# SKY RANCH METROPOLITAN DISTRICT NO. 5
# ("DISTRICT")

370 Interlocken Boulevard
Suite 500
Broomfield, Colorado 80021
Tel: 303-466-8822
Fax: 303-466-9797

## NOTICE OF SPECIAL MEETING AND AGENDA

| Board of Directors: | Office: | Term Expiration: |
|---|---|---|
| Mark Harding | President | May 2023 |
| Kevin McNeill | Treasurer | May 2023/2022 |
| Scott Lehman | Secretary | May 2023 |
| Joe Knopinski | Assistant Secretary | May 2022 |
| Dirk Lashnits | Assistant Secretary | May 2022 |

DATE: February 12, 2021
TIME: 8:30 a.m.
PLACE: Pure Cycle Corporation
34501 E. Quincy Ave., Bldg. 34, Box 10
Watkins, CO 80137

CERTAIN BOARD MEMBERS AND CONSULTANTS OF THE DISTRICT MAY ATTEND THIS MEETING IN PERSON AT THE ABOVE-REFERENCED LOCATION. HOWEVER, DUE TO THE ON-GOING CONCERNS REGARDING THE SPREAD OF THE CORONAVIRUS (COVID-19) AND THE BENEFITS TO THE CONTROL OF THE SPREAD OF THE VIRUS BY LIMITING IN PERSON CONTACT, CERTAIN OTHER BOARD MEMBERS AND CONSULTANTS OF THE DISTRICT MAY ATTEND THIS MEETING VIA TELECONFERENCE, OR WEB-ENABLED VIDEO CONFERENCE. MEMBERS OF THE PUBLIC WHO WISH TO ATTEND THIS MEETING MAY CHOOSE TO ATTEND VIA TELECONFERENCE OR WEB- ENABLED VIDEO CONFERENCE USING THE INFORMATION BELOW.

IF YOU WISH TO ATTEND THIS MEETING BY WEB-ENABLED VIDEO CONFERENCE, USE THE LINK BELOW:

**Join Microsoft Teams Meeting**
https://teams.microsoft.com/l/meetup-join/19%3ameeting_MjJhMDdlMGUtNDQ5OC00MDRmLTlhOTMtNDU4MDNmMjA2YTA2%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%2216b1c71c-d483-4feb-8929-2d72ea1cdf59%22%7d
OR
CONFERENCE BRIDGE **1 720-547-5281**, AND PASSCODE **321 517 589#**

1. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

_____

_____

B. Confirm quorum, location of the meeting and posting of meeting notices. Approve Agenda.

2. PUBLIC COMMMENT

A. Members of the public may express their views to the Board on matters that affect the District that are otherwise not on the agenda. Comments will be limited to three (3) minutes per person.

3. CONSENT AGENDA

A. Approve the Minutes from the January 8, 2021 Special Meeting (enclosure).

4. FINANCIAL MATTERS

A. Review and Consider Approval of December 31, 2020 Financial Statements (enclosure)

5. LEGAL MATTERS

A. Discuss potential amendment to Amended and Restated Community Authority Board Establishment Agreement by and between the District and Sky Ranch Metropolitan District No. 1.

B. Conduct public hearing to consider exclusion of approximately 252.060 acres of property owned by PCY Holdings, LLC from the District. Consider adoption of Resolution for Exclusion of Real Property (enclosures).

5. OTHER BUSINESS

6. ADJOURNMENT

# RECORD OF PROCEEDINGS

---

## MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SKY RANCH METROPOLITAN DISTRICT NO. 5 ("DISTRICT") HELD JANUARY 8, 2021

A special meeting of the Board of Directors ("Board") of the District was convened on Thursday, the 8th day of January 2021, at 8:30 a.m. at Pure Cycle Corporation, 34501 E. Quincy Ave., Bldg. 34, Watkins, CO 80137. Due to the concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board meeting was also held virtually via Microsoft Teams and by conference call. The meeting was open to the public.

**Directors in Attendance Were**:
Mark Harding
Kevin McNeill
Scott Lehman
Joe Knopinski
Dirk Lashnits

**Also In Attendance Were**:
Lisa Johnson and Cathee Sutton; CliftonLarsonAllen LLP ("CLA")
Suzanne Meintzer, Esq.; McGeady Becher P.C.
Barrett Marrocco; Independent District Engineering Services, LLC ("IDES")
Madison Gardner and Rick Dinkel; Pure Cycle Corporation

**ADMINISTRATIVE MATTERS**

**Disclosure of Potential Conflicts of Interest**:
The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney Meintzer noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statue. Attorney Meintzer noted that all Directors' Disclosure Statements have been filed. No additional conflicts were disclosed.

# RECORD OF PROCEEDINGS

**Quorum, Agenda, Location of Meeting and Posting of Meeting Notice:**
Attorney Meintzer noted that all Directors were present, and a quorum was declared. The Board reviewed a proposed Agenda for the special meeting. Following discussion, upon a motion made by Director Knopinski, seconded by Director Lashnits and, upon vote, unanimously carried the Board approved the Agenda as presented.

The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Lashnits and, upon vote, unanimously carried, the Board determined that due to the ongoing concerns regarding the spread of COVID- 19 and the benefits to the control of the spread of the virus by limiting in-person contact, certain Board members and consultants of the District would attend this meeting in person at the above-referenced location. However, certain other Board members and consultants of the District would attend this meeting via video conference or teleconference. The Board further noted that the notice of the time, date, location, and video conference/teleconference information for the meeting was duly posted and that no objections to the means of hosting the meeting were received from taxpaying electors.

**Designation of 24-Hour Posting Location:** Following discussion, upon motion duly made by Director Lashnits, seconded by Director Knopinski, and upon vote unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted on the District website, or if the website is unavailable, within the boundaries of the District at least 24 hours prior to each meeting at the following location: northwest corner of the District boundaries.

**PUBLIC COMMENT** There was no public comment.

**CONSENT AGENDA** The Board considered the following actions:

- Approval of Minutes of the December 17, 2020 Special Meeting.

Following discussion, upon motion duly made by Director McNeill, seconded by Director Knopinski and, upon vote, unanimously carried, the Board approved the Consent Agenda item listed above.

## RECORD OF PROCEEDINGS

---

**LEGAL MATTERS**

**Inclusions and Exclusions Needed to Effectuate the Intent of the District's Amended and Restated Service Plan, and the Next Phase of Development:**

Attorney Meintzer discussed potential inclusions and exclusions needed to effectuate the intent of the District's Amended and Restated Service Plan, and the next phase of development. No action was taken.

**Conveyance of Certain Real Property:**

1. **Vacation of the 12-foot Trail Easement on TRACT L, SKY RANCH SUBDIVISION FILING NO. 1, recorded July 20, 2018 in the Real Property Records of Arapahoe County, Colorado (the "County") under Reception No. D8071296:**

The Board acknowledged that the twelve-foot trail easement on Tract L, SKY RANCH SUBDIVISION FILING NO. 1, recorded July 20, 2018 in the real property records of the County under Reception No. D8071296 would be vacated.

2. **TRACT A AND LOTS 1 THROUGH 3, INCLUSIVE, BLOCK 1, SKY RANCH SUBDIVISION FILING NO. 3, to be recorded in the Real Property Records of the County:**

The Board acknowledged that upon the recordation of the SKY RANCH SUBDIVISION FILING NO. 3 PLAT, Tract L of SKY RANCH SUBDIVISION FILING NO. 1 will be reconfigured into Tract A and Lots 1 through 3, INCLUSIVE, BLOCK 1, SKY RANCH SUBDIVISION FILING NO. 3, to be recorded in the real property records of the County.

3. **Conveyance of LOTS 1 THROUGH 3, INCLUSIVE, BLOCK 1, SKY RANCH SUBDIVISION FILING NO. 3, to be recorded in the Real Property Records of the County, from the District to PCY Holdings, LLC, a Colorado Limited Liability Company ("PCY"):**

Attorney Meintzer explained the need for the conveyance of LOTS 1 THROUGH 3, INCLUSIVE, BLOCK 1, SKY RANCH SUBDIVISION FILING NO. 3 from the District to PCY.

   a. **Real Property Conveyance Agreement (the "Conveyance Agreement") by and between the Sky Ranch Community Authority Board ("CAB"), the District, and PCY:**

Following discussion, upon motion duly made by Director Harding, seconded by Director Knopinski and, upon vote, unanimously carried, the Board approved the Conveyance Agreement by and between the CAB, the District, and PCY and authorized any necessary actions related thereto.

b. **Special Warranty Deed Conveying LOTS 1 THROUGH 3, INCLUSIVE, BLOCK 1, SKY RANCH SUBDIVISION FILING NO. 3, to be recorded in the Real Property Records of the County, from the District to PCY:**

The Board acknowledged the Special Warranty Deed conveying LOTS 1 THROUGH 3, INCLUSIVE, BLOCK 1, SKY RANCH SUBDIVISION FILING NO. 3, to be recorded in the real property records of the County, from the District to PCY and authorized any necessary actions related thereto.

4. **Conveyance of Certain Tracts from the District to the CAB:** Attorney Meintzer explained the need for the conveyance of certain tracts from the District to the CAB.

a. **Conveyance Agreement by and between the CAB, the District, and PCY:**

Following discussion, the Board acknowledged its previous approval (earlier in the meeting) of the Conveyance Agreement by and between the CAB, the District, and PCY.

b. **Special Warranty Deed Conveying Certain Tracts on SKY RANCH SUBDIVISION FILING NO. 1, recorded July 20, 2018 in the Real Property Records of the County under Reception No. D8071296; SKY RANCH SUBDIVISION FILING NO. 2, recorded June 24, 2019 in the Real Property Records of the County under Reception No. D9060421; and SKY RANCH SUBDIVISION FILING NO. 3, to be recorded in the Real Property Records of the County, from the District to the CAB:**

Following discussion, upon motion duly made by Director Harding, seconded by Director Knopinski and, upon vote, unanimously carried, the Board approved the Special Warranty Deed conveying certain tracts on SKY RANCH SUBDIVISION FILING NO. 1, recorded July 20, 2018 in the real property records of the County under Reception No. D8071296; SKY RANCH SUBDIVISION FILING NO. 2, recorded June 24, 2019 in the real property records of the County under Reception No. D9060421; and SKY RANCH SUBDIVISION FILING NO. 3, to be recorded in the real property records of the County, from the District to the CAB and authorized any necessary actions related thereto.

**Executive Session Pursuant to Sections 24-6-402(4)(a) and (b), C.R.S.:**
It was determined that an Executive Session was not necessary.

## RECORD OF PROCEEDINGS

---

**OTHER BUSINESS** There was no other business presented.

**ADJOURNMENT** There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned at 9:57 a.m.

Respectfully submitted,

By:_____

# SKY RANCH METROPOLITAN DISTRICT NO. 5
## FINANCIAL STATEMENTS

DECEMBER 31, 2020

# SKY RANCH METROPOLITAN DISTRICT NO. 5
## BALANCE SHEET - GOVERNMENTAL FUNDS
## DECEMBER 31, 2020

| | General Fund | Reginoal Improvements Fund | TOTAL |
|---|---|---|---|
| **ASSETS** | | | |
| Receivable - County Treasurer | $ 806 | $ - | $ 806 |
| Property taxes receivable | 68,803 | 58,087 | 126,890 |
| **TOTAL ASSETS** | $ 69,609 | $ 58,087 | $ 127,696 |
| **LIABILITIES, DEFFERED INFLOWS OF RESOURCES AND FUND BALANCES** | | | |
| **LIABILITIES** | | | |
| Due to Sky Ranch CAB | $ 806 | $ - | $ 806 |
| **Total Liabilities** | 806 | - | 806 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Deferred property taxes | 68,803 | 58,087 | 126,890 |
| **Total Deferred Inflows of Resources** | 68,803 | 58,087 | 126,890 |
| **FUND BALANCES** | | | |
| Fund balances | - | - | - |
| **TOTAL LIABILITIES, DEFFERED INFLOWS OF RESOURCES, AND FUND BALANCES** | $ 69,609 | $ 58,087 | $ 127,696 |

The accompanying financial statements of Sky Ranch Metropolitan District No. 5 as of and for the period ended December 31, 2020, were not subjected to an audit, review, or compilation by CLA and, we do not express an opinion, conclusion, nor provide any assurance on them. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

# SKY RANCH METROPOLITAN DISTRICT NO. 5
## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
### FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2020

## GENERAL FUND

| | Annual Budget | Year to Date Actual | Variance |
|---|---|---|---|
| **REVENUES** | | | |
| Property taxes | $ 164,828 | $ 164,828 | $ - |
| Specific ownership taxes | 13,186 | 11,681 | (1,505) |
| Interest income | - | 4 | 4 |
| TOTAL REVENUES | 178,014 | 176,513 | (1,501) |
| **EXPENDITURES** | | | |
| County Treasurer's fees | 2,472 | 2,472 | - |
| Transfer to Sky Ranch CAB | 175,542 | 174,041 | 1,501 |
| TOTAL EXPENDITURES | 178,014 | 176,513 | 1,501 |
| **NET CHANGE IN FUND BALANCES** | - | - | - |
| **FUND BALANCES - BEGINNING** | - | - | - |
| **FUND BALANCES - ENDING** | $ - | $ - | $ - |

The accompanying financial statements of Sky Ranch Metropolitan District No. 5 as of and for the period ended December 31, 2020, were not subjected to an audit, review, or compilation by CLA and, we do not express an opinion, conclusion, nor provide any assurance on them. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

# SUPPLEMENTARY INFORMATION

# SKY RANCH METROPOLITAN DISTRICT NO. 5
## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
### FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2020

## REGIONAL IMPROVEMENTS FUND

| | Annual Budget | Year to Date Actual | Variance |
|---|---|---|---|
| **REVENUES** | | | |
| Total revenues | $ - | $ - | $ - |
| **EXPENDITURES** | | | |
| Total expenditures | - | - | - |
| **NET CHANGE IN FUND BALANCES** | - | - | - |
| **FUND BALANCES - BEGINNING** | - | - | - |
| **FUND BALANCES - ENDING** | $ - | $ - | $ - |

The accompanying financial statements of Sky Ranch Metropolitan District No. 5 as of and for the period ended December 31, 2020, were not subjected to an audit, review, or compilation by CLA and, we do not express an opinion, conclusion, nor provide any assurance on them. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

# PETITION FOR EXCLUSION

In accordance with Section 32-1-501(1), C.R.S., the undersigned, **PCY HOLDINGS, LLC**, a Colorado limited liability company (the "**Petitioner**"), does hereby respectfully petition **SKY RANCH METROPOLITAN DISTRICT NO. 5** (the "**District**"), acting by and through its Board of Directors ("**Board**"), for the exclusion of certain real property from the boundaries of the District, subject to the conditions described herein (the "**Exclusion**").

The Petitioner represents to the District as follows:

1. The land to be excluded consists of approximately 252.060 acres situate in the County of Arapahoe, State of Colorado and is legally described on **Exhibit A** attached hereto and incorporated herein by this reference (the "**Property**"), and, at present, constitutes a portion of the District.

2. The Petitioner is the fee owner of one hundred percent (100%) of the Property and no other person(s), entity or entities own(s) an interest in the Property except as beneficial holder(s) of encumbrances.

3. The Petitioner hereby assents to the exclusion of the Property from the boundaries of the District and to the entry of an Order in the District Court, County of Arapahoe, State of Colorado (the "**Court**"), excluding the Property from the boundaries of the District. The Petitioner acknowledges that there shall be no withdrawal of the Petition from consideration by the Board after publication of notice of the hearing therefore, without the Board's consent.

4. The Petitioner agrees that it will pay, or cause to be paid, the fees incurred by the District for the Exclusion if this Petition is accepted, including the costs of publication of appropriate legal notices and legal fees and costs incurred by the District in connection with the Exclusion of the Property.

5. This Petition is accompanied by a deposit of money sufficient to pay all costs of the exclusion proceedings.

The Petitioner hereby requests that the Board approve the Exclusion of the Property from the boundaries of the District and that the District file a motion with the Court requesting that an Exclusion Order be entered, stating that from and after the effective date of the Exclusion Order, the Property shall not be liable for bonded indebtedness, assessments or other obligations of the District which may be incurred after the effective date of the Order.

Signed: January 29, 2021.

**PCY HOLDINGS, LLC**, a Colorado limited liability company

By: **PURE CYCLE CORPORATION**, its Sole Member

By: _____
Name: Mark Harding
Title: President

Address of Petitioner:
34501 E. Quincy Avenue, Bldg. 34
Watkins, CO 80137

STATE OF COLORADO )
) ss.
COUNTY OF ARAPAHOE )

The foregoing instrument was acknowledged before me this 29 day of January, 2021, by Mark Harding, as the President of Pure Cycle Corporation, the Sole Member of PCY Holdings, LLC.

Witness my hand and official seal.

My commission expires: 1-11-2022

Brent Brouillard
Notary Public

BRENT BROUILLARD
Notary Public
State of Colorado
Notary ID # 20184002024
My Commission Expires 01-11-2022

# EXHIBIT A

Legal Description of Property

A PARCEL OF LAND BEING LOCATED IN THE WEST HALF OF SECTION 3 AND THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 4 SOUTH, RANGE 65 WEST, SIXTH PRINCIPAL MERIDIAN, ARAPAHOE COUNTY, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE WEST QUARTER CORNER OF SAID SECTION 3 MONUMENTED BY A FOUND NO. 4 REBAR WITH A 2 INCH DIAMETER BRASS CAP SET BY PLS 4043, WHENCE THE SOUTHWEST CORNER OF SAID SECTION 3 MONUMENTED BY A FOUND 1 INCH DIAMETER REBAR WITH A 2-1/2 INCH DIAMETER ALUMINUM CAP SET BY PLS 15244 BEARS SOUTH 00°21'27" EAST, A DISTANCE OF 2634.60 FEET WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 61°42'26" EAST, A DISTANCE OF 81.49 FEET TO THE **POINT OF BEGINNING**;

THENCE NORTH 89°30'03" EAST A DISTANCE OF 370.00 FEET;

THENCE NORTH 00°21'35" WEST A DISTANCE OF 203.11 FEET;

THENCE NORTH 89°30'03" EAST A DISTANCE OF 273.00 FEET;

THENCE SOUTH 00°21'35" EAST A DISTANCE OF 241.11 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3;

THENCE NORTH 89°30'03" EAST A DISTANCE OF 1928.98 FEET ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3 TO THE CENTER QUARTER CORNER OF SAID SECTION 3;

THENCE SOUTH 00°28'30" EAST A DISTANCE OF 2646.20 FEET ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3 TO THE SOUTH QUARTER CORNER OF SAID SECTION 3;

THENCE SOUTH 00°06'39" EAST A DISTANCE OF 1382.50 FEET ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 10;

THENCE SOUTH 89°45'06" WEST A DISTANCE OF 1697.75 FEET;

THENCE SOUTH 00°14'54" EAST A DISTANCE OF 325.48 FEET;

THENCE SOUTH 70°50'35" WEST A DISTANCE OF 584.54 FEET;
THENCE SOUTH 89°33'45" WEST A DISTANCE OF 389.08 FEET TO A POINT ON THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 10;

THENCE NORTH 00°26'15" WEST A DISTANCE OF 1898.71 FEET ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 10 TO THE SOUTHWEST CORNER OF SAID SECTION 3;

THENCE NORTH 00°21'27" WEST A DISTANCE OF 2353.74 FEET ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3;

THENCE NORTH 89°38'33" EAST A DISTANCE OF 72.00 FEET;

THENCE NORTH 00°21'28" WEST A DISTANCE OF 319.04 FEET TO THE **POINT OF BEGINNING**.

EXCEPT THE 6TH AVENUE 60' RIGHT OF WAY AS RECORDED IN BOOK 6 PAGE 431. SAID PARCEL CONTAINING A CALCULATED AREA OF 10,979,756 SQUARE FEET OR 252.060 ACRES, MORE OR LESS.

THE LINEAL UNIT USED IN THE PREPARATION OF THIS LEGAL DESCRIPTION IS THE U.S. SURVEY FOOT AS DEFINED BY THE UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

**RESOLUTION NO. 2021-02-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF SKY RANCH METROPOLITAN DISTRICT NO. 5**

**RESOLUTION FOR EXCLUSION OF REAL PROPERTY**

A. PCY Holdings, LLC, a Colorado limited liability company (the "**Petitioners**"), the 100% fee owner of the Property (defined herein) has petitioned the Sky Ranch Metropolitan District No. 5 (the "**District**") for the exclusion from the boundaries of said District of the real property hereinafter described on **Exhibit A** attached hereto and incorporated herein (the "**Property**").

B. Public Notice has been published in accordance with Section 32-1-501(2), C.R.S., calling for a public hearing on the request for approval of said Petition.

C. No written objection was filed by any person in the District to the Petition.

D. The Board of Directors has taken into consideration all of the factors set forth in Section 32-1-501(3), C.R.S.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SKY RANCH METROPOLITAN DISTRICT NO. 5, ARAPAHOE COUNTY, COLORADO:

1. The Board of Directors finds that:

(a) exclusion of the Property is in the best interests of the Property to be excluded;

(b) exclusion of the Property is in the best interests of the District;

(c) exclusion of the Property is in the best interests of the county or counties in which the District is located;

(d) the relative costs to the Property to be excluded from the provision of the District's services exceed the benefits of the Property remaining within the District's boundaries;

(e) under its current service plan the District does not have the ability to provide economical and sufficient service to both the Property seeking exclusion and all of the properties located within the District boundaries;

(f) the District does not have the ability to provide services to the Property to be excluded at a reasonable cost compared with the cost which would be imposed by other entities in the surrounding area providing similar services;

(g) denying the petition may have a negative impact on employment and other economic conditions in the District and surrounding areas;

(h) denying the petition may have a negative economic impact on the region and on the District, surrounding area and State as a whole;

(i) an economically feasible alternative service may be available; and

(j) it should not be necessary for the District to levy any additional costs on other property within the District if the Petition for Exclusion is granted.

2. The Board of Directors of the District shall and hereby does, order that the Petition for Exclusion be granted and the Property be excluded from the boundaries of the District subject to Petitioner paying the costs associated with processing the petition and requesting the court enter the Order for Exclusion, and recording thereof.

3. The Board of Directors of the District shall and hereby does further acknowledge and resolve that in accordance with Section 32-1-503, C.R.S., the Property described herein shall be obligated to the same extent as all other property within the District with respect to and shall be subject to the levy of taxes for the payment of that proportion of the outstanding indebtedness of the District and interest thereon existing immediately prior to the effective date of the Order for Exclusion ("**Outstanding Indebtedness**").

4. The Board of Directors of the District shall and hereby does further order that, in accordance with Section 32-1-503(1), C.R.S., upon the effective date of the Order excluding the Property, the Property shall not be subject to any property tax levied by the Board of Directors of the District for the operating costs of the District.

5. The Board of Directors of the District shall and hereby does further resolve that in its discretion it may establish, maintain, enforce and, from time to time, modify service charges, tap fees, and other rates, fees, tolls and charges, upon residents or users in the area of the District as it existed prior to the exclusion, including the Property, to supplement the proceeds of tax levies in the payment of the Outstanding Indebtedness and the interest thereon.

The name and address of the Petitioner of one hundred percent (100%) of the Property and the legal description of said Property are as follows:

| | |
|---|---|
| Petitioner: | PCY Holdings, LLC |
| Address of Petitioner: | 34501 E. Quincy Avenue, Bldg. 34<br>Watkins, CO 80137 |
| Legal Description of the Property: | Approximately 252.060 acres of land legally described on **Exhibit A** and incorporated herein by this reference. |

APPROVED AND ADOPTED February 12, 2021.

**SKY RANCH METROPOLITAN DISTRICT NO. 5**

By: _____
President

Attest:

_____
Secretary

**EXHIBIT A**

Legal Description

A PARCEL OF LAND BEING LOCATED IN THE WEST HALF OF SECTION 3 AND THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 4 SOUTH, RANGE 65 WEST, SIXTH PRINCIPAL MERIDIAN, ARAPAHOE COUNTY, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE WEST QUARTER CORNER OF SAID SECTION 3 MONUMENTED BY A FOUND NO. 4 REBAR WITH A 2 INCH DIAMETER BRASS CAP SET BY PLS 4043, WHENCE THE SOUTHWEST CORNER OF SAID SECTION 3 MONUMENTED BY A FOUND 1 INCH DIAMETER REBAR WITH A 2-1/2 INCH DIAMETER ALUMINUM CAP SET BY PLS 15244 BEARS SOUTH 00°21'27" EAST, A DISTANCE OF 2634.60 FEET WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 61°42'26" EAST, A DISTANCE OF 81.49 FEET TO THE **POINT OF BEGINNING**;

THENCE NORTH 89°30'03" EAST A DISTANCE OF 370.00 FEET;

THENCE NORTH 00°21'35" WEST A DISTANCE OF 203.11 FEET;

THENCE NORTH 89°30'03" EAST A DISTANCE OF 273.00 FEET;

THENCE SOUTH 00°21'35" EAST A DISTANCE OF 241.11 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3;

THENCE NORTH 89°30'03" EAST A DISTANCE OF 1928.98 FEET ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3 TO THE CENTER QUARTER CORNER OF SAID SECTION 3;

THENCE SOUTH 00°28'30" EAST A DISTANCE OF 2646.20 FEET ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3 TO THE SOUTH QUARTER CORNER OF SAID SECTION 3;

THENCE SOUTH 00°06'39" EAST A DISTANCE OF 1382.50 FEET ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 10;

THENCE SOUTH 89°45'06" WEST A DISTANCE OF 1697.75 FEET;

THENCE SOUTH 00°14'54" EAST A DISTANCE OF 325.48 FEET;

THENCE SOUTH 70°50'35" WEST A DISTANCE OF 584.54 FEET;
THENCE SOUTH 89°33'45" WEST A DISTANCE OF 389.08 FEET TO A POINT ON THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 10;

THENCE NORTH 00°26'15" WEST A DISTANCE OF 1898.71 FEET ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 10 TO THE SOUTHWEST CORNER OF SAID SECTION 3;

THENCE NORTH 00°21'27" WEST A DISTANCE OF 2353.74 FEET ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 3;

THENCE NORTH 89°38'33" EAST A DISTANCE OF 72.00 FEET;

THENCE NORTH 00°21'28" WEST A DISTANCE OF 319.04 FEET TO THE **POINT OF BEGINNING**.

EXCEPT THE 6TH AVENUE 60' RIGHT OF WAY AS RECORDED IN BOOK 6 PAGE 431. SAID PARCEL CONTAINING A CALCULATED AREA OF 10,979,756 SQUARE FEET OR 252.060 ACRES, MORE OR LESS.

THE LINEAL UNIT USED IN THE PREPARATION OF THIS LEGAL DESCRIPTION IS THE U.S. SURVEY FOOT AS DEFINED BY THE UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

## CERTIFICATION

The undersigned hereby certifies that the foregoing is a true and correct copy of Resolution No. 2021-02-01, Resolution of the Board of Directors of Sky Ranch Metropolitan District No. 5, Resolution for Exclusion of Real Property.

**SKY RANCH METROPOLITAN DISTRICT NO. 5**

Date: February 12, 2021 By: _____

Secretary