

SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1 AND 2

Thursday, May 25th, 2023 - 1:00PM

Joint Board Meeting

NOTICE IS HEREBY GIVEN that the Boards of Directors of **SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1 - 2**, County of El Paso, State of Colorado, will hold a joint SPECIAL meeting at 1:00PM on Thursday, the 25th day of May 2023 at:

614 N. Tejon St.,
Colorado Springs, CO 80903
and via:

<https://video.cloudoffice.avaya.com/join/427672903>

You can also dial in using your phone.

United States: +1 (213) 463-4500

Access Code: 427672903

This Special Meeting is for the purpose of conducting such business as may come before the Boards including the business on the attached agenda. The meeting is open to the public.

VACANT

Term to May 2025

Jeffrey Book

Term to May 2025

VACANT

Term to May 2027

Sandra Lehman

Term to May 2025

VACANT

Term to May 2027

AGENDA

1. Call to order.
2. Declaration of Quorum/Director Qualifications/Disclosure Matters
3. Approval of Agenda
4. Appointment of Officers
5. Approval of Minutes from Special Board Meeting held on April 17th, 2023 (enclosed)
6. Public Comment – Members of the public may express their views to the Boards on matters that affect the Districts. Comments will be limited to three (3) minutes.
7. Management Matters
 - a. Consider approval of trash collections services agreement with HBS: Independent Contractor Agreement (Waste Collection and Transportation Services). (enclosed)
8. Legal Matters
 - a. Consider approval of Special Warranty Deed Re: Tract A, Saddlehorn Ranch Filing No. 1, El Paso County, Colorado. (enclosed)
 - b. Consider approval of Bill of Sale (Water Distribution System, Water Treatment Plant, Water Tank, and Arapahoe Well). (enclosed)

9. Financial Matters
 - a. Accept Unaudited Financial Reports for March 31, 2023 (enclosed)
 - b. Ratify Payables (enclosed)
 - c. Discuss status of bond issuance
10. Other Businesses
 - a. Discuss Status of PILOT Agreement
 - b. Next Regular Meeting: August 10th, 2023.
11. New Business
12. Adjourn





**MINUTES OF THE JOINT SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1 and 2
HELD APRIL 17, 2023
AT 1:00 PM**

Pursuant to posted notice, the special joint meeting of the Board of Directors of the Saddlehorn Ranch Metropolitan District Nos. 1, 2 and 3 was held on Monday, April 17, 2023 at 1:00 p.m., at 731 North Weber, Suite 10, Colorado Springs, CO 80903, and via tele/videoconference:

<https://video.cloudoffice.avaya.com/join/427672903>.

Attendance

In attendance were Directors:

Jeffrey Book, Treasurer

Sandra Lehman, Secretary

Also in attendance were:

Kevin Walker, WSDM District Managers

Jakrapong Pattamasaevi, WSDM District Managers

Blair M. Dickhoner, Esq., White Bear Ankele Tanaka & Waldron

Erin Stutz, White Bear Ankele Tanaka & Waldron

John Helmick

Jason Nienhouse

Combined Meeting:

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes is the action of each of the Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

1. Call to Order: The meeting was called to order by Mr. Walker at 1:09 PM.
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters: Mr. Walker confirmed a quorum was present. Mr. Dickhoner advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Dickhoner reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Boards. Mr. Dickhoner inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

3. Approval of Agenda: Director Book moved to approve the Agenda as presented; seconded by Director Lehman. Motion passed unanimously.
4. Acknowledge Resignation of Director Guman: The Board acknowledged that Director Guman resigned.
5. Election of Officers: Director Book moved to appoint Director Lehman as President and Director Book as Treasurer/Secretary; seconded by Director Lehman. Motion passed unanimously.
6. Approval of Minutes from Special Board Meeting held on March 1, 2023: After review, Director Lehman moved to approve the March 1, 2023 Minutes as presented; seconded by Director Book. Motion passed unanimously.
7. Public Comment: There was no public comment.
8. Water Matters
 - a. Consider Adoption of Resolution to Impose Tap Fees: Mr. Walker presented the Resolution to Impose Tap Fees. The agreed-upon tap fee is \$25,000. Director Book moved to approve the Resolution to Impose Tap Fees as described; seconded by Director Lehman. Motion passed unanimously.
9. Management Matters
 - a. Discuss bid(s) for trash service: Mr. Pattamasaevi discussed the two bids received for trash service. There may be additional bids received in the next 30 days, but HBS is the lowest bid so far. The estimated cost is \$17 monthly per household.
 - b. Discuss updated insurance costs for water assets: Mr. Walker discussed the updated insurance costs for all the water assets. The quote is \$24,514 for one year.
10. Legal Matters
 - a. Consider approval of the Billing Services Agreement with Saddlehorn Ranch Homeowners Association to collect assessments on its behalf: Mr. Dickhoner presented the Billing Services Agreement between Saddlehorn Ranch Homeowners Association and the District to collect the broadband fees.
 - b. Consider approval of Resolution Regarding Policies, Procedures and Penalties for Enforcement of the Governing Documents: Mr. Dickhoner presented the Resolution Regarding Policies, Procedures, and Penalties for Enforcement of the Governing Documents which are the Covenants and Design Review. Mr. Pattamasaevi noted the fees are subject to change in the future.
 - c. Consider approval of Resolution Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges: Mr. Dickhoner presented the Resolution Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges for water service.

Director Book moved to approve the Billing Services Agreement, Resolution Regarding Policies, Procedures and Penalties for Enforcement of the Governing Documents, and Resolution Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges; seconded by Director Lehman. Motion passed unanimously.
11. Financial Matters

- a. Accept Unaudited Financial Reports for March 31, 2023: Mr. Walker presented the Unaudited Financial Reports for March 31, 2023. Director Book moved to accept the Unaudited Financial Reports for March 31, 2023; seconded by Director Lehman. Motion passed unanimously.
 - b. Ratify Payables: Mr. Walker presented the payables. Director Book moved to accept the payables as presented in the amount of \$42,828.68; seconded by Director Lehman. Motion passed unanimously.
 - c. Discuss Status of Bond Issuance: Mr. Walker discussed the status of the bond issuance and noted they are waiting for the water system to be turned on and they are making progress through the checklist of items. Mr. Pattamasaevi provided an update on the water system and discussed that the brain of the system is not yet functional.
12. Other Business
- a. Discuss Status of PILOT Agreement: The Board discussed that a draft PILOT Agreement will be presented to the Church.
 - b. Next Regular Meeting – May 11, 2023: Mr. Walker noted they may need to cancel and schedule a special meeting.
13. New Business: There was no new business.
14. Adjourn: Director Book moved to adjourn at 1:35 PM; seconded by Director Lehman. Motion passed unanimously.

Respectfully Submitted,

Secretary for the Meeting

Approved,

President



INDEPENDENT CONTRACTOR AGREEMENT
(WASTE COLLECTION AND TRANSPORTATION SERVICES)

This INDEPENDENT CONTRACTOR AGREEMENT, including any and all exhibits attached hereto (the “**Agreement**”), is entered into as of the 25th day of May 2023, by and between SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and HBSCO, LLC d/b/a HBS TRASH COMPANY, a Colorado limited liability company (the “**Contractor**”). The District and the Contractor are referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

RECITALS

WHEREAS, the District was organized pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S. for the purpose of constructing, financing, operating, and maintaining certain public facilities and improvements for itself, its taxpayers, residents, and users; and

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the District is empowered to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(i), C.R.S., the District is empowered to appoint, hire, and retain agents, employees, engineers, and attorneys; and

WHEREAS, the District desires to engage the Contractor to perform certain services as are needed by the District to serve the property within and without its boundaries; and

WHEREAS, the Contractor has represented that it has the professional experience, skill, and resources to perform the services, as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and stipulations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

TERMS AND CONDITIONS

1. SCOPE OF SERVICES; PERFORMANCE STANDARDS. The Contractor shall perform the services described in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Services**”): (a) in a professional manner, to the satisfaction of the District, using the degree of skill and knowledge customarily employed by other professionals performing similar services; (b) within the time period and pursuant to the Scope of Services specified in said **Exhibit A**; and (c) using reasonable commercial efforts to minimize any annoyance, interference, or disruption to the residents, tenants, occupants, and invitees within the District. **Exhibit A** may take any form, including forms which may include price and payment terms. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in **Exhibit A**, the terms in the body of this Agreement shall govern. Contractor shall have no right or authority, express or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement

(including **Exhibit A**) or through other authorization expressly delegated to or authorized by the District through its Board of Directors.

2. TERM/RENEWAL. This Agreement shall be effective as of the dated date hereof and shall terminate on the earlier to occur of: (i) termination pursuant to Section 18 hereof or (ii) completion of the Services. Notwithstanding the foregoing, unless terminated pursuant to subsection (i) or (ii) above, or unless the District determines not to appropriate funds for this Agreement for the next succeeding year, this Agreement shall terminate at midnight on May 25, 2026.

3. ADDITIONAL SERVICES. The District may, in writing, request the Contractor provide additional services not set forth in **Exhibit A**. The terms and conditions of the provision of such services shall be subject to the mutual agreement of the Contractor and the District pursuant to a written service/work order executed by an authorized representative of the District and the Contractor or an addendum to this Agreement. Authorization to proceed with additional services shall not be given unless the District has appropriated funds sufficient to cover the additional compensable amount. To the extent additional services are provided pursuant to this Section 3, the terms and conditions of this Agreement relating to Services shall also apply to any additional services rendered.

4. REPAIRS/CLAIMS. The Contractor shall notify the District immediately of any and all damage caused by the Contractor to District property and that of third parties. The Contractor will promptly repair or, at the District's option, reimburse the District for the repair of any damage to property caused by the Contractor or its employees, agents, or equipment. In addition, the Contractor shall promptly notify the District of all potential claims of which it becomes aware. The Contractor further agrees to take all reasonable steps to preserve all physical evidence and information, which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to the District the opportunity to review and inspect such evidence, including the scene of any damage or accidents. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Services and shall provide all reasonable protection to prevent damage or injury to persons and property, including any material and equipment related to the Services, whether in storage on or off site, under the care, custody, or control of the Contractor or any of its subcontractors.

5. GENERAL PERFORMANCE STANDARDS.

a. The Contractor has by careful examination ascertained: (i) the nature and location of the Services; (ii) the configuration of the ground on which the Services are to be performed; (iii) the character, quality, and quantity of the labor, materials, equipment, and facilities necessary to complete the Services; (iv) the general and local conditions pertaining to the Services; and (v) all other matters which in any way may affect the performance of the Services by the Contractor. Contractor enters into this Agreement solely because of the results of such examination and not because of any representations pertaining to the Services or the provision thereof made to it by the District or any agent of the District and not contained in this Agreement. The Contractor represents that it has or shall acquire the capacity and the professional experience and skill to perform the Services and that the Services shall be performed in accordance with the

standards of care, skill, and diligence provided by competent professionals who perform services of a similar nature to those specified in this Agreement. If competent professionals find that the Contractor's performance of the Services does not meet this standard, the Contractor shall, at the District's request, re-perform the Services not meeting this standard without additional compensation.

b. The Contractor shall use reasonable commercial efforts to perform and complete the Services in a timely manner. If performance of the Services by the Contractor is delayed due to factors beyond the Contractor's reasonable control, or if conditions of the scope or type of services are expected to change, Contractor shall give prompt notice to the District of such a delay or change and receive an equitable adjustment of time and/or compensation, as negotiated between the Parties.

c. The Services provided under this Agreement shall be adequate and sufficient for the intended purposes and shall be completed in a good and workmanlike manner.

d. The Contractor agrees that it has complied and will continue to comply with all Laws while providing Services under this Agreement. "**Laws**" means: (i) federal, state, county, and local or municipal body or agency laws, statutes, ordinances, and regulations; (ii) any licensing, bonding, and permit requirements; (iii) any laws relating to storage, use, or disposal of hazardous wastes, substances, or materials; (iv) rules, regulations, ordinances, and/or similar directives regarding business permits, certificates, and licenses; (v) regulations and orders affecting safety and health, including but not limited to the Occupational Safety and Health Act of 1970; (vi) Wage and Hour laws, Worker Compensation laws, and immigration laws and (vii) rules and regulations of the Colorado Department of Public Health and Environment.

e. The responsibilities and obligations of the Contractor under this Agreement shall not be relieved or affected in any respect by the presence of any agent, consultant, sub-consultant, or employee of the District. Review, acceptance, or approval by the District of the Services performed or any documents prepared by the Contractor shall not relieve the Contractor of any responsibility for deficiencies, omissions, or errors in said Services or documents, nor shall it be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

6. MONTHLY STATUS REPORT. The Contractor shall provide to the District, at the District's request, on or before the 25th of each month, a narrative progress and status report describing work in progress and results achieved during the reporting period, including a description of the Services performed during the invoice period and the Services anticipated to be performed during the ensuing invoice period ("**Monthly Report**").

7. COMPENSATION AND INVOICES.

a. Compensation. Compensation for the Services provided under this Agreement shall be in accordance with the compensation schedule attached hereto as **Exhibit B**. The Contractor shall be responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as provided in **Exhibit B** of this Agreement, unless said reimbursement or compensation is approved in writing by the

District in advance of incurring such expenses. Any direct reimbursable costs for materials will be reimbursable at the Contractor's actual cost, provided that the Contractor shall make a reasonable attempt to notify the District of the estimated amount of such reimbursable costs (or any material adjustments thereto subsequently identified) prior to commencing the requested services. Concurrent with the execution of this Agreement, the Contractor shall provide the District with a current completed Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification) ("**W-9**"). No payments will be made to the Contractor until the completed W-9 is provided. The W-9 shall be attached hereto and incorporated herein as **Exhibit B-1**.

- b. Invoices. Invoices for the Services shall be submitted monthly, by the 10th of each month, during the term of this Agreement and shall contain the following information:
- i. An itemized statement of the Services performed.
 - ii. Any other reasonable information required by the District to process payment of the invoice, including project and/or cost codes as provided in any applicable written service/work order.

The District shall be charged only for the actual time and direct costs incurred for the performance of the Services. Invoices received by the District after the 10th of each month may be processed the following month.

8. TIME FOR PAYMENT. Payment for the Services shall be made by the District within thirty (30) days of receipt of: (i) a timely, satisfactory, and detailed invoice in the form required by Section 7; and (ii) if applicable, a reasonably satisfactory and detailed Monthly Report, for that portion of the Services performed and not previously billed. The District may determine to waive or extend the deadline for filing the Monthly Report, or may make payment for Services to the Contractor notwithstanding a delay in filing the Monthly Report, upon reasonable request of the Contractor, if it is in the interest of the District to do so. In the event a Board meeting is not scheduled in time to review payment of an invoice, the Board hereby authorizes payment for Services, subject to the appropriation and budget requirements under Section 27 hereof, without the need for additional Board approval, so long as any payment required to be made does not exceed the amounts appropriated for such Services as set forth in the District's approved budget. Such payment shall require review and approval of each Monthly Report and invoice by two officers of the District.

9. INDEPENDENT CONTRACTOR. The Contractor is an independent contractor and nothing in this Agreement shall constitute or designate the Contractor or any of its employees or agents as employees or agents of the District. The Contractor shall have full power and authority to select the means, manner, and method of performing its duties under this Agreement, without detailed control or direction from the District, and shall be responsible for supervising its own employees or subcontractors. The District is concerned only with the results to be obtained. The District shall not be obligated to secure, and shall not provide, any insurance coverage or employment benefits of any kind or type to or for the Contractor or its employees, sub-consultants, contractors, agents, or representatives, including coverage or benefits related but not limited to: local, state or federal income, or other tax contributions, insurance contributions (e.g. FICA taxes),

workers' compensation, disability, injury, health or life insurance, professional liability insurance, errors and omissions insurance, vacation or sick-time benefits, retirement account contributions, or any other form of taxes, benefits, or insurance. The Contractor shall be responsible for its safety, and the safety of its employees, sub-contractors, agents, and representatives. All personnel furnished by the Contractor will be deemed employees or sub-contractors of the Contractor and will not for any purpose be considered employees or agents of the District. **The Contractor is not entitled to worker's compensation benefits or unemployment insurance benefits, unless unemployment compensation coverage is provided by the Contractor or some other entity other than the District, and the Contractor is obligated to pay federal and state income taxes on moneys by it earned pursuant to this Agreement.**

10. **EQUAL OPPORTUNITY.** This Agreement is subject to all applicable laws and executive orders relating to equal opportunity and non-discrimination in employment and the Contractor represents and warrants that it will not discriminate in its employment practices in violation of any such applicable law or executive order.

11. **CONTRACTOR'S INSURANCE.**

a. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of this Agreement, insurance coverage in the minimum amounts set forth in **Exhibit C**, attached hereto and incorporated herein by this reference. A waiver of subrogation and rights of recovery against the District, its directors, officers, employees, and agents is required for Commercial General Liability and workers' compensation coverage. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the District as an additional insured. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the District may carry, and any insurance maintained by the District shall be considered excess. The District shall have the right to verify or confirm, at any time, all coverage, information, or representations contained in this Agreement.

b. Prior to commencing any work under this Agreement, the Contractor shall provide the District with a certificate or certificates evidencing the policies required by this Agreement, as well as the amounts of coverage for the respective types of coverage, which certificate(s) shall be attached hereto as **Exhibit C-1**. If the Contractor subcontracts any portion(s) of the Services, said subcontractor(s) shall be required to furnish certificates evidencing statutory workers' compensation insurance, comprehensive general liability insurance, and automobile liability insurance in amounts satisfactory to the District and the Contractor; provided, however, that sub-contractors of the Contractor shall not be required by the District to provide coverage in excess of that which is required hereunder of the Contractor. If the coverage required expires during the term of this Agreement, the Contractor or subcontractor shall provide replacement certificate(s) evidencing the continuation of the required policies.

c. The Contractor's failure to purchase the required insurance shall not serve to release it from any obligations contained in this Agreement, nor shall the purchase of the required insurance serve to limit the Contractor's liability under any provision in this Agreement. The Contractor shall be responsible for the payment of any deductibles on issued policies.

12. CONFIDENTIALITY AND CONFLICTS.

a. Confidentiality. Any information deemed confidential by the District and given to the Contractor by the District, or developed by the Contractor as a result of the performance of a particular task, shall remain confidential. In addition, the Contractor shall hold in strict confidence, and shall not use in competition, any information which the Contractor becomes aware of under or by virtue of this Agreement which the District deems confidential, or which the District has agreed to hold confidential, or which, if revealed to a third party, would reasonably be construed to be contrary to the interests of the District. Confidential information shall not include, however, any information which is: (i) generally known to the public at the time provided to the Contractor; (ii) provided to the Contractor by a person or entity not bound by confidentiality to the District; or (iii) independently developed by the Contractor without use of the District's confidential information. During the performance of this Agreement, if the Contractor is notified that certain information is to be considered confidential, the Contractor agrees to enter into a confidentiality agreement in a form reasonably acceptable to the District and the Contractor. The Contractor agrees that any of its employees, agents, or subcontractors with access to any information designated thereunder as confidential information of the District shall agree to be bound by the terms of such confidentiality agreement.

b. Personal Identifying Information. During the performance of this Agreement, the District may disclose Personal Identifying Information to the Contractor. "**Personal Identifying Information**" means a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver's license or identification card number; a government passport number; biometric data, as defined in § 24-73-103(1)(a), C.R.S.; an employer, student, or military identification number; or a financial transaction device, as defined in § 18-5-701(3), C.R.S. In compliance with § 24-73-102, C.R.S., the Contractor agrees to implement and maintain reasonable security procedures and practices that are: (i) appropriate to the nature of the Personal Identifying Information disclosed to the Contractor; and (ii) reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.

c. Conflicts. Prior to the execution of, and during the performance of this Agreement and prior to the execution of future agreements with the District, the Contractor agrees to notify the District of conflicts known to the Contractor that impact the Contractor's provision of Services to the District.

13. OWNERSHIP OF DOCUMENTS. All documents produced by or on behalf of the Contractor pursuant to this Agreement, including, but not limited to, all maps, plans, drawings, specifications, reports, electronic files, and other documents, in whatever form, shall remain the property of the District under all circumstances, upon payment to the Contractor of the invoices representing the work by which such materials were produced. At the District's request the Contractor will provide the District with all documents produced by or on behalf of the Contractor pursuant to this Agreement. The Contractor shall maintain electronic and reproducible copies on file of any such instruments of service involved in the Services for a period of two (2) years after termination of this Agreement, shall make them available for the District's use and shall provide such copies to the District upon request at no cost.

14. LIENS AND ENCUMBRANCES. The Contractor shall not have any right or interest in any District assets, or any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated in this Agreement. The Contractor, for itself, hereby waives and releases any and all statutory or common law mechanic's, materialmen's, or other such lien claims, or rights to place a lien upon the District's property or any improvements thereon in connection with any Services performed under or in connection with this Agreement, and the Contractor shall cause all permitted subcontractors, suppliers, materialmen, and others claiming by, through, or under the Contractor to execute similar waivers prior to commencing any work or providing any materials in connection with the Services. The Contractor further agrees to execute a sworn affidavit respecting the payment and lien releases of all subcontractors, suppliers, and materialmen, and release of lien respecting the Services at such time or times and in such form as may be reasonably requested by the District. The Contractor will provide indemnification against all such liens for labor performed and/or materials supplied or used by the Contractor and/or any other person in connection with the Services undertaken by the Contractor, in accordance with Section 15, below.

15. INDEMNIFICATION.

a. The Contractor shall defend, indemnify, and hold harmless the District and each of its directors, officers, contractors, employees, agents, and consultants (collectively, the "**District Indemnitees**"), from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses (the "**Claims**"), including reasonable legal expenses and attorneys' fees actually incurred, by the District Indemnitees arising directly or indirectly, in whole or in part, out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Contractor or any of its subcontractors, officers, agents, or employees, in connection with this Agreement and/or the Contractor's performance of the Services or work pursuant to this Agreement. Notwithstanding anything else in this Agreement or otherwise to the contrary, the Contractor is not obligated to indemnify the District Indemnitees for the negligence of the District or the negligence of any other District Indemnitee, except the Contractor. Except as otherwise provided by applicable law, this indemnification obligation will not be limited in any way by any limitation on the amount or types of damages, compensation, or benefits payable by or for the Contractor under workers' compensation acts, disability acts, or other employee benefit acts, provided that in no event shall the Contractor be liable for special/consequential or punitive damages.

b. In the event the Contractor fails to assume the defense of any Claims under this Section 15 within fifteen (15) days after notice from the District of the existence of such Claim, the District may assume the defense of the Claim with counsel of its own selection, and the Contractor will pay all reasonable expenses of such counsel. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation.

c. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation. The Contractor shall obtain, at its own expense, any additional insurance that it deems necessary with respect to its obligations under this Agreement, including the indemnity obligations set forth

in Section 15. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

16. ASSIGNMENT. The Contractor shall not assign this Agreement or parts thereof, or its respective duties, without the express written consent of the District. Any attempted assignment of this Agreement in whole or in part with respect to which the District has not consented, in writing, shall be null and void and of no effect whatsoever.

17. SUB-CONTRACTORS. The Contractor is solely and fully responsible to the District for the performance of all Services in accordance with the terms set forth in this Agreement, whether performed by the Contractor or a subcontractor engaged by the Contractor, and neither the District's approval of any subcontractor, suppliers, or materialman, nor the failure of performance thereof by such persons or entities, will relieve, release, or affect in any manner the Contractor's duties, liabilities, or obligations under this Agreement. The Contractor shall not subcontract any Services without prior written approval by the District. The Contractor agrees that each and every agreement of the Contractor with any subcontractor to perform Services under this Agreement shall contain an indemnification provision identical to the one contained in this Agreement holding the District harmless for the acts of the subcontractor. Prior to commencing any Services, a subcontractor shall provide evidence of insurance coverage to the District in accordance with the requirements of this Agreement. The Contractor further agrees that all such subcontracts shall provide that they may be terminated immediately without cost or penalty upon termination of this Agreement, other than payment for services rendered prior to the date of any such termination.

18. TERMINATION. In addition to the termination provisions contained in Section 2, above, this Agreement may be terminated for convenience by the Contractor upon delivery of thirty (30) days' prior written notice to the District and by the District by giving the Contractor thirty (30) days' prior written notice. Each Party may terminate this Agreement for cause at any time upon written notice to the other Party setting forth the cause for termination and the notified Party's failure to cure the cause to the reasonable satisfaction of the Party given such notice within the cure period set forth in Section 19. If this Agreement is terminated, the Contractor shall be paid for all the Services satisfactorily performed prior to the designated termination date, including reimbursable expenses due. Said payment shall be made in the normal course of business. Should either Party to this Agreement be declared bankrupt, make a general assignment for the benefit of creditors, or commit a substantial and material breach of this Agreement in the view of the other Party, said other Party shall be excused from rendering or accepting any further performance under this Agreement. In the event of termination of this Agreement, the Contractor shall cooperate with the District to ensure a timely and efficient transition of all work and work product to the District or its designees. All time, fees, and costs associated with such transition shall not be billed by the Contractor to the District.

19. DEFAULT. If either Party fails to perform in accordance with the terms, covenants, and conditions of this Agreement, or is otherwise in default of any of the terms of this Agreement, the non-defaulting party shall deliver written notice to the defaulting party of the default, at the address specified in Section 20 below, and the defaulting party will have ten (10) days from and after receipt of the notice to cure the default. If the default is not of a type which can be cured within such ten (10)-day period and the defaulting party gives written notice to the

non-defaulting party within such ten (10)-day period that it is actively and diligently pursuing a cure, the defaulting party will have a reasonable period of time given the nature of the default following the end of the ten (10)-day period to cure the default, provided that the defaulting party is at all times within the additional time period actively and diligently pursuing the cure. If any default under this Agreement is not cured as described above, the non-defaulting party will, in addition to any other legal or equitable remedy, have the right to terminate this Agreement and enforce the defaulting party's obligations pursuant to this Agreement by an action for injunction or specific performance.

20. NOTICES. Any notice or communication required under this Agreement must be in writing, and may be given personally, sent via nationally recognized overnight carrier service, or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same will be deemed to have been given and received on the first to occur of: (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent; or (ii) three days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered or sent via nationally recognized overnight carrier service, a notice will be deemed to have been given and received on the first to occur of: (i) one business day after being deposited with a nationally recognized overnight air courier service; or (ii) delivery to the party to whom it is addressed. Any party hereto may at any time, by giving written notice to the other party hereto as provided in this Section 20 of this Agreement, designate additional persons to whom notices or communications will be given, and designate any other address in substitution of the address to which such notice or communication will be given. Such notices or communications will be given to the parties at their addresses set forth below:

District: Saddlehorn Ranch Metropolitan District No. 1
c/o Walker Schooler District Managers
614 N. Tejon St.
Colorado Springs, CO 80903
Attention: Kevin Walker
Phone: (719) 447-1777
Email: kevin.w@wsdistricts.com

With a Copy to: WHITE BEAR ANKELE TANAKA & WALDRON
2154 E. Commons Ave., Suite 2000
Centennial, CO 80122
Attention: Blair M. Dickhoner, Esq.
Phone: (303) 858-1800
E-mail: bdickhoner@wbapc.com

Contractor: HBSCO, LLC d/b/a HBS Trash Company
9250 E. Costilla Ave. #310
Greenwood Village, CO 80112
Attention: Michael A. Mink
Phone: (720) 402-9366

21. AUDITS. The District shall have the right to audit, with reasonable notice, any of the Contractor's books and records solely as are necessary to substantiate any invoices and payments under this Agreement (including, but not limited to, receipts, time sheets, payroll, and personnel records) and the Contractor agrees to maintain adequate books and records for such purposes during the term of this Agreement and for a period of two (2) years after termination of this Agreement and to make the same available to the District at all reasonable times and for so long thereafter as there may remain any unresolved question or dispute regarding any item pertaining thereto.

22. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Parties hereto relating to the Services, and sets forth the rights, duties, and obligations of each to the other as of this date, and hereby supersedes any and all prior negotiations, representations, agreements, or arrangements of any kind with respect to the Services, whether written or oral. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be modified except by a writing executed by both the Contractor and the District.

23. BINDING AGREEMENT. This Agreement shall inure to and be binding on the heirs, executors, administrators, successors, and assigns of the Parties hereto.

24. NO WAIVER. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in this Agreement, nor shall the waiver of any default be deemed a waiver of any subsequent default.

25. GOVERNING LAW.

a. Venue. Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the District is located. The Parties expressly and irrevocably waive any objections or rights which may affect venue of any such action, including, but not limited to, *forum non-conveniens* or otherwise. At the District's request, the Contractor shall carry on its duties and obligations under this Agreement during any legal proceedings and the District shall continue to pay for the Services performed under this Agreement until and unless this Agreement is otherwise terminated.

b. Choice of Law. Colorado law shall apply to any dispute, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado.

c. Litigation. At the District's request, the Contractor will consent to being joined in litigation between the District and third parties, but such consent shall not be construed as an admission of fault or liability. The Contractor shall not be responsible for delays in the performance of the Services caused by factors beyond its reasonable control including delays caused by Act of God, accidents, failure of any governmental or other regulatory authority to act

in a timely manner, or failure of the District to furnish timely information or to approve or disapprove of Contractor's Services in a timely manner.

26. GOOD FAITH OF PARTIES. In the performance of this Agreement, or in considering any requested approval, acceptance, consent, or extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously, or unreasonably withhold, condition, or delay any approval, acceptance, consent, or extension of time required or requested pursuant to this Agreement.

27. SUBJECT TO ANNUAL APPROPRIATION AND BUDGET. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The Contractor expressly understands and agrees that the District's obligations under this Agreement shall extend only to monies appropriated for the purposes of this Agreement by the Board and shall not constitute a mandatory charge, requirement, or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this Agreement shall be construed or interpreted as a delegation of governmental powers by the District, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the District or statutory debt limitation, including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of District funds. The District's obligations under this Agreement exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this Agreement.

28. GOVERNMENTAL IMMUNITY. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

29. NEGOTIATED PROVISIONS. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed to the preparation of this Agreement.

30. SEVERABILITY. If any portion of this Agreement is declared by any court of competent jurisdiction to be invalid, void, or unenforceable, such decision shall not affect the validity of any other portion of this Agreement which shall remain in full force and effect, the intention being that such portions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid, or unenforceable provision so that the resulting reformed provision is legal, valid, and enforceable.

31. NO THIRD-PARTY BENEFICIARIES. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is

the express intention of the Parties that any person other than Parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

32. OPEN RECORDS. The Parties understand that all material provided or produced under this Agreement may be subject to the Colorado Open Records Act, §§ 24-72-202, *et seq.*, C.R.S.

33. WARRANTY. The Contractor shall and does by this Agreement guarantee and warrant that all workmanship, materials, and equipment furnished, installed, or performed for the accomplishment of the Services (collectively, the “**Work**”) will be of good quality and new, unless otherwise required or permitted by this Agreement. The Contractor further warrants that the Work will conform to all requirements of this Agreement and all other applicable laws, ordinances, codes, rules, and regulations of any governmental authorities having jurisdiction over the Work. All Services are subject to the satisfaction and acceptance of the District, but payments for the completed Work will not constitute final acceptance nor discharge the obligation of the Contractor to correct defects at a later date. Such warranties set forth in this Agreement are in addition to, and not in lieu of, any other warranties prescribed by Colorado law.

34. TAX EXEMPT STATUS. The District is exempt from Colorado state sales and use taxes. Accordingly, taxes from which the District is exempt shall not be included in any invoices submitted to the District. The District shall, upon request, furnish Contractor with a copy of its certificate of tax exemption. Contractor and subcontractors shall apply to the Colorado Department of Revenue, Sales Tax Division, for an Exemption Certificate and purchase materials tax free. The Contractor and subcontractors shall be liable for exempt taxes paid due to failure to apply for Exemption Certificates or for failure to use said certificate.

35. COUNTERPART EXECUTION. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

[Signature pages follow].

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

DISTRICT:

SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado

Officer of the District

ATTEST:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel for the District

District's Signature Page to Independent Contractor Agreement for Waste Collection and Transportation Services with HBSCO, LLC d/b/a HBS Trash Company, dated May 25, 2023

CONTRACTOR:

HBSCO, LLC d/b/a HBS TRASH COMPANY,
a Colorado limited liability company

Printed Name

Title

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____
2023, by _____, as the _____ of HBSCO, LLC d/b/a HBS
Trash Company, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____

Notary Public

***Contractor's Signature Page to Independent Contractor Agreement for Collection and
Transportation Services with Saddlehorn Ranch Metropolitan District No. 1, dated May 25,
2023***

EXHIBIT A

SCOPE OF SERVICES/COMPENSATION SCHEDULE



720-315-2498

Saddlehorn Ranch Metro District
Falcon, Colorado

Attention: Jak Pattamasaevi (WSDM)
Re: Saddlehorn Ranch Metro District

Greetings from Home Builder Services (HBS) Trash Company,

Home Builder Services Trash Company is a locally owned and operated company here in Colorado. We currently operate out of six locations in Colorado Springs, Ellicott, Longmont, Kiowa, Brighton, and Denver. Today we serve over 70,000 residential customers and operate approximately 170 waste collection vehicles in these areas. Home Builder Services (HBS) Trash Company uses automated trucks in our collection process. With the use of an automated truck for pickup, time spent on collection in your neighborhood will be greatly reduced while minimizing the physical labor on our employees. The automated trucks enable our drivers to stay in the cab, protecting them from traffic and minimizing injuries. Carts will be left upright at the curb, please ensure your cart is placed curbside and free of any obstacles.

Saddlehorn Ranch Metro District has at buildout 200 homes.

Standard waste service: provided will be weekly curbside pickup and curbside drop.

Standard recycle rates: provided will be every other week curbside pickup and curbside drop.

Total price per household is: \$17.00

HBS will provide totes for trash & recycle services.

*NOTE: Any additional trash bags over the 3 allowed, will be **charged \$3.50 per-bag**. Please have the resident call 720-547-8600 a head of time to ensure the correct household is charged.*

Additional trash Toter's are available per-home for \$8.00 more per-home each month.

1 30 Yd Roll-off at no charge 1 time a year free of charge for community cleanups, after 1 30 yd roll-off the cost is: \$450.00 with 5 tons, over 5 tons it's \$50.00 a ton for each additional roll off.

We look forward to meeting your trash needs and provide you with an updated Certificate of Insurance and W-9 for the Saddlehorn Ranch Metro District.

Terms of this agreement are 3 years, **with a price lock for the 1st year**, and no more than 7-10% increase per year in year 2 and year 3.

Company: (HBS) Home Builder Services Trash Company
Date: 9 March 2023
By: John Bishop

Saddlehorn Ranch Metro District
Date: 9 March 2023
By:

EXHIBIT B

CONTRACTOR'S COMPLETED W-9

EXHIBIT C

INSURANCE REQUIREMENTS

NOTE: All insurance required and provided hereunder shall also comply with the provisions of Section 11 of this Agreement.

1. Standard Worker's Compensation and Employer's Liability Insurance covering all employees of Contractor involved with the performance of the Services, with policy amounts and coverage in compliance with the laws of the jurisdiction in which the Services will be performed.
2. Commercial General Liability Insurance with minimum limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 designated location, general aggregate; and \$1,000,000 umbrella. Such insurance will include coverage for contractual liability, personal injury, and broad form property damage, and shall include all major divisions of coverage and be on a comprehensive basis including, but not limited to:
 - a. premises operations;
 - b. personal injury liability without employment exclusion;
 - c. limited contractual;
 - d. broad form property damages, including completed operations;
 - e. medical payments;
 - f. products and completed operations;
 - g. independent consultants coverage; and
 - h. coverage inclusive of construction means, methods, techniques, sequences, and procedures, employed in the capacity of a construction consultant.

This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.

3. Comprehensive Automobile Liability Insurance covering all owned, non-owned, and hired automobiles used in connection with the performance of the Services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage. **This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.**
4. If applicable: Contractor shall secure and maintain a third-party fidelity bond in favor of the District, covering the Contractor and its employees and agents who may provide or be responsible for the provision of Services where such activities contemplate the responsibility for money or property of the District. Such bond shall protect the District against any fraudulent or dishonest act which may result in the loss of money, securities,

or other property belonging to or in the possession of the District. Said bond shall be in an amount as determined by the District, from a surety acceptable to the District.

5. Any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement.

EXHIBIT C-1

CERTIFICATE(S) OF INSURANCE

EXHIBIT D

CERTIFICATE OF GOOD STANDING WITH COLORADO SECRETARY OF STATE

**OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO**

CERTIFICATE OF FACT OF GOOD STANDING

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

HBSCO LLC

is a

Limited Liability Company

formed or registered on 02/02/2018 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20181106037 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 05/19/2023 that have been posted, and by documents delivered to this office electronically through 05/22/2023 @ 10:38:19 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 05/22/2023 @ 10:38:19 in accordance with applicable law. This certificate is assigned Confirmation Number 14996793 .



Jena Griswold

Secretary of State of the State of Colorado

*****End of Certificate*****
Notice: A certificate issued electronically from the Colorado Secretary of State's website is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's website, <https://www.coloradosos.gov/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our website, <https://www.coloradosos.gov> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."



SPECIAL WARRANTY DEED

(No Documentary Fee Required - Exempt under § 39-13-102(2)(a), C.R.S.)

THIS SPECIAL WARRANTY DEED is made effective as of May ____ 2023, between GORILLA CAPITAL CO SADDLEHORN RANCH, LLC, a Colorado limited liability company whose address is 1432 High Street, Eugene, Oregon 97401 (the “**Grantor**”), hereby grants, sells, and conveys to SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and a political subdivision of the State of Colorado whose address is c/o WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law, 2154 East Commons Avenue, Suite 2000, Centennial, Colorado 80122 (the “**Grantee**”).

WITNESSETH, that Grantor, for and in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, and convey and confirm, unto Grantee, its heirs, successors and assigns forever, all the right, title, interest, claim and demand which the Grantor has in and to the Property, together with all improvements, if any, situate, lying, and being located in the County of El Paso, State of Colorado, described as follows:

SEE ATTACHED EXHIBIT A

TOGETHER, with all and singular the rights, tenements, easements, appendages, ways, hereditaments, privileges, and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of Grantor, either in law or in equity, of, in and to the above bargained Property, with the hereditaments, easements, rights of way and appurtenances (the “**Property**”).

TO HAVE AND TO HOLD the Property above bargained and described with the appurtenances, unto Grantee, its heirs, successors and assigns forever. Grantor, for itself, and its successors and assigns, does covenant, grant, bargain and agree to and with the Grantee, its successor and assign, that Grantor shall and will WARRANT AND FOREVER DEFEND the Property in quiet and peaceable possession of Grantee, its heirs, successors and assigns, against all and every person lawfully claiming the whole or any part thereof by, through or under Grantor, except and subject to all matters of record to the extent the same are validly existing and applicable to the Property as of the date hereof, including but not limited to, taxes and assessments for the current year, and liens, easements, encumbrances and restrictions of record.

The Property is conveyed in its “AS IS,” “WHERE IS,” and “WITH ALL FAULTS condition, without any warranties by Grantor (other than the special warranty of title set forth above), and Grantor specifically disclaims any warranties as to condition, fitness or suitability for any particular use or purpose, merchantability, or habitability of the said property.

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned has executed this Special Warranty Deed as of this _____ day of May 2023.

GRANTOR:

GORILLA CAPITAL CO SADDLEHORN RANCH, LLC, a Colorado limited liability company

By: _____
Name: _____
Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of May, 2023, by _____ as _____ of _____.

Witness my hand and official seal.

My commission expires _____.

Notary Public

EXHIBIT A
Property

Tract A, Saddlehorn Ranch Filing No. 1, El Paso County, Colorado.



BILL OF SALE

(Water Distribution System, Water Treatment Plant, WaterTank, and Araphoe Well)

KNOW ALL MEN BY THESE PRESENTS that GORILLA CAPITAL CO SADDLEHORN RANCH, LLC, a Colorado limited liability company (the “**Grantor**”) whose address is 1432 High Street, Eugene, Oregon 97401, for good and valuable consideration, the receipt of which is hereby acknowledged, has bargained and sold, and by these presents, does grant and convey unto the SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”) whose address is c/o WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law, 2154 East Commons Avenue, Suite 2000, Centennial, Colorado 80122, its successors and assigns, all of its right, title and interest in the improvements constructed on real property located within the County of Adams, State of Colorado, as more particularly set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Property**”), the improvements described on **Exhibit B**, attached hereto and incorporated herein (the “**Improvements**”), and all things of value, including all work product, both tangible and intangible, including legal, accounting, engineering, and management costs related thereto, accruing from the costs associated with the provision of the Improvements. All warranties associated with the Improvements are hereby assigned to the District.

TO HAVE AND TO HOLD the same unto the District, its successors and assigns forever; and Grantor, its successors and assigns, shall warrant and defend the sale of said property, improvements, services and facilities made unto the District, its successors or assigns, against all and every person or persons whomsoever, and warrants that the conveyance of the property, improvement, services and facilities to the District, its successors or assigns, is made free from any claim or demand whatever.

EXHIBIT A
THE PROPERTY

Tract A, Saddlehorn Ranch Filing No. 1, El Paso County, Colorado.

EXHIBIT B IMPROVEMENTS

Water Distribution Improvements

The improvements are located in Filing No. 1, Tract A, Filing 1 Right of Way, Public Turnaround Easement recorded at Reception No. 221103012, 30' Access and Utility Easement recorded at Reception No. 221103014, and Filing No. 2, 30' Access and Utility Easement recorded at Reception No. 221103014, and includes but is not limited to:

- 3,438 LF of 12" PVC
- 13 – 12" 11.25° Bends
- 13 – 12" 45° Bends
- 10 – 12" MJ 90° Bends
- 20 – 12" Gate Valves
- 1 – 12" Cap
- 1 – 12" MJ Cap
- 1 – 12" MJ Cap with 2" Blow-off Assembly
- 1 – 12"X6" Reducer
- 2 – 12"X8" Reducers
- 1 – 12" DR 18 PVC Stub
- 6 – 12"X6" Tees
- 3 – 12"X8" Tees
- 2 – 12"X12" Tees
- 1 – 12"X8" Cross
- 7,697 LF of 8" PVC
- 9 LF of 8" DIP
- 16 – 8" 11.25° Bends
- 3 – 8" 22.5° Bends
- 15 – 8" 45° Bends
- 45 – 8" Gate Valves
- 1 – 8" Plug
- 1 – 8" MJ Cap with Blow-off Assembly
- 1 – 8"X6" Reducer
- 13 – 8"X6" Tees
- 3 – 8"X8" Tees
- 267 LF of 6" PVC
- 5 LF of 6" DIP
- 20 – 6" Gate Valves
- 19 – 6" Fire Hydrant Assemblies
- 138 LF of 16" Steel Casing Pipe
- 40 LF of 24" Steel Casing Pipe
- All Required Electrical Improvements
- All Pipe Coatings or Paint
- Pipe Thrust Blocks and Pipe Bedding
- Steel Pipe Cathodic Protection

Water Treatment Improvements

The improvements are located in Filing No. 1, Tract A, and includes but is not limited to:

- 1 – 13'x4' Concrete Landing
- 1 – 25'x4' Concrete Landing
- 1 – 30'x8'x8' Backwash Tank
- 1 – 48"x54"x6" Concrete Headwall
- 1 – 6" DIP 45° Bend
- 1 – 6" 90° Bend
- 1 – 6" Series 35 Tideflex Check Valve
- 2 – 9'x18' Parking Spaces with Concrete Wheel Stops
- 4 – Bollards
- 36 LF of ½" Expansion Joint
- 337 LF of 4" DIP
- 6 LF of 4" DIP Stub Outs
- 40 LF of 6" DIP
- 90 LF of 6" SDR 35 PVC
- 1 – Private Access Swing Gate
- 57 SF of Concrete Slab
- 2176 SF of Private Class 6 Aggregate Driveway 4" Deep
- 1 – 2" Reclaim Meter
- 1 – ¾" Sample Tap
- 2 – ¾" Tap with Saddle for ¾" Ball Valve, ¾" Hose Bib, 0-30 PSI Pressure Transducer and 3.5" Dial, 0-30 PSI Pressure Gauge
- 4 – 4" 90° FL Elbows
- 1 – 4" Backwash Supply Piping, Meter, and Control Valve
- 1 – 4" Cam-Lok Cap
- 4 – 4" DIP Stub-Outs
- 3 LF of 4" DIP Stub-Outs
- 2 – 4" FL DIP Tees
- 6 – 4" Lug-Style Butterfly Valves
- 4 – 4" MAG Meters
- 2 – 4" Water Check Valves
- 2 – 6" 90° FL Elbows
- 1 – 6" 90° MJ Elbow
- 1 – 6" FL DIP Tees
- 3 – 6" FL Elbows
- 3 – 6" Lug-Style Butterfly Valves
- 1 – 6" MAG Meter
- 1 – 6" Plexi-Glass Blind Flange
- 1 – 6" Static Meter
- 2 – 6" Water Check Valves
- 3 – 6"x4" 90° Reducing FL Elbows

- 2 – 6"x4" FL Concentric Reducers
- 5 – 6"x4" Reducing DIP FL Tees
- 1 – 8" 90° FL Elbows
- 1 – 8" ACV Pressure Relief Valve
- 1 – 8" Lug-Style Butterfly Valve
- 1 – 8" Side Outlet FL Elbow
- 2 – 8"x1" Tapping Saddles
- 1 – 8"x4" 90° FL Reducing Elbow
- 4 – 8"x4" FL DIP Tees
- 2 – 8"x6" FL DIP Tees
- 1 – 8"x6" FL Eccentric Reducer
- 1 – Air/Vac
- 2 – Amtrol Bladder Well Tanks
- 1 – Chase Drain
- 1 – CL2 Injection Point
- 1 – CL2 Tank
- 2 – Connect 8" DIP Stubs to Process Piping
- 2 – Distribution Pumps
- 2 – Filter Vessels
- 1 – High Service Pump
- 7 LF of 2" PE
- 58 LF of 4" FLxFL DIP
- 4 LF of 4" FLxPE DIP
- 24 LF of 6" FLxFL DIP
- 3 LF of 6" FLxPE DIP
- 1 LF of 6" PExPE DIP
- 4 LF of 8" FLxFL DIP
- 3 LF of 8" FLxPE DIP
- 1 – Reaction Vessel
- 1 – Shelf for Pumps
- 1 – Clean Out
- 1 – Frost Free Hose Bib
- 1 – Hose Bib
- 1 – Mop Sink
- 1 – Wastewater Service Line
- 1 – Water Service Line
- 1 – Water Service Meter Set
- Sch. 80 PVC Conduit for UGE
- 1 – MVEA Transformer
- 1 – Emergency Stop Button
- 15 – 4' LED Strip Lights with 5000 Lumens
- 4 – LED Wall Luminaires with Type 3 Light Distribution
- 410V Underground Secondary Power
- 1 – 4" LED Cylinder Downlight
- 1 – 350 KW 480V Generator

- ¾" Sch. 40 PVC Conduit and Conductors
- 1 – Building with:
 - 1 – 10'x10' Steel Door
 - 1 – 12'x10' Steel Door
 - Masonite Trim on Building Corners
 - 3 – 2'x4' Non-Operable Aluminum Windows
 - 1 – 3'x7' Steel Door
 - 5/8" OSB Sheathing
 - 2x6 wood studs @ 16" O.C.
 - 6" Masonite Lap Painted Siding
 - 7/16" Masonite Soffit with Soffit Vents @ 8' O.C.
 - 2 – Attic Vent Baffles
 - Colored Asphalt Shingle Roof
 - 2 – Exhaust Fans
 - 4 – Galvanized Sheet Metal Gutters
 - HDBD Fascia
 - 1 – Intake Louver Opening
 - Pre-Engineered Roof Trusses @ 24" O.C.
 - R-19 Fiberglass Insulation
 - R-30 Fiberglass Insulation
 - Tyvek Home Wrap Over Wall Sheathing
 - Tyvek Protec Roofing Underlayment
- 1 – Bathroom with:
 - 1 – 18"x30" Mirror
 - Painted Walls
 - 1 – Soap Dispenser
 - 1 – Wall Hung Lavatory
 - Tile Wainscot
 - 1 – In-Wall Paper Towel Dispenser
- 1 – Kitchen with:
 - Filler Between Cabinet and Wall
 - 1 – Laminate Countertop with Backsplash
 - 5 – Mounted Heaters
 - 1 – Exhaust Duct
 - 1 – Thermostat
 - 1 – Wall Cap
- All Required Electrical Equipment
- All Coatings and Paint
- Pipe Thrust Blocks and Bedding
- Steel Pipe Cathodic Protection

Water Tank Improvements

The improvements are located in Filing No. 1, Tract A, and includes but is not limited to:

- 150 LF of 8" PVC
- 1 – 8" Gate Valve
- 1 – 8" 11.25° Bend
- 1 – 8" 45° Bend
- 1 – 8" MJ 90° Bend
- 1 – 8" FL 90° Bend
- 0.33 LF of 8" FLxPE Drain Line
- 2 – 8" Tideflex Check Valve series 35-1
- 39 LF of 8" Sch. 40 Welded Stainless Steel Drain Pipe
- 1 – 12" MJ 90° Bend
- 1 – 12" FL 90° Bend
- 42 LF of 12" Sch. 40 Welded Stainless Steel Drain Line
- 1 – 12" Header
- 2 – Tank Mixing Valves
- 3 – Tank Injecting Valves
- 3 – Fasteners
- 1 – 43' - 1 1/8" Diameter Tank
- 1 – Tank Vent
- 2 – 36" DIA X 12" Deep Sump Pits
- 2 – 30" Shell Manways
- 1 – 30" Square Roof Hatch
- 1 – 10' Access Ladder
- 1 – Guardrail
- 5 – Overflow Pipe Supports
- 1 – 24"X12"X12" – ¼" Thick Steel Overflow Weir
- 1 – 48"X54"X6" Reinforced Concrete Headwall
- 250 SF of 18" Deep Riprap with Mirafi Fabric (FW-300)
- 1 – Ringwall Foundation
- 1 – 6' Deep Class 6 ABC Under Foundation
- 1 – 6" Thick 12' Wide Class 6 ABC Access Road
- 76 SF of Concrete Splash Pad with Inverted Crown
- All Required Electrical Components
- All Tank and Pipe Coatings and Paint
- Pipe Thrust Blocks and Pipe Bedding
- Steel Pipe Cathodic Protection

Wells

Wells: All wells located on the property described on **Attachment No. 1** attached hereto, along with any and all wells permits, well casing, pumps, meters, and any other equipment associated therewith, including but not limited to **Well Permit Nos. 85170-F** (formerly, Well Permit No. 66938-F until the same was cancelled by Order of the Ground Water Commission upon approval of Well Permit No. 85170-F) and **85169-F** (formerly, Well Permit No. 66937-F until the same was cancelled by Order of the Ground Water Commission upon approval of Well Permit No. 85169-F).

ATTACHMENT NO. 1

Property. The Property is the following legally described real estate in the County of El Paso, Colorado:
A total of 7 parcels with the following legal descriptions.

1. TR IN NW4NW4 SEC 10-13-64 DESC AS FOLS: COM AT NW COR OF SD SEC 10, TH S 00<43'38" W 920.06 FT FOR POB, TH S 89<48'49" E 405.0 FT, S 00<43'38" W 400.0 FT, N 89<48'49" W 405.0 FT, N 00<43'38" E 400.0 FT TO POB
2. TR IN SECS 3 & 10-13-64 DESC AS FOLS: COM AT SW COR OF SD SEC 3, TH N 00<05'14" E ALG W LN OF SD SEC 3327.11 FT, TH S 89<49'04" E 1100.0 FT M/L FOR POB, TH CONT S 89<49'04" E 4150.0 FT M/L TO A PT ON THE E SEC LN OF SD SEC 3, TH S 00<04'45" E 327.11 FT, S 00<57'38" W 1320.52 FT TO THE SE COR OF N2N2 OF SD SEC 10, TH N 89<48'49" W 4150.0 FT M/L, TH RUN NLY 1650.0 FT M/L TO POB
3. TR IN SEC 3 & 10-13-64 DESC AS FOLS: BEG AT SW COR OF SD SEC 3, TH N 00<05'14" E 327.11 FT, S 89<49'04" E 1100.0 FT M/L, TH RUN SLY 1650.0 FT M/L, N 89<45'49" W 776.0 FT, N 00<43'38" W 400.0 FT, N 89<48'49" W 405.0 FT TO A PT ON THE W LN OF SD SEC 10, TH RUN NLY 900.0 FT M/L TO POB
4. TR IN S2 SEC 3-13-64 DESC AS FOLS: BEG AT SE4SE4 SD SEC 3, TH RUN SLY 700.0 FT M/L, TH RUN WLY 4125.0 FT M/L, TH RUN NLY 700.0 FT M/L, TH RUN ELY 41025.0 FT M/L TO POB
5. TR IN SW4 SEC 3-13-64 DESC AS FOLS: COM AT SW COR OF SD SEC 3, TH RUN NLY 1974.75 FT FOR POB, TH CONT NLY 700.0 FT M/L, TH RUN ELY 1125.0 FT M/L, TH SLY 700.0 FT M/L, TH RUN WLY 1125.0 FT M/L TO POB
6. TR IN NE4 & NW4 SEC 3-13-64 DESC AS FOLS: COM AT NW COR SD SEC 3, TH S 89<21'33" E 2707.84 FT FOR POB, TH S 00<01'32" E 785.81 FT, TH ALG ARC OF CUR TO THE R HAVING A RAD OF 1000.0 FT A C/A OF 21<21'12" WHICH CHORD BEARS S 10<39'04" W 372.69 FT, TH S 21<19'40" W 94.67 FT, S 68<55'11" E 696.89 FT, S 21<10'25" W 436.01 FT, N 68<43'31" W 698.05 FT, S 21<19'40" W 416.38 FT, TH ALG ARC OF CUR TO THE L HAVING A RAD OF 1000.0 FT A C/A OF 21<14'26" WHICH CHORD BEARS S 10<42'27" W 370.72 FT, TH S 00<05'14" W 107.24 FT, S 48<29'18" E 212.12 FT, N 89<54'46" W 1230.24 FT, S 00<00'00" E 200.0 FT M/L, TH RUN ELY 4125.0 FT M/L TO THE SE COR SD NE4 SD SEC 3, TH RUN NLY ALG E SEC LN 2700.0 FT M/L TO NE COR SD NE4, TH RUN WLY ALG NLY LN SD SEC 3 2550.0 FT M/L TO POB, EX THAT PT TO COUNTY FOR RW BY REC 215008985 & 215008986
7. TR IN NW4 *NE4 SEC 3-13-64 DESC AS FOLS: BEG AT NW COR SD SEC 3, TH S 89<21'33" E 2707.84 FT, S 00<01'32" E 785.81 FT, TH ALG ARC OF CUR TO THE R HAVING A RAD OF 1000.0 FT A C/A OF 21<21'12" WHICH CHORD BEARS S 10<39'04" W 372.69 FT, S 21<19'40" W 94.67 FT, S 68<55'11" E 696.89 FT, S 21<10'25" W 436.01 FT, N 68<43'31" W 698.05 FT, S 21<19'40" W 416.38 FT, TH ALG ARC OF CUR TO THE L HAVING A RAD OF 1000.0 FT A C/A OF 21<14'26" WHICH CHORD BEARS S 10<42'27" W 370.72 FT, S 00<05'14" W 107.24 FT, S 48<29'18" E 212.12 FT, N 89<54'46" W 1230.24 FT, S 00<00'00" E 200.0 FT M/L, TH RUN WLY 1150.0 FT M/L TO A PT ON THE W LN SD SEC 3, TH N 00<05'14" E ALG SD W LN 2850.0 FT M/L TO POB, EX THAT PT TO COUNTY FOR RW BY REC 215008985



Saddlehorn Ranch Metropolitan District No. 1
Balance Sheet
As of May 24, 2023

	<u>May 24, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
Alliance Association Bank	0.00
Chase Bank	3,048.35
Total Checking/Savings	<u>3,048.35</u>
Total Current Assets	<u>3,048.35</u>
TOTAL ASSETS	<u><u>3,048.35</u></u>
LIABILITIES & EQUITY	
Equity	
Retained Earnings	-17,523.25
Net Income	20,571.60
Total Equity	<u>3,048.35</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,048.35</u></u>

Saddlehorn Ranch Metropolitan District No. 1

Profit & Loss Budget vs. Actual

January 1 through May 24, 2023

	TOTAL					
	Apr 23	May 1 - 24, 23	Jan 1 - May 24, 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense						
Income						
Developer Advance	0.00	83,340.33	119,985.82	160,000.00	-40,014.18	74.99%
Base Water Service Charge	0.00	0.00	0.00	12,000.00	-12,000.00	0.0%
Tiered Water Usage	0.00	0.00	0.00	12,000.00	-12,000.00	0.0%
Transfer From District 2-O&M	0.00	0.00	0.00	4,030.00	-4,030.00	0.0%
Total Income	0.00	83,340.33	119,985.82	188,030.00	-68,044.18	63.81%
Expense						
Accounting/Audit	0.00	0.00	0.00	12,000.00	-12,000.00	0.0%
Bank Service Charge	50.00	-50.00	0.00	0.00	0.00	0.0%
Cost of Issuance	3,982.50	0.00	14,340.00	0.00	14,340.00	100.0%
Contingency	0.00	0.00	0.00	5,000.00	-5,000.00	0.0%
Copies & Postage	0.00	0.00	57.46	0.00	57.46	100.0%
District Management	5,000.00	0.00	20,000.00	20,000.00	0.00	100.0%
Dues & Subscriptions (SDA)	0.00	0.00	1,701.33	750.00	951.33	226.84%
Elections	235.24	0.00	1,782.99	2,500.00	-717.01	71.32%
Engineering	500.00	0.00	500.00	2,500.00	-2,000.00	20.0%
Insurance	0.00	0.00	2,603.00	8,500.00	-5,897.00	30.62%
Legal	12,060.27	0.00	38,421.75	25,000.00	13,421.75	153.69%
Meters	0.00	0.00	9,760.00	5,000.00	4,760.00	195.2%
Office Supplies / Fees	141.72	0.00	154.08	1,500.00	-1,345.92	10.27%
Water Operations						
ACH & Credit Card Fees	0.00	0.00	0.00	500.00	-500.00	0.0%
Audit, Budget & Other Acctg/Bil	0.00	0.00	0.00	24,000.00	-24,000.00	0.0%
Chemicals	0.00	0.00	4,645.30	5,000.00	-354.70	92.91%
Computer & Tech Equipment	0.00	0.00	0.00	2,000.00	-2,000.00	0.0%
Contingency	0.00	0.00	0.00	10,000.00	-10,000.00	0.0%
Energy Expense - Pump Station	0.00	0.00	0.00	12,000.00	-12,000.00	0.0%
Engineering - Genreal	0.00	0.00	0.00	5,000.00	-5,000.00	0.0%
Locate Expense	0.00	0.00	0.00	500.00	-500.00	0.0%
Monthly Bills & Printing	0.00	0.00	0.00	2,000.00	-2,000.00	0.0%
Operator in Responsible Charge	3,978.57	1,469.74	5,448.31	48,000.00	-42,551.69	11.35%
Postage	0.00	0.00	0.00	1,000.00	-1,000.00	0.0%
Professional Dues & Fees	0.00	0.00	0.00	5,000.00	-5,000.00	0.0%
Tools & Supplies - General	0.00	0.00	0.00	2,000.00	-2,000.00	0.0%
Water Storage Tank O&M	0.00	0.00	0.00	5,000.00	-5,000.00	0.0%
Water Testing	0.00	0.00	0.00	5,000.00	-5,000.00	0.0%
Well House O&M	0.00	0.00	0.00	5,000.00	-5,000.00	0.0%
WTP Maintenance	0.00	0.00	0.00	10,000.00	-10,000.00	0.0%
Total Water Operations	3,978.57	1,469.74	10,093.61	142,000.00	-131,906.39	7.11%
Total Expense	25,948.30	1,419.74	99,414.22	224,750.00	-125,335.78	44.23%
Net Ordinary Income	-25,948.30	81,920.59	20,571.60	-36,720.00	57,291.60	-56.02%
Net Income	-25,948.30	81,920.59	20,571.60	-36,720.00	57,291.60	-56.02%



Saddlehorn Ranch Metropolitan District

PAYABLES

5/25/2023

GENERAL FUND ACCOUNT

Company	Invoice	Date		Comments
Falcon Environmental Corp	1575	4/21/2023	\$ 899.99	
TOTAL			\$ 899.99	

TOTAL FOR ALL FUNDS

\$ 899.99

, President



Falcon Environmental Corp (FEC)
 P.O. Box 710
 Frederick, CO 80530

Estimate

Date	Estimate #
4/21/2023	1575

Name / Address
Falcon Environmental Corp. Longmont P.O. Box 710 Frederick, Co 80530

Ship To
Falcon Environmental Corporation Attn: Adam 303-833-9998 5963 Esther Circle Frederick, CO 80530

Terms	Rep	FOB
Net 30	JAH	SP-PPA

Description	Qty	Rate	Total
Accuwatch RMC-2000 to monitor two (2) wells, two (2) circulation pumps, one (1) fire flow pump, and 0.3MG storage tank level at the Saddle Horn Ranch WTP.	1	499.99	499.99
Server Connectivity for three (3) years *Installation of unit not included. Installation by Falcon would be billed at an hourly rate.	1	400.00	400.00

Freight is prepaid and added	Subtotal	\$899.99
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Phone #

303-833-9998

Sales Tax (0.0%)	\$0.00
Total	\$899.99

Saddlehorn Ranch Metropolitan District No.1

Chase Bank

1004

614 N. Tejon
Colorado Springs, CO 80903
7194471777

DATE 5/24/2023

23-101 / 1020

PAY TO THE ORDER OF **Falcon Environmental Corp**

\$ ****899.99**

EIGHT-HUNDRED-NINETY-NINE AND 99/100*** DOLLARS**

Falcon Environmental Corp
PO Box 710
Frederick, CO 80530

MEMO _____

⑆ 102001017⑆661300159⑆ 1004

Saddlehorn Ranch Metropolitan District No.1

1004

Falcon Environmental Corp

Date	Type	Reference	Original Amt.	Balance Due	5/24/2023 Discount	Payment
4/21/2023	Bill	1575	899.99	899.99		899.99
					Check Amount	899.99

Chase Bank 899.99

Saddlehorn Ranch Metropolitan District No.1

1004

Falcon Environmental Corp

Date	Type	Reference	Original Amt.	Balance Due	5/24/2023 Discount	Payment
4/21/2023	Bill	1575	899.99	899.99		899.99
					Check Amount	899.99

Chase Bank 899.99

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DOCUMENT



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Security Features:

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Results of document alteration:

• Small type in border line appears as dotted line when photocopied

Erasure protection
Security Screen

• White marks appear when erased
• Absence of Original Document
varnishes on back of check