

**KINGS POINT SOUTH METROPOLITAN DISTRICT NOS. 1 & 2**

**2021 CONSOLIDATED ANNUAL REPORT  
TO  
THE CITY OF AURORA**

Pursuant to the Amended and Restated Consolidated Service Plan for Kings Point South Metropolitan District Nos. 1 & 2 (collectively the “Districts”), the Districts are required to provide an annual report to the City of Aurora, Colorado (the “City”) with regard to the following matters:

**For the year ending December 31, 2021, the Districts make the following report:**

**1. Boundary changes made or proposed.**

There were no boundary changes made or proposed during 2021.

**2. Intergovernmental Agreements with other governmental entities entered into or proposed.**

In 2021, the Districts entered into a District Debt Limit Allocation Agreement, attached hereto as **Exhibit A**.

**3. Copies of the Districts’ Rules and Regulations, if any as of December 31, 2021.**

The Districts have not adopted rules and regulations.

**4. A Summary of any litigation which involved the District Public Improvements as of December 31, 2021.**

To our actual knowledge, based on review of the court records in Douglas County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts as of December 31, 2021.

**5. Status of the Districts’ Construction of Public Improvements as of December 31, 2021.**

As of December 31, 2021, the Districts have not constructed any Public Improvements.

**6. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City as of December 31, 2021.**

As of December 31, 2021, the Districts have not dedicated any Public Improvements to the City.

**7. The Assessed Valuation of the Districts for the current year.**

The Districts received certifications of valuation from the Douglas County Assessor that report a taxable assessed valuation for 2021 as follows:

District No. 1	\$ 650
District No. 2	\$ 1,840

**8. Current year budget including a description of the Public Improvements as of December 31, 2021.**

The 2022 budgets are attached as **Exhibit B**. As of December 31, 2021, the Districts have not constructed any Public Improvements.

**9. Audit of the Districts' financial statements for the year ending December 31, 2021 or Audit Exemption, if applicable:**

The 2021 Applications for Exemption from Audit are attached hereto as **Exhibit C**.

**10. Notice of any uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any debt instrument.**

None.

**11. Any inability of the Districts to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.**

None.

**EXHIBIT A**  
(District Debt Limit Allocation Agreement)

## DISTRICT DEBT LIMIT ALLOCATION AGREEMENT

This **DISTRICT DEBT LIMIT ALLOCATION AGREEMENT** (the “Agreement”) is made and entered into and dated as of November 30, 2021, by and between **KINGS POINT SOUTH METROPOLITAN DISTRICT NO. 1 (District No. 1)** and **KINGS POINT SOUTH METROPOLITAN DISTRICT NO. 2 (District No. 2)** (individually and/or collectively referred to as a “**District**” or the “**Districts**”), as the context indicates.

### RECITALS

WHEREAS, the Districts are duly and validly organized as quasi-municipal corporations and political subdivisions of the State of Colorado (the “**State**”) in accordance with the provisions of Title 32, Colorado Revised Statutes, as amended; and

WHEREAS, pursuant to the Amended and Restated Consolidated Service Plan, as approved by the City of Aurora on June 5, 2017 (the “**Service Plan**”), the Districts are authorized to provide the residents of the Kings Point South community with streets, water, sanitation, safety protection, park and recreation, and transportation facilities and services and such additional services and powers granted by State law (the “**Public Improvements**”), and to finance and provide perpetual maintenance of certain Public Improvements not accepted by other governmental entities; and

WHEREAS, the Service Plan contemplates the coordination of efforts by the Districts with respect to the financing, construction, operation and maintenance of certain public improvements; and

WHEREAS, pursuant to Section V.A.10 of the Service Plan, the Districts, collectively, shall not issue Debt (as defined in the Service Plan) in excess of sixty million dollars (\$60,000,000) or such greater amount as may be established through an amendment to the Service Plan (the “**Debt Limit**”); and

WHEREAS, the Districts desire to further allocate and set forth how much of the aggregate Debt Limit each District may individually utilize; and

WHEREAS, the Districts are authorized under Section 29-1-201, *et. seq.*, C.R.S. to enter into agreements to make the most efficient and effective use of their powers through cooperation and through contracting with each other; and

WHEREAS, the Districts desire to enter into this Agreement to set forth the allocation of the Debt Limit between District No. 1 and District No. 2; and

WHEREAS, the Districts have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Agreement.

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which

are hereby acknowledged, the Districts agree as follows:

### COVENANTS AND AGREEMENTS

1. The Districts hereby agree that one-third of the Debt Limit (currently \$20,000,000 of the \$60,000,000 Debt Limit, which may be increased pursuant to an amendment to the Service Plan) shall be in the aggregate allocated and made available solely to District No. 1 for Debt purposes.

2. The Districts further agree that two-thirds of the Debt Limit (currently \$40,000,000 of the \$60,000,000 Debt Limit, which may be increased pursuant to an amendment to the Service Plan) shall be in the aggregate allocated and made available solely to District No. 2 for Debt purposes.

3. The Districts each covenant that they will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

4. Nothing herein shall be construed as a waiver of the rights and privileges of the Districts pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., as amended from time to time.

5. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

6. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by each District.

7. No District shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of all other Districts, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

8. In the event of a breach or default of this Agreement by any District, the non-defaulting District(s) shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing District(s) in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

9. This Agreement shall be governed and construed under the laws of the State of Colorado.

10. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Districts and their respective successors and assigns.

11. This Agreement constitutes the entire agreement between the Districts with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter

hereof are merged herein.

12. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the Districts and their respective taxpayers, residents and property owners any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the Districts shall be for the sole and exclusive benefit of the Districts and their respective taxpayers, residents and property owners.

13. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

14. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address of by courier delivery, via United Parcel Service or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

District No. 1: Kings Point South Metropolitan District No. 1  
c/o White Bear Ankele Tanaka & Waldron  
Attorneys at Law  
2154 E. Commons Avenue, Suite 2000  
Centennial, CO 80122  
Attn: Blair M. Dickhoner, Esq.  
(phone) 303-858-1800  
[bdickhoner@wbapc.com](mailto:bdickhoner@wbapc.com)

District No. 2: Kings Point South Metropolitan District No. 2  
c/o White Bear Ankele Tanaka & Waldron  
Attorneys at Law  
2154 E. Commons Avenue, Suite 2000  
Centennial, CO 80122  
Attn: Blair M. Dickhoner, Esq.  
(phone) 303-858-1800  
[bdickhoner@wbapc.com](mailto:bdickhoner@wbapc.com)

All notices or documents delivered or required to be delivered under the provisions of this Agreement shall be deemed given and received one (1) business day after hand delivery or three (3) business days after mailing. Either District by written notice so provided may change the address to which future notices shall be sent.

15. The Recitals set forth above are incorporated herein by reference as if set forth at length.

IN WITNESS WHEREOF, the Districts hereto have executed this Agreement as of the day and year first above written.

**KINGS POINT SOUTH METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado

By: *Peter Niederman*  
Peter Niederman (Dec 8, 2021 07:05 MST)  
\_\_\_\_\_  
Officer of the District

**ATTEST:**

*Julie Gamac*  
\_\_\_\_\_  
Secretary

**KINGS POINT SOUTH METROPOLITAN DISTRICT NO. 2**, a quasi-municipal corporation and political subdivision of the State of Colorado

By: *Peter Niederman*  
Peter Niederman (Dec 8, 2021 07:05 MST)  
\_\_\_\_\_  
Officer of the Distinct

**ATTEST:**

*Julie Gamac*  
\_\_\_\_\_  
Secretary

**EXHIBIT B**  
(2022 Budgets)



**KINGS POINT SOUTH METROPOLITAN DISTRICT NO. 1**  
**2022**  
**BUDGET MESSAGE**

Attached please find a copy of the adopted 2022 budget for Kings Point South Metropolitan District No. 1.

The Kings Point South Metropolitan District No. 1 has adopted one fund, a General Fund to provide for general operating expenditures.

The district's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications, and public hearing.

The primary source of revenue for the district in 2022 will be developer advances. The district does not intend to impose a mill levy on property within the district for 2022.

**Kings Point South Metropolitan District No. 1**  
**Adopted Budget**  
**General Fund**  
**For the Year ended December 31, 2022**

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>06/30/21</u>	Estimate <u>2021</u>	Adopted Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Developer advances	-	50,000	-	-	50,000
Total revenues	-	50,000	-	-	50,000
Total funds available	-	50,000	-	-	50,000
Expenditures:					
Accounting	-	4,000	-	-	4,000
Legal	-	25,000	-	-	25,000
Insurance	-	2,500	-	-	2,500
Miscellaneous	-	1,000	-	-	1,000
Emergency reserve (3%)	-	975	-	-	975
Contingency	-	16,525	-	-	16,525
Total expenditures	-	50,000	-	-	50,000
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed Valuation		<u>\$ 630</u>			<u>\$ 650</u>
Mill levy		<u>N/A</u>			<u>N/A</u>

**KINGS POINT SOUTH METROPOLITAN DISTRICT NO. 2**  
**2022**  
**BUDGET MESSAGE**

Attached please find a copy of the adopted 2022 budget for Kings Point South Metropolitan District No. 2.

The Kings Point South Metropolitan District No. 2 has adopted a budget for one fund, a General Fund to provide for general operating expenditures.

The district's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications, and public hearing.

The primary source of revenue for the district in 2022 will be developer advances. The district does not intend to impose a mill levy on property within the district for 2022.

**Kings Point South Metropolitan District No. 2**  
**Adopted Budget**  
**General Fund**  
**For the Year ended December 31, 2022**

	Actual <u>2020</u>	Adopted Budget <u>2020</u>	Actual <u>6/30/201</u>	Estimate <u>2021</u>	Adopted Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Developer advances	-	45,000	-	-	45,000
Total revenues	-	45,000	-	-	45,000
Total funds available	-	45,000	-	-	45,000
Expenditures:					
Accounting	-	4,000	-	-	4,000
Legal	-	25,000	-	-	25,000
Insurance	-	2,500	-	-	2,500
Miscellaneous	-	1,000	-	-	1,000
Emergency reserve (	-	975	-	-	975
Contingency	-	11,525	-	-	11,525
Total expenditures	-	45,000	-	-	45,000
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed Valuation		<u>\$ 1,770</u>			<u>\$ 1,840</u>
Mill levy		<u>-</u>			<u>-</u>

**EXHIBIT C**  
(2021 Applications for Exemption from Audit)