

JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 . 800-741-3254
Fax: 303-987-2032

NOTICE OF REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Gregg Bradbury	President	2023/May 2023
Jeff L. Nading	Treasurer	2022/May 2022
Charles Church McKay	Assistant Secretary	2023/May 2023
Steve Nading	Assistant Secretary	2022/May 2022
Brandon Dooling	Assistant Secretary	2023/May 2022
David Solin	Secretary	

DATE March 22, 2022 (Tuesday)

TIME: 9:30 A.M.

PLACE: **Zoom Meeting: This meeting will be held via Zoom without any individuals (neither District representatives nor the general public) attending in person. The meeting can be joined through the directions below:**

Join Zoom Meeting

<https://us02web.zoom.us/j/5469119353?pwd=SmtlcHJETFhCQUZEcVBBOGZVU3Fqdz09>

Meeting ID: 546 911 9353

Passcode: 912873

Dial In: 1-253-215-8782 or 1-336-248-7799

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

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

C. Review and approve Minutes of the February 22, 2022 Regular Meeting (enclosure).

II. PUBLIC COMMENT

A. _____

III. CONSENT AGENDA – These items are considered to be routine and will be approved and/or ratified by one motion. There will be no separate discussion of these items unless a Board Member so requests, in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.

- Ratify approval of Task Order No. 24 to the Master Service Agreement for Construction Observation and Materials Testing Services between the District and CTL/Thompson, Inc., for Candelas Indiana North, in the amount of \$83,475.
 - Ratify approval of Work Order No. 7 to the Service Agreement between the District and Golden Triangle Construction, Inc., to Modify Existing Storm Structure, in the amount of \$4,723.
-

IV. FINANCIAL MATTERS

A. Review and consider approval of the payment of claims through the period ending March 11, 2022, in the amount of \$245,119.21 (enclosure).

B. Review and accept cash position statement as of March 15, 2022 (enclosure).

C. Review forecast of General Fund Revenues and Expenditures (enclosure).

D. Review Expense Tracking Report (to be distributed) and consider approval of District Expenditures Verification Report (to be distributed).

E. Discuss future operation and maintenance obligations, and related budget matters.

V. MANAGEMENT MATTERS

A. Discuss status of Water Allocations and Facilities Fees Collections (enclosure).

VI. LEGAL MATTERS

A. Discuss status of acquisition of Highway 72 Remnant Lot (enclosure). **ADJOURN TO EXECUTIVE SESSION, IF NECESSARY.**

- B. Discuss status of Intergovernmental Agreement for Off-Site Public Improvements for the Trailstone Development by and between the City of Arvada and the District.
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- C. Discuss status of Declaration of Covenants for Candelas Commercial Filing No. 4 by Cimarron Development Company and the District.
-

- D. **Issuance of the District's General Obligation Refunding and Improvement Bonds, Series 2023 (the "Refunding Bonds"):**

1. Review and consider approval of Underwriter/Placement Engagement Letter between the District and Piper Sandler & Co. (enclosure).
-

- E. Discuss status of May 3, 2022 Regular Directors' Election.
-

VII. CONSTRUCTION MATTERS

- A. Review Construction Status Report (to be distributed).
-

- B. Consider approval of contracts, task orders, work orders and change orders.
-

VIII. CAPITAL IMPROVEMENTS

- A. _____

IX. OTHER BUSINESS

- A. _____

- X. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR APRIL 26, 2022.**

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1 HELD FEBRUARY 22, 2022

A Regular Meeting of the Board of Directors of the Jefferson Center Metropolitan District No. 1 (referred to hereafter as "Board") was convened on Tuesday, February 22, 2022, at 9:30 a.m. This District Board meeting was held by video/telephone conference with all participants attending via video/teleconference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Gregg Bradbury
Jeff L. Nading
Charles Church McKay
Steven Nading
Brandon Dooling

Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Emily Murphy, Esq.; McGeady Becher P.C.

Joy Tatton; Simmons & Wheeler, P.C.

Wes Back and Elesha Carbaugh-Gonzales; Independent District Engineering Services, LLC

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures 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. Mr. Solin noted that a quorum was present and requested members of the Board 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 statute. Attorney Murphy noted that all Directors' Disclosure Statements had been filed and that no additional conflicts were disclosed at the meeting.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: Mr. Solin distributed, for the Board's review and approval, a proposed agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director McKay, seconded by Director Jeff Nading and, upon vote, unanimously carried, the agenda was approved, as presented.

Location of Meeting and Posting of Notices: 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. The Board determined that the meeting would be held by video/telephonic means, and encouraged public participation via video or telephone. The Board further noted that notice of the time, date and location of the meeting was duly posted and that the District had not received any objections to the video/telephonic manner of the meeting, or any requests that the video/telephonic manner of the meeting be changed by taxpaying electors within the District boundaries.

Minutes: The Board reviewed the minutes of the January 25, 2022 Regular Meeting.

Following discussion, upon motion duly made by Director Steven Nading, seconded by Director Bradbury and, upon vote, unanimously carried, the minutes of the January 25, 2022 Regular Meeting were approved, as presented.

PUBLIC COMMENT

There were no public comments.

CONSENT AGENDA

The Board considered the following actions:

- Ratify approval of construction contract for the Candelas Parkway Southern Sidewalk between the District and Thoutt Bros. Concrete Contractors, Inc., in the amount of \$604,425.50.
- Ratify approval of construction contract for Candelas Indiana North between the District and Wagner Construction, Inc., in the amount of \$5,398,096.
- Ratify approval of Change Order No. 3 to the Contract between the District and JBS Pipeline, LLC, d/b/a JBS Pipeline Contractors, for box culvert full closure changes, in the amount of \$68,861.81.
- Ratify approval of Task Order No. 14 to the Service Agreement for District Oversight Services between the District and Independent District Engineering Services, LLC, for District Oversight Services, in the amount of \$228,000.

RECORD OF PROCEEDINGS

- Ratify approval of Task Order No. 14 to the Service Agreement for Traffic Engineering Services between the District and Kimley-Horn and Associates, Inc., for Candelas 72-93 Traffic Impact Study, in the amount of \$7,000.
- Ratify approval of Task Order No. 3-A11 to the Service Agreement between the District and Martin/Martin, Inc., for SH93/SH72 Engineering, in the amount of \$42,500.
- Ratify approval of Task Order No. 7-A9 to the Service Agreement between the District and Martin/Martin, Inc., for JCMD Parcel Coordination, in the amount of \$10,000.
- Ratify approval of Task Order No. 8-A5 to the Service Agreement between the District and Martin/Martin, Inc., for On-Call Survey, in the amount of \$7,500.
- Ratify approval of Task Order No. 22-A7 to the Service Agreement between the District and Martin/Martin, Inc., for Indiana North Infrastructure Design, in the amount of \$3,000.
- Ratify approval of Task Order No. 25-A1 to the Service Agreement between the District and Martin/Martin, Inc., for Candelas Sanitary Sewer Outfall, in the amount of \$3,500.

Following review, upon motion duly made by Director Bradbury, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Board approved and/or ratified approval of, as appropriate, the above Consent Agenda items/actions.

FINANCIAL MATTERS

Claims: The Board considered approval of the payment of claims through the period ending February 22, 2022.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Board approved the payment of claims, as amended to \$653,761.70.

Unaudited Financial Statements: Ms. Tatton reviewed with the Board the unaudited financial statements for the period ending December 31, 2021 and the cash position statement as of February 15, 2022.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Steven Nading and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending December 31, 2021 and the cash position statement as of February 15, 2022.

Expense Tracking Report (ETR): Ms. Carbaugh-Gonzales reviewed the Expense Tracking Report with the Board.

RECORD OF PROCEEDINGS

District Expenditures Verification Report prepared by Independent District Engineering Services, LLC (“IDES”): Ms. Carbaugh-Gonzales reviewed with the Board IDES’ report entitled “District Expenditures Verification for February 2022,” which summarizes IDES’ review and verification of the expenditures of the District for February 2022 related to certain District construction contracts. The Verification Report identified \$653,761.70 of District Eligible Expenses and \$-0- of Non-Eligible Expenses.

Following discussion, upon motion duly made by Director Steven Nading, seconded by Director Bradbury and, upon vote, unanimously carried, the Board determined to accept the District Eligible Expenses in the amount of \$653,761.70.

Forecast of General Fund Revenues and Expenditures: Ms. Tatton reviewed, and the Board discussed, the forecast of General Fund revenues and expenditures.

Allocation of AURA Revenues: Ms. Tatton reviewed, and the Board discussed, the allocation of AURA revenues.

Project Fund Requisition No. 2: The Board discussed Project Fund Requisition No. 2 (under the Series 2020B Bonds) authorizing payment to the City of Arvada for Design and Bid Phase Engineering Services for the Alkire Lift Station.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Board approved Project Requisition No. 2 (under the Series 2020B Bonds) authorizing payment to the City of Arvada for Design and Bid Phase Engineering Services for the Alkire Lift Station, in the amount of \$89,790.00.

Future Operation and Maintenance Obligations: The Board discussed future operation and maintenance obligations and budget matters.

MANAGEMENT MATTERS

Water Allocations and Facilities Fees Collections: Mr. Solin reviewed the status of water allocations and facilities fees billing and collection with the Board.

LEGAL MATTERS

Acquisition of Highway 72 Remnant Lot: Attorney Murphy updated the Board on the status of acquisition of the Highway 72 Remnant Lot.

RECORD OF PROCEEDINGS

CONSTRUCTION MATTERS

Construction Status Report: Mr. Back reviewed the Project Status Report dated February 22, 2022, with the Board. A copy of the report is attached hereto and incorporated herein by this reference.

Contracts, Task Orders, Work Orders and Change Orders: Mr. Back discussed the following Agreements, Contracts, Task Orders, Work Orders and Change Orders:

- Consider approval of Task Order No. 24 to the Master Service Agreement for Construction Observation and Materials Testing Services between the District and CTL/Thompson, Inc., for Candelas Indiana North, in the amount of \$83,475.
- Consider approval of Work Order No. 7 to the Service Agreement between the District and Golden Triangle Construction, Inc., to Modify Existing Storm Structure, in the amount of \$4,723.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director McKay and, upon vote, unanimously carried, the Board approved (or ratified approval of, as appropriate) the Agreements, Contracts, Change Orders, Task Orders and Work Orders listed above.

State Highway 93 & 72 Box Culvert Project: As this was addressed by Mr. Back during the presentation of the Construction Status Report, no additional discussion was necessary.

CAPITAL IMPROVEMENTS

There were no capital improvements matters presented.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director McKay, seconded by Director Steven Nading and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

Vendor	Invoice #	Date	Amount in USD	Expense Account	Account Number	Department
360 Rail Services, LLC		65,886,597 3/2/2022	1,500.71	Capital Outlay	7500	3
AldermanBernstein		17485 2/4/2022	638.50	Legal	6750	3
CDPHE	WC221121889	2/23/2022	175.00	Capital Outlay	7500	3
CDPHE	WC221121832	2/23/2022	175.00	Capital Outlay	7500	3
Colorado Community Media		48940 2/18/2022	30.96	Miscellaneous	6850	1
Galloway & Company Inc		104542 2/15/2022	620.00	Engineering	7840	3
Golden Triangle Construction Inc		2 11/30/2021	(1,829.55)	Retainage Payable	3311	3
Golden Triangle Construction Inc		2 11/30/2021	36,591.00	Capital Outlay	7500	3
Independent District Engineering Services		8567 2/28/2022	437.50	Project management	7800	1
Independent District Engineering Services		8567 2/28/2022	47,999.10	Project management	7800	3
	20.0668-00017, 20.0717-00017,					
Martin Martin Inc	20.0862-00019	2/21/2022	18,985.00	Engineering	7840	3
McCloud & Associates	3.11.22 #21.29A	3/11/2022	1,200.00	Capital Outlay	7500	3
McGeady Becher P.C.	2.22 599B	2/28/2022	4,812.50	Legal	6750	3
McGeady Becher P.C.	2.22 599B	2/28/2022	4,151.50	Legal	6750	1
McGeady Becher P.C.	1.22 599B	1/31/2022	5,946.75	Legal	6750	3
McGeady Becher P.C.	1.22 599B	1/31/2022	9,816.50	Legal	6750	1
Otten Johnson Robinson Neff & Ragonetti		466119 2/15/2022	1,725.00	Legal	6750	3
Papillon LLC		1400 2/22/2022	26,150.47	Project management	7800	3
Special District Management Services, Inc.		2/28/2022 2/28/2022	1,704.60	Management fees	6100	1
Storm Water Asset Protection, LLC	SWAP0532	2/28/2022	2,268.22	Capital Outlay	7500	3
SurvWest, LLC		145570 2/24/2022	25,227.00	Engineering	7840	3
WYOCO Erosion Control, Inc.		2515 2/24/2022	1,107.30	Capital Outlay	7500	3
Wagner Construction, Inc.		2 2/25/2022	(2,930.85)	Retainage Payable	3311	3
Wagner Construction, Inc.		2 2/25/2022	58,617.00	Capital Outlay	7500	3
			<u>245,119.21</u>			

Jefferson Center Metropolitan District No. 1
Cash Position
March 15, 2022

	First Bank General Fund	First Bank Capital Fund	Colotrust General Fund	Colotrust Debt Service Fund	Colotrust Capital	UMB Indiana Escrow	UMB Senior Project Fund	UMB Subordinate Project Fund	Total
Balance at 2/15/2022	0.00	9,453.16	322,896.28	92,151.29	497,569.13	3,222.00	7.66	40,884,369.71	41,809,669.23
Transfer from CT to First Bank	0.00	15,000.00			(15,000.00)				0.00
February bill.com payments	(13,406.96)	(439,139.74)							(452,546.70)
Xcel Payments	(99.44)								(99.44)
Bank Charge	(20.00)								(20.00)
Denver Water					116,372.38				116,372.38
1/31/2022 Interest Income			67.66					3,031.30	3,098.96
Property taxes received 3/10/2022			57,088.16	570,961.11					628,049.27
Transfer between funds	13,526.40	(13,526.40)	(13,526.40)		13,526.40				0.00
Project Fund Requisition #2								(89,790.00)	(89,790.00)
Project Fund Requisition #3		439,139.74						(439,139.74)	0.00
Project Fund Requisition #4								(111,425.00)	(111,425.00)
Balance at 3/15/2022	0.00	10,926.76	366,525.70	663,112.40	612,467.91	3,222.00	7.66	40,247,046.27	41,903,308.70

JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1
2022 FORECAST OF GENERAL FUND REVENUES AND EXPENDITURES
AS of 2/28/2022

	Acutal Paid/Received in												Estimated						December 2021 received/paid in January 2022	Total Actual	Total Estimated	Total year to date & estimate	Difference to original budget
	2021 Budget	January	February	March	April	May	June	July	August	September	October	November	December										
Revenues:																							
Property taxes (net of AURA increment)	82,683		267	56,487				25,930									267	82,416	82,683	-			
Specific ownership taxes	18,030		1,634	1,449	1,542	1,542	1,542	1,542	1,542	1,542	1,542	1,542	1,542	1,542	1,542	1,634	16,864	18,498	468				
AURA tax increment - District's mill levy	174,887					87,444		87,444								-	174,887	174,887	-				
Interest Income	9,984	56	68	62	62	62	62	62	62	62	62	62	62	62	124	620	744	(9,240)					
Total Revenues	285,584	56	1,969	57,997	1,604	89,047	1,604	27,533	89,047	1,604	1,604	1,604	1,604	1,542	2,025	274,787	276,812	(8,772)					
Expenses:																							
Legal	55,000			5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-	55,000	55,000	-					
Accounting	6,000			545	545	545	545	545	545	545	545	545	545	545	-	6,000	6,000	-					
Audit	5,500								5,500						-	5,500	5,500	-					
Landscape Maintenance															-	-	-	-					
Monthly Ground Services	31,600	2,506	2,506	2,506	2,506	2,506	2,506	2,506	2,506	2,506	2,506	2,506	2,506	5,012	25,060	30,072	1,528						
Snow removal	3,000	380	903	642								642	642	642	1,283	2,566	3,849	(849)					
Repairs	15,000			1,364	1,364	1,364	1,364	1,364	1,364	1,364	1,364	1,364	1,364	1,364	-	15,000	15,000	-					
Management fees	32,000		2,634	2,634	2,634	2,634	2,634	2,634	2,634	2,634	2,634	2,634	2,634	2,634	2,634	28,974	31,608	392					
Project Management	3,500		312	312	312	312	312	312	312	312	312	312	312	312	312	3,432	3,744	(244)					
Elections	2,000					2,000									-	2,000	2,000	-					
Insurance	6,300	5,225		1,075											5,225	1,075	6,300	-					
Miscellaneous	2,000	30	20	25	25	25	25	25	25	25	25	25	25	50	250	300	1,700						
Office Supplies	1,000			91	91	91	91	91	91	91	91	91	91	-	1,000	1,000	-						
Utilities	10,000														-	-	-	10,000					
Xcel Energy		85	99	92	92	92	92	92	92	92	92	92	92	184	920	1,104	(1,104)						
City of Arvada		798		1,174		1,174		1,174		1,174		1,174		798	5,869	6,667	(6,667)						
Treasurer's fees	3,864		4	847	-	-	389	-	-	-	-	-	-	4	1,236	1,240	2,624						
Transfer to #2 General Fund	53,978				13,495			13,495			13,495			13,495	-	53,978	53,978	-					
Transfer to Mt Shadows for O&M	11,283							11,283							-	11,283	11,283	-					
Total Expenses (less contingency & reserve)	242,025	9,024	6,478	16,307	26,064	15,743	12,569	27,626	29,352	13,743	26,064	14,384	13,211	24,082	15,502	219,143	234,645	7,380					
Funds Remaining	43,559	(8,968)	(4,509)	41,691	(24,460)	73,304	(10,965)	(93)	59,695	(12,139)	(24,460)	(12,781)	(11,607)	(22,540)	(13,477)	55,644	42,167	(1,392)					

CONDENSED SOURCES & USES
As of 3/17/22

Project Water	
Sources	Acre Feet
Pre - 12/2/19	1,869.24
2020 Exercised Options	92.47
Options to Exercise	-
Total Sources	1,961.71

Pre - December 2, 2019 Summary											
SOURCES		RESIDENTIAL USES					COMMERCIAL USES				BALANCE
Existing Agreements	Beginning Balance	MSMD	CPMD	ARP	Total Residential	Unallocated	Beginning	Allocations	CCLLC	Total Commercial	Unallocated
Totals	1869.24	200.00	36.00	1,039.01	1,275.01	-	594.23	54.50	363.05	417.55	176.68

Reconciliation to Post 12/2/19 - JCMD2

Ending Balance 12/2/19	176.68
Less Restricted Beginning Commercial	<u>(150.00)</u>
Unrestricted Available	<u>26.68</u>
Plus Options Exercised	85.05
Plus Options to be Exercised	<u>7.42</u>
Net Unrestricted Available	<u>119.15</u>

Reconciliation to Post 12/2/19 - CCLLC

CCLLC Held Balance 363.05

Post - 12/2/2019 Allocations																		
SOURCES		RESIDENTIAL USES					COMERCIAL USES										BALANCE	
Sources	Unrestricted Including CCLLC	Whisper Village	Taylor Morrison	Allocated	Unrestricted Available	IGA Restricted Balance	Kentro Retail 1	Kentro Retail 2	SCL - Candelas Medical	Whisper Village	Arvada Fire	Freedom Street Restaurant	Z&N Retail	Total Commercial	Not Allocated	Combined Allocations	CCLLC Available	Restricted Commercial Available
Allocations JCMD2	119.15	33.00	86.15	119.15	-	150.00	2.50	2.50	2.50	15.00	2.50	2.50	2.50	30.00	120.00	149.15	-	120.00
Allocations CCLLC	363.05	-	224.85	224.85	138.20	-	-	-	-	-	-	-	-	-	-	224.85	138.20	-

COMMERCIAL WATER ALLOCATION COMMITMENTS
As of 3/17/22

User	Final Tap Size	Final Allocation	Final Letter Date	Preliminary Tap Size	Preliminary Allocation	Preliminary Letter Date	Available Balance (AF)
Pre-12/2/19 Allocations							
Final Allocations							594.23
Yenter	1.00	1.25					592.98
Plains End	2.00	4.00					588.98
Candelas Parkway Irrigation	1.00	1.25					587.73
King Soopers	2.00	4.00	3/20/2019				583.73
King Soopers Gas Station	0.75	0.75	3/20/2019				582.98
King Soopers Retail Center	2.00	4.00	3/20/2019				578.98
Sautter Arvada School	1.00	1.25	3/20/2019				577.73
7-11	1.00	1.25	3/20/2019				576.48
Starbucks	1.00	1.25	3/20/2019				575.23
Three Creeks Elementary	3.00	7.50	3/20/2019				567.73
Whisper Creek Station - Arvada PD	1.00	1.25	3/20/2019				566.48
Candelas Point Retail (Block 1, Lot 3)	1.50	2.50	3/29/2019				563.98
Candelas Point Retail (Block 1, Lot 4)	1.50	2.50	3/29/2019				561.48
Chase Bank	1.00	1.25	4/5/2019				560.23
First Bank	1.00	1.25	7/30/2019				558.98
Wendy's	1.00	1.25	7/30/2019				557.73
Wild Grass Lot 3 (Bldg. A)				1.50	2.50	4/11/2019	555.23
Wild Grass Lot 3 (Bldg. B)				1.50	2.50	4/11/2019	552.73
Wild Grass Lot 3 (Bldg. C)				2.00	4.00	4/11/2019	548.73
Wild Grass Lot 3 (Bldg. D)				2.00	4.00	4/11/2019	544.73
Indiana Plaza				1.00	1.25	4/19/2019	543.48
Primrose School				1.50	2.50	4/25/2019	540.98
Les Schwab				1.00	1.25	8/16/2019	539.73
Total		<u>36.50</u>			<u>18.00</u>		
Initial Allocation Not Included							
Cimarron Commercial LLC					363.05		176.68
Post-12/2/19 Allocations							
Beginning Balance							150.00
Kentro Retail 1				1.50	2.50	10/7/2009	147.50
Kentro Retail 2				1.50	2.50	10/7/2019	145.00
Candelas Medical - SCL				1.50	2.50	10/7/2019	142.50
Whisper Village Commercial (TBD)					15.00		127.50
Arvada Fire				1.50	2.50	3/19/2021	125.00
Freedom Street Restaurant				1.50	2.50	6/3/2021	122.50
Z&N Retail				1.50	2.50	1/1/2022	120.00
Total					<u>30.00</u>		
Total Acre Feet Remaining Unallocated							120.00

Tap Size	AF	Ratio
0.625	0.50	1.0
0.750	0.75	1.5
1.000	1.25	2.5
1.500	2.50	5.0
2.000	4.00	8.0
3.000	7.50	15.0
4.000	12.50	25.0
6.000	25.00	50.0

RESIDENTIAL WATER ALLOCATION COMMITMENTS
As of 3/17/22

User	Acre Feet	Available Balance (AF)
Pre-12/2/19		
		1275.01
Canyon Pines	36.00	1239.01
Mountain Shadows	200.00	1039.01
Arvada Residential Partners	<u>1039.01</u>	0.00
Total	<u><u>1275.01</u></u>	
Post-12/2/19		
		389.73
Whisper Village	33.00	356.73
Taylor Morrison	308.00	48.73
Taylor Morrison	<u>3.00</u>	45.73
Total	<u>344.00</u>	

EMINENT DOMAIN – REAL PROPERTY APPRAISAL

TOTAL TAKE REPORT

PREPARED FOR:

**Jefferson Center Metropolitan District No. 1
Board of Directors
Special District Management Services, Inc.
c/c David Solin, District Manager
141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898**

PREPARED BY:

**Harold S. McCloud, MAI
McCloud & Associates
P.O. Box 295
Parker, Colorado 80134**

PROJECT: State Highway 72 access to the
Vauxmont Subdivision, Arvada, CO

PARCEL NO.: Jefferson County Parcel Number
300205259 located on the N/S of SH
72, approximately one mile west of
Indian Street, Arvada, Colorado

OWNER: Merrick J. Smith and Madison M.
Smith

APPRAISER: Harold S. McCloud, MAI

DATE OF VALUATION: January 14, 2022

DATE OF REPORT: March 11, 2022

MC CLOUD & ASSOCIATES

Real Estate Appraisers and Consultants

P.O. Box 295

Parker, CO 80134

Harold S. McCloud, MAI

hdmcccloud@comcast.net

(720) 747-4710

Specializing in Special
Purpose Property & General
Property Appraisals

March 11, 2022

**Jefferson Center Metropolitan District No. 1
Special District Management Services, Inc.**

c/c David Solin, District Manager

141 Union Boulevard, Suite 150

Lakewood, CO 80228-1898

dsolin@sdmsi.com

RE: PROJECT: Highway 72 access to the Vauxmont Subdivision,
Arvada Colorado
PARCEL NO: Jefferson County-Parcel Number 300205259
N/S of SH 72, approximately one mile west of Indian Street,
Arvada, Colorado
OWNER: Merrick J. Smith and Madison M. Smith

Dear Gentlemen:

This is my eminent domain appraisal report for the above referenced property with an effective date of appraisal and valuation as of January 14, 2022. The purpose of this appraisal is to provide a compensation estimate for the reasonable market value of the property. This eminent domain action is a **Total Take**. The development of my appraisal is contained in the attached Appraisal Report which sets forth my conclusions, supporting data, and reasoning.

I understand that this appraisal may be used in connection with the acquisition of the subject property for the above-referenced project. If necessary, this report with supporting data, analyses, conclusions, and opinions is to serve as a basis for court testimony for condemnation trial purposes. This appraisal report may become a public record after final settlement with the owner or after the conclusion of legal proceedings.

The reasonable market value and compensation estimate are subject to certain definitions, assumptions and limiting conditions, and certification of appraiser set forth in the attached appraisal report. Based upon my independent appraisal and exercise of my professional judgment, my compensation estimate for the acquisition as of January 14, 2022, is **\$10,729**.

Respectfully submitted,



Harold S. McCloud, MAI, AI-GRS
Certified General Appraiser in
Colorado #CG01313633

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Executive Summary

Subject Property Data	
Project:	Highway 72 access and utilities for the Vauxmont Subdivision, City of Arvada, Colorado
Parcel No.:	Jefferson County Parcel Number 300205259
Name of Owner(s):	Merrick J. Smith and Madison M. Smith
Property Address or Location:	N/S of SH 72, approximately one mile west of Indian Street, City of Arvada, CO
Owner Present at Inspection (If not, document efforts made. List all attendees that were present.):	The client's representative, David Solin, District Manager, stated to the appraiser that the property owner was non-responsive to his communications and was therefore not present during the property inspections. The appraiser viewed the property on various dates during October, December 2021, and January 2022
Property Interest Appraised:	Fee Simple
Effective Appraisal/Value Date:	January 14, 2022
Date of Appraisal Report:	March 11, 2022
Summary of Environmental Concerns:	None
Larger Parcel Land/Site Area:	The Assessor's records indicate a site area of 16,509 Sq. Ft. The Alta/NSPS survey prepared by Martin/Martin reports a site area of 10,729 square feet or 0.246 acres. The difference is due to a 30' right-of-way plat dedication along the east property line. I have concluded to a site area at 10,729 Sq. Ft. per the Alta/NSPS survey.
Fee Take Area:	10,729 square feet or 0.246 acres
Permanent Slope Easement Areas:	None
Temporary Easement Areas:	None
Owner Improvements (Buildings, structures, etc.):	None
Subject Use History:	Agricultural
Owner or Tenant Occupancy	Owner.
Subject 5-Year Sales History:	None – any transfers have been interrelated parties and do not represent market value at the time of transfer.
Zoning:	PUD – Wheat Ridge Gardens, City of Arvada, CO
Highest/Best Use Before Take:	Assemblage/open space
Purpose for Part(s) Taken:	Highway 72 sewer line for the Vauxmont Subdivision

Value and Compensation Conclusions		
Larger Parcel Value Before Take	Total Value	
Land/Site Value 10,729 SF @ \$1.00 per square foot	\$10,729	
Affected Improvements Contributory Value	\$0	
Total Larger Parcel Value Before Take (land + affected improvements)		\$10,729

Value of Part Taken					
Land/Site Takings					
Parcel No.	Area SF	\$ Unit Value	Value	Total Value	
Total Taking	10,729	\$1.00/Sq. Ft.	\$10,729		
Total Land/Site Value of Part Taken				\$10,729	
Easement Takings					
Parcel No.	Area SF	\$ Unit Value	% of Fee	Total Value	
None				\$0	
Total Easement Value of Part Taken				\$0	
Owner Affected Improvement Takings (Contributory Value)					
Descriptions of Improvements (buildings, structures, etc.)			Contributory Value	Total Value	
None			\$0		
Total Owner Affected Improvements Contributory Value of Part Taken				\$0	
Total Value of Part Taken (land + affected improvements)					\$10,729

Certification of Appraiser

Project: Highway 72 access to and utilities for the Vauxmont Subdivision
Arvada, CO

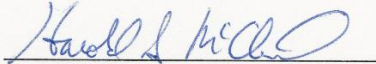
Parcel: Jefferson County-Parcel Number 300205259, North Side Highway 72, west of
Indian Street, Arvada, Colorado

Owner: Merrick J. Smith and Madison M. Smith

I certify, that, to the best of my knowledge and belief:

- I have personally inspected the subject property appraised and I have also made a personal field inspection of the comparable sales relied upon in making my appraisal, examined sales instruments of record, and have confirmed the sales transactions with the buyer and/or seller. The photographs in this appraisal report reasonably represent the subject property, the property to be acquired, and comparable sales relied upon.
- any increase or decrease in the reasonable market value of the real property appraised caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than physical deterioration within the reasonable control of the owner, was disregarded in this appraisal (Colorado Jury Instructions - Civil 4th, 36:3; § 24-56-117(1)(c), C.R.S.; and 49 CFR § 24.103(b)).
- my analyses, opinions, and conclusions were developed, and this report has been prepared in conformity and consistent with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act); 49 CFR Part 24; 23 CFR Part 710; § 38-1-101 et. seq. C.R.S.; §24-56-101 et. seq. C.R.S.; CDOT Right of Way Manual Chapter 3, as may be revised; appropriate State laws, regulations, policies and procedures applicable to appraisal of right-of-way; and the Uniform Standards of Professional Appraisal Practice (USPAP). To the best of my knowledge no portion of the value assigned to the property consists of items which are non-compensable under established State law.
- statements of fact contained in this report are true and correct. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I understand this appraisal may be used in connection with the acquisition of the subject for the referenced project to be constructed by the Jefferson Center Metropolitan District No. 1 and does not involve the assistance of Federal-aid highway funds.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I have not revealed the findings and results of this appraisal to anyone other than the client, the Jefferson Center Metropolitan District No. 1, nor will I do so until required by due process of law or by having publicly testified as to the findings.
- I acknowledge that this appraisal report and all maps, data, summaries, charts and other exhibits collected or prepared under this agreement shall become the property of the client without restriction or limitation on their use. I also acknowledge that this appraisal report may become a public record after settlement with the owner or after the conclusion of legal proceedings.
- no one provided significant real property appraisal assistance to the person signing this report.
- The client's representative, David Solin, District Manager, stated to the appraiser that the property owner was non-responsive to his communications and was therefore not present during the property inspections. The appraiser viewed the property on various dates during October, December 2021, and January 2022
- the effective date of appraisal and valuation is as of January 14, 2022. The date of the appraisal report is March 11, 2022.
- based upon my independent appraisal and the exercise of my professional judgment, my compensation estimate for the acquisition as of January 14, 2022, is **\$10,729**.


Harold S. McCloud, MAI, AI-GRS
Certified General Appraiser in
Colorado #CG01313633

Aerial Map



PART 1 – SCOPE OF WORK

Assumptions and Limiting Conditions

The certification of the appraiser appearing in the appraisal report is subject to the following conditions, and to such other specific and limiting conditions as are set forth by the appraiser in the report.

Extraordinary Assumptions

- The subject property is not negatively impacted by Reservations contained in Patent
- The subject property is not negatively impacted by an oil and gas lease
- The subject property has undeveloped access from Highway 72 along the east property line
- The property is subject to an unrecorded 12.5' wide easement for the existing overhead power line that parallels the subject's south property line (Visible)
- According to the Martin/Martin March 3, 2022, survey, the property is subject to an unrecorded water pipeline easement that parallels the subject's south property line. (Surface Marking for the water line, see ALTA/NSPS land survey)

Hypothetical Conditions

None

Assignment Condition

An important part of an appraisal assignment is the analysis of market conditions. The COVID-19 outbreak may influence market conditions, though it is unclear as of the effective date of this report to what extent market conditions are affected. Related, complicating factors include fluctuations in the stock market and mortgage market. In the aftermath of a disaster, there is more than the normal amount of risk in the marketplace. The market may be very fluid and changes to market conditions may cause changes in market value to occur more rapidly than usual. The project commenced prior to the outbreak under typical market conditions. The effective date of the appraisal is before the current outbreak. Baring legal instruction, I have not considered this influence on market conditions.

General Assumptions and Limiting Conditions

1. The legal descriptions, land areas, surveying and engineering data provided by the client and public record information are assumed to be correct. The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photographs are included for the same purpose. Site plans are not surveys unless prepared by a separate surveyor.
2. This Appraisal Report is intended to comply with the reporting requirements set forth in Standards Rule 2 of USPAP.
3. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report. The

property is appraised “as if free and clear” of liens and encumbrances, but subject to existing easements, covenants, deed restrictions, and rights-of-way of record.

4. Opinions, estimates, data, and statistics furnished by others in the course of studies relating to this report are considered reliable.
5. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated land use. Separate allocations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
6. This report is as of the date set out and is not intended to reflect subsequent fluctuations in market conditions, up or down.
7. It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or arranging for engineering studies that may be required to discover them.
8. It is assumed the subject property complies with all applicable zoning and use regulations and restrictions, unless non-conformity has been stated, defined, and considered in this appraisal report.
9. It is assumed the use of land and improvements is within the boundaries or property lines of the property described and there is no encroachment or trespass unless otherwise stated in this report.
10. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of nor did the appraiser become aware of such during the appraiser’s inspection of the subject property. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the subject property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, or for any expertise or knowledge required to discover them.
11. As previously discussed herein, the subject property is identified as the proposed sewer line for the Vauxmont Subdivision. I have relied on various documents provided by the client (survey, drawings, metes and bounds legal descriptions of the proposed rights-of-way and slope easements, etc.). If these proposed documents are changed from those provided to the appraiser, I reserve the right to reanalyze and revalue the property.

Identity of the Client and Intended Users

This appraisal report has been prepared for the client, Jefferson Center Metropolitan District No. 1. Intended users of this appraisal and appraisal report include, but are not limited to, the client, SDMS, Special District Management Services, Inc., and their legal counsel. It is understood that the report may be provided to the property owner and his legal counsel, but these individuals are not made part of the appraiser/client relationship as a result of this possible course of action.

Intended Use of the Appraisal

The intended use of the appraisal is to be used for eminent domain purposes to provide a compensation estimate for the reasonable market value of the proposed fee taking. If necessary, this appraisal report with supporting data, analyses, conclusions, and opinions is to serve as a basis for court testimony in condemnation trial proceedings. The appraisal report may become a public record after settlement with the property owner or at the conclusion of legal proceedings.

Real Property Interest Appraised

The real property interest of the subject larger parcel before take is valued as fee simple title. The property is appraised “as if free and clear” of all liens, bond assessments, and indebtedness, but subject to existing easements, covenants, deed restrictions, and rights-of-way of record.

Definition of Reasonable Market Value

Colorado eminent domain proceedings use the following jurisdictional definition of reasonable market value:

“The value you are to determine for the property actually taken is the reasonable market value for such property on (January 14, 2022). ‘Reasonable market value’ means the fair, actual, cash market value of the property. It is the price the property could have been sold for on the open market under the usual and ordinary circumstances, that is, under those circumstances where the owner was willing to sell and the purchaser was willing to buy, but neither was under an obligation to do so.” (CJI-Civil 4th, 36:3)

“In determining the market value of the property actually taken, you are not to take into account any increase or decrease in value caused by the proposed public improvement. (CJI-Civil 4th, 35:3)

Colorado Revised Statutes also addresses project influence:

“Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, shall be disregarded in determining the compensation for the property.” (*24-56-117(1)(c), C.R.S.)

The Jurisdictional Exception Rule of USPAP applies to Standards Rule 1-4(f). In Standards Rule 1-4(f), anticipated public or private improvements must be analyzed for the effect on value as reflected in market actions. This is contrary to law for eminent domain appraisal. Jurisdictional exception authorities are Uniform Act, Title III, *301(3); 49 CFR * 24.103(b); *24-56-117(1)(c), C.R.S.; and CJI – Civ. 4th, 36:3.

Exposure Time

Opinion of Reasonable Exposure Time: According to the 2020-2021 edition of the Uniform Standards of Professional Appraisal Practice (USPAP) Standard Rule 1-2(c)(iv),

“When developing an opinion of market value, the appraiser must also develop an opinion of reasonable exposure time linked to the value opinion.”

According to USPAP Advisory Opinion 35, Exposure Time is defined as:

“estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market”

In this case, an opinion of reasonable exposure time will not be considered, as it is subject to an assignment condition. The Code of Federal Regulations (49 CFR § 24.103a) sets forth the requirements for real property acquisition appraisals for federally assisted programs. According to that source, the agency acquiring a property may have appraisal requirements that supplement the CFR requirements, including, to the extent appropriate, the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA). Chapter 3 of the CDOT Right of Way Manual “recommends using UASFLA guidelines for the development and reporting of eminent domain appraisals.” The assignment condition results from the statements in Section A-9 of the UASFLA. Stated in the UASFLA is:

“Contrary to USPAP Standards Rule 1-2(c), ... (the definition of market value) does not call for the estimate of value to be linked to a specific exposure time estimate, but merely that the property be exposed on the open market for a reasonable length of time, given the character of property and its market. Therefore, the appraiser’s estimate of market value shall not be linked to a specific exposure time when conducting appraisals for federal land acquisition purposes under these standards.”

Even though this appraisal is not completed for federal land acquisition purposes, the funding of the project may involve federal funding, therefore, it is considered appropriate to follow the UASFLA standard, as cited above. Since the property owner of the affected eminent domain property is forced to sell, the opportunity to offer the property on the open market is not available. In an eminent domain appraisal, it must be assumed that the property has already been exposed on the market for a reasonable length of time. Moreover, it can be assumed that the exposure time for the subject property would be similar to the exposure for the comparable sales properties used as comparisons.

Effective Date of Appraisal

The effective date of appraisal, reasonable market value opinions, and compensation estimate for the proposed acquisitions is as of January 14, 2022.

Date of Appraisal Report

The date of the appraisal report is March 11, 2022.

Date of Property Inspection and Owner Accompaniment

The client’s representative, David Solin, District Manager, stated to the appraiser that the property owner was non-responsive to his communications and was therefore not present during the property inspections. The appraiser viewed the property on various dates during October, December 2021, and January 2022.

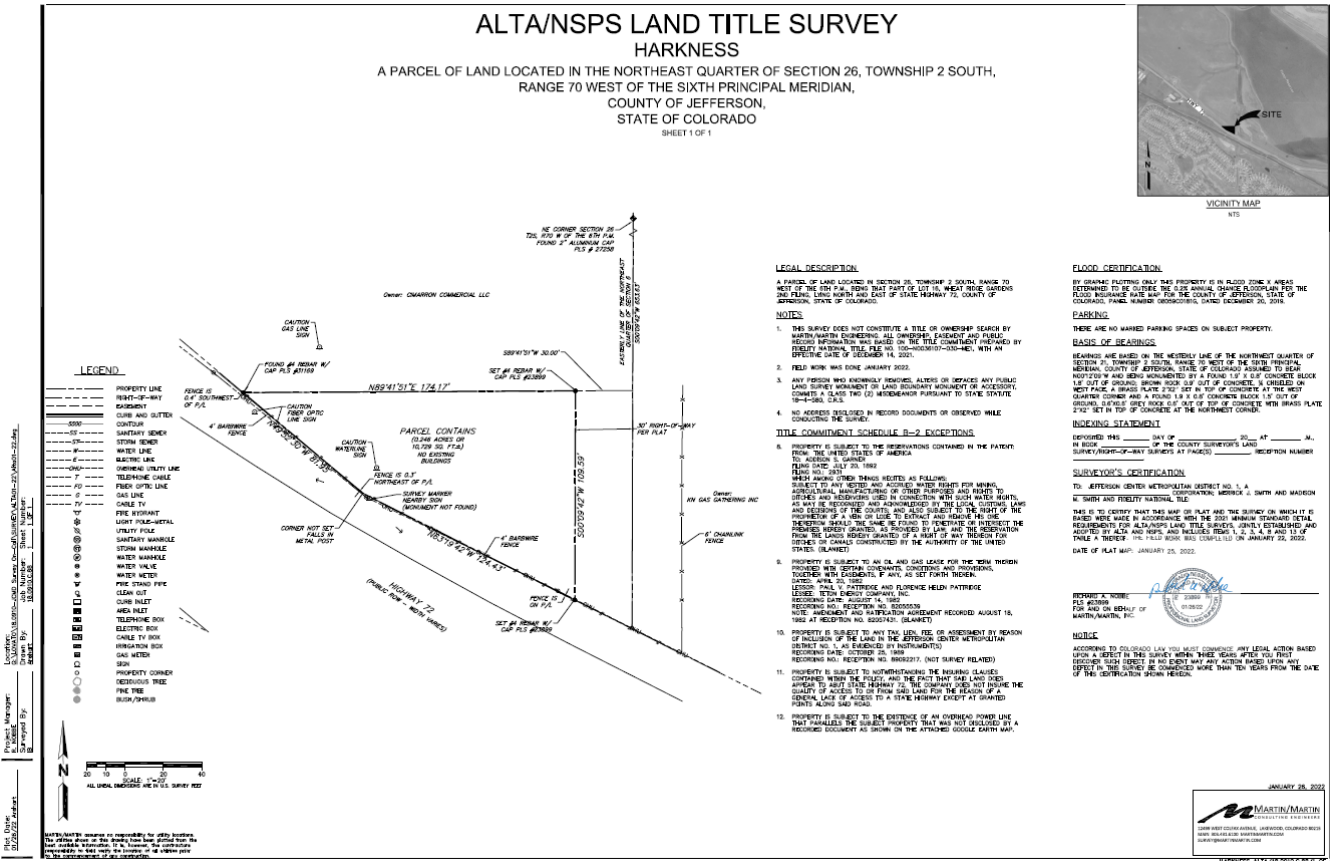
Project Identification and Description

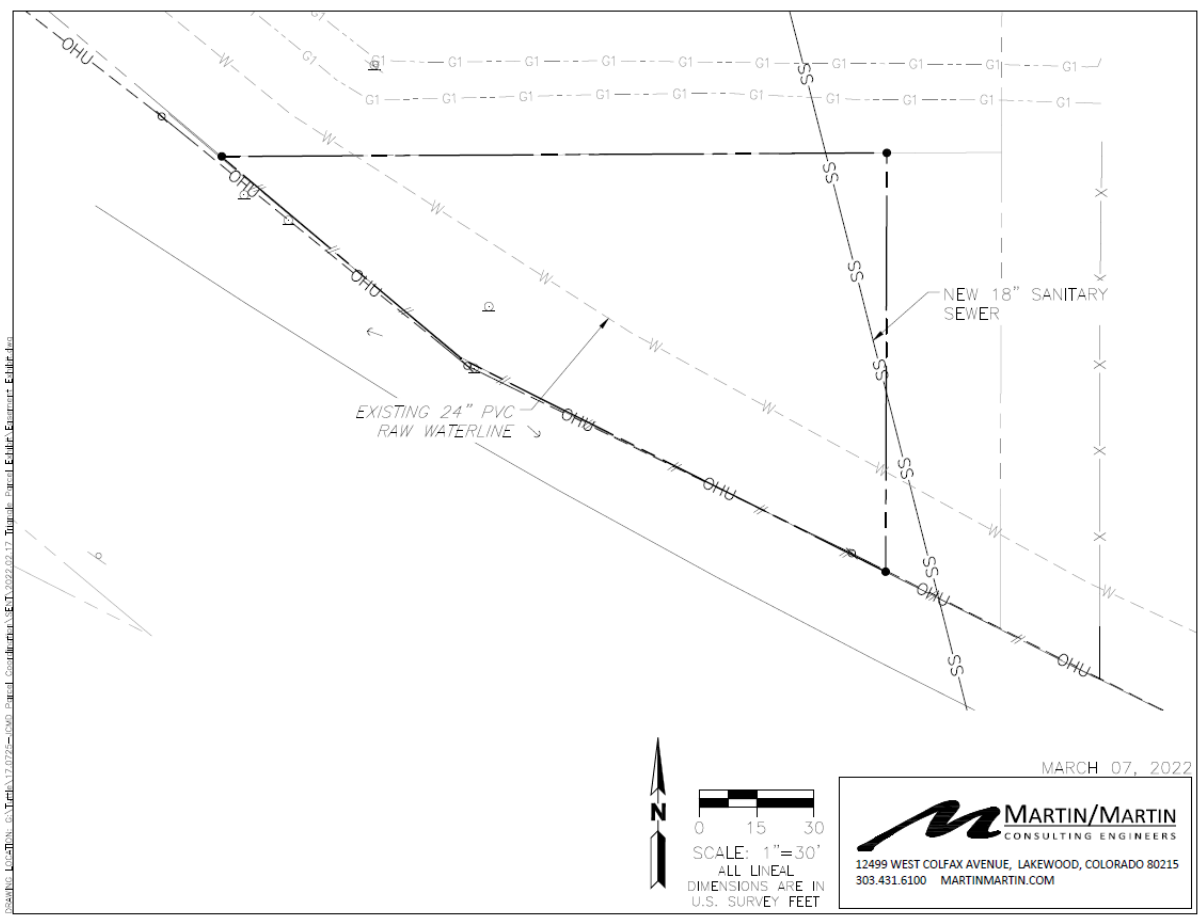
The proposed taking is of vacant land on which to construct the sewer line for the Vauxmont Subdivision to SH 72. I have been provided with an ALTA/NSPS survey and a drawing of the proposed project for proposed taking that is made a permanent part of this appraisal report and the relevant portions of these documents are contained in the Exhibit section of this report or in my file.

Right-of-Way Plan Relied on for Valuation Purposes

This appraisal was made under the assumption the acquisition of the subject will conform to the ALTA/NSPS land survey, which is found below and in the Exhibit Section at the end of this report.

The Martin/Martin survey on the following page indicates the placement of the existing water line and proposed sewer line.





Data Search Parameters and Analysis Approaches

This Appraisal has been prepared in accordance with the USPAP Standards 1 and 2. Standard 1 has requirements and guidelines concerning the appraisal development, analyses and process. Standard Rule 2 details requirements for the reporting of the appraisal.

The subject's larger parcel consists of 0.246 acres – 10,729 square feet. The subject is annexed and zoned in the City of Arvada (PUD – Wheat Ridge Gardens).

The appraiser has made a personal on-site inspection of the subject property and the surrounding neighborhood. Records provided by the client, Jefferson County and the City of Arvada were collected and utilized in the appraisal process. These records include the Assessor's records and maps, the Vauxmont Minor Subdivision Plat, the Treasurers data, the City of Arvada zoning map, a title commitment policy prepared by Fidelity National Title dated January 7, 2022, (File Number 100-N0036107-030-ME1) and the Jefferson Center Metropolitan District No. 1 roadway plan.

On various dates during October, December 2021, and January 2022, Appraiser Harold McCloud made a site inspection on the subject property from the public right-of-way. The client's representative, David Solin, District Manager, stated to the appraiser that the property owner was non-responsive to his communications and was therefore not present during the property inspections. The appraiser most recently inspected the subject property on January 14, 2022.

I have researched public record information, i.e. Jefferson County Assessor, Treasurer and Recorder. I have considered demographic information prepared by the Claritas and I have considered market research information from CoStar.

The subject property is located on the north side of SH72, approximately one mile west of Indian Street in the City of Arvada, Jefferson County, Colorado. The proposed taking is the total fee simple interest of a vacant land parcel. My analyses and valuation will be accomplished by the Sales Comparison Approach (land value).

Several independent sources for information on the sales of similar annexed/zoned residential sites were relied upon in estimating the land value of the subject property. This was accomplished by a search of county assessor's/recorder's, my office records, requesting data from real estate brokers, local appraisers, title companies or transaction principals and using data services locally available and appropriate (Assessor's records, CoStar, and Colorado Comps). Impressions of those knowledgeable of the current local market and any information about recent trends that may bear on property values were also solicited.

A limited number of sales located proximate to the subject (northwest Arvada) have been researched and analyzed for their degree of similarity to the subject by physically visiting and visually inspecting the sale properties and examining recorded transfer of property deeds. The sales were verified with the buyer and/or seller of the transaction. These sales are then analyzed to estimate the value of the subject's larger parcel Before the Take.

Summary of Appraisal Problem

The subject is located on the north side of SH 72, approximately one mile west of Indian Street, in the City of Arvada, Jefferson County, Colorado. According to the Assessor records the subject contains a total of 16,509 Sq. Ft. The ALTA/NSPS survey prepared by Martin/Martin reports a site area of 10,729 square feet or 0.246 acres. The difference is due to a 30' right-of-way plat dedication along the east property line. I have concluded to a site area at 10,729 Sq. Ft. per the ALTA/NSPS survey.

The subject is impacted by two, unrecorded utility easements paralleling the south property line. (See Extraordinary Assumptions) These two easements are mutually exclusive and encumber the depth of the property an estimated 32.5 feet. The parcel size and existing easements significantly reduce site utility and use.

The proposed project seeks to acquire the subject in Fee for development of a sewer line to the Vauxmont Subdivision.

The subject property contains a total of 10,729 square feet or 0.246 acres, is triangular and is annexed and zoned PUD (1895) in the City of Arvada. The property has no access to public water and sewer utilities and has undeveloped access to SH 72. I have concluded that the size of the subject, its shape, and the impact of the existing easements on site utility restrict all development. Thus, I have considered the 0.246 acres – 10,729 square feet is a remnant parcel with a Highest and Best Use of assemblage.

PART 2 – FACTUAL DATA – LARGER PARCEL BEFORE TAKE

Identification of Larger Parcel before Take

In condemnation, three conditions establish the larger parcel for the consideration of compensable damages and/or specific benefits. The three conditions include the portion of a property that has unity of ownership, contiguity, and unity of use. Valuation for eminent domain purposes is unique in that it requires consideration of damages and/or benefits to the residue after take when a partial taking occurs. More data concerning the larger parcel determination is in the highest and best use analysis. The larger parcel for this assignment is a 0.246-acre parcel of the vacant land that is owned by the Merrick J. Smith and Madison M. Smith and is zoned PUD.

State, Regional/Metro and Neighborhood Data

State Data Overview

As this area is indirectly impacted by the State of Colorado and the Denver Metropolitan Area, I maintain these discussions in my files, and they are available upon request. In the macro analysis of the property, these analyses are helpful but of more use is the immediate neighborhood.

Neighborhood Data

The Neighborhood Analysis provides a bridge between the analysis of general influences on all property values and the study of a specific subject property. The goal of the Neighborhood Analysis is to determine how the operation of social, economic, government and environmental forces influence property values in the specific area in which the subject property is located. A neighborhood may be defined as:

A group of complementary land uses; a congruous grouping of inhabitants, buildings or business enterprises.

The Dictionary of Real Estate Appraisal, 6th Edition, Appraisal Institute, 2015, page 156.

Neighborhood Boundaries: The subject neighborhood is bounded on the north by West 96th Avenue, on the east by Alkire Steet, on the south by West 72nd Avenue, and on the west by CR-93. This neighborhood is approximately 12 miles northeast of the Central Business District of Denver. The Union Pacific Railroad line is located south of and generally parallel to SH 72.

Access: The major arterials that define and serve this neighborhood include: the boundary streets; Indian Street and Coal Mine Road.

Population – Employment – Housing

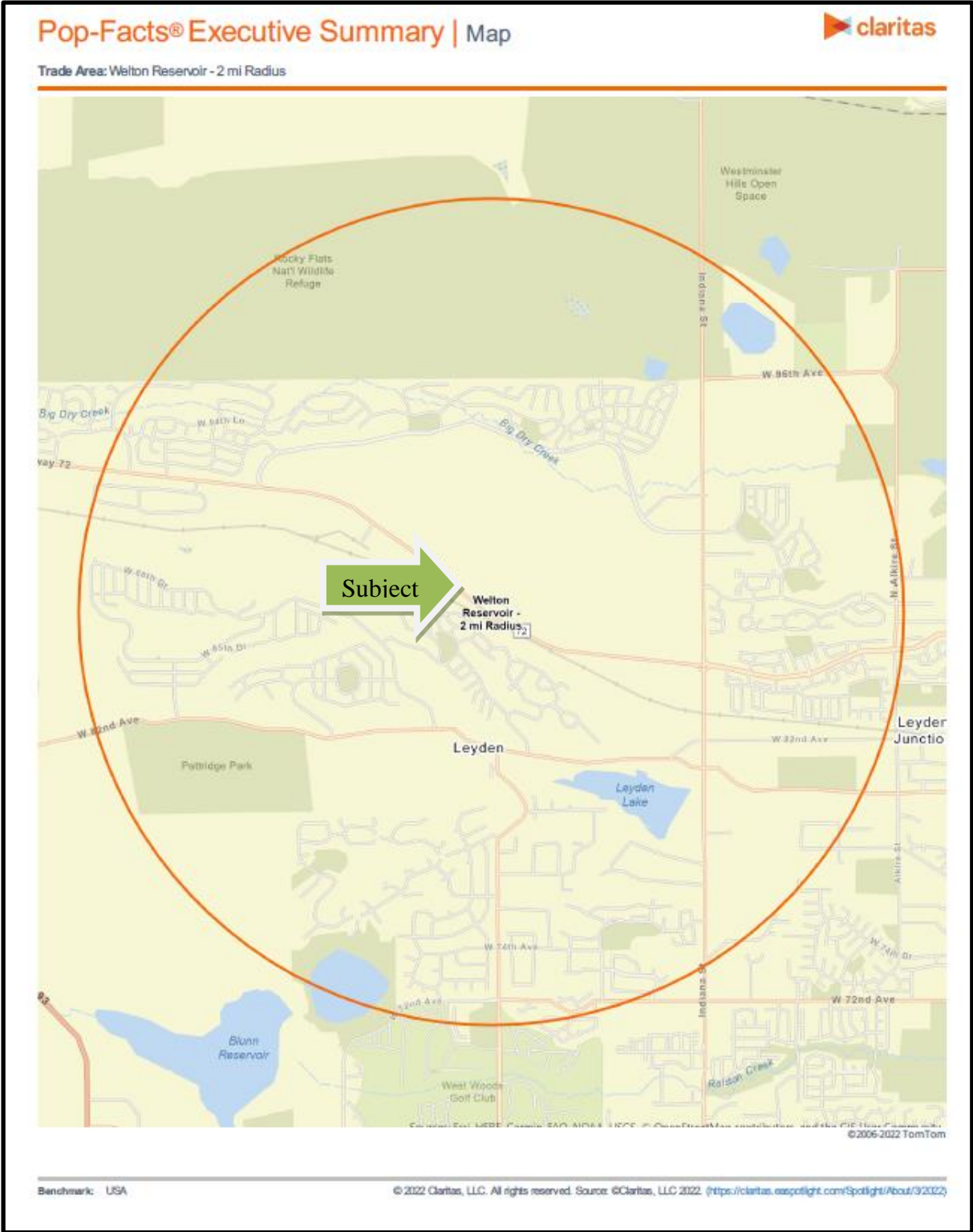
I have consulted the Nielsen Solution Center to analyze statistics within two miles of SH 72 and the Welton Reservoir. The two-mile radius generally fits the neighborhood boundaries.

Two Mile Radius –West 38th Avenue and Wadsworth Boulevard

- The population in this area is estimated to change from 5,318 to 12,893, resulting in a growth of 142.47% between 2010 and the current year. Over the next five years, the population is projected to grow by 8.7%.
- The current year median age for the area is 43.8, while the average age is 41.5. Five years from now, the median age is projected to be 43.4.
- The number of households in this area is estimated to change from 1,881 to 4,571, resulting in an increase of 143.0% between 2010 and the current year. Over the next five years, the number of households is projected to increase by 8.8%.
- The average household income is estimated to be \$223,726 for the current year. The average household income in this area is projected to change over the next five years, from \$223,726 to \$252,848.
- Current Year Employment Rate – Estimated at 98.4% with over 79.7% white collar, 7.3% blue collar and 13.0% service & farm workers.
- Most of the current year dwellings are owner-occupied (94.3%) with 92.3% of the dwellings being one-unit detached homes with 53.9% of the homes having been built between 2014 or later.

A Two (2) Mile Radius Map is found on the following page.

Two (2) Mile Radius Map



SHOPPING AND CONVENIENCE SERVICES

Neighborhood shopping and services is convenient for the neighborhood. Several retail shopping centers are located along 72nd Avenue, 64th Avenue, Wadsworth Boulevard, and Sheridan Boulevard between I-70 and Highway 36. These shopping centers feature grocery stores, large-scale retailers such as Wal-Mart and Target, restaurants, and smaller retail services. The nearest grocery stores, King Soopers and Safeway, are located just 3 miles south of Candelas at 64th Avenue and Indiana.

Shopping and Services

Name	Location	Major Tenants	Distance
Westwood Shopping Center & Arvada West Town Center	64th Ave. & Indiana Street	King Soopers, 1 st Bank, Compass Bank, Paper Warehouse, AutoZone, fast food	3 miles south
Old Towne Arvada	Ralston Road & Wadsworth Bypass	Listed on State and National Registers of Historic Places. Includes shops, restaurants, service businesses, theater	6 miles SE
Meadowlark, Ralston Square, Ralston Plaza	64th Ave. & Ward Rd.	Safeway, King Soopers, Starbucks, Video King, First Bank	3.5 miles SE
Walmart	72nd and Sheridan	Walmart SuperCenter, fast food, gas	6.5 miles SE
Northridge Centre, Lake Arbor	80th Ave. & Wadsworth	Safeway, King Soopers, Target, Hobby Lobby	5 miles SE
Costco	92 nd Ave & Hwy 36	Costco	6.5 miles east
Flatiron Crossing	Highway 36 and Interlocken Loop	Dillard's, Nordstrom, Macy's, Justice, Lord & Taylor, Pottery Barn, The Gap, AMC Theatres, Abercrombie, Aeropostale, American Eagle, Pea in the Pod, Ann Taylor, Banana Republic, Bath & Body, Crate & Barrel, Coldwater Creek, Eddie Bauer, GNC, Gymboree, J Crew, Pottery Barn	7 miles NE
Colorado Mills	I-70 and West Colfax	Saks Fifth Avenue OFF 5th, Neiman Marcus Last Call, Sports Authority, Off Broadway Shoes, Eddie Bauer Outlet, Borders, Super Target, Ann Taylor, Banana Republic Factory, Victoria's Secret, Gap Outlet, NIKE Factory, American Eagle Outfitters, Aeropostale, Oakley, Gymboree	12 miles south

Source: *The Genesis Group*

MEDICAL SERVICES

The neighborhood has good proximity to nearby hospitals and medical clinics. **Avista Adventist Hospital**, operated by Centura Health and located just over seven miles north, opened to the public in 1990. The 114-bed full-service hospital is located in Louisville just north of US Hwy 36 and provides comprehensive medical services, including general medical and surgical services, obstetrics, emergency services and trauma facilities.

Additional medical services include **North Suburban Medical Center** located at 9191 Grant Street, in Thornton. North Suburban Medical Center is a 157-bed facility with level two trauma care and 24-hour emergency room. **Exempla Good Samaritan Medical Center**, in Lafayette, provides adult critical care services, a blood donor center, cardiac & vascular services, 24-hour emergency services, pediatrics, and a range of other services. The 477,000-square-foot facility provides 202 licensed beds with potential to expand to 350 beds in the future. **The Children’s Hospital North Campus, Broomfield** offers 24/7 urgent care, specialist, observation and inpatient (up to 72 hours) care.

Full-Service Hospitals

Name	Location	Distance	Number of Beds
Avista Adventist Hospital	100 Health Park Dr, Louisville	7.7 miles north	114
Exempla Good Samaritan Medical	200 Exempla Circle, Lafayette	11 miles north	202 (350 future build out)
North Suburban Medical Center	9191 Grant Street, Thornton	12.1 miles east	157
St. Anthony’s North Hospital	2551 W. 84th Street, Westminster	15 miles east	198
Boulder County Community Hospital	1100 Balsam Avenue, Boulder	16 miles north	265
The Children’s Hospital North Campus	469 State Hwy 7, Broomfield	16 miles north	253

SOURCE: The Genesis Group

RECREATION

Vauxmont Subdivision includes a 1.7-acre park/community center parcel improved with a recreation facility and outdoor pool. Vauxmont Subdivision will eventually offer 191 acres of open space, 13.5 miles of paved and soft trails, three community recreation centers, and a variety of active and passive parks. Trailheads with regional trail links meander throughout the subdivision north of Highway 72.

The City of Arvada has 135 miles of hiking, biking and horseback riding trails throughout the parks and open space system. The trails primarily follow the natural drainage systems such as Ralston Creek, Van Bibber Creek, Leyden Creek and Little Dry Creek. Additionally, Stanley Lake is located just two miles east at 88th Avenue between Alkire and Kipling Streets. This reservoir and open space park area provides sailing, fishing, boating and windsurfing.

The Apex Recreation Center, which is owned and operated by the North Jeffco Park & Recreation District, is located three miles to the east on 72nd Avenue and Alkire. The recreation center is a large facility with an extensive list of amenities, including two ice rinks, 23,000 square foot indoor water amusement park, adventure playground, rock climbing wall and three gymnasiums.

The Arvada Center for the Arts and Humanities is located east of the subject property. The cultural center was founded in 1976 and has grown to the tenth largest cultural attraction in the metro Denver area. The center offers professional regional theater, children's theater, a variety of concerts such as classical, contemporary dance, nationally recognized gallery exhibitions, history museum and over 600 arts and humanities classes each year as well as banquet and conference facilities.

Major surrounding land uses that impact residential development in the neighborhood include:

- **Rocky Flats National Wildlife Refuge**

The Rocky Flats site is a 6,240-acre former nuclear defense facility operated by the U.S. Department of Energy (DOE). Beginning in 1952 and continuing for nearly 40 years, the U.S. government manufactured nuclear weapons components from plutonium, uranium, beryllium and stainless steel at Rocky Flats. All weapons manufacturing was performed in a 600-acre area in the middle of the site known as the Industrial Area.

A former Superfund site, Rocky Flats was cleaned up as an accelerated action through federal and state oversight, with DOE as the lead agency. Most of the activities at the site were completed under the terms of the Rocky Flats Cleanup Agreement signed by DOE, EPA and CDPHE in July 1996. The Environmental Protection Agency on May 25, 2007, announced the deletion of all but the central 1,308 acres of the site the National Priorities List (NPL). This deletion reflects the completion of all response actions for the peripheral 4,933 acres which were transferred to the U.S. Department of the Interior (DOI) for the U.S. Fish and Wildlife Service to manage as a National Wildlife Refuge. DOE will retain land in and around the current Industrial Area to maintain institutional controls and protect cleanup and monitoring systems.

More information about Rocky Flats and its cleanup can be found on the EPA website at <http://www.epa.gov/region8/superfund/co/rkyflatsplant/>

Many areas of the Rocky Flats site have remained relatively undisturbed for the past 30 to 40 years, allowing them to retain diverse natural habitat and associated wildlife. The Fish and Wildlife Service plans for Rocky Flats include public use facilities and programs that foster an appreciation of the Refuge's natural resources. With many miles of trails, thousands of acres of grassland habitat, and a beautiful mountain backdrop, Rocky Flats NWR will likely become a popular destination for wildlife enthusiasts, naturalists and students. The Refuge presents many opportunities for compatible wildlife dependent recreation such as hiking, wildlife photography and interpretation. Surrounded on three sides by designated open space, the Refuge will also serve as an important link in a regional network of recreational trails.

- Welton Reservoir to the east will provide a recreational opportunity for residents allowing non-motorized crafts and fishing.

Summary

The subject's neighborhood, specifically the Vauxmont Subdivision, is continuing developing residential properties. Current economic conditions have been stable and is expected to continue. The subject property is annexed and zoned for residential development. As discussed herein, single-family development is taking place; however, I have concluded that the size of the subject, its shape, and the impact of the existing easements on site utility restricts all development. Thus, I have considered the 0.246 acres – 10,729 square feet is a remnant parcel with a Highest and Best Use of assemblage.

Property Data - Larger Parcel Before Take

Land/Site Data

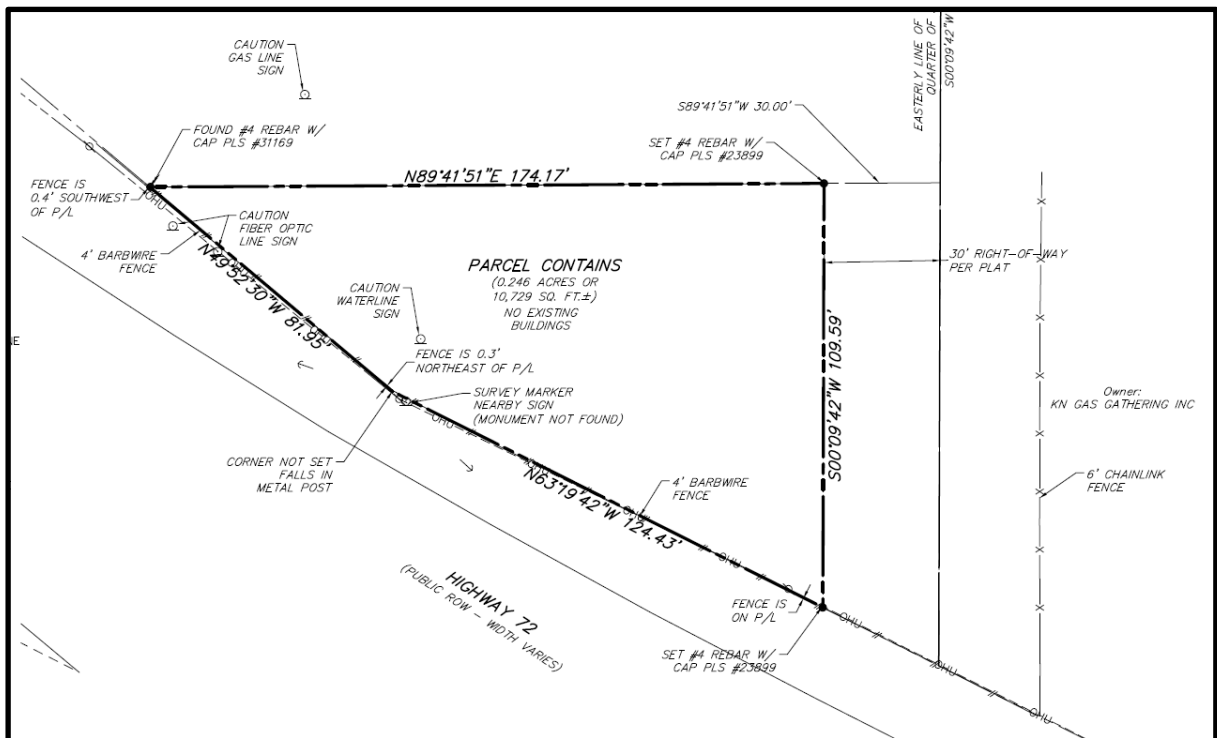
Legal Description: The subject parcel contains 10,729 square feet or 0.246 acres. The subject property's legal description is:

A parcel of land located in Section 26, Township 2 South, Range 70 West of the 6th P.M., being that part of Lot 16, Wheat Ridge Gardens 2nd Filing, lying North and East of State Highway 72, County of Jefferson, State of Colorado

Location. The subject property (0.246 acres) is located on the north side of SH 72, approximately one mile west of Indian Street, City of Arvada, Jefferson County, CO. The reader is referred to copies of various exhibits in the Exhibits section of this report for a visual depiction of the location of the subject property.

Present Use. Agricultural land with annexation to Arvada and zoning PUD for residential use. The subject is part of the Wheat Ridge Gardens Subdivision-1895.

Land Size and Shape. The subject property is comprised of 0.246 acres (10,729 square feet) of vacant land. The property is irregular in shape with an undeveloped access easement along the east property line. The ALTA/NSPS land survey prepared by Martin/Martin is found below contains the size and shape of the property.



Access. According to the 1895 Wheat Ridge Gardens Subdivision Plat and the ALTA/NSPS land survey, the subject property has undeveloped access from Highway 72 via a 30' wide right-of-way dedication along the east property line. (See above)

Topography. The subject property is a gently rolling parcel of agricultural land that slopes in a northwest to southeast direction. The property is adjacent to the Welton Reservoir.

Floodplain and Drainage. According to the ALTA/NSPS land survey and published floodplain mapping for the area (Panel Number 0859C-181G, dated December 20, 2019), the property is not located in a designated floodplain/floodway area. Drainage appears adequate.

Soil, Subsoil and Water Conditions. I have not been provided with a soil report or any other engineering studies. There is physical evidence of development on-site and there is no evidence of any issues in the immediate area. In the absence of any engineering studies, I have assumed no unusual soil or subsoil conditions.

Easements, Encroachments, and Restrictive Covenants. I was provided with a title insurance commitment for the larger parcel or the proposed take areas. This policy was prepared by Fidelity National Title and is dated January 7, 2022. I have also reviewed the ALTA/NSPS survey of the property prepared by Martin & Martin, civil engineers, dated January 26, 2022. Based on these two documents, the following extra-ordinary assumptions have been made (See Exhibits Section).

1. The subject property isn't negatively impacted by Reservations contained in the Patent (Filing #2931-Jefferson County)
2. The subject property isn't negatively impacted by an oil and gas lease (Reception No. 82055539-Jefferson County)
3. Per the Wheat Ridge Gardens Plat, the subject property has undeveloped access from Highway 72 along the east property line.
4. The property is subject to an estimated 12.5' wide electrical easement of an unrecorded easement for the existing overhead power line (estimated at 69 Kvh) that parallels the subject's south property line. This unrecorded utility easement is assumed to be separate and apart from an unrecorded water line easement.
5. The property is subject to an unrecorded water pipeline owned by Consolidated Mutual that parallels the subject's south property line. Typically, water pipeline easements are 20' in wide, which is assumed to be reasonable. This unrecorded utility easement is assumed to be separate and apart from an unrecorded electrical easement.

These two utility easements (#4 & #5) are assumed to impact approximately 37.5 feet of the site depth, which significantly impacts site utility. I have assumed that there are no other easements, encroachments and restrictive covenants that would negatively impact development of the property or its current value.

Utilities. There are no municipal water and sewer services to the site. The site does have adjudicated water rights for livestock watering (See Exhibits). There is no indication found in the water decree or the ALTA/NSPS survey that a well was drilled on this property. There is no natural gas to the site. Electricity is provided by Xcel Energy and telephone service is by CenturyLink (fka Qwest).

Anticipated Public or Private Improvements. Other than the proposed project, I am not aware of any anticipated public improvements that would directly impact the property.

Nuisances and Hazards. There are no known nuisances and hazards on the subject property.

Potential Environmental Hazards. I have not been provided with an environmental report on the subject property. I am not aware of any environmental issues and have assumed that none exist that would adversely impact the value of the property.

Owner Building/Site Improvements. The subject property is a vacant land parcel with field fencing along the south property line. There are no building/site improvements that would add value to the property.

Use History. As previously discussed herein, the subject property is a vacant land parcel that is zoned for residential use as part of the Wheat Ridge Gardens Subdivision (PUD). The land is annexed and zoned in Arvada and has historically been used for agricultural purposes.

Sales History. According to the Jefferson County Assessor's records, the current owner of record is the Wayne W. Harkness Trust. Title to the subject was transferred via a Personal Representatives Deed from Kevin E. Smith, Personal Representative to the Wayne W. Harkness Trust dated June 14, 2012, as recorded at Reception Number 2012061885. Please refer to the Personal Representatives Deed in the Addendum Section of this report. The title work cites a Quit Claim Deed dated September 27, 2021, indicating that Merrick J. Smith and Madison M. Smith are the fee owners.

There are no other known arms-length sales/transfers of the property over the past five years.

Listing/Contract Data. There is no known listing of the subject property within the last three years.

Assessed Value and Real Estate Taxes. The subject property is assessed and taxed by Jefferson County under parcel number **300205259**. According to the Jefferson County Assessor's office, the subject property has a total assessed value of \$8.00. The Jefferson County Treasurer's office has assigned the subject property a land use classification of Grazing Land Class VI -20. The current mil levy is 152.061.

Zoning and Other Land Use Regulations

According to the City of Arvada, the property is zoned PUD as part of the Wheat Ridge Gardens Subdivision (1895). As approved, uses for the property are residential. The majority of land proximate to the subject is zoned and developed for residential uses.

PART 3 – ANALYSIS AND VALUATION – LARGER PARCEL/AFFECTED AREA BEFORE TAKE

Highest and Best Use- Larger Parcel/Affected Area Before Take

Highest and best use is the most profitable and competitive use of a property. Colorado Jury Instructions - Civil 4th, 36:6 views highest and best use as follows:

“In determining the market value of the property actually taken (and the damages, if any, and benefits, if any, to the residue) you should consider the use, conditions and surroundings of the property as of the date of valuation.

In addition, you should consider the most advantageous use or uses to which the property might reasonably and lawfully be put in the future by persons of ordinary prudence and judgment. Such evidence may be considered, however, only insofar as it assists you in determining the reasonable market value of the property as of the date of valuation (or the damages, if any, or the benefits, if any, to the residue). It may not be considered for the purposes of allowing any speculative damages or values.”

The Appraisal Institute in The Dictionary of Real Estate Appraisal, Fourth Edition, Chicago, 2002, p. 135, defines highest and best use as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

Highest and Best Use as Though Vacant

As previously discussed herein, the property is vacant land. Therefore, no consideration is given to the Highest and Best Use as improved or as proposed.

Legally Permissibility: In concluding to the highest and best use of the land as if vacant, only those uses, which are legally permissible or reasonably probable, can be considered. The subject is zoned PUD as part of the Wheat Ridge Gardens Subdivision (1895) by Arvada. The subject parcel has a use by right of residential.

Physical Possibility: The subject is a 10,729 square foot triangular shaped parcel with undeveloped access to SH72 and has a gently rolling topography. The two utility easements are assumed to impact approximately 37.5 feet of the site depth, which significantly impacts site utility. The parcel has no municipal water or sewer services to the site. The site does have adjudicated water rights for livestock watering. Soil conditions, as evidenced by development in proximity to the subject, are assumed capable of supporting vertical development. The City of Arvada building code does require setbacks of 20 feet from the front property line and 5 feet from the side and rear from the property lines. After considering all these factors, it is not physically possible to develop the property due to the sites physical constraints.

Financial Feasibility: It is not financially feasible to develop the subject property due the parcel size, existing easements, and code setback requirements.

Maximum Productivity: Lacking any development potential, the maximally productive use of the site is open space or assemblage with an adjacent parcel. The subject property is adjacent to the Welton Reservoir on the east and the Vauxmont Subdivision on the north. A valuation assuming assemblage represents a bilateral monopoly, which does not meet the definition of fair market value. Thus, the maximally productive use of the site is for open space

Highest and Best Use as Vacant: After considering the characteristics of the neighborhood and the site restrictions imposed by zoning and physical constraints, the most probable use for the subject as vacant is for open space. The most probable buyer is an adjacent property owner and timing cannot be determined.

Appraisal Valuation Methodology

The Highest and Best Use of the property is for open space. The Sales Comparison Approach is the correct methodology to use in valuing the subject’s 0.246 acres of land that is zoned for residential use. The subject is a land parcel that is annexed to, zoned by Arvada, and has no public wet utilities available to the site. The site has undeveloped access from SH 72 along the east property line.

Land/Site Valuation – Larger Parcel before Take

Open Space Land

In this analysis, a Sales Comparison Approach will be used to provide an opinion of value for the subject tract. As noted, the Sales Comparison Approach consists of choosing properties similar-to the subject and exposing them to an adjustment process, resulting in a comparison of physical and economic characteristics. Once this adjustment process has been completed, an estimate of value can be extracted.

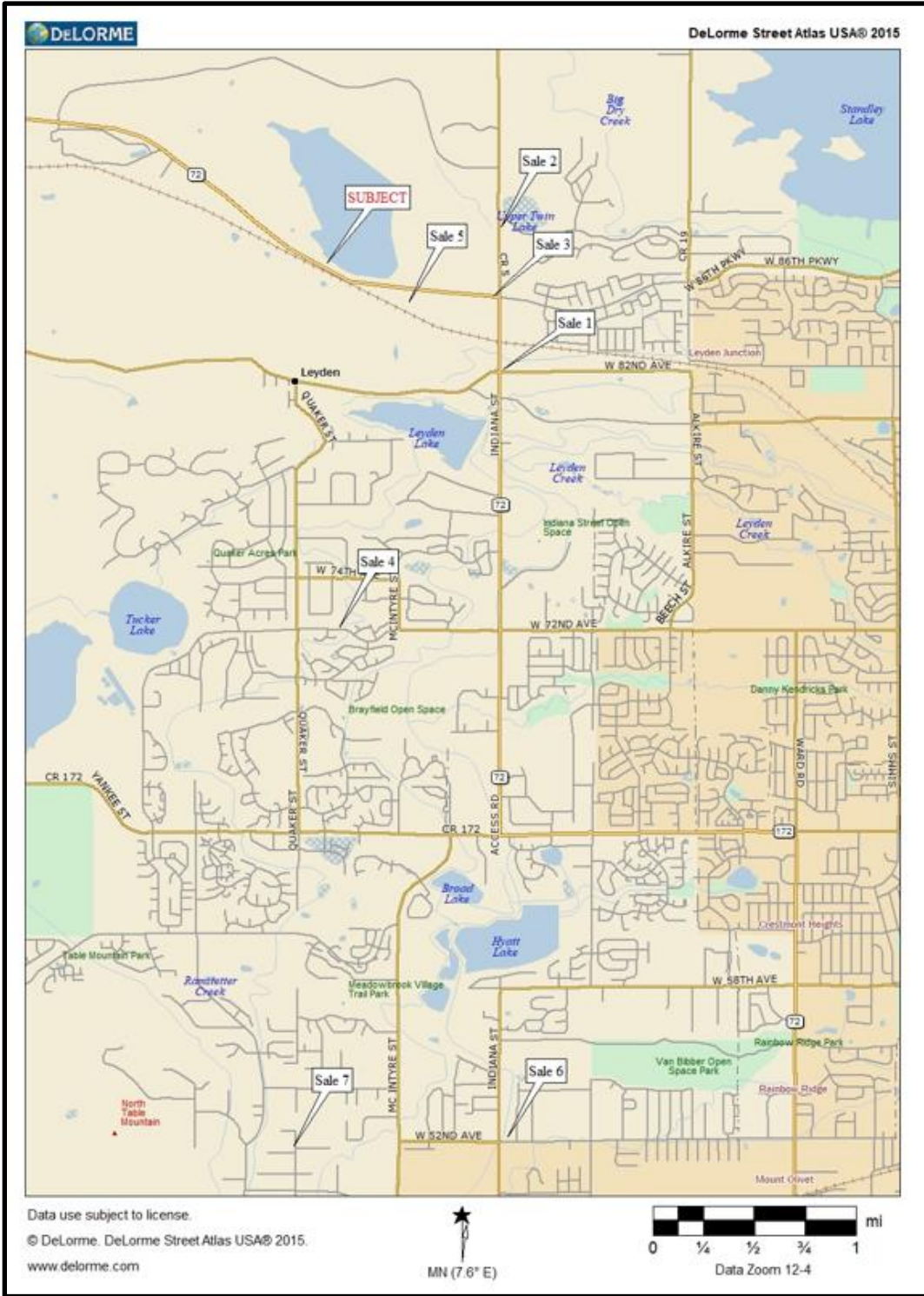
I have gathered and analyzed comparable sales that have taken place in the market for open space land parcels. These sales have taken place over the past 12 years. The most relevant unit of comparison used in the marketplace is the price per square foot of land area. The comparable sales will be analyzed and adjusted to give a value indication for the subject property on this basis.

I searched the subject’s neighborhood and have analyzed and considered the following sales:

Sale Number	Schedule Number	Property Address	Sale Date	Sale Price	Acreage	Sq. Ft.	Price/Acre	Price/Sq. Ft.
1	300028733	82nd Indiana Str.	6/21/2021	\$3,162,821	25.52	1,111,651	\$123,935	\$2.85
2	300028733	8701 Indiana Str.	10/21/2020	\$699,900	5.21	226,773	\$134,338	\$3.09
3	300514507	Indiana St/West 86th Pky	2/21/2020	\$1,250,000	13.17	573,685	\$94,913	\$2.18
4	300458839	5255 Orchard Street	7/31/2019	\$82,000	2.002	87,207	\$40,959	\$0.94
5	300083299	S/S Hwy 72	2/21/2019	\$762,500	4.277	186,306	\$178,279	\$4.09
6	300406651	15000 West 52nd Ave	7/5/2018	\$1,125,000	5	217,800	\$225,000	\$5.17
7	300456284	5160 Quaker Street	7/1/2018	\$360,000	1.18	51,401	\$305,085	\$7.00

None of the sales found in the table above were transfers of open space land. Sales #1-3 and #5 are proximate to the subject and residential, commercial, or industrial development potential. Sales #4, #6 and #7 are infill parcels zoned for residential use. All the sales require a substantial downward adjustment for Highest and Best Use. After considering these sales, I have concluded that sale #4 requires the least adjustments and represents the best indicator of Fair Market Value.

Land Sales Map



Test of Reasonableness: Below are open space land acquisitions in the metropolitan Denver area. These sales range from \$0.29 to \$1.63/SF. Sale #1 was acquired for open space in a residential area. Sale #4 was acquired for open space as part of the Cherry Creek Trail.

These sales sold from December 2010 to March 2014 and support the weight placed on sale #4. It was noted that sale one transferred with residential zoning and sales #2-#4 inclusive transferred with industrial zoning. Though dated, these sales indicate that the price per square foot for open space property has not changed over time. (See next page)

Land Sale Summary Table

Open Space Sales						
Sale No.	Project Name Location	Sales Date	Sale Price	Land Area Sq Ft	Land Area Acres	Price/ Sq Ft.
1	1900 South Quebec Street	Mar-14	\$15,000	51,401	1.18	\$0.29
2	3270-3400 E. 64th Ave Assemblage	Jan-14	\$858,000	525,769	12.07	\$1.63
3	3270-3400 E. 64th Ave Assemblage	Jan-14	\$700,000	869,022	19.95	\$0.81
4	Arapahoe Rd, East of Jordan Rd *Open Space Land Only	Dec-10	\$335,000	413,820	9.50	\$0.81

Land Sales Map



Test of Reasonableness: Below are open space land acquisitions by the City Ft. Collins. The prices paid are reflective of location, size and priority set in the City's Master Plan. These sales range from \$0.01 to \$2.52/SF. These open space sales also support the weight placed on sale #4.

Year	Property	Total Site Acres	Total Cost	Price/Acre	Price/SF
2013	Taft and vine	37.35	\$ 1,050,000.00	\$ 28,112.45	\$ 0.65
2013	E Mulberry	4.94	\$ 543,181.00	\$ 109,955.67	\$ 2.52
2013	E Mulberry	11.81	\$ 594,303.31	\$ 50,322.04	\$ 1.16
2013	N Shields - along Poudre River	10.00	\$ 391,064.50	\$ 39,106.45	\$ 0.90
2013 Total					
2014	Ziegler and Horsetooth	50.00	\$ 175,136.00	\$ 3,502.72	\$ 0.08
2014	E Horsetooth	77.96	\$ 698.94	\$ 8.97	\$ 0.00
2014	E Horsetooth	164.88	\$ 179,685.00	\$ 1,089.82	\$ 0.03
2014	N Shields - along Poudre River		\$ -		
2014 Total		292.84	\$ 355,519.94		
2015	N Shields and Willox	6.76	\$ 275,144.25	\$ 40,689.77	\$ 0.93
2015	Hoffman Mill Rd (Lemay and Poudre River D	6.50	\$ 146,329.50	\$ 22,512.23	\$ 0.52
2015	Lemay and Hoffman Mill Rd	7.85	\$ 510,436.00	\$ 65,056.84	\$ 1.49
2015	Adjacent to Lory State Park	371.00	\$ 531,401.81	\$ 1,432.35	\$ 0.03
2015	Adjacent to Lory State Park	362.00	\$ 160,732.00	\$ 444.01	\$ 0.01
2015	E CR 30 (north of FC-Loveland airport)	113.00	\$ 1,780,436.00	\$ 15,756.07	\$ 0.36
2015	Rawhide Flats Rd (near Soapstone NA)	240.00	\$ 330,488.50	\$ 1,377.04	\$ 0.03
2015 Total		1107.11	\$ 3,734,968.06		
2016	S CR 11 (btwn 392 and CR30)	76.75	\$ 1,040,377.00	\$ 13,555.40	\$ 0.31
2016	E Horsetooth	5.46	\$ 85,739.00	\$ 15,703.11	\$ 0.36
2016	S CR 11 (btwn 392 and CR30)	75.00	\$ 1,081,450.00	\$ 14,419.33	\$ 0.33
2016 Total		157.21	\$ 2,207,566.00		
2017	S Shields St	20.88	\$ 774,211.69	\$ 37,087.99	\$ 0.85
2017	S of Horsetooth Reservoir	481.26	\$ 3,106,462.00	\$ 6,454.81	\$ 0.15
2017	W of Horsetooth Reservoir	358.00	\$ 2,511,084.00	\$ 7,014.20	\$ 0.16
2017	Willox Lane (btwn Shields and College)	11.89	\$ 360,119.00	\$ 30,292.65	\$ 0.70
2017	E CR 30	40.00	\$ 670,537.61	\$ 16,765.54	\$ 0.38
2017	E Conifer St	1.00	\$ 751.00	\$ 751.00	\$ 0.02
2017 Total		913.02	\$ 7,423,165.30		
2018	Trilby and Kyle	3.50	\$ 180,093.00	\$ 51,455.14	\$ 1.18
2018	S CR 23	53.828	485,000	\$ 9,010.18	\$ 0.21

Conclusion of Land Value

Of the seven sales presented proximate to the subject, none were for open space. After considering each of these sales and their various Highest and Best Uses, I have placed most weight on Sale #4, which provided an indicated value of \$0.94 per square foot.

The four sales presented in the Test of Reasonableness provided an unadjusted range from \$0.29 to \$1.63 per square foot with a mean of \$0.96 per square foot.

The Ft. Collins sales presented in the second Test of Reasonableness provided an unadjusted range from \$0.00 to \$2.52 per square foot from 2013 to 2018.

After considering these various market indicators and the various qualitative adjustments required to the comparable land sales, the Appraiser gives most weight to sale #4, which has proximity and some of the issues found on the subject site. Thus, I conclude the estimated value of the lot is as follows:

10,729 square feet @ \$1.00 per square foot \$10,729

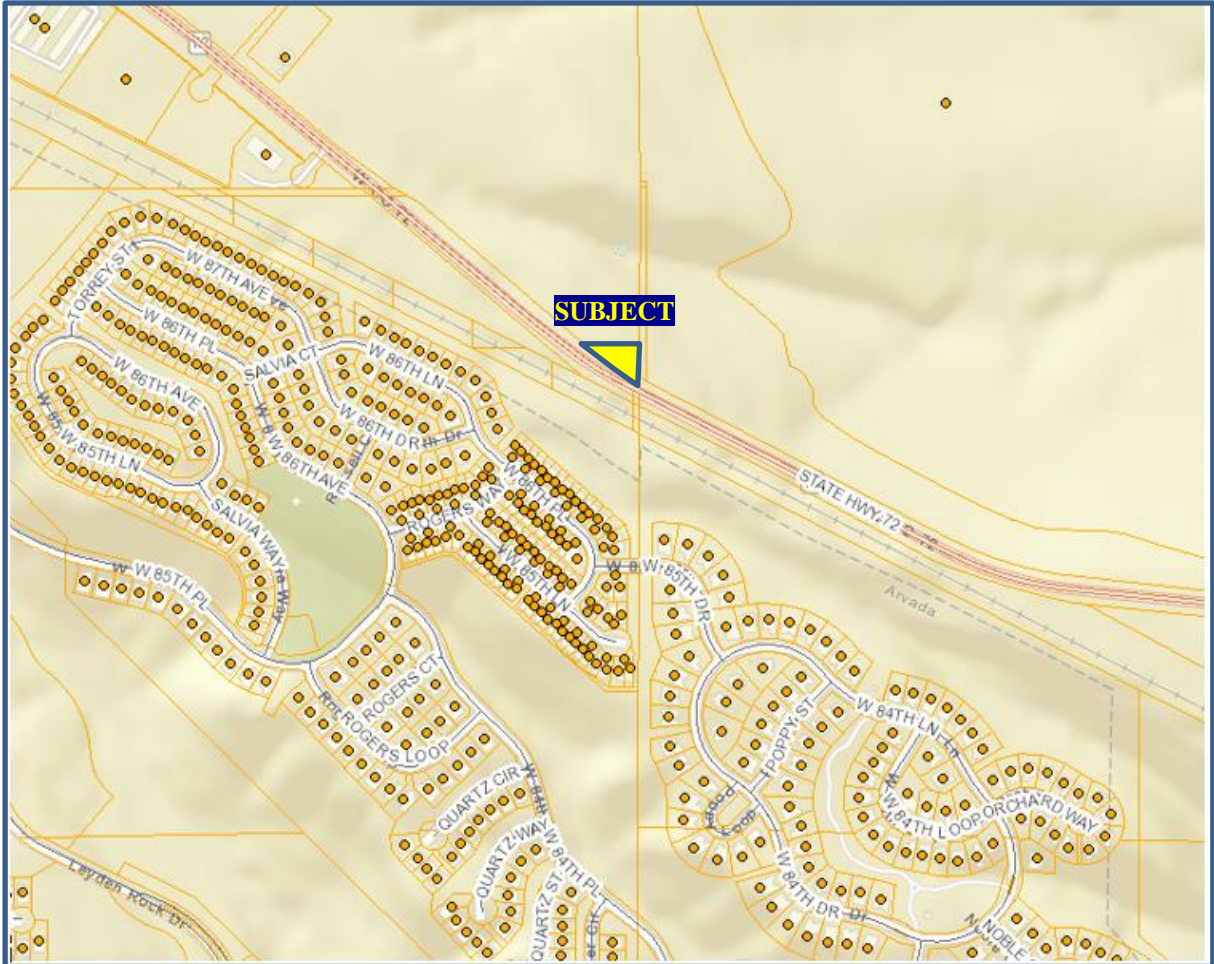
TOTAL BEFORE VALUE

\$10,729

EXHIBITS AND ADDENDA

Assessor's Ariel Map
Google Ariel Map
Assessor's Records
Personal Representatives Deed
Subdivision Plat Map
Assessor's Map Wheat Ridge Gardens 2nd Filing
Colorado Division of Water Resources Decree
Zoning Map
Floodplain Map
ALTA/NSPS Land Survey
Easement Map
Vauxmont Minor Subdivision Plat
Acronyms and Definitions
Colorado 7-Step Partial Take Appraisal Process – Eminent Domain
Qualifications of the Appraiser
Testimony History

Assessor's Map



Google Ariel Map



Assessor's Records

10/20/21, 8:17 AM
Assessor Property Records Search - Property Details

Property Information

[Home](#) / [PIN/Schedule Number](#) / **Property Information**

Property Information
Sales
History

PIN/Schedule
300205259

Owners
WAYNEW HARKNESS TRUST


AIN/Parcel ID
20261-01-004

Property Address
WAGANT LAND
CO

Address and Political
Address Information

Property Class
4000 Agricultural

Mailing Address
CJO KEVIN E SMITH
7950 INDIANA ST
ARVADA, CO 80007



Legal Description

Subdivision
830200 WHEAT RIDGE GARDENS 2ND P.L.G.

Parcel Map
Map

Interactive Map
Aspin
Interactive Map
jMap

Block	Lot	Tract/Key	Section	Township	Range	QSection	Land SQFT	Land Acres
	0016	00C	26	02	70	NE	16,509	0.379
Total							16,509	0.379

CAUTION: The above legal description is incomplete and for internal purposes only. DO NOT USE THE ABOVE LEGAL DESCRIPTION FOR DEEDS and other legal conveyances.

Sale History

https://propertysearch.jeffco.us/propertyrecordssearch/pin/property/details/sCpjBvH_BFeti18VNIAYVvekh7XrOIAjAnyS4lpQdP01
1/3

Sale Date	Sale Amount	Deed Type	Doc/Instr#
11/1/1994	\$0	Death Certificate	94173924
11/1/1994	\$0	Death Certificate	94106402
6/14/2012	\$0	Personal Representative Deed	2012061885

Property Valuation

Mass Appraisal Valuation Explanation

Tax Year	Actual Land Value	Actual Imp Value	Actual Total Value	Assessed Land Value	Assessed Imp Value	Assessed Total Value	Notice of Valuation
2021 payable 2022	\$27	\$0	\$27	\$8	\$0	\$8	View Notice
2020 payable 2021	\$26	\$0	\$26	\$8	\$0	\$8	

Mill Levy Information

Treasurer Tax Information

Tax Year	TAG	Authority	Mill Levy
2021 payable 2022	1152	APEX PARK & REC DIST	TBD
		ARVADA	TBD
		ARVADA FIRE DIST	TBD
		COUNTY	TBD
		JEFF CTR METRO DIST NO 1	TBD
		MOFFAT TUNNEL IMPROVEMENT DIST	TBD
		NORTHWEST ARVADA URB RENW 2035	TBD
		REGIONAL TRANSPORTATION DIST	TBD
		SCHWOL	TBD
		URBAN DRAINAGE&FLOOD C 50 PLAT	TBD
		URBAN DRAINAGE&FLOOD CONT DIST	TBD
		Total Mill Levy	
2020 payable 2021	1152	APEX PARK & REC DIST	4.6260
		ARVADA	4.3100
		ARVADA FIRE DIST	14.9470
		COUNTY	24.5780
		JEFF CTR METRO DIST NO 1	55.2750
		MOFFAT TUNNEL IMPROVEMENT DIST	0.0000
		NORTHWEST ARVADA URB RENW 2035	0.0000
		REGIONAL TRANSPORTATION DIST	0.0000
		SCHWOL	47.0380
		URBAN DRAINAGE&FLOOD C 50 PLAT	0.1000
		URBAN DRAINAGE&FLOOD CONT DIST	0.9000
		Total Mill Levy	

Property Inventory

Neighborhood
50 10 METES AND BOUNDS

Market Area
5 ResMA: North Center jeffco

Land

Land Use	State Tax Class	Size	Unit Type	Land Contributor	Contributor Category
Grazing/Land Class VI - 20	4147	0.379	Acre		

©2021 Assessor Property Records Search - Jefferson County, CO



R \$11.00

D \$0.00

PRD

2012061885

06/14/2012 12:40:35 PM 1 Page(s)

Jefferson County, Colorado

PERSONAL REPRESENTATIVE'S DEED

THIS DEED is dated June 14, 2012, and is made between KEVIN E. SMITH, the "Grantor," as Personal Representative of the ESTATE OF WAYNE W. HARKNESS, deceased, and the WAYNE W. HARKNESS TRUST, the "Grantee," whose legal address is 7950 Indiana Street, Arvada, Colorado 80007;

WHEREAS, the decedent died on the date of October 25, 1994, the Grantor was duly appointed Personal Representative of said Estate by the District Court in and for the County of Jefferson, and State of Colorado, Case No. 94 PR 1140, and Grantor accepted such appointment on the date of November 16, 1994, and, on May 2, 2012, said Estate was reopened and Grantor was duly re-appointed Personal Representative in said Case, and Grantor is now qualified and acting in said capacity;

NOW, THEREFORE, pursuant to the powers conferred upon Grantor by the Colorado Probate Code, as the person entitled to distribution of the property in the above captioned Estate, Grantor does hereby sell and convey unto Grantee, its successors and assigns forever, the following described real property situate in the County of Jefferson, State of Colorado, to wit:

A parcel of land located in Section 26, Township 2 South, Range 70 West of the 6th P.M., being that part of Lot 16, Wheat Ridge Gardens 2nd Filing, lying North and East of State Highway 72, County of Jefferson, State of Colorado,

(the "Property"), together with all appurtenances, rights of way, easements, and improvements; and together with any right, title and interest of Grantor in any adjoining streets, roads or rights of way; and together with all minerals and mineral rights;

EXECUTED this 14th day of June, 2012.

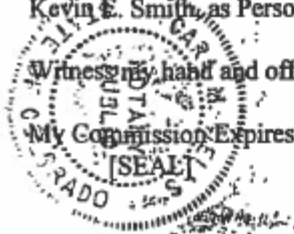
Kevin E. Smith, as Personal Representative of the Estate of Wayne W. Harkness, deceased.

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 14th day of June, 2012, by Kevin E. Smith, as Personal Representative of the Estate of Wayne W. Harkness, deceased.

Witnessing hand and official seal.

My Commission Expires: 04/26/2013


Notary Public



R \$23.00
D \$0.00

2021138745

09/27/2021 04:00:43 PM 3 Page(s)

JEFFERSON COUNTY, Colorado

23

After Recording Return To
Kevin Smith
7950 Indiana Street
Arvada, Colorado
80007

1-3

COLORADO QUIT CLAIM DEED

State of Colorado

Jefferson County

KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the sum of Ten Dollars (\$10.00) and/or other valuable consideration to the below in hand paid to the Grantor(s) known as:

A Trust under the name of Wayne W Harkness Trust with Kevin E Smith & Charlie Miller acting as the Trustee's with a mailing address of 7950 Indiana Street, Arvada, Colorado, 80007.

The receipt whereof is hereby acknowledged, the undersigned hereby quitclaims to:

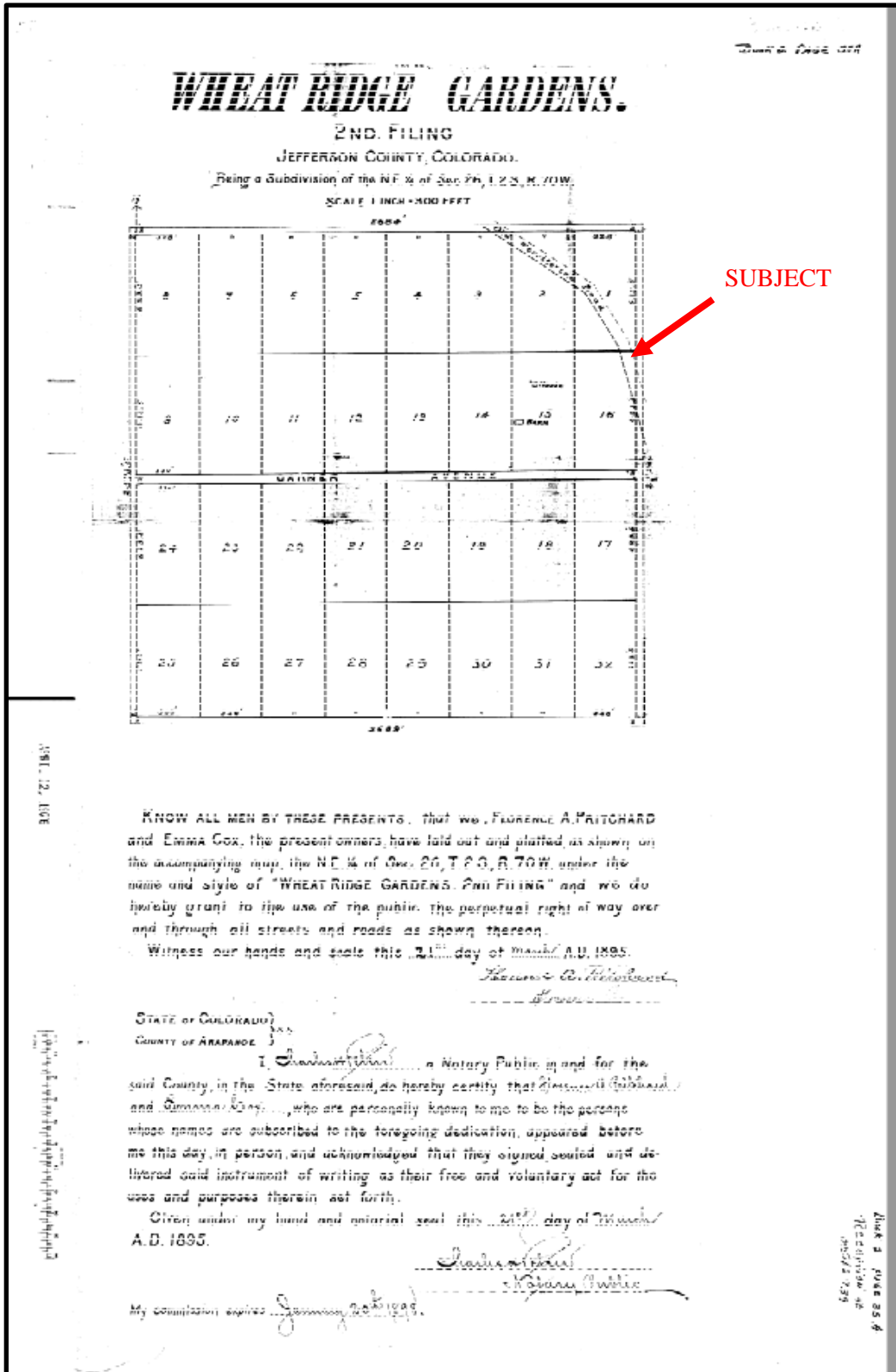
Two (2) individuals known as Merrick J Smith, a single individual, residing at 7995 Indiana Street, Arvada, Colorado, 80007, and Madison M Smith, a single individual, residing at 7995 Indiana Street, Arvada, Colorado, 80007.

(hereinafter called the "Grantee(s)") all the rights, title, interest, and claim in or to the following described real estate, situated in Jefferson County, Colorado, to-wit:

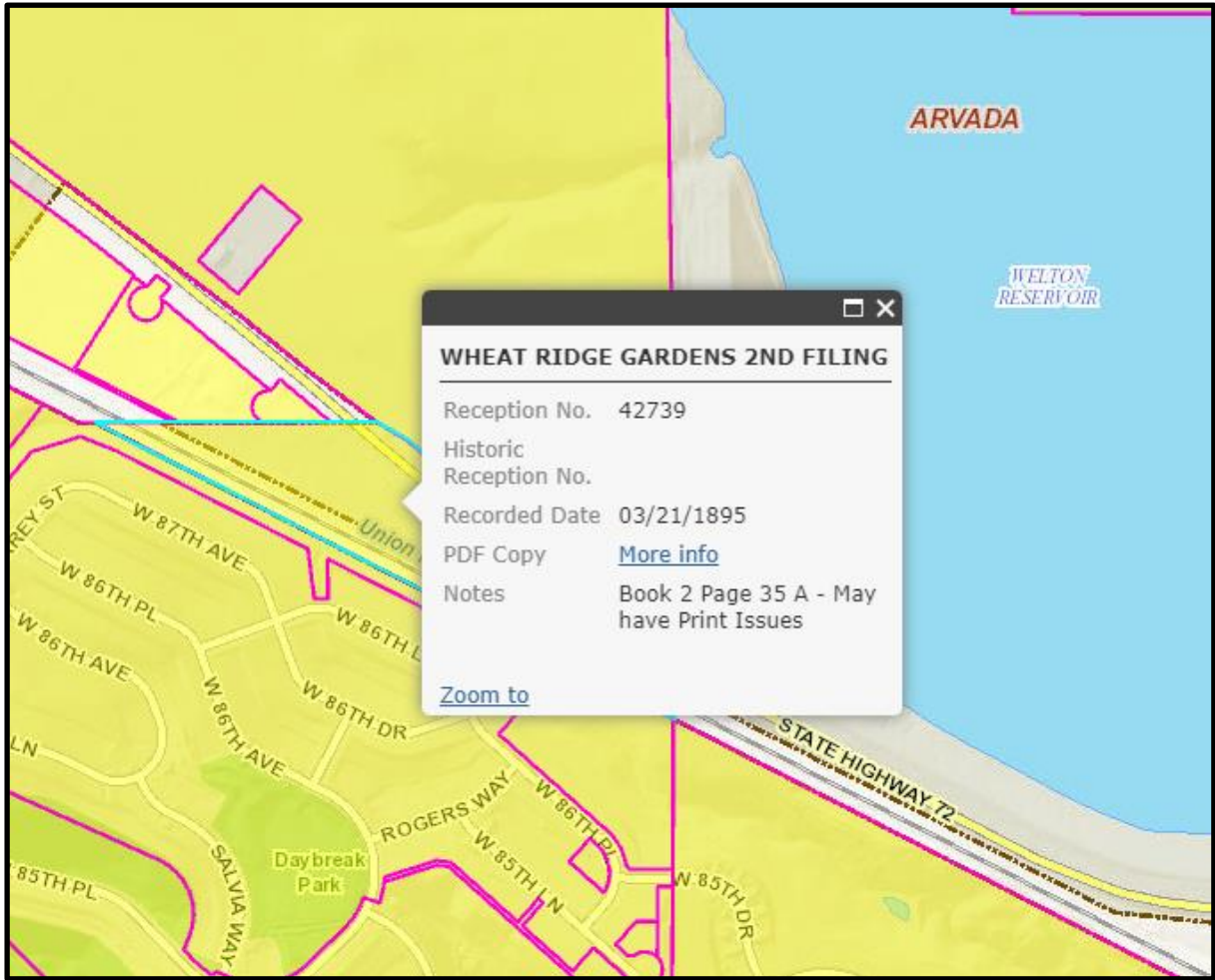
A parcel of land located in Section 26, Township 2 South, Range 70 West of the 6th P.M., being that part of Lot 16, Wheat Ridge Gardens 2nd Filing, lying North and East of State Highway 72, County of Jefferson, State of Colorado, (the "Property"), together with all appurtenances, rights of way, easements, and improvements; and together with any right, title and interest of Grantor in any adjoining streets, roads or rights of way; and together with all minerals and mineral rights;

Page 1

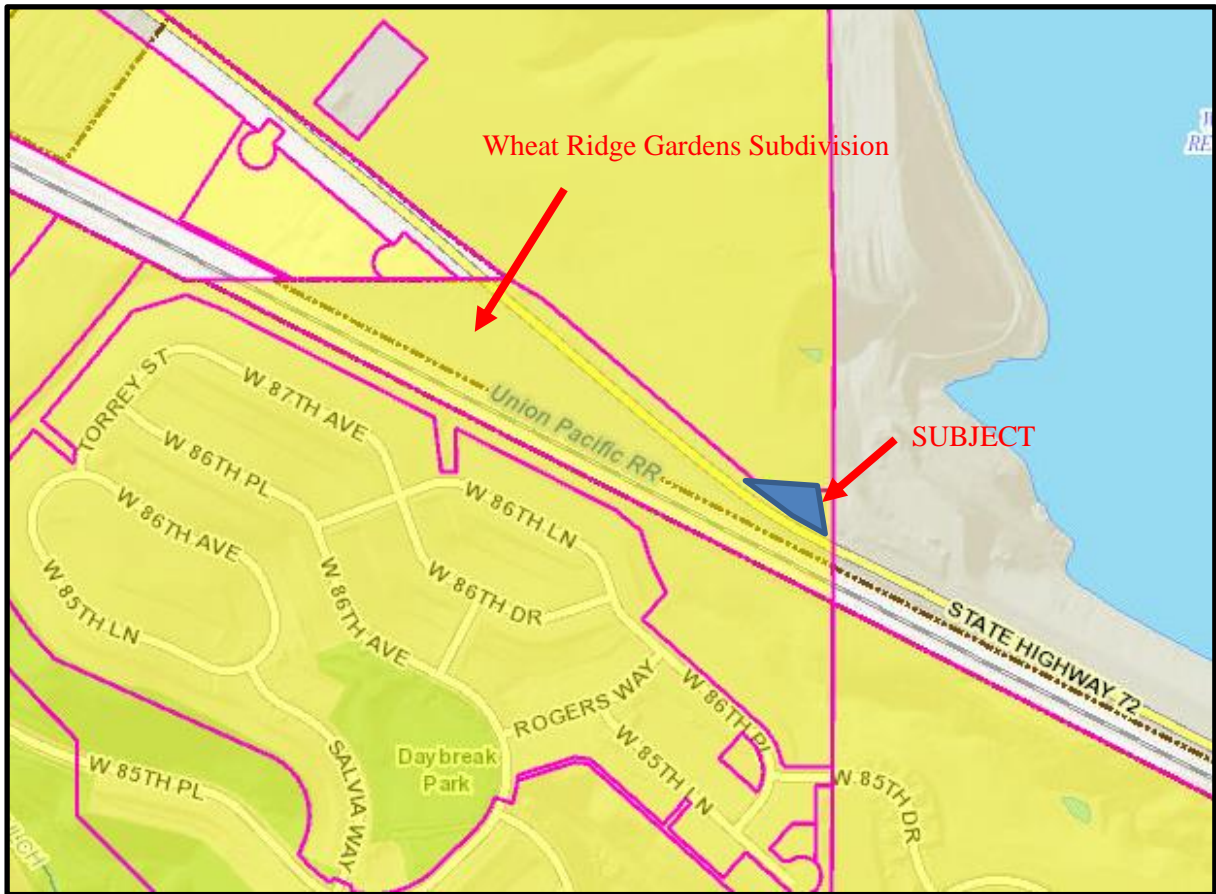
Subdivision Plat Map



Assessor's Map Wheat Ridge Gardens 2nd Filing



Assessor's Map Wheat Ridge Gardens 2nd Filing



Water Decree

WRJ-25-74

THIS FORM MUST BE SUBMITTED PRIOR TO THE EXPIRATION OF THE PERMIT. TYPE OR PRINT IN BLACK INK. COPY OF ACCEPTED STATEMENT MAILED ON REQUEST.

COLORADO DIVISION OF WATER RESOURCES

300 Columbine Bldg., 1845 Sherman St.
Denver, Colorado 80203

LATE REGISTRATION BY THE OFFICE OF THE STATE ENGINEER AS PER DECREE GRANTED UNDER CASE NO. W-4871. WATER DIVISION 1. PURSUANT TO SECTION 107-21-20 (8), C.R.S. 1963, AS AMENDED. DATE March 3, 1975

STATE OF COLORADO }
COUNTY OF _____ } SS. _____

AFFIDAVIT-21-20 (8), C.R.S. 1963, AS AMENDED.
DATE March 3, 1975

STATEMENT OF BENEFICIAL USE OF GROUND WATER
AMENDMENT OF EXISTING RECORD

WELL NO. 2
PERMIT NUMBER 78493

LOCATION OF WELL

THE AFFIANT(S) Wayne W. Harkness & Esther B. Harkness
whose mailing address is Route 1, Box 590

County <u>Jefferson</u>	
<u>SE</u> $\frac{1}{4}$ of the	<u>NW</u> $\frac{1}{4}$ Section <u>26</u>
Twp. <u>2</u> <u>S</u> (N OR S)	Rng. <u>70</u> <u>W</u> (E OR W) <u>6th</u> P.M.

City Golden, Colorado 80401
(IN STATE) (ZIP)

being duly sworn upon oath, deposes and says that he (they) is (are) the owner(s) of the well described hereon; the well is located as described above, at distances of 1430 feet from the North section line and 2550 feet from the West section line; water from this well was first applied to a beneficial use for the purpose(s) described herein on the 15 day of April, 19 50; the maximum sustained pumping rate of the well is _____ gallons per minute, the pumping rate claimed hereby is 15 gallons per minute; the total depth of the well is _____ feet; the average annual amount of water to be diverted is _____ acre-feet; for which claim is hereby made for Stock watering purpose(s); the legal description of the land on which the water from this well is used is _____ which totals _____

_____ acres and which is illustrated on the map on the reverse side of this form; that this well was completed in compliance with the permit approved therefor; this statement of beneficial use of ground water is filed in compliance with law; he (they) has (have) read the statements made hereon; knows the content thereof; and that the same are true of his (their) knowledge.

Signature(s) _____

Subscribed and sworn to before me on this _____ day of _____, 19 _____

My Commission expires: _____
(SEAL)

NOTARY PUBLIC

ACCEPTED FOR FILING BY THE STATE ENGINEER OF COLORADO PURSUANT TO THE FOLLOWING CONDITIONS:

FOR OFFICE USE ONLY			
Court Case No.	<u>W-4871</u>		
Prior.	Mo.	Day	Yr.
Div.	<u>1</u>	Cty.	<u>30</u>
Sec.	<u>1</u>	$\frac{1}{4}$	<u>1</u>
Well Use	<u>2</u>		
Dist.	<u>6</u>	Basin	Man. Dis.

DATE APR 01 1975

STATE ENGINEER _____

BY _____

Well drilled by _____ Lic. No. _____

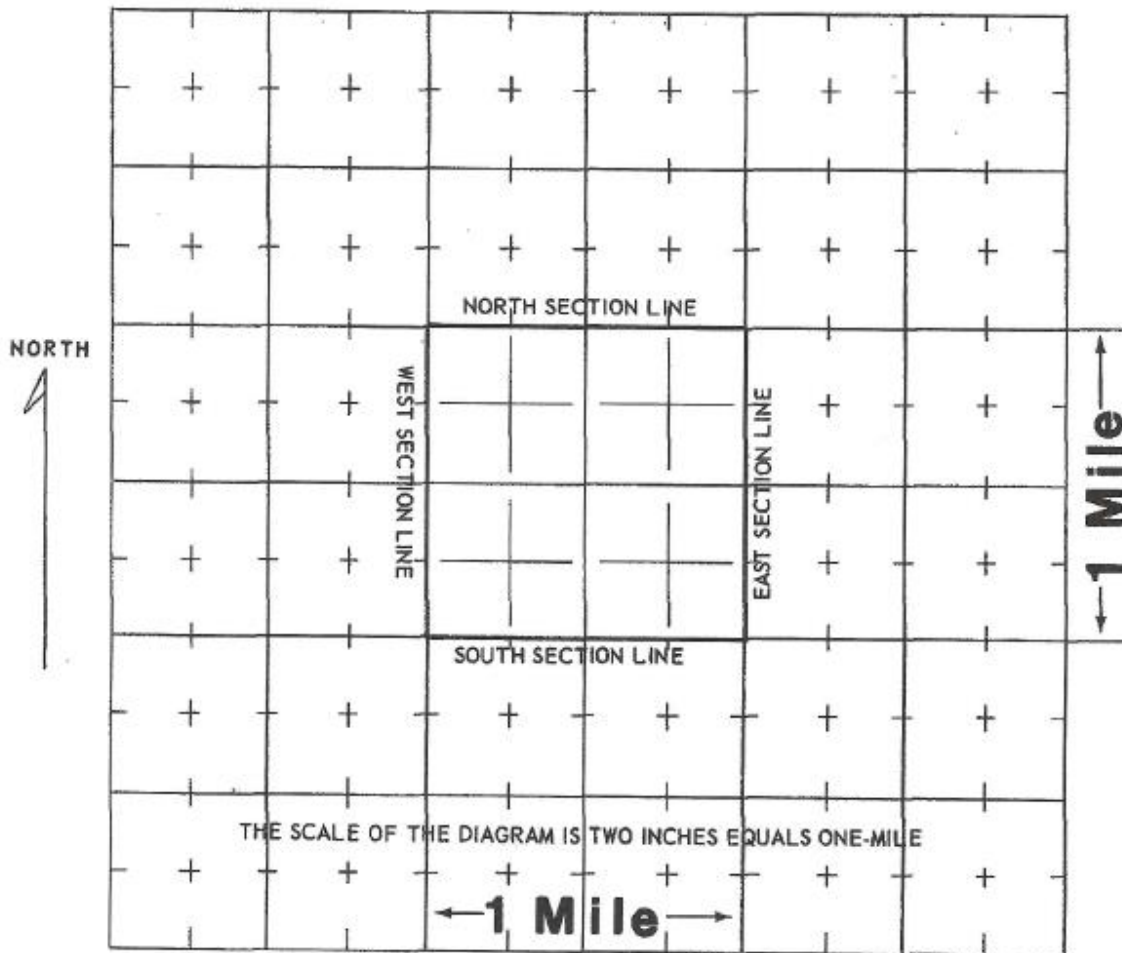
Pump installed by _____ Lic. No. _____

Meter Serial No. _____ Flow Meter Date Installed _____

Owner of land on which water is being used _____

THE LOCATION OF THE WELL MUST BE SHOWN AND THE AREA ON WHICH THE WATER IS USED MUST BE SHADED OR CROSS-HATCHED ON THE DIAGRAM BELOW.

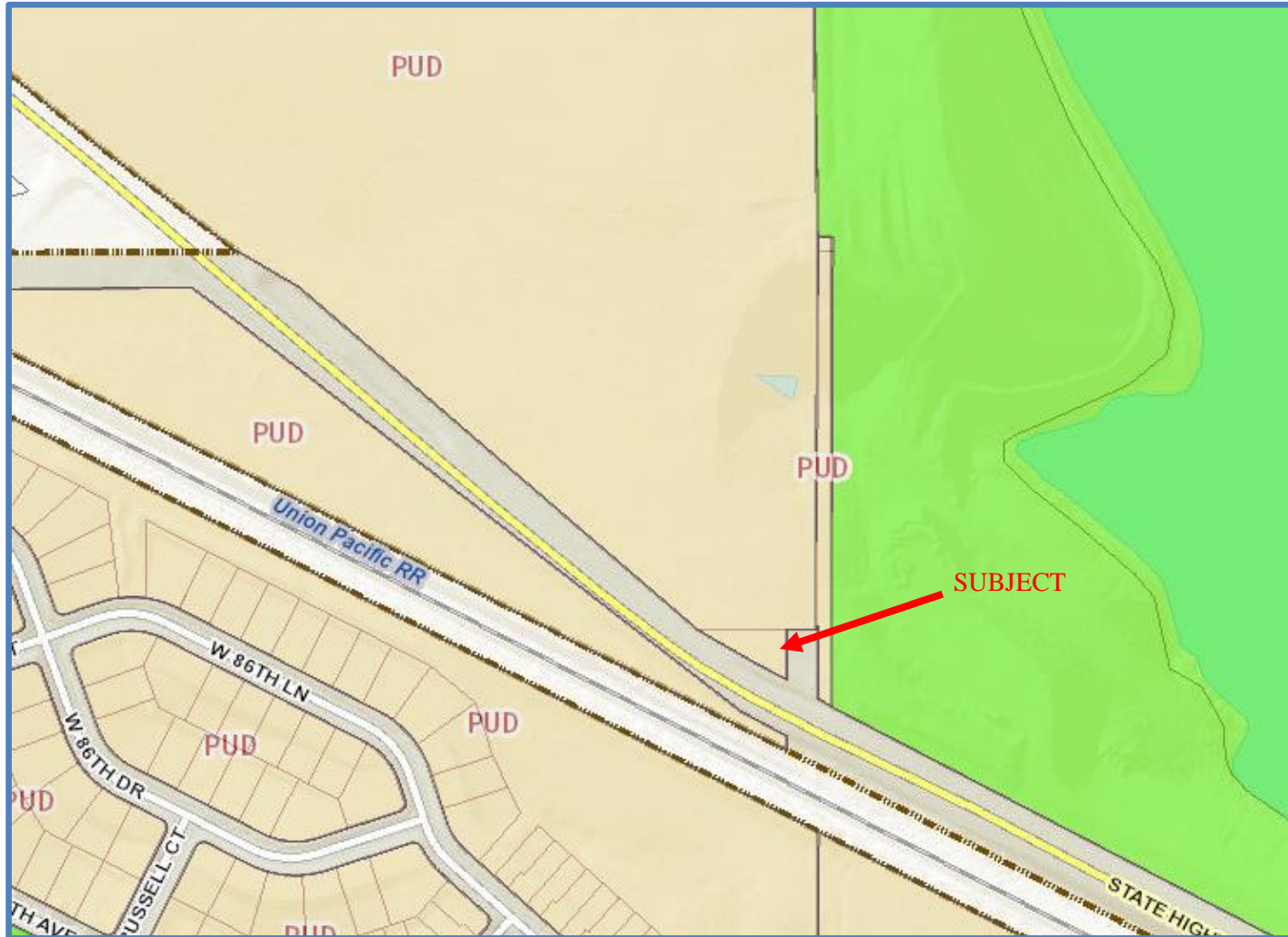
This diagram represents nine (9) sections. Use the CENTER SQUARE (one section) to indicate the location of the well, if possible.



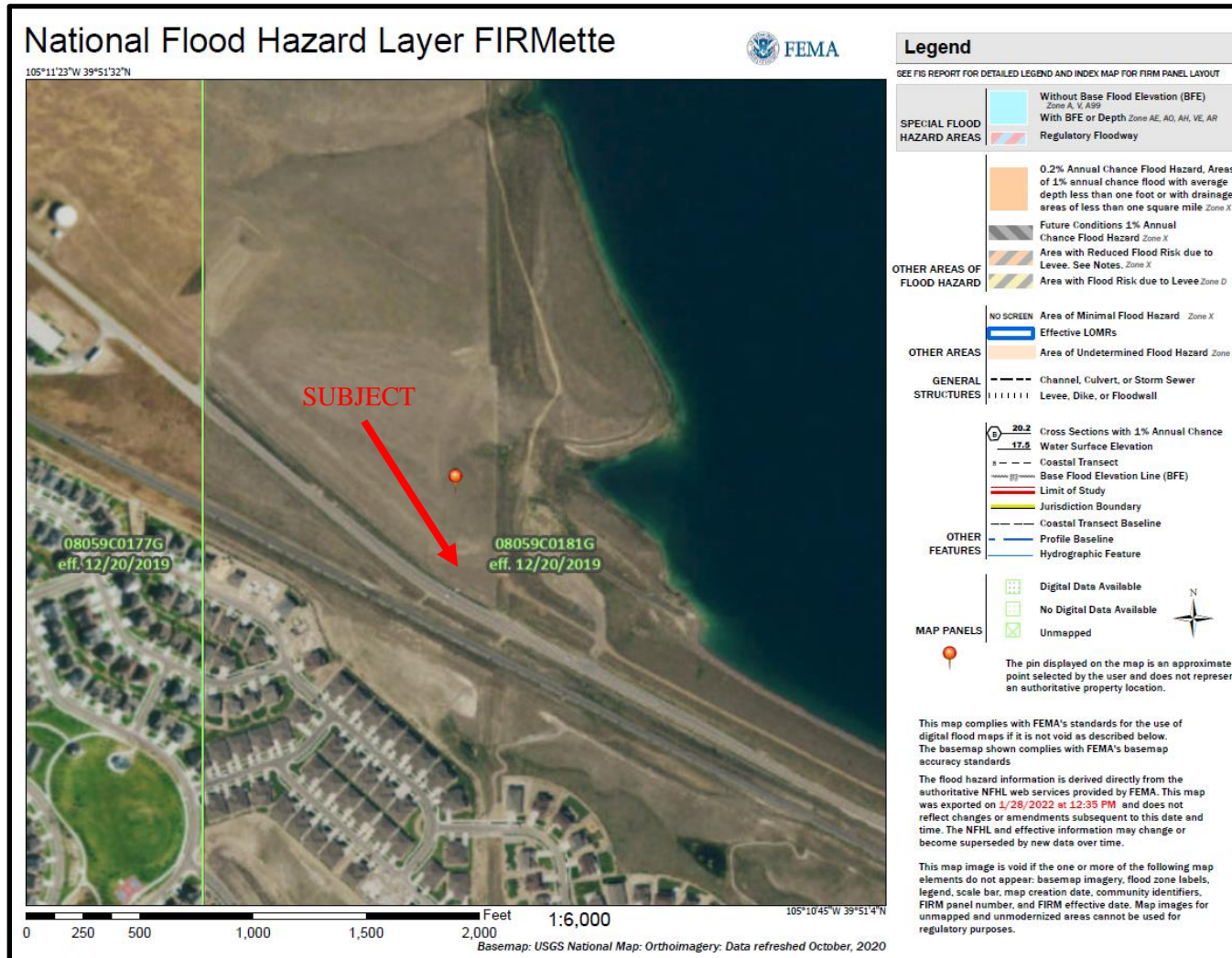
WATER EQUIVALENTS TABLE (Rounded Figures)

- An acre-foot covers 1 acre of land 1 foot deep.
- 1 cubic foot per second (cfs) . . . 449 gallons per minute (gpm).
- 1 acre-foot . . . 43,560 cubic feet . . . 325,900 gallons.
- 1,000 gpm pumped continuously for one day produces 4.42 acre-feet.
- 100 gpm pumped continuously for one year produces 160 acre-feet.

Zoning Map



Floodplain Map



Title Policy – Schedule B - Exemptions

Order No. N0036107-030-ME1-2SN

SCHEDULE B PART II – EXCEPTIONS

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Any facts, rights, interests or claims that are not shown by the Public Records but which could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
2. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
3. Any encroachments, encumbrances, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by Public Records.
4. Any lien or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
5. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the Public Records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires of record for the value the estate or interest or mortgage thereon covered by this Commitment.

NOTE: The above exception will not appear on policies where closing and settlement has been performed by the Company.

6. Water rights, claims of title to water, whether or not these matters are shown by the Public Records.
7. All taxes and assessments, now or heretofore assessed, due or payable.

NOTE: This tax exception will be amended at policy upon satisfaction and evidence of payment of taxes.

8. Reservations contained in the Patent:

From: The United States of America
To: Addison S. Gamer
Filing Date: July 20, 1892
Filing No.: [2931](#)

Which among other things recites as follows:

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Fidelity National Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I— Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

27C165 Commitment for Title Insurance (Adopted 6-17-06 Revised 08-01-2016)

Page 1

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SCHEDULE B
PART II – Exceptions
(Continued)

Subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of the courts; and also subject to the right of the proprietor of a vein or lode to extract and remove his ore therefrom should the same be found to penetrate or intersect the premises hereby granted, as provided by law; and the reservation from the lands hereby granted of a right of way thereon for ditches or canals constructed by the authority of the United States.

9. An oil and gas lease for the term therein provided with certain covenants, conditions and provisions, together with easements, if any, as set forth therein.

Dated: April 20, 1982
Lessor: Paul V. Pattridge and Florence Helen Pattridge
Lessee: Teton Energy Company, Inc.
Recording Date: August 14, 1982
Recording No.: Reception No. [82055539](#)

Note: Amendment and Ratification Agreement recorded August 18, 1982 at Reception No. 82057431.

10. Any tax, lien, fee, or assessment by reason of inclusion of the Land in the Jefferson Center Metropolitan District No. 1, as evidenced by instrument(s)

Recording Date: October 25, 1989
Recording No.: Reception No. [89092217](#).

11. Notwithstanding the insuring clauses contained within the policy, and the fact that said land does appear to abut State Highway 72, the Company does not insure the quality of access to or from said land for the reason of a general lack of access to a State Highway except at granted points along said road.
12. The existence of an overhead power line that parallels the subject property that was not disclosed by a recorded document as shown on the attached [Google Earth Map](#).

END OF EXCEPTIONS

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Fidelity National Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I— Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

27C165 Commitment for Title Insurance (Adopted 6-17-06 Revised 08-01-2016)

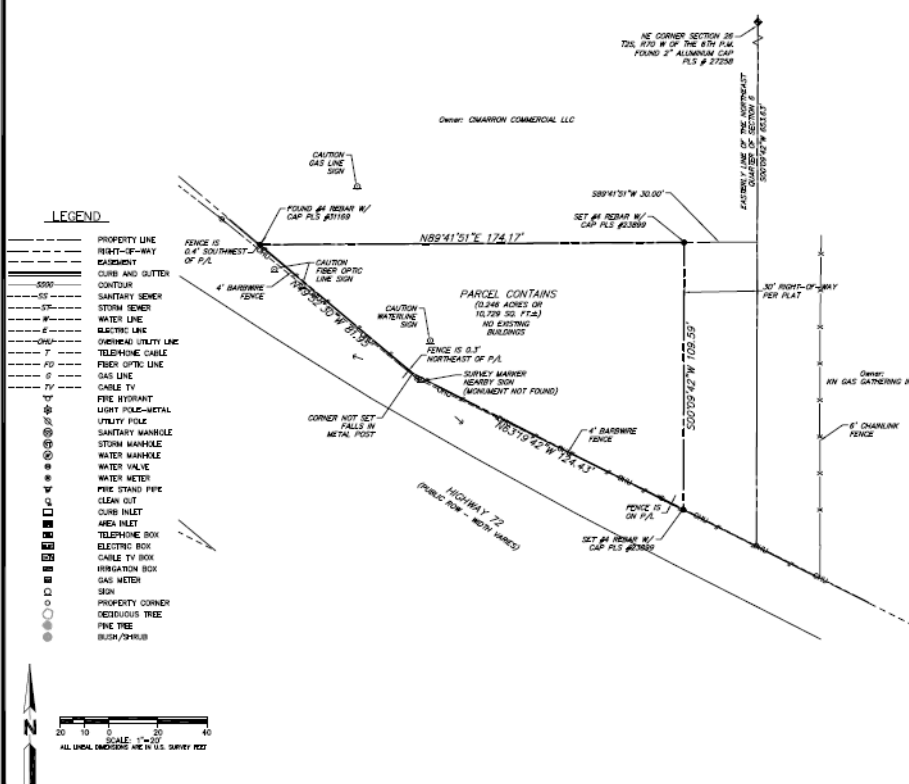
Page 2

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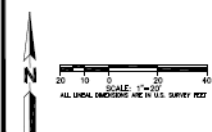


ALTA/NSPS LAND TITLE SURVEY HARKNESS

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 2 SOUTH,
RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN,
COUNTY OF JEFFERSON,
STATE OF COLORADO
SHEET 1 OF 1



- LEGEND**
- PROPERTY LINE
 - RIGHT-OF-WAY
 - EASEMENT
 - CURB AND GUTTER
 - CONTOUR
 - SANITARY SEWER
 - STORM SEWER
 - WATER LINE
 - ELECTRIC LINE
 - FIBER OPTIC LINE
 - TELEPHONE CABLE
 - GAS LINE
 - CABLE TV
 - FIRE HYDRANT
 - LIGHT POLE-METAL
 - STREET FOLE
 - SANITARY MANHOLE
 - WATER MANHOLE
 - WATER VALVE
 - WATER METER
 - FIRE STAND PIPE
 - CLEAN OUT
 - CURB INLET
 - AREA INLET
 - TELEPHONE BOX
 - ELECTRIC BOX
 - CABLE TV BOX
 - IRRIGATION BOX
 - GAS METER
 - SIGN
 - PROPERTY CORNER
 - REDUNDANT TREE
 - PINE TREE
 - BUSH/SHRUB



Project Manager: **M. J. BURKE**
Job Number: **23080**
Sheet Number: **1**
Drawn By: **J. BURKE**
Checked By: **J. BURKE**
Date: **01/26/2022**

LEGAL DESCRIPTION

A PARCEL OF LAND LOCATED IN SECTION 26, TOWNSHIP 2 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO ASSIGNED TO BEAR-NORTH-230°19'00"W AND BEING MONUMENTED BY A FOUND 1.0" X 0.8" CONCRETE BLOCK 1.6' OUT OF GROUND, SHOWN ROCK 0.6' OUT OF CONCRETE, IS CHIEFLY ON WEST FACE, A BRASS PLATE 2'X2" SET IN TOP OF CONCRETE AT THE WEST QUARTER CORNER AND A FOUND 1.9" X 0.8" CONCRETE BLOCK 1.5' OUT OF GROUND, CHIEFLY ON WEST FACE, SET IN TOP OF CONCRETE WITH BRASS PLATE 2'X2" SET IN TOP OF CONCRETE AT THE NORTHWEST CORNER.

NOTES

- THIS SURVEY DOES NOT CONSTITUTE A TITLE OR OWNERSHIP SEARCH BY MARTIN/MARTIN ENGINEERING. ALL OWNERSHIP, EASEMENT AND PUBLIC RECORD INFORMATION WAS BASED ON THE TITLE COMMITMENT PROVIDED BY FREELTY NATIONAL TITLE, FILE NO. 100-00003107-030-ME1, WITH AN EFFECTIVE DATE OF DECEMBER 14, 2021.
- FIELD WORK WAS DONE JANUARY 2022.
- ANY PERSON WHO KNOWINGLY REMOVES, ALTERS OR REPLACES ANY PUBLIC LAND SURVEY MONUMENT OR LAND BOUNDARY MONUMENT OR ACCESSORY, CORNERS A CLASS TWO (2) MISDEMEANOR PURSUANT TO STATE STATUTE 18-1-560, C.R.S.
- NO ADDRESS DISCLOSED IN RECORD DOCUMENTS OR OBSERVED WHILE CONDUCTING THE SURVEY.

TITLE COMMITMENT SCHEDULE B-2 EXCEPTIONS

- PROPERTY IS SUBJECT TO THE REVISIONS CONTAINED IN THE PATENT FROM THE UNITED STATES OF AMERICA TO: ADDRESS S. GARNER; FILED DATE: JULY 20, 1982; FILED NO. 2931. HEREIN AMONG OTHER THINGS REVEALS AS FOLLOWS: SUBJECT TO ANY VESTED AND ACCRUED WATER RIGHTS FOR MINING, AGRICULTURAL, MANUFACTURING OR OTHER PURPOSES AND RIGHTS TO STREAMS AND RIVERS AND USED IN CONNECTION WITH SUCH WATER RIGHTS, AS MAY BE RECONCILED AND ACKNOWLEDGED BY THE LOCAL, COUNTY, STATE AND FEDERAL COURTS, AND ALSO SUBJECT TO THE RIGHT OF THE PROPRIETOR OF A VEIN OR LODE TO EXTRACT AND REMOVE HIS ORE, MINERALS SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES HEREBY GRANTED, AS PROVIDED BY LAW, AND THE RESERVATION FROM THE LANDS HEREBY GRANTED OF A RIGHT OF WAY THROUGH FOR STREAMS OR CANALS CONSTRUED BY THE AUTHORITY OF THE UNITED STATES. (PLANET)
- PROPERTY IS SUBJECT TO AN OIL AND GAS LEASE FOR THE TERM THEREIN PROVIDED WITH CERTAIN COVENANTS, CONDITIONS AND PROVISIONS, TOGETHER WITH EASEMENTS, IF ANY, AS SET FORTH THEREIN. DATES: APRIL 20, 1982. LESSOR: PAUL V. PATRICK AND FLORENCE HELDEN PATRICK; LESSEE: TETON ENERGY COMPANY, INC. RECORDING DATE: AUGUST 14, 1982. RECORDING NO.: RECEPTION NO. 80005630. NOTE: AMENDMENT AND RATIFICATION AGREEMENT RECORDED AUGUST 18, 1982 AT RECEPTION NO. 80005743. (PLANET)
- PROPERTY IS SUBJECT TO ANY TAX LIA, FEE, OR ASSESSMENT BY REASON OF INCLUSION OF THE LAND IN THE JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1, AS EMENDED BY INSTRUMENT(S) RECORDING DATE: OCTOBER 20, 1988. RECORDING NO.: RECEPTION NO. 80052217. (NOT SURVEY RELATED)
- PROPERTY IS SUBJECT TO NOTWITHSTANDING THE INSURING CLAUSES CONTAINED WITHIN THE PLAT, AND THE FACT THAT SAID LAND DOES APPEAR TO ADJUT STATE HIGHWAY 72, THE COMPANY DOES NOT INSURE THE QUALITY OF ACCESS TO OR FROM SAID LAND FOR THE REASON OF A GENERAL LACK OF ACCESS TO A STATE HIGHWAY EXCEPT AT GRANTED POINTS ALONG SAID ROAD.
- PROPERTY IS SUBJECT TO THE EXISTENCE OF AN OVERHEAD POWER LINE THAT PARALLELS THE SUBJECT PROPERTY THAT WAS NOT DISCLOSED BY A RECORDED DOCUMENT AS SHOWN ON THE ATTACHED GOOGLE EARTH MAP.

FLOOD CERTIFICATION

BY GRAPHIC FLOODING ONLY THIS PROPERTY IS IN FLOOD ZONE X AREA DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN FOR THE FLOOD INSURANCE RATE MAP FOR THE COUNTY OF JEFFERSON, STATE OF COLORADO, PANEL NUMBER 0000000018, DATED DECEMBER 20, 2018.

PARKING

THERE ARE NO MARKED PARKING SPACES ON SUBJECT PROPERTY.

BASIS OF BEARINGS

BEARINGS WERE BASED ON THE WESTERLY LINE OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 2 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO ASSIGNED TO BEAR-NORTH-230°19'00"W AND BEING MONUMENTED BY A FOUND 1.0" X 0.8" CONCRETE BLOCK 1.6' OUT OF GROUND, SHOWN ROCK 0.6' OUT OF CONCRETE, IS CHIEFLY ON WEST FACE, A BRASS PLATE 2'X2" SET IN TOP OF CONCRETE AT THE WEST QUARTER CORNER AND A FOUND 1.9" X 0.8" CONCRETE BLOCK 1.5' OUT OF GROUND, CHIEFLY ON WEST FACE, SET IN TOP OF CONCRETE WITH BRASS PLATE 2'X2" SET IN TOP OF CONCRETE AT THE NORTHWEST CORNER.

INDEXING STATEMENT

INDEXED THIS _____ DAY OF _____ 20____ AT _____ A.M. IN BOOK _____ OF THE COUNTY SURVEYOR'S LAND SURVEY/RIGHT-OF-WAY SURVEYS AT PAGE(S) _____ RECEPTION NUMBER _____

SURVEYOR'S CERTIFICATION

I, JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1, A CORPORATION, HEREBY A. SMITH AND MADISON M. SMITH AND FREELTY NATIONAL TITLE. THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2001 ANNUAL STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS JOINTLY ESTABLISHED AND ADOPTED BY ACTA AND NPSA, AND INCLUDES ITEMS 1, 2, 3, 4, 8, AND 13 OF TABLE A THEREOF. THE FIELD WORK WAS COMPLETED ON JANUARY 25, 2022. DATE OF PLAT MAP: JANUARY 25, 2022.



REBEKAH A. HOBBS
P.L.S. #23899
FOR AND ON BEHALF OF
MARTIN/MARTIN, P.C.

NOTICE

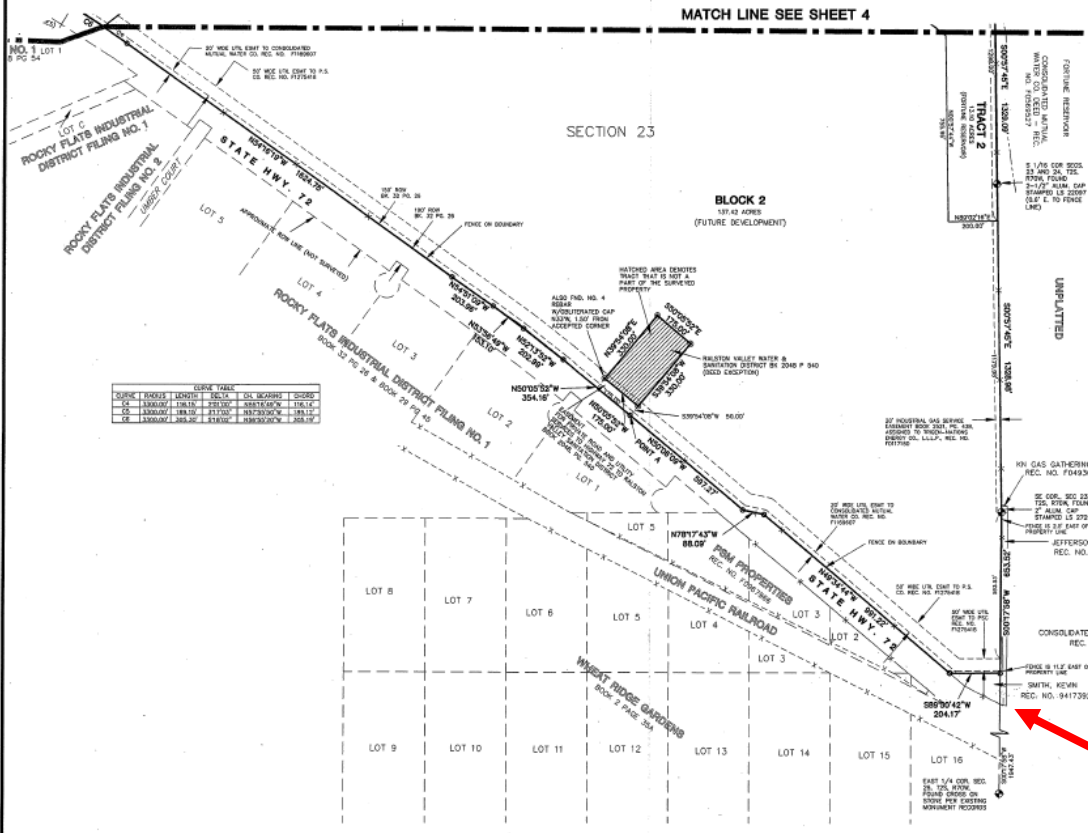
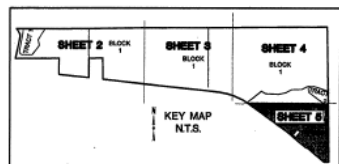
ACCORDING TO COLORADO LAW YOU MUST DOCUMENT ANY LEGAL ACTION BASED UPON A DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE CONSIDERED MORE THAN TEN YEARS FROM THE DATE OF THIS CERTIFICATION BEING HEREON.



R/C # 2006000291

VAUXMONT MINOR SUBDIVISION

SITUATE IN THE NORTH HALF OF SECTION 21, SECTIONS 22, 23, AND THE
NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 2 SOUTH, RANGE 70
WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF ARVADA, COUNTY OF
JEFFERSON, STATE OF COLORADO



- LEGEND**
- ① FOUND NO. 4 REBAR WITH CAP STAMPED L531169
 - ② FOUND 3-1/2" CORPS OF ENDS BRASS CAP - "US ARMY BOUNDARY-STATION DESIGNATION SURVEY MARK"
 - ③ FOUND NO. 4 REBAR WITH 1-1/2" ALUMINUM CAP STAMPED L528285
 - ④ FOUND NO. 4 REBAR WITH NO CAP
 - ⑤ FOUND CONIC CDOT ROW MARKER WITH BRASS CAP
 - ⑥ FOUND NO. 4 REBAR WITH OBLITERATED CAP
 - ⑦ FOUND NO. 4 REBAR WITH 1-1/2" ALUMINUM CAP STAMPED L57735
 - ⑧ FOUND NO. 4 REBAR WITH CAP STAMPED L510945
 - ⑨ FOUND 5/8" ROD, NO CAP
 - ⑩ FOUND NO. 4 REBAR STAMPED L56630
 - ⑪ FOUND NO. 4 REBAR STAMPED LANE ENGINEERING 438
 - ⑫ FOUND 3" BRASS CAP ATOP 3" TALL BY 3" PIPE, STAMPED L57735 (ROW MARKER FOR AQUADUCT)
 - ⑬ FOUND 1" IRON PIPE, NO CAP
 - SET NO. 4 REBAR WITH YELLOW PLASTIC CAP STAMPED L533636
 - ◆ FOUND MONUMENT AS DESCRIBED
- E _____ E ELECTRIC LINE
 X _____ X FENCE LINE

CURVE	BEARS	LENGTH	ANGLE	CH. BEARING	COORD.
01	134.00'	134.00'	90.00°	S89°15'00"W	134.00'
02	134.00'	134.00'	90.00°	S00°00'00"W	134.00'
03	134.00'	134.00'	90.00°	N00°00'00"W	134.00'
04	134.00'	134.00'	90.00°	N89°15'00"W	134.00'

DRAWN: R.L.H.
 CHECKED: J.S.V.
 ENGINEER: R.L.H.
 PROJECT: VAUXMONT MINOR.DWG
 TST INC. CONSULTING ENGINEERS
 748 Jackson Way, Suite 9
 Fort Collins, Colorado
 Phone: 970.224.2887
 Fax: 970.224.2584
 SHEET NO: 0023.0005.00
 SCALE: HORIZONTAL: 1"=200'
 DATE: DECEMBER 2005
 SHEET: 5 OF 5

Acronyms and Definitions

Following are certain acronyms and definitions of significant terms used in this appraisal report. Sources and authorities for the following definitions are shown as text-notes.

AC – acre

CDOT – Colorado Dept. of Transportation

PSF or SF – per square foot; square foot

ROW or R.O.W. – Right of Way

—

Benefits (Specific Benefits) – “...any benefits to the residue are to be measured by the increase, if any, in the reasonable market value of the residue due to the (construction) (improvement) of the (...proposed improvement). For anything to constitute a specific benefit, however, it must result directly in a benefit to the residue and be peculiar to it. Any benefits which may result to the residue, but which are shared in common with the community at large are not to be considered.” (CJI-Civ. 4th, 36:4)

Compensation – “...ascertain the reasonable market value of the property actually taken and the amount of compensable damages, if any, and amount and value of any specific benefit, if any, to the residue of any land not taken.” (CJI-Civ. 4th, 36:1)

“(a) For highway acquisition, the right to compensation and the amount thereof, including damages and benefits, if any, shall be determined as of the date the petitioner is authorized by agreement, stipulation, or court order to take possession or the date of trial or hearing to assess compensation, whichever is earlier, but any amount of compensation determined initially shall remain subject to adjustment for one year after the date of the initial determination to provide for additional damages or benefits not reasonably foreseeable at the time of the initial determination. (b) If an entire tract or parcel of property is condemned, the amount of compensation to be awarded is the reasonable market value of the said property on the date of valuation. (c) If only a portion of a tract or parcel of land is taken, the damages and special benefits, if any, to the residue of said property shall be determined. When determining damages and special benefits, the appraiser shall consider a proper discount when the damages and special benefits are forecast beyond one year from the date of appraisal. (d) In determining the amount of compensation to be paid for such a partial taking, the compensation for the property taken and damages to the residue of said property shall be reduced by the amount of any special benefits which result from the improvement or project, but not to exceed fifty percent of the total amount of compensation to be paid for the property actually taken.” (§ 38-1-114(2), C.R.S.)

Damages – “...Any damages are to be measured by the decrease, if any, in the reasonable market value of the residue, that is, the difference between the reasonable market value of the residue before the property actually taken is acquired and the reasonable market value of the residue after the property actually taken has been acquired. Any damages which may result to the residue from what is expected to be done on land other than the land actually taken from the respondent and any damages to the residue which are shared in common with the community at large are not to be considered.” (CJI-Civ. 4th, 36:4)

Easement – “An easement can generally be described as an interest in land of another entitling the owner of that interest to a limited use of the land in which it exists, or a right to preclude specified uses in the easement area by others. An easement is an interest less than the fee estate, with the landowner retaining full dominion over the realty subject only to the easement; the landowner may make any use of the realty that does not interfere with the easement holder’s reasonable use of the easement and is not specifically excluded by the terms of the easement.” (Interagency Land Acquisition Conference, Uniform Appraisal Standards for Federal Land Acquisitions, Washington, D.C., 2000, p.63)

Fee Simple Estate (Title) – “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.” (Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, Chicago, 2010, p. 78) Note: as an assignment condition all mineral rights are accepted from any fee simple property interest appraised in this report.

Larger Parcel – “That tract, or those tracts, of land which possess a unity of ownership and have the same, or an integrated, highest and best use. Elements of consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use.” (Interagency Land Acquisition Conference, Uniform Appraisal Standards for Federal Land Acquisitions, Washington, D.C., 2000, p. 17)

Residue (Remainder) – “‘Residue’ means that portion of any property which is not taken but which belongs to the respondent, ..., and which has been used by, or is capable of being used by, the respondent, together with the property actually taken, as one economic unit.” (CJI-Civ. 4th, 36:4)

Restoration Cost to Cure (Cost to Cure) – “In certain circumstances, damage to the remainder may be cured by remedial action taken by the owner. The cost to cure, however, is a proper measure of damage only when it is no greater in amount than the decrease in the market value of the remainder if left as it stood. When the cost to cure is less than the severance damages if the cure were not undertaken, the cost to cure is the proper measure of damage, and the government is not obligated to pay in excess of that amount.” (Interagency Land Acquisition Conference, Uniform Appraisal Standards for Federal Land Acquisitions, Washington, D.C., 2000, p. 51)

Colorado 7-Step Partial Take Appraisal Process – Eminent Domain

The purpose of this appraisal is to develop a compensation estimate for the reasonable market value of the property actually taken; compensable damages, if any, to the residue after take; and special benefits, if any, to the residue after take. Referred to as the modified state before-and-after rule, steps to develop a compensation estimate for the acquisition of real property are:

1. Larger Parcel Value Before Take

The first step in the appraisal process is to develop the reasonable market value of the subject larger parcel had there been no taking or any effect on value due to the proposed transportation project. The Jurisdictional Exception Rule of USPAP applies to Standards Rule 1-4(f) in this step. In Standards Rule 1-4(f), anticipated public or private improvements must be analyzed for their effect on value as reflected in market actions. This is contrary to law for eminent domain appraisal. Jurisdictional exception authorities are Uniform Act, Title III, § 301(3); 49 CFR § 24.103(b); § 24-56-117(1)(c), C.R.S.; and CJI – Civ. 4th, 36:3.

“Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, shall be disregarded in determining the compensation for the property.” (§24-56-117(1)(c), C.R.S.)

2. Value of Part Taken (including easements acquired)

The second step involves the same USPAP Jurisdictional Exception Rule as in step 1. In this step, the reasonable market value of the land or property actually taken is developed. The value of land taken is based on its value as part of the whole or the larger parcel. Value of improvements taken is based on their contributory value to the larger parcel. (49 CFR § 24.103(a)(2)(iv), §§ 38-1-114(2) and 115(b), C.R.S., and CJI-Civil 4th, 36:3)

3. Residue Value Before Take

The third step is the reasonable market value of the residue before the property actually taken has been acquired. This step sets the initial basis for the ascertainment of damages and/or special benefits to the residue. The reasonable market value of the residue before the take is the mathematical difference of step 1 (larger parcel value before take) minus step 2 (value of part taken).

4. Residue Value After Take (including encumbered easement areas acquired)

The fourth step is to develop the reasonable market value of the residue after the real property actually taken has been acquired and proposed project improvements have been constructed. In this step, the reasonable market value of the residue after the taking is no longer subject to the Jurisdictional Exception Rule to USPAP Standards Rule 1-4(f). Any decrease or increase in the reasonable market value, if any, of the residue after take due to the proposed public project needs analyses. The influence of the proposed public improvement is considered except for any damages or benefits shared in common with the community at large.

The market value of the residue after take is predicated on the “as is” or “uncured” condition of the residue after the acquisition. Any decrease or increase in value of the residue after take is based on market evidence. Damage to the residue must be established before a cost to cure can be considered to mitigate some or all damage. Special benefits may accrue to the residue after take as a result of the project.

5. Analysis of Damages and/or Benefits (**NOTE:** Some of the items or steps in this part 5 are abbreviated or optional by assignment condition in this Standard Partial Take appraisal format)

Fifth step in the process involves analysis of damages and benefits to the residue after the take. Depending upon the extent of damages and cost to cure, performance of another appraisal of the “cured” residue after take may be required (see *Feasibility of Cost to Cure* below). The damages and benefits analyses might include the following elements:

- Indicated Damages and/or Benefits
- Compensable Damages and/or Offsetting Special Benefits
- Compensable Damages – Incurable
- Compensable Damages – Curable (Net Cost to Cure) including:
 - Cost to Cure
 - Feasibility of Cost to Cure Damages (Possible Re-appraisal of Residue After Cure*)
 - Net Cost to Cure
- Indicated Offsetting Special Benefits – Residue Value As Cured

*If damage to the residue is substantial and the cost to cure is not minor, an appraisal of the residue as cured might be necessary to analyze the feasibility of the cure. If the cost to cure is minor, an analysis of the feasibility of the cost to cure damages might not be required.

6. Rental Value of Temporary Easements

Sixth step in the process is the estimate of reasonable rental value for the time the temporary easement is used. A temporary (construction) easement is used for a limited time period and is terminated after the construction of the highway improvements. The unencumbered fee interest in the land reverts to the owner at the time of termination.

7. Estimate of Compensation Summary

The final step is a compensation summary. The compensation summary includes the following:

- Reasonable Market Value – Land and/or Real Property Taken
- Compensable Damages – Curable – Net Cost to Cure (residue after take/as is)
- Compensable Damages – Incurable (residue after take/as is)
- Offsetting Special Benefits (residue after take/“as is” or “as cured”)
- Temporary Easements Rental Value
- Total Compensation Estimate

As stated in § 38-1-114(2)(d), C.R.S., “In determining the amount of compensation to be paid for such a partial taking, the compensation for the property taken and damages to the residue of said property shall be reduced by the amount of any special benefits which result from the improvement or project, but not to exceed fifty percent of the total amount of compensation to be paid for the property actually taken.”

Qualifications of the Appraiser

NAME: Harold S. McCloud, MAI, AI-GRS

EDUCATION: Bachelor of Arts, Metropolitan State College May,1991, Major: History: Minor: Real Estate

APPRAISAL

ASSOCIATIONS: **MAI** (Appraisal Institute) Certificate No. 9758, December 1992
AI-GRS (General Review Specialist)
Appraisal Institute - Colorado Chapter President 2006
Approved Appraiser - Colorado Department of Transportation
Review Appraiser - Colorado Department of Transportation
Review Appraiser – Federal Aviation Administration (FAA)

MEMBER OF: President, Parker Properties I, Canterbury I & II
Metropolitan Districts, 1990-Present
President-Canterberry Crossing (1,700 homes) 1993-2000
Council-Member-Town of Parker 1994-1996
Member: DRCOG, CML & E-470 Authority 1994-1996
National Golf Foundation - 1996-2014

STAFF INSTRUCTOR:

Construction Lending School current, Arapahoe Community College and Emily Griffith Opportunity School - 1993-1999
Marshall & Swift – Marshall Valuation Service

APPRAISAL INSTITUTE INSTRUCTOR:

Course-Appraisal Principles
Course-Appraisal Procedures
Course-Sales Comparison Approach
Course-Site Valuation & Cost Approach
Course-Income Capitalization Approach Part I
Course-Income Capitalization Approach Part II
Course-Business Practices and Ethics
Course-Real Estate Finance, Statistics & Valuation Modeling
Course-Review Theory
Course-Market Analysis & Highest and Best Use
Course-Advanced Market Analysis & Highest and Best Use
Course-Advanced Income Capitalization Approach
Course-Advanced Concepts & Case Studies

Various one-day seminars

- Solving Land Valuation Puzzles
- Advanced Land Valuation
- Marketability Studies: 6 Step Process Basic Applications
- Two-Day Advanced Income Capitalization/Part A & Part B

LICENSES: Certified General Appraiser in Colorado - #CGO1313633
 Colorado Real Estate Broker - #ER01100755
 Class B Contractors License (inactive)
 Certified – Master Scuba Diver



BUSINESS AFFILIATIONS: McCloud & Associates
 P. O. Box 295
 Parker, Colorado 80134
Telephone: 720-747-4710
E-Mail: hdmcccloud@comcast.net

APPRAISAL EXPERIENCE:

Land: Commercial pads, residential, multi-family, industrial and commercial parcels, residential & commercial subdivisions from 100 to 3,600 acres

Adams County: Land area 100 acres to 640+ acres (**Subdivisions:** Buckley Ranch, Fallbrook Farms and Turnberry)

Arapahoe County: Land area 100 acres to 800+ acres (**Subdivisions:** Estancia and Southshore)

Broomfield County: Land area 30 acres to 2,000+ acres (**Subdivisions:** Wildgrass and Vista Ridge)

Douglas County: Land area 100 acres to 3,600+ acres (**Subdivisions:** Hunting Hills, Stroh Ranch, Canterbury Crossing, Pine Bluffs, Idyllwilde, Dawson Ridge, Hidden Valley, Plum Creek, Bell Mountain Ranch, Perry Park, Sageport, Puma Ridge and Castle Pines)

Jefferson County: Land area 100 acres to 500+ acres

Elbert County: Land area ¼ Section to 2,500+ acres (**Subdivisions:** Bandera, Spring Valley Ranch & Deer Creek Ranch)

Weld County: Land area 50 to 320+ acres

Apartments: Low, Medium & High-rise buildings, projects & condominiums from 6 to 800 units

Industrial: Single & Multi-tenant buildings from 1,000 to 865,000 square feet

Office: Low, Medium & High-rise buildings & projects, condominiums from 2,000 to 350,000 square feet Class C to AA

Retail: Single & Multi-tenant buildings, Stand-alone, Small Strip Center to Super Regional Mall

Special Purpose:

Aggregate production, airplane hangars/terminals, bowling alleys, casinos, car washes, conference centers, congregate care facilities, day-care facilities, gentlemen's clubs, golf courses & driving ranges, heliport, hotels, ice arenas, mobile home parks, marina's, motels, mini-marts, quick-lubes, recreational properties, restaurants, silos (frac-sand), theaters veterinary clinic/hospitals and water storage facilities. Furniture, Fixtures & Equipment and Business component valued and presented separately.

Construction Experience:

I have been licensed as a general contractor since 1977 and have extensive bid estimation experience. I have processed the reproduction cost for more than 700 properties using the quantity survey method per the Construction Specifications Institute (CSI). I last functioned as a general contract and constructed my own 3,028 square foot office building in Parker that received its certificate of occupancy in November 2004. I am a Marshall & Swift instructor and have passed the Marshall Cost Estimation Course.

Interests: Fee simple, leasehold and leased fee interests. Condominium and partial ownership interests and right-of-way & facade easements. Historic designations, historic districts and national landmarks

Major Assignments: **Douglas County** - Eminent Domain - various projects
National Park Service – Grand Canyon National Park
Yellowstone National Park
Grand Teton National Park
Mesa Verde National Park
Lake Mead National Recreation Area
Glen Canyon National Recreation Area

CAREER

HISTORY: Owner, McCloud & Associates and Unique Properties Valuation and Consulting. Principal Appraiser with MacTaggart and Mosier from 1990 to 1995; Associate Appraiser with Joseph Farber & Company, Inc. from 1986 to 1990. Two years with John Ratkovich, Century 21 as a commercial real estate salesman. From 1969 to 1984, Held various positions in construction from journeyman to management.

E & O INSURANCE Zurich American Insurance Company - #EOC 9827639 01

EXPERT WITNESS TESTIMONY

- Adams County District Court
- Arapahoe County District Court
- Boulder County District Court
- Denver District Court
- Douglas County District Court
- Elbert County District Court
- Gilpin County District Court
- Jefferson County District Court
- Weld County District Court
- Anoka County District Court, Minnesota
- Cook County, Illinois
- Santa Fe, New Mexico
- Numerous tax appeals at County & State level

TESTIMONY HISTORY OF HAROLD McCLOUD

May 2021: Deposition concerning 8709 Weld County Road 4
Re: Property 2020CV30419
Case Name: City of Thornton vs D & C Farms, et al

March 2021: Testified in Arbitration concerning 181 Race Street, Denver Colorado
Re: Property AAA Case 01-19-0001-3128
Case Name: Steffen vs. Cadre

September 2020: Testified in Elbert County District Court
Re: Property 2020 CV 30048
Case Name: SV Metro District vs. ER Golf Real Estate

January 2020: Testified in Denver County District Court
Re: Property 2019 CV 31477
Case Name: CDOT vs. Weakland Investments, LLC

December 2019: Deposition concerning 4390 Madison Street
Re: Property 2019 CV 31477
Case Name: CDOT vs. Weakland Investments, LLC

April 2019: Testified in Adams County District Court
Re: Property 2017 CV 31242
Case Name: Commerce City vs Derby Tire Service LLC

April 2019: Deposition concerning Rudolph Farms
Re: Property 2018 CV 30660
Case Name: CDOT vs. CW Subtrust

February 2019: Testified in Denver County District Court
Re: Property 2017 CV 33652
Case Name: Highline Auto Clinic vs Elder Auto Inc.

December 2018: Deposition concerning Aurora One Real Estate, L.P. et al
Re: Property 2017 CV 32886
Case Name: City of Aurora vs. Aurora One

September 2018: Deposition concerning 7200 Highway 2
Re: Property 2017 CV 31242
Case Name: Commerce City vs. Derby Tire Services, LLC

June 2018: Testified at Judicial Arbiter Group
Re: Marriage of Castelo Docket No. 16 DR 30609
Case Name: Wanda F. Castelo vs. Al R. Castelo

March 2017: Testified at Board of Assessment Appeals
Re: Ball Corporation Docket No. 68903
Case Name: Ball Corporation vs. Jefferson County

TESTIMONY HISTORY OF HAROLD McCLOUD

January 2017: Testified in Arapahoe County District Court
Re: Property 2015 DR30563
Case Name: Holly Frachetti,vs Bob Frachetti

August 2016: Testified in Denver County District Court
Re: Property 2015 CV 31160
Case Name: Board of Water Commissioners vs J&G Investments, LLC

July 2016: Deposition concerning 6751 South Gibraltar Court
Re: Property 2015 CV 30542
Case Name: City of Centennial vs Stanley R. & Patricia A. Frahm

June 2016: Deposition concerning 1800 West 13th Ave & 1243 & 1255 Shoshone St
Re: Property 2015 CV 31160
Case Name: Board of Water Commissioners vs J&G Investments, LLC

February 2016: Testified in Denver County District Court
Re: Property 20 15-CV-30777
Case Name: Peninsula Holdings vs. K&G Petroleum

December 2015: Deposition concerning contract dispute
Re: Miller Property 2014-CV031332
Case Name: Highline CM vs. Miller

July 2014: Testified in Summit County District Court
Re: Blue River Mesa II Subdivision 2013-CV78
Case Name: Crowley vs. Town of Silverthorne

May 2014: Testified in Summit County District Court
Re: Blue River Mesa II Subdivision 2012-CV18
Case Name: Lutz vs. Town of Silverthorne

May 2014: Deposition concerning a partial taking in Silverthorne
Re: Blue River Mesa II Subdivision 2013-CV78
Case Name: Crowley vs. Town of Silverthorne

March 2014: Testified in Summit County District Court
Re: Blue River Mesa II Subdivision 2012-CV17
Case Name: Lyddy vs. Town of Silverthorne

November 2013: Deposition concerning a total taking in Boulder County
Re: Twin Peaks Mall 2013-CV30828
Case Name: Longmont Urban Renewal Authority vs. Dillard's

July 2013: Deposition concerning a total taking in Boulder County
Re: Twin Peaks Mall 2013-CV-30828
Case Name: Longmont Urban Renewal Authority vs. Dillard's

TESTIMONY HISTORY OF HAROLD McCLOUD

May 2013: Testified in Summit County District Court
Re: Blue River Mesa II Subdivision 2012-CV17
Case Name: Silverthorne vs. 6 separate homeowners

May 2012: Deposition concerning a total taking in Denver County
Re: 5190 Fox Street 2011-CV-486
Case Name: RTD vs. Owens Corning

April 2012: Testified before the Board of Assessment Appeals
Re: Southshore Subdivision
Case Name: RC Properties vs. Arapahoe County

March 2012: Testified before the Board of Assessment Appeals
Re: King Soopers Marketplace
Case Name: King Soopers vs. Weld County

August 2011: Deposition concerning a total taking in Denver County
Re: 2727 West 6th Avenue 2010 CV 4575
Case Name: CDOT vs. Pacific West Real Estate, LLC

June 2011: Testified in Douglas County District Court
Re: Jellystone Park Camp Resort 2010 CV 2214
Case Name: Fritz vs. Steyn

May 2011: Testified in Jefferson County District Court
Re: 2210 Blake St. units C1 & C2
Case Name: Sauer vs. Nicks

March 2010: Testified at Board of Assessment Appeals
Re: 120th & Huron
Case Name: Avaya vs. Adams County

January 2010: Deposition concerning appraisal malpractice
Re: Marriage dissolution (2006)
Case Name: Pfeifer vs. James Real Estate Services

July 2009: Testified at Board of Assessment Appeals
Re: Colorado Horse Park
Case Name: Colorado Horse Park vs. Douglas County

February 2009: Testified in Douglas County District Court
Re: Town of Parker total taking
Case Name: Connor vs. Town of Parker

January 2009: Deposition concerning a partial taking in Douglas County
Re: Parker Water partial taking for reservoir
Case Name: Parker Water vs. North Canyons, LLLP

TESTIMONY HISTORY OF HAROLD McCLOUD

- December 2008: Deposition concerning a total taking in Parker
Re: Town of Parker total taking
Case Name: Connor vs. Town of Parker
- November 2008: Testified in Jefferson County District Court
Case Name: McNierney vs. Brice
- October 2008: Testimony in Arbitration in Denver County
Re: Belcara Subdivision- Business Dissolution
Case Name: Roslyn Development vs. Osborn Co.
- September 2008: Deposition concerning a Subdivision in Denver County
Re: Belcaro Subdivision- Business Dissolution
Case Name: Roslyn Development vs. Osborn Co.
- May 2008: Deposition concerning a taking in Douglas County
Re: Crystal Valley Metropolitan District taking
Case Name: Andrews vs. Crystal Valley Metropolitan District
- April 2008: Testified in Douglas County District Court
Re: Parker Water & Sanitation easement taking
Case Name: Coyle/Perkins vs. Parker Water & Sanitation
- February 2008: Deposition concerning an easement in Douglas County
Re: Parker Water & Sanitation easement taking
Case Name: Coyle/Perkins vs. Parker Water & Sanitation
- January 2008: Testified in Arapahoe County District Court
Re: Parker Fire Department total taking of Lot 37, Estancia
Case Name: Harvey Alpert vs. Parker Fire Department
- November 2007: Testified in Anoka County District Court, Minnesota
Re: Total taking of five airplane hangar
Case Name: Crossroads Aviation vs. MAC
- October 2007: Deposition concerning an easement in Weld County
Re: Sinclair Pipeline partial taking of an easement
Case Name: Jukkala vs. Sinclair Pipeline
- September 2007: Deposition concerning land taking in Arapahoe County
Re: Parker Fire Department total taking of Lot 37, Estancia
Case Name: Harvey Alpert vs. Parker Fire Department

TESTIMONY HISTORY OF HAROLD McCLOUD

- September 2007: Deposition concerning land taking in Commerce City
Re: Commerce City partial taking of 6,500 SF
Case Name: Cornell vs. Commerce City
- July 2007: Testified in Weld County District Court, Colorado
Re: Sinclair Pipeline partial taking/Review Appraiser
Case Name: Larson/Sandberg vs. Sinclair Pipeline
- April 2007: Testified in Adams County District Court, Colorado
Re: City of Brighton partial taking of 35,634 SF
Case Name: Palizzi vs. City of Brighton
- February 2007: Deposition concerning land taking in Brighton
Re: City of Brighton partial taking of 35,634 SF
Case Name: Palizzi vs. City of Brighton
- November 2006: Testified in Arapahoe County District Court, Colorado
Re: IP Hearing for a total taking of Lot 37
Case Name: Estancia 80, LLC vs. Parker Fire District
- September 2005: Testified in Douglas County District Court, Colorado
Re: Auto body repair building- Marriage Dissolution
Case Name: Fugier vs. Fugier
- June 2005: Testified in Jefferson County District Court, Colorado
Re: Burton Property – 0.5-acre easement
Case Name: Blackhawk/Central City Sewer District Taking Case
- November 2004: Testified in Douglas District Court, Colorado
Re: Johnson Property – 35.0-acre full taking
Case Name: Parker Water & Sanitation Taking Case
- September 2004: Testified in Arbitration
Concerning construction defects
Re: 29270 Rudin Circle, Evergreen Colorado
Case Name: Teter Construction vs. Appelhans
- July 2004: Testified in Jefferson County District Court, Colorado
Concerning vacant gaming land in Black Hawk
Re: CDOT – 1.010-acre taking
Case Name: CDOT vs. Brown
- May 2004: Deposition concerning gaming land in Black Hawk
Re: CDOT – 1.010-acre taking
Case Name: CDOT vs. Brown

TESTIMONY HISTORY OF HAROLD McCLOUD

- March 2004: Testified in Elbert District Court, Colorado
Re: Comanche Vet Hospital – Dissolution
Case Name: Smith vs. Smith
- January 2004: Testified in Gilpin District Court, Colorado
Re: Anderson Property - 2-acres Private Condemnation
Case Name: Watchdog Subdivision vs. Anderson
- September 2003: Testified in Douglas District Court, Colorado
Re: Hickey Property - 5-acres partitioning
Case Name: Kime vs. Hickey
- August 2003: Deposition concerning reuse reservoir near Town of Parker
Re: Western Water Property - 35-acres taking
Case Name: Parker Water & Sanitation Taking Case
- June 2003: Testified in Douglas District Court, Colorado
Re: Mandel Property – 10.62-acre partial taking
Case Name: Parker Water & Sanitation Taking Case
- June 2003: Taped testified for Douglas District Court, Colorado
Re: Hickey Property - 5-acres partitioning
Case Name: Kime vs. Hickey
- March 2003: Deposition concerning reuse reservoir near Town of Parker
Re: Johnson Property - 35-acres taking
Case Name: Parker Water & Sanitation Taking Case
- June 2002: Testified in Gilpen County District Court, Colorado
Re: Hilton Hotel/Casino
Case Name: First Place v. Windsor Woodmont
- May 2002: Testified in Douglas District Court, Colorado
Re: Partial taking of 47 acres, Douglas County
Case Name: Parker Water & Sanitation District v. Mahoney
- August 2000: Testified in Denver District Court, Colorado
Re: 821 17th Street
Case Name: Denver Urban Renewal Authority v. Dodge/Orlick

TESTIMONY HISTORY OF HAROLD McCLOUD

- May 2000: Testified in Arbitration hearings in Chicago & Denver
Re: Grand Canyon Arizona
Case Name: National Park Service v. AMFAC
- March 1999: Testified in Denver District Court, Colorado
Case Name: Shea v. Shea
Re: 2 parcels, 35 acres vacant, 47 acres improved, Douglas County
- August 1998: Testified in Santa Fe, New Mexico
Re: 2400 Curtis Street Appraisal
Case Name: Tepper v. Tepper
- March 1997: Testified in Douglas County District Court, Colorado
Re: Ivanhoe Golf Court Appraisal
Case Name: Ivanhoe Golf Course LLC v. Parker Water and Sanitation
- July 1997: Deposition in Douglas County, Colorado
Re: 35 Acres of Land
Case Name: Crowfoot Valley Road
- Fall, 1993: Deposition in City of Westminster
Re: Westminster Office Building
Case Name: City of Westminster Taking Case

Jefferson Center Metropolitan District No. 1
McGeady Becher P.C.
c/o Megan Becher
450 E. 17th Ave., Suite 400
Denver, CO 80203

March 10, 2022

Re: Underwriter/Placement Agent Engagement Letter
General Obligation Refunding and Improvement Bonds, Series 2023 (the “Securities”)

Dear Megan:

This letter confirms the agreement (the “Agreement”) between Piper Sandler & Co. (“Piper Sandler” or “we” or “us”) and **Jefferson Center Metropolitan District No. 1** (the “Issuer” or “you”) as follows:

1. **Engagement.** The Issuer hereby engages Piper Sandler to serve as an underwriter or placement agent for the Securities. As currently contemplated, the transaction will be an underwriting or private placement of the Securities with gross proceeds to be determined. Sale and delivery of the Securities by the Issuer will occur on the day of closing (“Closing Date”).
2. **Scope of Services.** We understand that the decision to either conduct a public sale of the Securities or sell the Securities in a private placement to a single or limited number of investors will be made by you sometime in the future. As a preliminary matter, we can assist you in determining whether to pursue a public sale or a private placement to a bank or other financial institution, based upon the facts and circumstances in evidence at that time. Depending on the capacity in which we would be acting, Piper Sandler agrees, as appropriate and directed by you, to provide the following services.

As an Underwriter:

- (a) Develop a financing plan for the Securities and assist you in determining the economic impact of the Securities;
- (b) Provide advice concerning structure, timing, terms and other similar matters concerning the Securities, including recommendations as to maturities, interest rates, structure, security, timing, and amount of proceeds needed to implement your project;
- (c) Review and make comments with respect to sale documents, as applicable, including Explanatory Statements, Authorizing Bond Resolutions, bond declarations and indentures and other underlying documents relating to the Securities;
- (d) Develop a sale schedule that incorporates all aspects of bringing Securities to market and arranging for a successful closing of the transaction;
- (e) Assist in the preparation of the preliminary and final Official Statements to be issued by you relating to the Securities for final approval by you and your agents, including bond counsel;
- (f) Distribute preliminary and final Official Statements and other documents to a broad list of institutions, banks, trusts, insurance companies, professional investment advisors, and other prospective investors in Securities;
- (g) Develop a marketing plan for the offering, including identification of potential investors;
- (h) Negotiate the pricing, including the interest rate, and other terms of Securities;

- (i) Obtain CUSIP number(s) for Securities and arranging for their DTC book-entry eligibility as required;
- (j) Provide a final schedule of debt service payments for Securities;
- (k) Review and make comments with respect to closing documents prepared by Bond Counsel;
- (l) Plan and arrange for the closing and settlement of the issuance and the delivery of Securities; and
- (m) Other activities that are integral to the purchase and distribution of the Securities and activities integral to fulfilling the role of a placement agent or underwriter including under the antifraud provisions of the federal securities laws and the obligations of Piper Sandler under MSRB rules.

As a Placement Agent:

- (a) consult with you in planning and implementing the placement of the Securities;
- (b) assist you in reviewing any transaction materials (the “Transaction Materials”) we mutually agree are beneficial or necessary to the consummation of the transaction;
- (c) assist you in preparing for due diligence conducted by potential investors;
- (d) identify potential investors and use our reasonable commercial efforts to assist in arranging sales of the Securities to investors;
- (e) assist you in negotiating definitive documentation.

In addition to foregoing, Piper Sandler will evaluate and determine an optimal governance structure for the issuance of the Securities and will assist the Client with the implementation thereof, including the potential formation of a Community Authority Board.

3. ***Fees and Expenses.***

As compensation for the services to be provided by Piper Sandler hereunder, the Client agrees to pay as an Underwriter’s Discount or Placement Agent Fee payable as a discount to the purchase price or by wire transfer of immediately available funds at closing according to the below fee schedule:

Base Pricing for Underwriting/Placement of Debt

- Senior Non-Rated Debt – 2% of principal amount issued
- Subordinate Non-Rated Debt – 3% of principal amount issued
- Debt Placed with Developer – 1% of principal amount issued

Bulk Discount through 2023:

- Up to first \$100M in cumulative debt (principal) issued – Base Pricing
- Marginal debt (principal) issued from \$100M-\$125M – 20% Discount from Base Pricing
- Marginal debt (principal) issued from \$125M-\$150M – 30% Discount from Base Pricing
- Marginal debt (principal) issued above \$150M – 40% Discount from Base Pricing

For avoidance of doubt, the fee shall not be payable in the event a closing of the Securities does not occur.

4. ***Representations, Warranties and Agreements of the Issuer.***

You represent and warrant to, and agree with us, that:

- (a) the Securities will be sold by you in compliance with the requirements for exemptions from registration or qualification of, and otherwise in accordance with, all federal and state securities laws and regulations;
- (b) you will make available to us and each purchaser such documents and other information which we and each purchaser reasonably deem (the “Transaction Materials”) appropriate and will provide access to your officers, directors, employees, accountants, counsel and other representatives and will provide each purchaser and us opportunities to ask questions and receive answers from these persons; it being understood that we and each purchaser will rely solely upon such information supplied by you and your representatives without assuming any responsibility for independent investigation or verification thereof; and
- (c) you agree to be responsible for the accuracy and completeness of any Transaction Materials to the extent of federal securities laws applicable to the transaction. You agree to notify us promptly, at any time prior to the Closing Date, of any material adverse changes, or development that may lead to any material adverse change, in your business, properties, operations, financial condition or prospects and concerning any statement contained in any Transaction Materials, or in any other information provided to us, which is not accurate or which is incomplete or misleading in any material respect;
- (d) all financial projections that have or will be made available to Piper Sandler by you or any of your representatives in connection with the Transaction (the “Projections”) have been and will be prepared in good faith and will be based upon assumptions believed by you to be reasonable (it being understood that projections by their nature are inherently uncertain and no assurances are being given that the results reflected in the Projections will be achieved);
- (e) On the Closing Date, you will deliver or cause to be delivered to us an Opinion of Bond Counsel to you, dated the Closing Date relating to: the validity of the Securities; exemption from registration and qualification under federal and state securities law; and if applicable the tax-exempt status of the Securities, together with a reliance letter from such counsel, dated the Closing Date and addressed to us and in a form acceptable to us.

5. ***Other Matters Relating to Our Engagement.*** The parties agree that we are not making a final commitment to underwrite or place securities until certain events have occurred including among other things, a successful authorizing bond election, satisfactory completion and execution of all final documentation for an offering including all terms and conditions and credit approval by Piper Sandler’s internal credit approval process. This Agreement is therefore not a final commitment by us express or implied, to underwrite, place or purchase any securities. If you elect to conduct a public offering of the Securities, you and Piper Sandler will enter into a definitive bond purchase agreement which shall supersede the provisions of this agreement in any conflicting respects, except that the parties agree that the fee provisions set forth in Section 3 will continue to apply.

You acknowledge that you have retained us solely to provide the services to you as set forth in this agreement. As underwriter or placement agent, Piper Sandler may provide advice concerning the structure, timing, terms, and other similar matters concerning the transaction. You acknowledge and agree that: (i) the primary role of Piper Sandler as an underwriter or placement agent, is to sell or place securities to investors in an arms-length commercial transaction and that Piper Sandler has financial and other interests that differ from your interests (ii) Piper Sandler is not acting as a municipal advisor, financial advisor or fiduciary to you or any other person or entity

and has not assumed any advisory or fiduciary responsibility to you with respect to the transaction contemplated herein and the discussions, undertakings and proceedings leading thereto (irrespective of whether Piper Sandler has provided other services or is currently providing other services to you on other matters) (iii) the only obligations Piper Sandler has to you with respect to the transaction contemplated hereby expressly are set forth in this agreement and (iv) you have consulted your own legal, accounting, tax, financial and other advisors, as applicable, to the extent deemed appropriate in connection with the transaction contemplated herein.

6. **Disclosure.** Attached to this letter are regulatory disclosures required by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board to be made by us at this time because of this engagement. We may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures. It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the Securities. If our understanding is incorrect, please notify the undersigned immediately.
7. **Termination.** You or we may terminate our engagement under this agreement, with or without cause, upon ten days' written notice to the other party. The fee, expense reimbursement, your representations, warranties and agreements, and miscellaneous provisions of this agreement will survive any termination of our engagement under this agreement.
8. **Section Headings.** Section headings contained herein are for convenience of reference only and are not part of this agreement.
9. **Amendment.** This agreement may be amended only by a written instrument executed by each of the Parties. The terms of this agreement may be waived only by a written instrument executed by the party waiving compliance.
10. **Entire Agreement.** This agreement embodies the entire agreement and understanding between you and us and supersedes all prior agreements and understandings relating to the subject matter of this agreement.
11. **No Assignment.** This agreement has been made by the Issuer and Piper Sandler, and no other person shall acquire or have any right under or by virtue of this agreement.
12. **Governing Law.** This agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this agreement or the negotiation, execution or performance of this agreement, will be governed by and construed in accordance with the laws of Colorado. You and we hereby waive all right to trial by jury in any action, proceeding, or counterclaim (whether based upon contract, tort or otherwise) in connection with any dispute arising out of this agreement or any matters contemplated by this agreement.
13. **Consent to Jurisdiction; Service of Process.** The parties each hereby (a) submits to the jurisdiction of any state or federal court sitting in the County in which the District is located, State of Colorado for the resolution of any claim or dispute with respect to or arising out of or relating to this agreement or the relationship between the parties (b) agrees that all claims with respect to such actions or proceedings may be heard and determined in such court, (c) waives the defense of an inconvenient forum, (d) agrees not to commence any action or proceeding relating to this agreement other than in a state or federal court sitting in the County in which the District is located, State of Colorado and (e) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 17. Nothing in this agreement will affect the right of any party to this agreement to serve process in any other manner permitted by law.

14. **Effectiveness.** This agreement shall become effective upon its execution by duly authorized officials of all parties hereto and shall be valid and enforceable from and after the time of such execution.
15. **Severability.** In the event any provision of this agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. You and us will endeavor in good faith negotiations to replace the invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid or unenforceable provisions.
16. **Counterparts.** This agreement may be executed in several counterparts (including counterparts exchanged by email in PDF format), each of which shall be an original and all of which shall constitute but one and the same instrument.
17. **Notices.** Any notice required or permitted to be given under this agreement shall be given in writing and shall be effective from the date sent by registered or certified mail, by hand, facsimile or overnight courier to the addresses set forth on the first page of this agreement with a copy sent to the General Counsel of such Party.
18. THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

Please confirm that the foregoing correctly and completely sets forth our understanding by signing and returning to us the enclosed duplicate of this engagement agreement.

Sincerely,



Sam Sharp, Managing Director
Piper Sandler & Co.

Acknowledgement and Approval of Engagement
and Receipt of Appendix A Disclosures

Authorized Signor
Jefferson Center Metropolitan District No. 1

Date: _____

Appendix A – G-17 Disclosure

Thank you for engaging Piper Sandler & Co. (“Piper Sandler”) to serve as your underwriter. We are writing to provide you with certain disclosures relating to the captioned bond issue (Bonds), as required by Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2019-20 (Nov. 8, 2019).¹

Piper Sandler & Co. intends to serve as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds. As part of our underwriting services, we may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

The following G-17 conflict of interest disclosures are now broken down into three types, including: 1) dealer-specific conflicts of interest disclosures (if applicable); 2) transaction-specific disclosures (if applicable); and 3) standard disclosures.

Dealer-Specific Conflicts of Interest Disclosures

Piper Sandler has not identified any actual or potential material conflicts of interest.

Transaction-Specific Disclosures

- Disclosures Concerning Complex Municipal Securities Financing:
 - Since we have recommended to the Issuer/Obligor a financing structure that may be a “complex municipal securities financing” for purposes of MSRB Rule G-17, attached is a description of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and reasonably foreseeable at this time.

Standard Disclosures

- Disclosures Concerning the Underwriters’ Role:
 - MSRB Rule G-17 requires an underwriter to deal fairly at all times with both issuers and investors.
 - The underwriters’ primary role is to purchase the Bonds with a view to distribution in an arm’s-length commercial transaction with the Issuer. The underwriters have financial and other interests that differ from those of the Issuer.
 - Unlike a municipal advisor, an underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
 - The Issuer may choose to engage the services of a municipal advisor with a fiduciary obligation to represent the Issuer’s interest in this transaction.
 - The underwriters have a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
 - The underwriters will review the official statement for the Bonds in accordance with, and a part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.²
- Disclosures Concerning the Underwriters’ Compensation:
 - The underwriters will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection

¹ Revised Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective Mar. 31, 2021).

² Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters’ obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriters may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

Please note that nothing in this letter should be viewed as a commitment by the underwriters to purchase or sell all the Bonds and any such commitment will only exist upon the execution of any bond purchase agreement or similar agreement and then only in accordance with the terms and conditions thereof.

You have been identified by the Issuer as a primary contact for the Issuer's receipt of these disclosures, and that you are not a party to any disclosed conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately. We are required to seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect, or sign and return the enclosed copy of this letter to me at the address set forth above. Otherwise, an email read receipt from you or automatic response confirming that our email was opened by you will serve as an acknowledgment that you received these disclosures.

Depending on the structure of the transaction that the Issuer decides to pursue, or if additional actual or potential material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

Appendix B – Fixed Rate Bonds

The following is a general description of the financial characteristics and security structures of fixed rate municipal bonds (“Fixed Rate Bonds”), as well as a general description of certain financial risks that are known to us and reasonably foreseeable at this time and that you should consider before deciding whether to issue Fixed Rate Bonds. If you have any questions or concerns about these disclosures, please make those questions or concerns known immediately to us. In addition, you should consult with your financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent you deem appropriate.

Financial Characteristics

Maturity and Interest. Fixed Rate Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies and authorities, whether for their benefit or as a conduit issuer for a nongovernmental entity. Maturity dates for Fixed Rate Bonds are fixed at the time of issuance and may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. The final maturity date typically will range between 10 and 30 years from the date of issuance. Interest on the Fixed Rate Bonds typically is paid semiannually at a stated fixed rate or rates for each maturity date.

Redemption. Fixed Rate Bonds may be subject to optional redemption, which allows you, at your option, to redeem some or all the bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates. Fixed Rate Bonds will be subject to optional redemption only after the passage of a specified period, often approximately ten years from the date of issuance, and upon payment of the redemption price set forth in the bonds, which may include a redemption premium. You will be required to send out a notice of optional redemption to the holders of the bonds, usually not less than 30 days prior to the redemption date. Fixed Rate Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires you to redeem specified principal amounts of the bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the bonds to be redeemed.

Security

Payment of principal of and interest on a municipal security, including Fixed Rate Bonds, may be backed by various types of pledges and forms of security, some of which are described below.

General Obligation Bonds. “General obligation (GO) bonds” are debt securities to which your full faith and credit is pledged to pay principal and interest. If you have taxing power, generally you will pledge to use your ad valorem (property) taxing power to pay principal and interest. The debt service on “unlimited tax” GO bonds are paid from ad valorem taxes which are not subject to state constitutional property tax millage limits, whereas “limited tax” GO Bonds are subject to such limits.

General obligation bonds constitute a debt and, depending on applicable state law, may require that you obtain approval by voters prior to issuance. In the event of default in required payments of interest or principal, the holders of general obligation bonds generally will have certain rights under state law to compel you to impose a tax levy.

Revenue Bonds. “Revenue bonds” are debt securities that are payable only from a specific source or sources of revenues. Revenue bonds are not a pledge of your full faith and credit, and you (or, if you are a conduit issuer, the obligor, as described in the following paragraph) are obligated to

pay principal and interest on your revenue bonds only from the revenue source(s) specifically pledged to the bonds. Revenue bonds do not permit the bondholders to compel you to impose a tax levy for payment of debt service. Pledged revenues may be derived from operation of the financed project or system, grants or excise or other specified taxes. Generally, subject to state law or local charter requirements, you are not required to obtain voter approval prior to issuance of revenue bonds. If the specified source(s) of revenue become inadequate, a default in payment of principal or interest may occur. Various types of pledges of revenue may be used to secure interest and principal payments on revenue bonds. The nature of these pledges may differ widely based on state law, the type of issuer, the type of revenue stream and other factors.

Some revenue bonds (conduit revenue bonds) may be issued by a governmental issuer acting as a conduit for the benefit of a private sector entity or a 501(c)(3) organization (the obligor). Conduit revenue bonds commonly are issued for not-for-profit hospitals, educational institutions, single and multi-family housing, airports, industrial or economic development projects, and student loan programs, among other obligors. Principal and interest on conduit revenue bonds normally are paid exclusively from revenues pledged by the obligor. Unless otherwise specified under the terms of the bonds, you are not required to make payments of principal or interest if the obligor defaults.

The description above regarding “Security” is only a summary of certain possible security provisions for the bonds and is not intended as legal advice. You should consult with your bond counsel for further information regarding the security for the bonds.

Financial Risk Considerations

Certain risks may arise in connection with your issuance of Fixed Rate Bonds, including some or all the following (generally, the obligor, rather than the issuer, will bear these risks for conduit revenue bonds):

“Cash Flow” Structure of the Bonds and the Risk of Compounding Interest. The Bonds are expected to possess a “cash flow” structure, meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Pledged Revenue is available for payment. To the extent your cash flow is insufficient to pay interest when due on the Bonds, the unpaid interest will compound. Compounding could substantially increase your overall debt burden.

Issuer Default Risk. You may be in default if the funds pledged to secure your bonds are not enough to pay debt service on the bonds when due. The consequences of a default may be serious for you and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds, the trustee and any credit support provider may be able to exercise a range of available remedies against you. For example, if the bonds are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on the bonds. If the bonds are revenue bonds, you may be required to take steps to increase the available revenues that are pledged as security for the bonds. A default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

This description is only a summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

Bonds payable from the general fund, particularly bonds without a defined revenue stream identified to pay debt service, reduce your flexibility to balance the general fund. Because a fixed debt service payment is required to be paid regardless of how your general fund is impacted by revenue losses or by increased expenses, you have less flexibility in the options available to you in assuring a balanced budget for your general fund.

General Fund Obligations that are Project Based. Some general fund obligations are issued for projects which are expected to generate revenues that will pay for some or all of the debt service on the bonds. In the event the project does not generate the anticipated levels of revenues available for debt service, or, in the extreme case, does not create any revenue available for debt service, you may need to make payments from other available general fund revenues. This may force you to reduce other expenditures or to make difficult decisions about how to pay your debt service obligation while meeting other expenditure needs.

General Fund Obligations that are Subject to Annual Appropriation. Some general fund obligations require that debt service is subject to annual appropriation by your governing body. If your governing body decides not to appropriate payments for debt service, your credit ratings may be negatively impacted and you may be forced to pay a higher interest rate on future debt issuance or may be unable to access the market for future debt issuance.

For all bonds, a default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, it may be necessary for you to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

Redemption Risk. Your ability to redeem the bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. If interest rates decline, you may be unable to take advantage of the lower interest rates to reduce debt service.

Refinancing Risk. If your financing plan contemplates refinancing some or all the bonds at maturity (for example, if you have term maturities or if you choose a shorter final maturity than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent you from refinancing those bonds when required.

Reinvestment Risk. You may have proceeds from the issuance of the bonds available to invest prior to the time that you are able to spend those proceeds for the authorized purpose. Depending on market conditions, you may not be able to invest those proceeds at or near the rate of interest that you are paying on the bonds, which is referred to as “negative arbitrage”.

Tax Compliance Risk. The issuance of tax-exempt bonds is subject to several requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You also must covenant to take certain additional actions after issuance of tax-exempt bonds. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you pay on the bonds or the mandatory redemption of the bonds. The IRS also may audit you or your bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If tax-exempt bonds are declared taxable, or if you are subject to audit, the market price of your bonds may be adversely affected. Further, your ability to issue other tax-exempt bonds also may be limited.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing the bonds.