner’s efforts to obtain any and all necessary approvals regarding the Plans and Specifications and the construction and installation of the Park and Rec Improvements.

8. Construction and Installation of Park and Rec Improvements.

8.1. During the construction and installation of the Park and Rec Improvements, the District shall be afforded reasonable advance notice of the installation of landscaping materials and/or irrigation systems, or any parts thereof, at any Park and Rec Improvements site, and shall be permitted to have one or more representatives on-site to observe the installation of the landscaping materials and/or irrigation systems, or parts thereof. Petitioner shall, or shall direct HMD, as applicable, to provide the District with a Petitioner- or HMD-contact person with authority to direct the applicable contractor(s), with whom the District may communicate in real time regarding any questions, concerns, or potential deficiencies identified in connection with such installation. Petitioner and/or HMD, as applicable, shall work in good faith with the District and any applicable contractor(s) to address such questions, concerns, or potential deficiencies to ensure proper and durable installation in accordance with industry standards.

8.2. The District shall be advised of any non-material design changes occurring at the time of installation or construction (for example, relocation of a bench or trash receptacle from its originally anticipated location), and afforded reasonable opportunity to comment on any operational or administrative challenges anticipated as the result of the design change (for example, interference with snow removal operations) and to identify a different, mutually acceptable design change option.

9. District Acceptance and Conveyance of Park and Rec Improvements.

9.1. Upon final completion of the Park and Rec Improvements, or any component thereof, the District agrees it shall accept conveyance of such Park and Rec Improvements so long as the Park and Rec Improvements are constructed in accordance with industry standards and in substantial conformance with the Approved Plans and Specifications, and otherwise comply with Section 9.2, below, and all other applicable terms and conditions of this Agreement.

9.2. Upon final completion of the Park and Rec Improvements, the Park and Rec Improvements shall be conveyed by the Petitioner, and/or HMD if applicable and required by Petitioner, at no cost to the District, as follows:

9.2.1. Prior to conveyance of the Park and Rec Improvements, representatives of the District and representatives of Petitioner and/or HMD, if applicable and required by Petitioner, will conduct an inspection of the Park and Rec Improvements. The District shall be permitted, at its own cost, to include an engineer and/or other professional(s) among its representatives for purposes of the inspection. The Parties shall identify a mutually agreed-upon list of corrective work, if any, that Petitioner shall correct or cause to be corrected at no cost to the District prior to the District's acceptance of the Park and Rec Improvements ("Punch List"). Once Petitioner has completed the Punch List to the satisfaction of the District, the District or its designee will issue a Notice of Acceptance to the Petitioner and/or HMD.

9.2.2. The Park and Rec Improvements accepted by the District, including but not limited to any and all underlying real property, personal property, easements, licenses, permits, and appurtenances, shall be conveyed to the District by special warranty deed, bill of sale, and/or other instrument as mutually agreeable to the Parties, and Petitioner and/or HMD shall assign to the District any and all warranties applicable to the Park and Rec Improvements, or any work, materials, or component thereof.

9.2.3. At the time of conveyance of the Park and Rec Improvements, Petitioner shall, or shall require HMD, to provide to the District copies of all as-built drawings and submittals related to such Park and Rec Improvements.

9.3. Notwithstanding anything in this Agreement to the contrary, the District shall not be required to accept any Park and Rec Improvements (A) for which the District did not approve any applicable Plans and Specifications pursuant to Section 7, above; (B) that are not constructed in accordance with industry standards and in substantial conformance with the applicable Approved Plans and Specifications; (C) do not comply with Section 9.2, above, or any other applicable term or condition of this Agreement; or (D) for which the District cannot or does not wish to comply with any requirements or restrictions placed on the Park and Rec Improvements by any tax-exempt bonds or other financial obligations of HMD pursuant to Section 9.6, below.

9.4. Planning, design, construction, and/or installation of the Park and Rec Improvements may occur in phases, and, accordingly, acceptance and conveyance of the Park and Rec Improvements may occur in phases. The foregoing requirements in this Section shall correspond with any acceptances and conveyances occurring with each phase of construction.

9.5. Following conveyance of each portion of the Park and Rec Improvements to the District, the District shall be solely responsible for the ongoing ownership, operation, and maintenance of such Park and Rec Improvements. Further, the District agrees that it will operate and maintain the Park and Rec Improvements reasonably consistent with and to the same standards as it operates and maintains other comparable park and recreation improvements owned or operated by the District. Except as expressly provided in Section 9.6, below, nothing in this

Agreement shall restrict the District's sole and absolute rights and authority under Part 10 of Title 32, Colorado Revised Statutes, or any other Federal or State statutory or common law, with respect to the Park and Rec Improvements.

9.6. The District understands and acknowledges that the Park and Rec Improvements may be funded in whole or in part by tax-exempt bonds or other financial obligations of HMD as public improvements pursuant to the Act, and that such tax-exempt bonds or other financial obligations of HMD and related regulations may place certain requirements or restrictions on the use of the Park and Rec Improvements. The District agrees that, so long as HMD has outstanding bonds or other financial obligations associated with the Park and Rec Improvements, the District will not intentionally or knowingly take any action with relation to the Park and Rec Improvements that conflicts with the requirements or restrictions of such bonds or other financial obligations. The Petitioner or HMD shall provide the District with the complete "transcript" of the bond issuance(s) documents within 15 calendar days of the closing of such bonds, or as soon thereafter as such "transcript" is available. Petitioner shall ensure that neither it nor HMD permits the Park and Rec Improvements to be used as collateral on any tax-exempt bonds or other financial obligations of Petitioner or HMD, or takes any action that would cause a lien or other claim to be placed on the Park and Rec Improvements by a third party. Petitioner and HMD shall ensure that any financing or debt structure used to finance some or all of the Park and Rec Improvements specifically provides that Petitioner and/or HMD shall be authorized to convey ownership of the Park and Rec Improvements to the District.

9.7. Commencing in the first calendar year that any Park and Rec Improvement is conveyed to the District, and continuing until the first to occur of (1) through the calendar year following the year that at least 90% of the total buildable lots within the Property as set forth in the Final Plats are sold by the Petitioner or its successor(s) in interest to end users (such end users being understood by the Parties to mean individuals or other owners who intend to occupy the lots as residents or to allow others to occupy the lots as residents under a landlord/tenant relationship), (2) until payment by Petitioner of the total Reimbursement Cap (defined below), or (3) through 2031, the Petitioner shall provide the following annual reimbursement payments to the District:

9.7.1. Each year, the Petitioner shall, or shall cause HMD to, provide the District with a copy of HMD's final Certification of Valuation from the Jefferson County Assessor within 7 calendar days of receipt of the same.

9.7.2. Upon receipt of the HMD final Certification of Valuation, the District shall calculate the total tax revenue to be generated by the District's general operating mill levy for such calendar year from the taxable property within the Property (the "District Revenue"), as well as the costs that the District has actually incurred incident to its ownership, operation, and maintenance of all Park and Rec Improvements conveyed to the District up to and including such calendar year, including the proportionate share of District administrative and operational overhead attributable to the Park and Rec Improvements (the "District Costs"). On or before January 31 of the following calendar year, the District shall remit such statement to Petitioner.

9.7.3. Within 30 calendar days of receiving the District's statement pursuant to Section 9.7.2 above each year, Petitioner shall reimburse the District for the amount of the District Costs less the District Revenue, both in the cumulative, as of such date; provided, however, that such reimbursement amount over the course of all years shall not exceed \$250,000 in the cumulative (the "Reimbursement Cap"), and further provided that the Reimbursement Cap shall be adjusted as follows:

9.7.3.1. In the event of any adjustment in the residential assessment rate below 6.5% and/or the non-residential assessment rate below 26.4%, or any other action taken by the legislature, a court of competent jurisdiction, or the voters of the State of Colorado to change the method of calculating assessed valuation or the percentage of assessed valuation applied to one or more property class, then the Reimbursement Cap shall be increased in each year and in the cumulative by such amount as is equal to the District Revenues that would have been generated had such changes not occurred, less the amount of the actual District Revenues generated for such year.

10. Disputes Regarding Substantial Conformance with Approved Plans and Specifications, and Punch List Items.

10.1. In the event the Parties are unable to agree whether the Park and Rec Improvements (or any component thereof) have been completed in accordance with industry standards and/or in substantial conformance with Approved Plans and Specifications; on the items to be included on, or completion of, the Punch List; or on any other matter related the District's acceptance of the Park and Rec Improvements, prior to pursuing any other dispute resolution process available to the Parties under this Agreement, the Parties agree they shall use commercially reasonable efforts to meet and confer in good faith to resolve such matters as soon as practicable, and, if, despite their efforts, the Parties are unable to resolve any such matters within thirty-five (35) days of either Party's request for such meeting and conferral, the Parties agree to engage in the following alternative dispute resolution process:

10.1.1. The Parties will select a mutually agreed upon, independent, third-party engineer to serve as a mediator to assist the Parties in resolving their disagreement (the "Reviewing Engineer"). If the Parties are unable to agree upon one such engineer, then each of the Parties shall select an independent, third-party engineer of its choosing, and those two engineers shall select a third, independent, third-party engineer to serve as the Reviewing Engineer.

10.1.2. The Reviewing Engineer shall be engaged by the Parties to review the Parties' dispute(s) and the subject matter thereof, and to make findings, determinations, recommendations, or other conclusions regarding the same. The Parties shall in good faith make available to the Reviewing Engineer any appropriate contractors, personnel, or other individuals, and any applicable Plans and Specifications, Approved Plans and Specifications, completed Park and Rec Improvements, Punch List(s), and any other

relevant correspondence, drawings, plans, documents, improvements, appurtenances, or other materials or items necessary to assist the Reviewing Engineer in its review of the disputed matters.

10.1.3. The Parties shall in good faith review and consider any findings, determinations, recommendations, or other conclusions made by the Reviewing Engineer in an effort to resolve any disputes between them; however, no findings, determinations, recommendations, or other conclusions of the Reviewing Engineer shall be binding in any way on the Parties.

10.1.4. In the event the Parties are unable to resolve their dispute at the conclusion of the process set forth in this Section, the Parties may seek any other dispute resolution process and remedies available under this Agreement without first exercising the dispute resolution procedures set forth in Section 12, below.

10.2. The Parties shall each bear their own costs with respect to the foregoing alternative dispute resolution process and shall bear equally the cost of retaining any Reviewing Engineer(s).

11. Estimated Schedule of HMD Organization and Development. The legal organization of HMD; inclusion of the Property into the District's jurisdictional boundaries; development of the Property; review and approval of the Plans and Specifications; construction, installation, acceptance, and conveyance of the Park and Rec Improvements; and all other actions to be taken related to HMD's organization and development of the Property and the Park and Rec Improvements as provided in this Agreement generally are anticipated to occur as provided on the Estimated Schedule of HMD Organization and Development attached hereto as Exhibit C and incorporated herein by this reference. Petitioner, HMD, and the District, as applicable, each shall use its reasonable good faith efforts to pursue and complete each action within the time period set forth on Exhibit C.

12. Required Non-Binding Mediation; Civil Action; Governing Law, Jurisdiction and Venue. Colorado law governs this Agreement. Except for matters subject to Section 10, above, in the event either of the Parties reasonably objects in whole or in part to the other Party's performance of its duties pursuant to this Agreement or to any other matter related to the provisions of this Agreement, the Parties agree they shall use commercially reasonable efforts to meet and confer in good faith to resolve such reasonable objection as soon as practicable. If, despite their efforts, the Parties are unable to resolve any such reasonable objection within thirty-five (35) days after the date that notice of such reasonable objection has been received, the Parties agree they will engage in non-binding third party mediation. The Parties shall each bear their own costs with respect to the non-binding mediation and shall bear equally the cost of retaining the mediator. If the Parties are unable to resolve their disagreement through such non-binding mediation, either Party may commence a civil action. Jurisdiction and venue for any civil action shall lie exclusively in the District Court for Jefferson County. The prevailing Party shall be awarded its reasonable attorneys' fees, costs, and expenses, including its reasonable attorneys' fees, costs, and expenses incurred in collecting or executing upon any judgment, order or award. The Parties acknowledge

and agree that this Agreement may be enforced by legal and equitable relief as may be available to the Parties, subject to Applicable Law.

13. No Effect on Other District Agreements. Nothing contained in this Agreement shall be deemed or construed to amend, modify, or otherwise alter any other agreements or instruments to which the District is a party, or otherwise bound, including, without limitation, the District's Service Plan.

14. Unique to Property. The provisions of this Agreement are deemed to be unique and special with regard to the Property, and do not create a precedent for future inclusions or matters pertaining to other properties.

15. Entire Contract. This Agreement constitutes the entire agreement between the Parties with regard to the subject matter hereof and sets forth the rights, duties, and obligations of each to the other as of this date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement with regard to the subject matter hereof are of no force and effect.

16. Binding Contract; Covenant Running with the Land; Recording. As it pertains only to the inclusion of the Property into the District, this Agreement constitutes covenants running with the Property, and shall be binding on all successors, assigns, and transferees of the Property. In order that notice of this Agreement may be given to all property owners, the Parties agree that, upon execution of this Agreement, this Agreement shall be recorded in the real property records of the Clerk and Recorder's Office for Jefferson County, Colorado, against the Property.

17. Assignment. This Agreement shall not be assigned by any Party without the express written consent of the other Party. Notwithstanding the foregoing, this Agreement may, upon written notice to the District, be assigned by Petitioner to any successor in interest to any portion or all of the Property without the District's consent, provided that such assignment conveys to the assignee all rights, duties, and obligations under this Agreement and does not otherwise seek to change, modify, or amend any of the Agreement's other terms and conditions. Any attempted assignment without required consent, which consent shall not be unreasonably withheld, shall be deemed void and of no force and effect.

18. Further Assurances; Fair Dealing. Each Party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments, and documents, as the other Party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby. In all cases where the consent or approval of one Party is required before the other Party may act, or where the agreement or cooperation of the Parties is separately or mutually required as a legal or practical matter, then in that event the Parties agree that each Party will act in a fair and reasonable manner with a view to carrying out the intents and goals of this Agreement as the same are set forth herein, subject to the terms hereof; provided, however, that nothing herein shall be construed as imposing on any Party any greater duty or obligation to the other Party, other than that which already exists under Applicable Law, including, but not limited to any responsibility greater than that of reasonable parties contracting at arm's length.

Further, the Parties understand and agree that the formation of HMD as set forth herein is integral to the purpose and intent of this Agreement. In the event it appears to either of the Parties at any time that the proposed formation of HMD is reasonably implausible, the Parties agree in good faith to meet and confer, and, to the extent necessary and appropriate, to attempt to negotiate mutually agreeable terms and conditions to further the purpose and intent of this Agreement. In the event such mutually agreeable terms and conditions are unable to be reached within six months of a Party's request to meet and confer, then either Party may unilaterally terminate this Agreement upon written notice to the other Party, and neither Party shall have any further obligation to the other Party.

19. Force Majeure. If a Party is delayed in the performance of its obligations hereunder due to a force majeure event, then the date of such Party's performance shall be extended by one day for each day that such Party's performance is delayed by such force majeure event. A force majeure event is an event beyond the reasonable control of the Parties that delays, hinders, interferes with, or precludes a Party from performing its obligations hereunder (including, by way of example and not limitation, the inability to obtain utility services; epidemic or pandemic; moratoriums imposed by government agencies on the issuance of permits, plats, or other approvals required for the completion of improvements like the Park and Rec Improvements; strikes; unreasonable delays in the processing of permits, plats, or other approvals required for the completion of improvements like the Park and Rec Improvements; weather conditions; and other causes beyond a Party's control other than financial inability).

20. Notice. All notices, demands, requests, or other communications to be sent by one Party to the other hereunder or required by Applicable Law shall be in writing. Unless email delivery is specifically provided for by this Agreement, any notice, demand, request, or other communication shall be deemed to have been validly given or served by delivery of the same in person to the address set forth below or by courier delivery, via Federal Express or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, and addressed as follows:

To the District:

Ken-Caryl Ranch Metropolitan District
7676 South Continental Divide Road
Littleton, Colorado 80127
Email: TraciW@kcranch.org

With a copy to:

Ken-Caryl Ranch Metropolitan District
c/o Ireland Stapleton Pryor & Pascoe, PC
Attn: Emily Powell
717 17th Street, Suite 2800
Denver, CO 80202
Email: epowell@irelandstapleton.com

To Petitioner:

NADG Ken-Caryl Ranch LP
NADG Ken-Caryl Ranch 2 LP
Attn: President or General Counsel
2851 John Street, Suite One
Markham, ON L3R 5R7, Canada
Email: gweiss@nadg.com

With a copy to:

NADG Ken-Caryl Ranch LP
NADG Ken-Caryl Ranch 2 LP
c/o Spencer Fane LLP
Attn: Tom George
1700 Lincoln Street, Suite 2000
Denver, CO 80203
Email: tgeorge@spencerfane.com

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other Party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

21. Representations and Warranties of Parties. The Parties warrant and represent the following to each other. The District hereby represents and warrants: (a) it is a political subdivision and a quasi-municipal corporation duly organized and existing under the laws of the State of Colorado; and (b) the execution, delivery, and performance by the District of this Agreement is within the District's powers, has been duly authorized by all necessary action, and does not contravene any law or contractual restriction binding upon or affecting the District. Petitioner represents and warrants: (i) Petitioner is a limited partnership that has been duly organized and is existing pursuant to the laws of the State of Delaware; (ii) Petitioner has the full power and legal authority to enter into this Agreement; (iii) Petitioner has taken or performed all requisite acts or actions which may be required by its organizational or operational documents to confirm its authority to execute, deliver, and perform each of its obligations under this Agreement; and (iv) Petitioner is the holder and owner of marketable, fee simple title to the Property and has obtained any and all requisite consents from holders of liens encumbering the Property to execute and submit the Petition for Inclusion.

22. Survival of Obligations. Notwithstanding the prohibition against unauthorized assignment set forth herein, the provisions of this Agreement shall be deemed to survive any transfer of the Property after its inclusion into the District and shall be binding upon the successors to, and/or transferees and assigns of, Petitioner's interest in the Property.

23. Agreement Not an Indebtedness or Multiple Fiscal Year Financial Obligation. The terms and conditions of this Agreement shall not be construed as a multiple-fiscal year direct or indirect District debt or other financial obligation of the District within the meaning of Article X, Section 20 of the Colorado Constitution. The District's obligations under this Agreement shall be subject to the Board's annual appropriation, budgeting, and availability of funds to discharge such obligations, which shall be exercised by the Board in its sole and unfettered discretion.

24. No Partnership or Agency. Notwithstanding any language in this Agreement or any representation or warranty to the contrary, the Parties shall not be deemed or constitute partners, joint venture participants, or agents of the other, and shall remain separate and distinct entities for all purposes.

25. No Third-Party Beneficiaries. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement and all rights of action relating to such enforcement shall be strictly reserved to the Parties. It is the express intention of the Parties that any person other than the Parties shall be deemed to be only an incidental beneficiary under this Agreement.

26. Governmental Immunity. Nothing in this Agreement or in any actions taken by the District pursuant to this Agreement is intended to be and shall not be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or limitations on damages provided to, or enjoyed by, the District, or its directors, officers, employees, volunteers, or agents, under common law or pursuant to statute, including, without limitation, the Colorado Governmental Immunity Act, Sections 24-10-101, *et seq.*, C.R.S.

27. No Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed a waiver of any subsequent default hereunder.

28. Contract Amendment. This Agreement may not be amended except by a writing signed by the Parties. Course of performance, no matter how long, shall not constitute an amendment to this Agreement.

29. Severability. The invalidity or unenforceability of any portion or provision of this Agreement shall not affect the validity or enforceability of any other portion or provision. Any invalid or unenforceable portion or provision shall be deemed severed from this Agreement and, in such event, the Parties shall negotiate in good faith to replace such invalidated provision in order to carry out the intent of the Parties in entering into this Agreement.

30. Construction and Interpretation. Captions to sections and subsections are for convenience and reference purposes only and will not affect the construction of the meaning of the terms and provisions of this Agreement. Unless another agreement is indicated or the context otherwise requires, references herein to attachments, recitals, sections, and subsections are to attachments, recitals, sections, and subsections of this Agreement. Whenever the context requires or permits, the singular will include the plural, the plural will include the singular, and the

masculine, feminine, and neuter will be freely interchangeable. The terms “herein,” “hereinafter,” and “hereof” mean and refer to sections and provisions contained in this Agreement. The term “day” or “days” means calendar days, unless otherwise specifically stated.

31. Counterparts; Electronic Execution. This Agreement may be executed in multiple counterparts, and the signature of a Party affixed to a counterpart signature of the other Party shall be deemed to constitute execution of this Agreement. The Parties acknowledge and agree that this Agreement and all related documents may be executed by electronic means, including facsimile and electronic PDF, which electronic signatures shall be considered as original signatures for all purposes and shall have the same force and effect as original signatures.

[remainder of page intentionally left blank; signature pages follow]

KEN-CARYL RANCH METROPOLITAN DISTRICT

By:_____

Name:_____

Title:_____

STATE OF COLORADO)
) ss.
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021,
 by _____, as _____ of KEN-CARYL
 RANCH METROPOLITAN DISTRICT.

WITNESS my hand and official seal.

My commission expires:_____

 Notary Public

EXHIBIT A
LEGAL DESCRIPTION

TWO (2) PARCELS OF LAND LOCATED IN THE SOUTH HALF OF SECTION 29 AND THE NORTHEAST QUARTER OF SECTION 32, TOWNSHIP 5 SOUTH, RANGE 69 WEST, OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

NORTH PARCEL:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 29;

THENCE ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 29, SOUTH 89°54'29" WEST, A DISTANCE OF 1642.46 FEET TO THE **POINT OF BEGINNING**;

THENCE SOUTH 00°00'19" WEST, A DISTANCE OF 276.11 FEET TO THE NORTHEAST CORNER OF KEN CARYL RANCH NORTH PLAINS PHASE I EXEMPTION SURVEY AS RECORDED UNDER RECEPTION NO. 79107172 IN THE RECORDS OF THE JEFFERSON COUNTY CLERK AND RECORDER'S OFFICE;

THENCE ALONG THE BOUNDARY OF SAID KEN CARYL RANCH NORTH PLAINS PHASE I EXEMPTION SURVEY THE FOLLOWING FIVE (5) COURSES;

1. NORTH 88°31'54" WEST, A DISTANCE OF 248.88 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 340.89 FEET;
2. SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 66°02'45", AN ARC LENGTH OF 392.95 FEET;
3. SOUTH 25°25'19" WEST, A DISTANCE OF 241.61 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 590.00 FEET;
4. SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 54°00'00", AN ARC LENGTH OF 556.06 FEET;
5. SOUTH 28°34'41" EAST, A DISTANCE OF 305.19 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY OF SOUTH ALKIRE STREET, AND THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 970.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS NORTH 33°21'59" EAST;

THENCE ALONG THE RIGHT-OF-WAY OF SAID SOUTH ALKIRE STREET THE FOLLOWING ELEVEN (11) COURSES;

1. NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 29°23'17", AN ARC LENGTH OF 497.53 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 983.36 FEET, THE RADIUS POINT OF SAID CURVE BEARS NORTH 62°46'31" EAST;
2. NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 03°00'04", AN ARC LENGTH OF 51.51 FEET;
3. NORTH 24°12'47" WEST, A DISTANCE OF 138.18 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 330.00 FEET;
4. NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 56°36'33", AN ARC LENGTH OF 326.05 FEET;
5. SOUTH 09°05'21" WEST, A DISTANCE OF 29.92 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 300.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 09°05'10" WEST;

6. EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°16'35", AN ARC LENGTH OF 74.75 FEET;
7. SOUTH 23°11'46" WEST, A DISTANCE OF 30.21 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 270.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 23°29'06" WEST;
8. SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 42°18'07", AN ARC LENGTH OF 199.34 FEET;
9. SOUTH 24°12'47" EAST, A DISTANCE OF 138.18 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 1,030.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS NORTH 65°47'47" EAST;
10. SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 32°25'32", AN ARC LENGTH OF 582.91;
11. SOUTH 56°38'42" EAST, A DISTANCE OF 345.21 FEET TO THE NORTHERLY MOST CORNER OF MOUNTAIN GATE AT KEN CARYL III PHASE 2 AS RECORDED UNDER RECEPTION NO. F0209976 IN SAID RECORDS;

THENCE ALONG THE NORTHWESTERLY BOUNDARY OF SAID MOUNTAIN GATE AT KEN CARYL III PHASE 2, AND THE NORTHWESTERLY BOUNDARY OF MOUNTAIN GATE AT KEN CARYL PHASE 1 AS RECORDED UNDER RECEPTION NO. F0187943 IN SAID RECORDS SOUTH 33°24'05" WEST, A DISTANCE OF 423.48 FEET TO THE NORTHERLY RIGHT-OF-WAY OF INDORE PLACE;

THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY THE FOLLOWING FOUR (4) COURSES;

1. NORTH 56°35'00" WEST, A DISTANCE OF 49.97 FEET;
2. SOUTH 33°25'00" WEST, A DISTANCE OF 279.31 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 250.00 FEET;
3. SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 20°04'58", AN ARC LENGTH OF 87.63 FEET;
4. SOUTH 53°29'55" WEST, A DISTANCE OF 196.05 FEET TO THE NORTHEASTERLY BOUNDARY OF STARR CENTRE AS RECORDED UNDER RECEPTION NO. F0165000 IN SAID RECORDS;

THENCE ALONG THE NORTHEASTERLY AND NORTHWESTERLY BOUNDARY OF SAID STARR CENTRE THE FOLLOWING TWO (2) COURSES:

1. NORTH 32°30'54" WEST, A DISTANCE OF 334.03 FEET;
2. SOUTH 54°15'34" WEST, A DISTANCE OF 1,037.12 FEET TO THE EASTERLY RIGHT-OF-WAY OF C-470 AS RECORDED UNDER RECEPTION NO. 81007790 IN SAID RECORDS;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY THE FOLLOWING SEVEN (7) COURSES;

1. NORTH 32°11'12" WEST, A DISTANCE OF 170.65 FEET;
2. NORTH 21°03'08" WEST, A DISTANCE OF 900.22 FEET;
3. NORTH 20°44'03" WEST, A DISTANCE OF 600.08 FEET;
4. NORTH 34°42'39" WEST, A DISTANCE OF 310.48 FEET;
5. NORTH 19°46'46" WEST, A DISTANCE OF 676.91 FEET;
6. SOUTH 89°58'36" EAST, A DISTANCE OF 107.20 FEET;

7. NORTH 00°20'06" WEST, A DISTANCE OF 350.13 FEET TO THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 29;

THENCE ALONG SAID NORTH LINE, SOUTH 89°58'42" EAST, A DISTANCE OF 1847.47 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION 29;

THENCE ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 29, NORTH 89°54'29" EAST, A DISTANCE OF 1,000.66 FEET TO THE **POINT OF BEGINNING**.

CONTAINING AN AREA OF 114.985 ACRES, (5,008,747 SQUARE FEET), MORE OR LESS.

SOUTH PARCEL:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 32;

THENCE ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 32, SOUTH 89°55'59" WEST, A DISTANCE OF 90.17 FEET;

THEN DEPARTING SAID NORTH LINE, SOUTH 00°04'01" EAST, A DISTANCE OF 50.00 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF WEST KEN CARYL AVENUE, AND THE **POINT OF BEGINNING**;

THENCE ALONG THE WESTERLY BOUNDARY OF THAT CERTAIN SPECIAL WARRANTY DEED AS RECORDED UNDER RECEPTION NO. 201388478 IN SAID RECORDS THE FOLLOWING THIRTEEN (13) COURSES;

1. SOUTH 00°02'50" EAST, A DISTANCE OF 13.70 FEET;
2. SOUTH 24°08'31" EAST, A DISTANCE OF 19.61 FEET;
3. SOUTH 18°24'02" EAST, A DISTANCE OF 40.85 FEET;
4. SOUTH 00°34'48" WEST, A DISTANCE OF 29.91 FEET;
5. SOUTH 06°23'06" WEST, A DISTANCE OF 122.58 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 432.80 FEET;
6. SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 06°19'38", AN ARC LENGTH OF 47.80 FEET;
7. SOUTH 00°59'32" EAST, A DISTANCE OF 42.07 FEET;
8. SOUTH 04°22'13" EAST, A DISTANCE OF 39.30 FEET;
9. SOUTH 00°03'14" WEST, A DISTANCE OF 398.75 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 429.00 FEET;
10. SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°35'45", AN ARC LENGTH OF 86.82 FEET;
11. SOUTH 11°32'30" EAST, A DISTANCE OF 65.54 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 371.00 FEET;
12. SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°35'46", AN ARC LENGTH OF 75.09 FEET;
13. SOUTH 00°03'14" WEST, A DISTANCE OF 33.37 FEET TO THE NORTHERLY BOUNDARY OF KEN CARYL RANCH PLAINS PHASE IX AS RECORDED UNDER RECEPTION NO. 79037449 IN SAID RECORDS;

THENCE ALONG SAID NORTHERLY BOUNDARY, NORTH 88°34'01" WEST, A DISTANCE OF 1,231.16 FEET;

THENCE SOUTH 89°01'18" WEST, A DISTANCE OF 30.00 FEET TO THE CENTERLINE OF THAT VACATED PORTION OF ALKIRE STREET AS RECORDED UNDER RECEPTION NO. F0523023 IN SAID RECORDS;

THENCE ALONG SAID CENTERLINE, NORTH 00°58'42" WEST, A DISTANCE OF 673.58 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF SOUTH ALKIRE STREET AS RECORDED UNDER RECEPTION NO. 79037446 IN SAID RECORDS;

THENCE ALONG THE SOUTHERLY AND EASTERLY RIGHT-OF-WAY OF SAID SOUTH ALKIRE STREET THE FOLLOWING SIX (6) COURSES

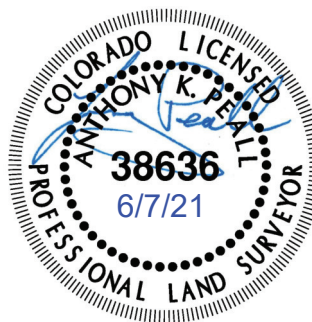
1. NORTH 89°01'18" EAST, A DISTANCE OF 30.00 FEET;
2. NORTH 00°58'42" WEST, A DISTANCE OF 75.03 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 362.50 FEET;
3. NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09°31'38", AN ARC LENGTH OF 60.28 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE WESTERLY HAVING A RADIUS OF 362.50 FEET;
4. NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09°31'38", AN ARC LENGTH OF 60.28 FEET;
5. NORTH 00°58'42" WEST, A DISTANCE OF 76.88 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 30.00 FEET;
6. NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90°54'41", AN ARC LENGTH OF 47.60 FEET TO SAID SOUTHERLY RIGHT-OF-WAY OF WEST KEN CARYL AVENUE;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING SIX (6) COURSES;

1. NORTH 89°55'59" EAST, A DISTANCE OF 635.05 FEET;
2. SOUTH 00°04'01" EAST, A DISTANCE OF 20.00 FEET;
3. NORTH 89°55'59" EAST, A DISTANCE OF 90.00 FEET;
4. NORTH 00°04'01" WEST, A DISTANCE OF 20.00 FEET;
5. NORTH 89°55'59" EAST, A DISTANCE OF 444.30 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 30.00 FEET;
6. EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01°20'31", AN ARC LENGTH OF 0.70 FEET TO THE **POINT OF BEGINNING**.

CONTAINING AN AREA OF 28.041 ACRES, (1,221,479 SQUARE FEET), MORE OR LESS.

EXHIBIT ATTACHED AND MADE A PART HEREOF.



ANTHONY K. PEALL, PLS 38636
FOR AND ON BEHALF OF AZTEC CONSULTANTS, INC.
300 EAST MINERAL AVE., SUITE 1, LITTLETON, CO 80122
303-713-1898

Exhibit B
Form of Petition for Inclusion

IN THE MATTER OF THE)	
)	
KEN-CARYL RANCH)	
METROPOLITAN DISTRICT)	PETITION FOR INCLUSION
)	
JEFFERSON COUNTY, COLORADO)	

The undersigned property owners NADG Ken-Caryl Ranch LP and NADG Ken-Caryl Ranch 2 LP (collectively, the “Landowners”), hereby respectfully petition the Ken-Caryl Ranch Metropolitan District (the “District”), acting by and through its Board of Directors, for the inclusion of the real property described on the attached Exhibit A (the “Property”) into the District’s jurisdictional boundaries, which Property is situated within the County of Jefferson, State of Colorado.

The Landowners represent to the District that they are the current 100% record owners of the Property and that no other persons, entity, or entities own an interest therein except as beneficial holders of encumbrances.

The Landowners hereby request and consent to the Property's inclusion in the District, and to an Order being entered in the District Court in and for the County of Jefferson, State of Colorado, including the Property into the District’s jurisdictional boundaries. The Landowners understand and agree that from and after the recordation of such Order, said Property shall be liable for all taxes and charges imposed by the District and shall be liable for its proportionate share of existing bonded indebtedness of the District; but the Property shall not be liable for any taxes or charges levied or assessed prior to its inclusion into the District; nor shall inclusion of the Property be made subject to or contingent upon the payment or assumption of any tax, rate, fee, toll, or charge, other than the taxes, rates, fees, tolls, and charges which are uniformly made, assessed, or levied for the entire District, without the prior consent of the Landowners. The Property shall also be liable for its proportionate share of the annual operation and maintenance charges and the cost of facilities of the District, and taxes, rates, fees, tolls, or charges shall be certified and levied or assessed therefor.

The undersigned further represents to the District that the area sought to be included into the District is located entirely within the County of Jefferson, State of Colorado, and does not include property within any other county or incorporated city, town, or city and county, and that no notice of the proposed inclusion under Section 32-1-207(2), C.R.S., as amended, is required.

Acceptance of the Petition shall be deemed to have occurred at that time when the Board of Directors of the District set the date for the public hearing for consideration of the Petition. The Petitioners understand and agree that, pursuant to C.R.S. § 32-1-401, they cannot withdraw this Petition without the consent of the Board of Directors after the District has published notice of a

public meeting on the Petition, and that, pursuant to C.R.S. § 32-1-401(1)(c)(I), the District may grant or deny this Petition in whole or in part, and with any conditions the District deems necessary and appropriate.

The name and address of the petitioner is as follows:

Petitioner/Owner: NADG KEN-CARYL RANCH LP
NADG KEN-CARYL RANCH 2 LP
Address: c/o Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203

NADG KEN-CARYL RANCH LP

By: _____
Name: _____
Title: _____

NADG KEN-CARYL RANCH 2 LP

By: _____
Name: _____
Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by _____, as _____ of NADG KEN-CARYL RANCH LP and NADG KEN-CARYL RANCH 2 LP, both Delaware limited partnerships.

WITNESS my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A
LEGAL DESCRIPTION

TWO (2) PARCELS OF LAND LOCATED IN THE SOUTH HALF OF SECTION 29 AND THE NORTHEAST QUARTER OF SECTION 32, TOWNSHIP 5 SOUTH, RANGE 69 WEST, OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

NORTH PARCEL:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 29;

THENCE ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 29, SOUTH 89°54'29" WEST, A DISTANCE OF 1642.46 FEET TO THE **POINT OF BEGINNING**;

THENCE SOUTH 00°00'19" WEST, A DISTANCE OF 276.11 FEET TO THE NORTHEAST CORNER OF KEN CARYL RANCH NORTH PLAINS PHASE I EXEMPTION SURVEY AS RECORDED UNDER RECEPTION NO. 79107172 IN THE RECORDS OF THE JEFFERSON COUNTY CLERK AND RECORDER'S OFFICE;

THENCE ALONG THE BOUNDARY OF SAID KEN CARYL RANCH NORTH PLAINS PHASE I EXEMPTION SURVEY THE FOLLOWING FIVE (5) COURSES;

1. NORTH 88°31'54" WEST, A DISTANCE OF 248.88 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 340.89 FEET;
2. SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 66°02'45", AN ARC LENGTH OF 392.95 FEET;
3. SOUTH 25°25'19" WEST, A DISTANCE OF 241.61 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 590.00 FEET;
4. SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 54°00'00", AN ARC LENGTH OF 556.06 FEET;
5. SOUTH 28°34'41" EAST, A DISTANCE OF 305.19 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY OF SOUTH ALKIRE STREET, AND THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 970.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS NORTH 33°21'59" EAST;

THENCE ALONG THE RIGHT-OF-WAY OF SAID SOUTH ALKIRE STREET THE FOLLOWING ELEVEN (11) COURSES;

1. NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 29°23'17", AN ARC LENGTH OF 497.53 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 983.36 FEET, THE RADIUS POINT OF SAID CURVE BEARS NORTH 62°46'31" EAST;
2. NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 03°00'04", AN ARC LENGTH OF 51.51 FEET;
3. NORTH 24°12'47" WEST, A DISTANCE OF 138.18 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 330.00 FEET;
4. NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 56°36'33", AN ARC LENGTH OF 326.05 FEET;
5. SOUTH 09°05'21" WEST, A DISTANCE OF 29.92 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 300.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 09°05'10" WEST;

6. EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°16'35", AN ARC LENGTH OF 74.75 FEET;
7. SOUTH 23°11'46" WEST, A DISTANCE OF 30.21 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 270.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 23°29'06" WEST;
8. SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 42°18'07", AN ARC LENGTH OF 199.34 FEET;
9. SOUTH 24°12'47" EAST, A DISTANCE OF 138.18 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 1,030.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS NORTH 65°47'47" EAST;
10. SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 32°25'32", AN ARC LENGTH OF 582.91;
11. SOUTH 56°38'42" EAST, A DISTANCE OF 345.21 FEET TO THE NORTHERLY MOST CORNER OF MOUNTAIN GATE AT KEN CARYL III PHASE 2 AS RECORDED UNDER RECEPTION NO. F0209976 IN SAID RECORDS;

THENCE ALONG THE NORTHWESTERLY BOUNDARY OF SAID MOUNTAIN GATE AT KEN CARYL III PHASE 2, AND THE NORTHWESTERLY BOUNDARY OF MOUNTAIN GATE AT KEN CARYL PHASE 1 AS RECORDED UNDER RECEPTION NO. F0187943 IN SAID RECORDS SOUTH 33°24'05" WEST, A DISTANCE OF 423.48 FEET TO THE NORTHERLY RIGHT-OF-WAY OF INDORE PLACE;

THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY THE FOLLOWING FOUR (4) COURSES;

1. NORTH 56°35'00" WEST, A DISTANCE OF 49.97 FEET;
2. SOUTH 33°25'00" WEST, A DISTANCE OF 279.31 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 250.00 FEET;
3. SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 20°04'58", AN ARC LENGTH OF 87.63 FEET;
4. SOUTH 53°29'55" WEST, A DISTANCE OF 196.05 FEET TO THE NORTHEASTERLY BOUNDARY OF STARR CENTRE AS RECORDED UNDER RECEPTION NO. F0165000 IN SAID RECORDS;

THENCE ALONG THE NORTHEASTERLY AND NORTHWESTERLY BOUNDARY OF SAID STARR CENTRE THE FOLLOWING TWO (2) COURSES:

1. NORTH 32°30'54" WEST, A DISTANCE OF 334.03 FEET;
2. SOUTH 54°15'34" WEST, A DISTANCE OF 1,037.12 FEET TO THE EASTERLY RIGHT-OF-WAY OF C-470 AS RECORDED UNDER RECEPTION NO. 81007790 IN SAID RECORDS;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY THE FOLLOWING SEVEN (7) COURSES;

1. NORTH 32°11'12" WEST, A DISTANCE OF 170.65 FEET;
2. NORTH 21°03'08" WEST, A DISTANCE OF 900.22 FEET;
3. NORTH 20°44'03" WEST, A DISTANCE OF 600.08 FEET;
4. NORTH 34°42'39" WEST, A DISTANCE OF 310.48 FEET;
5. NORTH 19°46'46" WEST, A DISTANCE OF 676.91 FEET;
6. SOUTH 89°58'36" EAST, A DISTANCE OF 107.20 FEET;

7. NORTH 00°20'06" WEST, A DISTANCE OF 350.13 FEET TO THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 29;

THENCE ALONG SAID NORTH LINE, SOUTH 89°58'42" EAST, A DISTANCE OF 1847.47 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION 29;

THENCE ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 29, NORTH 89°54'29" EAST, A DISTANCE OF 1,000.66 FEET TO THE **POINT OF BEGINNING**.

CONTAINING AN AREA OF 114.985 ACRES, (5,008,747 SQUARE FEET), MORE OR LESS.

SOUTH PARCEL:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 32;

THENCE ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 32, SOUTH 89°55'59" WEST, A DISTANCE OF 90.17 FEET;

THEN DEPARTING SAID NORTH LINE, SOUTH 00°04'01" EAST, A DISTANCE OF 50.00 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF WEST KEN CARYL AVENUE, AND THE **POINT OF BEGINNING**;

THENCE ALONG THE WESTERLY BOUNDARY OF THAT CERTAIN SPECIAL WARRANTY DEED AS RECORDED UNDER RECEPTION NO. 201388478 IN SAID RECORDS THE FOLLOWING THIRTEEN (13) COURSES;

1. SOUTH 00°02'50" EAST, A DISTANCE OF 13.70 FEET;
2. SOUTH 24°08'31" EAST, A DISTANCE OF 19.61 FEET;
3. SOUTH 18°24'02" EAST, A DISTANCE OF 40.85 FEET;
4. SOUTH 00°34'48" WEST, A DISTANCE OF 29.91 FEET;
5. SOUTH 06°23'06" WEST, A DISTANCE OF 122.58 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 432.80 FEET;
6. SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 06°19'38", AN ARC LENGTH OF 47.80 FEET;
7. SOUTH 00°59'32" EAST, A DISTANCE OF 42.07 FEET;
8. SOUTH 04°22'13" EAST, A DISTANCE OF 39.30 FEET;
9. SOUTH 00°03'14" WEST, A DISTANCE OF 398.75 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 429.00 FEET;
10. SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°35'45", AN ARC LENGTH OF 86.82 FEET;
11. SOUTH 11°32'30" EAST, A DISTANCE OF 65.54 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 371.00 FEET;
12. SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°35'46", AN ARC LENGTH OF 75.09 FEET;
13. SOUTH 00°03'14" WEST, A DISTANCE OF 33.37 FEET TO THE NORTHERLY BOUNDARY OF KEN CARYL RANCH PLAINS PHASE IX AS RECORDED UNDER RECEPTION NO. 79037449 IN SAID RECORDS;

THENCE ALONG SAID NORTHERLY BOUNDARY, NORTH 88°34'01" WEST, A DISTANCE OF 1,231.16 FEET;

THENCE SOUTH 89°01'18" WEST, A DISTANCE OF 30.00 FEET TO THE CENTERLINE OF THAT VACATED PORTION OF ALKIRE STREET AS RECORDED UNDER RECEPTION NO. F0523023 IN SAID RECORDS;

THENCE ALONG SAID CENTERLINE, NORTH 00°58'42" WEST, A DISTANCE OF 673.58 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF SOUTH ALKIRE STREET AS RECORDED UNDER RECEPTION NO. 79037446 IN SAID RECORDS;

THENCE ALONG THE SOUTHERLY AND EASTERLY RIGHT-OF-WAY OF SAID SOUTH ALKIRE STREET THE FOLLOWING SIX (6) COURSES

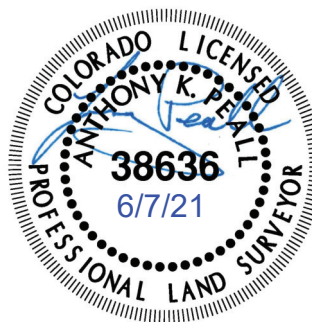
1. NORTH 89°01'18" EAST, A DISTANCE OF 30.00 FEET;
2. NORTH 00°58'42" WEST, A DISTANCE OF 75.03 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 362.50 FEET;
3. NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09°31'38", AN ARC LENGTH OF 60.28 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE WESTERLY HAVING A RADIUS OF 362.50 FEET;
4. NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09°31'38", AN ARC LENGTH OF 60.28 FEET;
5. NORTH 00°58'42" WEST, A DISTANCE OF 76.88 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 30.00 FEET;
6. NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90°54'41", AN ARC LENGTH OF 47.60 FEET TO SAID SOUTHERLY RIGHT-OF-WAY OF WEST KEN CARYL AVENUE;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING SIX (6) COURSES;

1. NORTH 89°55'59" EAST, A DISTANCE OF 635.05 FEET;
2. SOUTH 00°04'01" EAST, A DISTANCE OF 20.00 FEET;
3. NORTH 89°55'59" EAST, A DISTANCE OF 90.00 FEET;
4. NORTH 00°04'01" WEST, A DISTANCE OF 20.00 FEET;
5. NORTH 89°55'59" EAST, A DISTANCE OF 444.30 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 30.00 FEET;
6. EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01°20'31", AN ARC LENGTH OF 0.70 FEET TO THE **POINT OF BEGINNING**.

CONTAINING AN AREA OF 28.041 ACRES, (1,221,479 SQUARE FEET), MORE OR LESS.

EXHIBIT ATTACHED AND MADE A PART HEREOF.



ANTHONY K. PEALL, PLS 38636
FOR AND ON BEHALF OF AZTEC CONSULTANTS, INC.
300 EAST MINERAL AVE., SUITE 1, LITTLETON, CO 80122
303-713-1898

Exhibit C
Estimated Schedule of HMD Organization and Development

1. **September 2021:** Petitioner commences district court HMD organizational process, including petitioning the Jefferson County District Court for a court order calling an election on the organization of HMD.
2. **September / October 2021:** Petitioner's submission to the District of the Petition for Inclusion of the Property into the District's jurisdictional boundaries.
3. **October / November 2021:** District Board hearing on the Petition for Inclusion; petition to the Jefferson County District Court for an Order of Inclusion.
4. **November 2021:** Receipt of the Order of Inclusion from the Jefferson County District Court; Order of Inclusion held in abeyance pursuant to the Agreement.
5. **November 2, 2021:** HMD Organizational Election held.
6. **November / December 2021:** HMD organizational election results certified and Jefferson County District Court enters Order and Decree Creating HMD, which Order and Decree is recorded in the records of the Jefferson County Clerk & Recorder; HMD is officially organized.
7. **November 2021 through December 2022:** Preparation, review, comment, and approval of all Plans and Specifications pursuant to the Agreement.
8. **April 2022 through December 2022:** Groundbreaking, overlot grading and construction of horizontal infrastructure improvements.
9. **January 2023 through April 2023:** Record the District Court Order of Inclusion in the records of the Jefferson County Clerk & Recorder; the Property is officially included into the jurisdictional boundaries of the District.
10. **January 2023 through December 2023:** Construction of lot improvements, model homes and initial construction of production homes and multifamily units.
11. **July 2023 through December 2024:** Construction and installation of the Park and Rec Improvements.
12. **Late 2023 through December 2026:** Delivery of completed homes, townhomes and apartments to end users.
13. **January 2024 through December 2024:** Acceptance by and conveyance of the Park and Rec Improvements to the District.

**Ken-Caryl Ranch Metropolitan District
Agenda Item Executive Summary**

Agenda Item: Auction Resolution

Meeting Date: October 26, 2021

Executive Summary:

Staff has identified a 1995 Chevrolet Kodiak truck for surplus. The primary use of this vehicle has been to move bigger loads such as logs, rocks, mulch, and scrap metal. The maintenance required is quite high being an older medium duty truck that has had a life of heavy hauling. The front-end components are all worn, which result in the truck having a severe shake when at highway speeds. All six tires, ball joints, tie-rod ends, idler arm, and wheel bearings would all need replacement as well as an alignment. We also had multiple failed attempts at passing the 2021 emission standards that are required for registration renewals. Many adjustments and a bit of luck were required to pass the emissions test. This would indicate problems with the engine that have not been currently diagnosed. The cost of keeping this vehicle keeps increasing as time goes on, but with the needed front-end work, tires, and the attention needed for the engine to run efficiently, it could cost \$10,000 or more, to be a safe operating vehicle.

Property that, whether due to age, condition, obsolescence, changed operations, or otherwise, can be sold, donated, or otherwise disposed of in accordance with the Fiscal Policies. Staff proposes utilizing an auction service. The auction best suited for this type of vehicle would be the City and County auction held by Roller Auctions that will be conducted on December 8th, 2021. This auction focuses on public vehicles and fits the description of the 1995 Chevy Kodiak truck. The deadline for delivering the truck to Roller Auctions is November 24th. We will need to add a description of the truck, a list of any issues with the vehicle, and photos, at the time of delivery. All potential buyers are aware of any issues prior to the auction date. There are no upfront/out-of-pocket costs associated with the auction, however, they collect an 8% fee, for their services, that is deducted from the selling price. Typically, 10 days after auction, a statement and check are sent to the seller.

A Board Resolution is required for property that has an estimated fair market value of \$5,000 or more. In 2001 the District purchased this vehicle used, for \$16,000. With the cost of the repairs, we are aware of, it becomes difficult to estimate what a resale value might be. Following the outcome of the last auction, it is not unreasonable to think that it could sell for \$5,000 or more. The resolution follows this agenda item. Please note a Bill of Sale is not required for Surplus Property that will be sold at auction because a satisfactory Bill of Sale or other document transferring title is supplied by the auction house.

**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
KEN-CARYL RANCH METROPOLITAN DISTRICT**

A RESOLUTION AUTHORIZING SALE OF SURPLUS PROPERTY

WHEREAS, Ken-Caryl Ranch Metropolitan District ("**District**") is a political subdivision of the State, formed pursuant to C.R.S. § 32-1-101, *et seq.* to provide park and recreation facilities and services (collectively, the "**Services**");

WHEREAS, the District Board of Directors ("**Board**") has by prior resolution established a Surplus Property policy, the purpose of which is to sell, donate or otherwise dispose of tools, equipment, vehicles, or other forms of personal property that, whether due to the age, condition, obsolete technology, changed operations or otherwise, no longer further the District's Services or otherwise promote the efficient and effective conduct of the District's operations ("**Surplus Property**"). For purposes of this Resolution, the terms "sale", "sell", and "sold" shall be deemed to include sale by auction;

WHEREAS, the District Manager has through appropriate due diligence determined the property identified on the attached schedule is Surplus Property and is recommending the Surplus Property be sold.

NOW THEREFORE, be it resolved by the District Board that the District property described on the attached schedule is Surplus Property. The District Manager shall take all steps necessary and appropriate to sell the Surplus Property. The District Manager shall ensure the attached Bill of Sale is signed by the purchaser(s) in connection with the sale(s) of the Surplus Property, unless the Surplus Property will be sold at auction and a satisfactory Bill of Sale or other document transferring title is supplied by the auction house. The proceeds from the sale(s) of the Surplus Property shall be deposited in the District's General Fund.

DATED this 26th day of October, 2021.

BY THE BOARD OF DIRECTORS
KEN-CARYL RANCH METROPOLITAN DISTRICT

Director

Director

Director

Director

Director

Ken-Caryl Ranch Metropolitan District Agenda Item Executive Summary

Agenda Item: 2022 Draft Budget

Meeting Date: October 26, 2021

Executive Summary:

The 2022 draft budget is presented to the Board for discussion and consideration. The general philosophy for the 2022 budget was to regain financial stability, dramatically improve the level of service to the community, and retain staff. Much of what was lost during the massive reductions or eliminations caused by the COVID pandemic is causing operational issues that need to be addressed. The budget document includes overview and detailed information. As discussion ensues with the Board, additional comparisons and projections will be provided in future drafts. The Board received the draft budget on October 15. Slight modifications and adjustments have been made to 2021 projections since that time resulting in a slightly higher excess revenue over expenditure.

Since the draft budget was submitted on October 15, one major change has occurred regarding the North Ranch Park capital project. This \$250,000 project includes a playground replacement, conversion of the parking lot from road base to asphalt, and an accessible path from the parking lot to the playground/path. In August, the Board approved use of remaining unspent capital funds on early design services for North Ranch Park parking lot. The District was unable to secure services from numerous firms based on their current workload and backlog of projects. An on-site meeting was finally conducted with a firm on October 20. The firm is prepared to provide a proposal within two weeks; however, work may not be able to begin for up to two months. In addition, the firm considers this a *small* project which means design services tend to be at 15% of total project cost as opposed to the lower end at 7-10%. This on-site meeting also led to the discovery that the current detention pond may not meet current standards and requirements which will lead to much higher costs and much more entailed processes through Jefferson County. Staff would like to have a discussion with the Board and present options to account for this likely increased, yet unknown, cost. These options include:

- Use of additional unspent funds in 2021 that may not be spent by year end. This would be included in higher excess revenues over expenditures and could be earmarked for the project.
- Use of currently unspent 2021 capital project funds.
- Splitting of the project into a playground renovation first, then a parking lot/path project in 2023.
- Reprioritization of 2022 capital projects and selection of one or more to delay.

Staff would like to explore these options with the Board to determine next steps so that the budget can be revised for the November 15 meeting. Also, staff will provide a brief update regarding the playground replacement project and feedback received from the community meeting held on October 18.

The budget document is prepared separately from this packet with a different set of page numbers to allow Board members to easily separate it from the packet. There are several sections of the draft that are highlighted in yellow and may be amended or revised back on final assessment values and/or discussions with the Board. The presentation will focus on the high-level aspects of the 2022 budget including capital, fees, and reserves.