

STC METROPOLITAN DISTRICT NO. 1

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

NOTICE OF SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expires:</u>
James A. Brzostowicz	President	2020/May 2020
Angie Hulsebus	Treasurer	2020/May 2020
Terry Willis	Assistant Secretary	2022/May 2020
<i>VACANT</i>		2022/May 2020
<i>VACANT</i>		2020/May 2020
Lisa A. Johnson	Secretary	

DATE: **December 9, 2019**

TIME: **10:00 A.M.**

PLACE: **Superior Sports Complex**
1 Superior Drive
Superior, CO 80027

I. ADMINISTRATIVE MATTERS

- A. Present Disclosures of Potential Conflicts of Interest.

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

- C. Review and approve Minutes of the November 6, 2019 Regular Meeting (to be distributed).

II. FINANCIAL MATTERS

- A. Review and accept unaudited financial statements through the period ending October 31, 2019 (enclosure).

- B. _____

III. LEGAL MATTERS

A. Discuss status of STC Metropolitan District No. 2's proposed Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds, Series 2019A, (in the approximate principal amount not to exceed \$110,000,000), and Subordinate Limited Tax General Obligation and Special Revenue Bonds, 2019B(3), (in the approximate principal amount not to exceed \$24,000,000).

1. Ratify engagement of D.A. Davidson & Co. as Underwriter for the Bond issuance (enclosure).

2. Ratify engagement of Ballard Spahr LLP as Bond Counsel for the Bond issuance (enclosure).

3. Approve Inclusion Agreement between STC Metropolitan District No. 1, STC Metropolitan District No. 2, STC Metropolitan District No. 3, and RC Superior, LLC (enclosure).

4. Acknowledge approval by the Town of Superior and Superior Urban Renewal Authority ("SURA") of the Finance Plan.

5. Acknowledge STC Metropolitan District No. 2's appointment of Designated Representative to SURA under the Cost Sharing Agreement between SURA, RC Superior, LLC, and STC Metropolitan District Nos. 1, 2 and 3.

6. Consider for approval First Amendment to Intergovernmental Agreement regarding Covenant Enforcement and Design Review Services between STC Metropolitan District No. 1, STC Metropolitan District No. 2 and STC Metropolitan District No. 3 (enclosure).

7. Review and consider Resolution No. 2019-12-___ authorizing Incurrence of Limited Mill Levy General Obligation Debt Consisting of an Amended and Restated Capital Pledge Agreement by and between STC Metropolitan District No. 1, STC Metropolitan District No. 2, STC Metropolitan District No. 3, and UMB Bank, n.a. (enclosure).

8. _____

IV. OTHER BUSINESS MATTERS

A.

V. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2019.**

STC Metropolitan District #1
Financial Statements

October 31, 2019

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
STC Metropolitan District #1

Management is responsible for the accompanying financial statements of each major fund of STC Metropolitan District #1, as of and for the period ended October 31, 2019, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds and account groups for the ten months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the Statement of Net Position, Statement of Activities, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to STC Metropolitan District #1 because we performed certain accounting services that impaired our independence.

Simmons & Wheeler, P.C.

December 2, 2019
Englewood, Colorado

STC Metropolitan District No 1
Balance Sheet - Governmental Funds and Account Groups
October 31, 2019

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total All Funds</u>
Assets			
Current assets			
Cash in checking	\$ -	\$ -	\$ -
Prepaid Expenses	-	-	-
Developer Receivable	-	-	-
SURA Taxes Receivable	-	-	-
Taxes receivable	<u>168</u>	<u>1,704</u>	<u>1,872</u>
	<u>168</u>	<u>1,704</u>	<u>1,872</u>
	<u>\$ 168</u>	<u>\$ 1,704</u>	<u>\$ 1,872</u>
Liabilities and Equity			
Current liabilities			
Accounts payable	-	-	-
Due to District 2	<u>168</u>	<u>1,704</u>	<u>1,872</u>
	<u>168</u>	<u>1,704</u>	<u>1,872</u>
Total liabilities	<u>168</u>	<u>1,704</u>	<u>1,872</u>
Fund Equity			
Investment in capital improvements	-	-	-
Fund balance (deficit)	-	-	-
Emergency reserves	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 168</u>	<u>\$ 1,704</u>	<u>\$ 1,872</u>

STC Metropolitan District No 1
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Ten Months Ended October 31, 2019
General Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Property Taxes	\$ 1,961	\$ 1,958	\$ (3)
Specific Ownership Taxes	1,648	1,690	42
Interest Income	-	8	8
SURA Property Tax Increment	<u>36,408</u>	<u>41,296</u>	<u>4,888</u>
	<u>40,017</u>	<u>44,952</u>	<u>4,935</u>
Expenditures			
Miscellaneous	-	-	-
Treasurer's Fees	10	29	(19)
Transfer to District 2	40,007	44,923	(4,916)
Emergency reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>40,017</u>	<u>44,952</u>	<u>(4,935)</u>
Excess (deficiency) of revenues over expenditures	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

STC Metropolitan District No 1
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Ten Months Ended October 31, 2019
Debt Service Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Property Taxes	\$ 9,808	\$ 9,791	\$ (17)
Specific Ownership Taxes	4,577	8,451	3,874
SURA Property Tax Increment	121,855	181,968	60,113
Interest Income	-	41	41
	<u>136,240</u>	<u>200,251</u>	<u>64,011</u>
Expenditures			
Treasurer's Fees	147	148	(1)
Transfer to District 2	<u>136,093</u>	<u>200,103</u>	<u>(64,010)</u>
	<u>136,240</u>	<u>200,251</u>	<u>(64,011)</u>
Excess (deficiency) of revenues over expenditures	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

April 4, 2019

STC Metropolitan District Nos 1-3
c/o Megan Becher
McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203

**RE: Letter Agreement for Investment Banking Services to
STC Metropolitan District**

District Board,

This letter agreement confirms the terms and conditions upon which D.A. Davidson & Co. Fixed Income Capital Markets (“Davidson”), its successors or assigns will provide investment banking services to STC Metropolitan District (the “Client”).

The investment banking services rendered by Davidson under this agreement may include:

- Analysis of the project’s credit quality
- Analysis of the capital markets, including interest rates and terms available in the market
- Evaluating potential strategies to achieve the Client’s goals
- Working with the Client’s consultants and attorneys to determine the feasibility of various borrowing or restructuring options
- Advising the Client on the structure and terms of a restructured bond or a new bond or loan
- Coordinating with the Client’s attorneys and consultants, the dissemination of financial data
- Negotiating the structure and terms of the Bonds/loan with the purchaser on behalf of the Client
- Underwriting or privately placing Bonds on behalf of the Client or assisting the Client in obtaining a direct, tax exempt loan
- Under the direction and legal advice of nationally recognized bond counsel, assist and supervise the steps necessary to be taken to close the transaction

Delivered with this letter are the disclosures required by MSRB Rule G-17 regarding our role, duties and interests as an underwriter of the Bonds. By signing this letter agreement, the Client acknowledges and agrees that: (i) the transaction contemplated by this Agreement will be an arm’s length, commercial transaction between the Client and the purchaser, in which Davidson may be acting as an agent or as an underwriter, but not as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) Davidson has not assumed any fiduciary responsibility to the Client with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto; (iii) the only obligations Davidson will have to the Client with respect to the transaction contemplated hereby are expressly set forth in this letter agreement; and (iv) the Issuer has consulted

and will continue to consult with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it deems appropriate. The representative of the Client signing this letter agreement has been duly authorized to execute this letter agreement and to act hereunder.

This letter agreement shall remain in full force and effect until such time as the Client notifies Davidson in writing of its intent to terminate this letter agreement. Davidson may resign and terminate this letter agreement by providing written notification with no less than 30 days prior notice to the Client.

At such time as arrangements for the sale of Bonds or other borrowing have been completed, Davidson shall be paid as shown below, or \$30,000, whichever is greater:

- 0.5% of the par for the issuance of investment grade rated Bonds
- 1.0% of par for the structuring and placement of Bonds with the developer
- 2.0% of par for underwriting/placement of non-rated senior Bonds
- 3.0% of par for underwriting/placement of subordinate Bonds
- 4.0% of par for the underwriting and sale of junior (third position) subordinate Bonds

In addition to such compensation, the following shall be paid by Client as a component of the cost of issuance of the Bonds or placement of the debt: (i) legal fees incurred by Davidson's engagement of underwriter's counsel or placement agent's counsel in connection with the issuance of Bonds or placement of the debt, as applicable; and (ii) legal fees related to third-party review of past continuing disclosure compliance. Unless otherwise agreed to by Client, Client's payment of the foregoing is contingent upon the sale of Bonds or placement of debt.

This letter agreement is not an offer to purchase Bonds. If the sale of Bonds or other borrowing does not occur, Davidson shall not be owed compensation. Please indicate by your signature below your desire to engage D.A. Davidson & Co. Fixed Income Capital Markets to provide investment banking services on these terms.

Respectfully submitted,

D.A. Davidson & Co. Fixed Income Capital Markets



Samuel Sharp
Managing Director

ACCEPTED this _____ day of _____ 2019.

Authorized Officer
STC Metropolitan Districts Nos. 1-3

EXHIBIT A

D.A. Davidson & Co. (hereinafter referred to as “Davidson” or “underwriter”) intends/ proposes to serve as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds.

As part of our services as underwriter/senior managing underwriter, Davidson may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

Disclosures Concerning the Underwriters Role:

- (i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.
- (ii) The underwriters' primary role is to purchase the Bonds with a view to distribution in an arm's-length transaction with the Issuer. The underwriters financial and other interests that may differ from those of the Issuer.
- (iii) Unlike a municipal advisor, the underwriters do not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to their own financial or other interests.
- (iv) The underwriters have a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
- (v) The underwriter will review the official statement for the Bonds in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.

Disclosures Concerning the Underwriters Compensation:

As underwriter, Davidson will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Additional Conflicts Disclosure:

Davidson has not identified any additional potential or actual material conflicts that require disclosure.



1225 17th Street, Suite 2300
Denver, CO 80202-5596
TEL 303.292.2400
FAX 303.296.3956
www.ballardspahr.com

December 5, 2019

STC Metropolitan District Nos. 1-3
c/o McGeady Becher PC
Attn: Megan M. Becher
450 E. 17th Avenue, Suite 400
Denver, CO 80203-1254

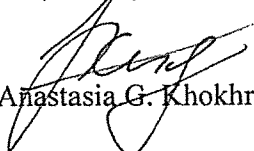
Dear Megan:

We are pleased that STC Metropolitan District No. 2 (“District No. 2”) has engaged Ballard Spahr LLP as bond counsel and disclosure counsel in connection with the proposed issuance by District No. 2 of its General Obligation Limited Tax Refunding and Improvement Bonds, Series 2019A, in the presently estimated principal amount of \$91,000,000 (the “Series 2019A Bonds”) and its Subordinate General Obligation Limited Tax Bonds, Series 2019B, in the presently estimated principal amount of \$18,000,000 (the “Series 2019B Bonds” and, together with the Series 2019A Bonds, the “Bonds”) and that STC Metropolitan District No. 1 (“District No. 1”) and STC Metropolitan District No. 3 (“District No. 3” and collectively with District No. 1 and District No. 2, the “Districts”) have engaged Ballard Spahr LLP as counsel in connection with the execution and delivery of the Amended and Restated Capital Pledge Agreement (the “Pledge Agreement”) securing the payment of such Bonds, all as more particularly described in the attached Terms of Representation.

This transmittal letter, together with the attached Terms of Representation, is intended to formalize our retention. It sets forth the scope of our engagement, outlines how we propose to staff the work for the Districts, describes the billing arrangements, discusses certain of our confidentiality obligations, and addresses certain conflict of interest understandings.

If this letter and the attached Terms of Representation correctly reflect your understanding, please sign, date and return the enclosed copy of this letter to me. We value our representation of the Districts and are grateful that the Districts will look to us for legal representation.

Very truly yours,


Anastasia G. Khokhryakova

AGREED AND APPROVED

STC METROPOLITAN DISTRICT NO. 1

By: _____
Name: _____
Title: _____
Date: _____

STC METROPOLITAN DISTRICT NO. 2

By: _____
Name: _____
Title: _____
Date: _____

STC METROPOLITAN DISTRICT NO. 3

By: _____
Name: _____
Title: _____
Date: _____

TERMS OF REPRESENTATION

The following terms together with the accompanying letter of engagement dated December 5, 2019 (the “**Transmittal Letter**”) constitute the terms of the engagement of Ballard Spahr LLP (“**Ballard Spahr**”) as District No. 2 bond and disclosure counsel with respect to the proposed Bonds and as counsel to District No. 1 and District No. 3 in connection with the Pledge Agreement:

1. **CLIENT.** It is understood that Ballard Spahr’s clients for purposes of this representation are limited to the Districts and does not include others. Because each District will be our client, Ballard Spahr will not treat information obtained from each District as confidential vis-à-vis the other Districts in the representation covered by this engagement letter. Any information received by Ballard Spahr from any District can be disclosed to the other Districts. Further, Ballard Spahr will not represent any District in any dispute between them. While we believe that we can represent all Districts adequately in connection with the proposed matter (including preparation of the Pledge Agreements described below), the ultimate decision in that regard is that of the Districts. **We advise each District that they may individually consult with independent counsel regarding this decision. By executing the Transmittal Letter, each District shall be deemed to consent to our representation of all Districts on the terms described herein.**

2. **SCOPE OF REPRESENTATION.** It is currently contemplated that the Bonds will be issued by District No. 2 and will be secured by ad valorem property taxes of each District and related specific ownership taxes. Such revenues will be payable by each District in accordance with the Pledge Agreement. The ad valorem property tax pledge securing payment of the Bonds will never convert to an unlimited property tax pledge. The Bonds are also secured by certain property tax increment revenue pledged by the Superior Urban Renewal Authority (the “**Authority**”) under the Cost Sharing Agreement among the Authority, R.C. Superior, LLC (the “**Developer**”) and the Districts, and by certain payments in lieu of taxes, if any, payable pursuant to Amended and Restated Declarations of Superior Town Center Payments in Lieu of Taxes. Generally, such pledged revenue is anticipated to be applied: (i) first to the payment of and fund accumulations required with respect to the Series 2019A Bonds, and (ii) upon satisfaction of such annual requirements of the Series 2019A Bonds, to payment of the Series 2019B Bonds. The Series 2019A Bonds will be further secured by a Reserve Fund and a Surplus Fund. The Series 2019A Bonds are structured as fixed-rate bonds, fully amortizing within their term. The Series 2019B Bonds are structured as fixed rate “cashflow bonds,” payable annually as to principal and interest to the extent of available pledged revenue.

The Series 2019A Bonds and the Series 2019B Bonds are anticipated to be offered to financial institutions or institutional investors in a limited offering by D.A. Davidson & Co. (the “**Underwriter**”), using a limited offering memorandum prepared by us, as disclosure counsel.

As bond counsel we will advise District No. 2 in connection with the structuring of the Bonds and will prepare the basic bond documents. As counsel to District No. 1 and District No. 3, we will advise in connection with structuring the Pledge Agreement. In those roles, we will (i) prepare two Indentures of Trust (one for each series of Bonds); (ii) prepare a Pledge Agreement;

(iii) prepare a resolution of District No. 2 authorizing the Bonds, the Pledge Agreement and other documents, and a resolution for each District No. 1 and District No. 3 and authorizing the Pledge Agreement and other documents; (iv) prepare and/or review, as applicable, such other documents and agreements as may be required in connection with the Bonds or which we deem necessary for rendering our opinion, (v) negotiate opinions of the Districts' counsel, the Authority's counsel, the Town of Superior's counsel and the Developer's counsel and other necessary opinions required to be delivered in connection with the issuance of the Bonds; (vi) prepare a tax certificate and a tax-exempt opinion for each series of Bonds; and (vii) prepare the forms of such closing documents, certificates and opinions of counsel as may be required by the terms of the financing, the Districts' service plans and applicable federal and state laws.

As you know, bond counsel's primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of bonds and the status of any exemption provided to interest thereon under federal tax law. Subject to the completion of tax due-diligence and other proceedings to our satisfaction, on the date when the Bonds are issued, we will render our opinion in customary form to the Districts addressing whether the Bonds have been duly authorized, executed and delivered and addressing the extent to which the interest on the Bonds is excluded from gross income for purposes of federal income tax. These opinions will be executed and delivered by us in written form and will be based on facts, expectations and law existing as of the date of the opinion.

As disclosure counsel to District No. 2 we will advise District No. 2 in connection with its disclosure obligations under applicable securities laws and will prepare the basic disclosure documents. In particular, we will (i) assist District No. 2 in the preparation of a preliminary limited offering memorandum and limited offering memorandum (collectively, the "LOM") to be used by the Underwriter in connection with issuance and sale of the Bonds; (ii) conduct diligence of the contracts and other affairs of District No. 2 and of the existing and planned development in District No. 2 that are material to such disclosure documents; (iii) provide a letter to District No. 2 stating that, during the course of our preparation of the LOM, no facts came to our attention which indicated that the contents of the LOM, as of its date, were inaccurate or incomplete in any material respect; and (iv) prepare and/or review, as applicable, such other documents and agreements as may be required in connection with the LOM or which we deem necessary for providing such letter.

While we will assist District No. 2 in preparing the LOM, our role as disclosure counsel does not include any independent verification of the statements of fact to be contained in the LOM and any appendices thereto. Furthermore, we will not verify or opine upon, and we do not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the LOM and our letter delivered to District No. 2 will expressly disclaim the same. In addition, we will express no opinion or belief as to the assumptions, projections, estimates, forecasts, financial statements, or other financial, numerical, economic, technical, demographic or statistical data included in the LOM.

We assume no obligation to review the financial condition of District No. 2 or any other participant or the adequacy of the security provided to bondholders, and we will express no opinion relating thereto. However, we reserve the right to request such information as we

consider necessary to inform ourselves of all aspects of the financing. As bond counsel we would also not assume responsibility for the accuracy, completeness or fairness of statements contained in any offering materials, other than any statements regarding validity of the Bonds, tax exemption or other issues that we expressly address in an opinion. While we may suggest alternative provisions for the documents to comply with legal requirements and accommodate the interests of the parties, we neither represent nor advocate the interests of any party to the transaction other than the Districts, and we expect that the developer(s) of the properties in the Districts, D.A. Davidson & Co., as the underwriter of the Bonds (the "Underwriter"), and other parties will retain such other counsel as they deem necessary and appropriate to represent their interests.

3. **STAFFING.** Customarily, each client of Ballard Spahr is served by a Relationship Partner (a principal lawyer contact) and one or more Matter Billing Lawyers (a lawyer designated to oversee an individual matter that Ballard Spahr handles on your behalf). It is expected that Anastasia Khokhryakova will be the Relationship Partner and will be Matter Billing Lawyer for our work as bond counsel and as counsel to District No. 1 and District No. 3 and will have primary responsibility for work performed by Ballard Spahr under this engagement letter. Kim Reed will be Matter Billing Lawyer for our work as disclosure counsel to District No. 2. The work or parts of it may be performed by other lawyers and legal assistants at Ballard Spahr. Such delegation may be for the purpose of involving lawyers or legal assistants with special expertise in a given area or for the purpose of providing services on the most efficient and timely basis.

4. **FEEES AND EXPENSES.** Our fee to act as bond and disclosure counsel to the Districts in connection with the issuance of the Bonds (as presently proposed) and the Pledge Agreement will be \$290,000, a fee based on the structure, size and complexity of the financing transaction, and our estimate of the amount and nature of legal work necessary to accomplish a closing of the Bonds on or before December 30, 2019. This fee includes routine out of pocket disbursements (such as photocopying charges, delivery expenses, fax charges and postage). Any extraordinary disbursements or expenses authorized by the Districts will be billed to District No. 2. If the anticipated structure of the Bonds changes significantly, we may propose an increase in the fee if warranted by the change, and the above proposed fee is nonbinding with respect to an issuance of the Bonds in accordance with a structure varying materially from the structure described above. Our fee for bond and disclosure counsel services and for services as counsel to the Districts will be payable on the closing date for the Bonds.

5. **RETENTION AND DISPOSITION OF DOCUMENTS.** Following the termination of our representation, any otherwise nonpublic information the Districts have supplied to us which is retained by us will be kept confidential in accordance with applicable rules of professional conduct. At your request, the Districts' papers and property will be returned to the Districts promptly upon receipt of payment for outstanding fees and costs. Our own files pertaining to the matter will be retained by Ballard Spahr. These firm files include, for example, firm administrative records, time and expense reports, personnel and staffing materials, credit and accounting records; and internal lawyers' work product such as drafts, notes, internal memoranda, and legal and factual research, including investigative reports, prepared by or for the internal use of lawyers. We reserve the right to destroy or otherwise dispose of any such

documents or other materials retained by us within a reasonable time after the termination of the engagement.

6. **REGARDING FEDERAL TAX ADVICE.** In the course of our representation, we may render tax advice to District No. 2 on various legal matters. District No. 2 understands that they may not use such tax advice to avoid any penalties that may be imposed by the Internal Revenue Service unless, in accordance with the Internal Revenue Service rules of practice, we are specifically engaged to provide a formal, written tax opinion for that purpose. Accordingly, District No. 2 acknowledges that we may legend any written tax advice that we provide in the course of this engagement to indicate that it may not be relied on for purposes of penalty protection. District No. 2 further understands that our representation does not include the provision of any tax advice concerning transactions in which you may participate that would be “reportable transactions” within the meaning of Section 6707A of the Internal Revenue Code of 1986, as amended, and that our provision of tax advice concerning such transactions would require a separate engagement for that purpose.

7. **CONFLICTS OF INTEREST.** Ballard Spahr represents many other companies and individuals. It is possible that present or future clients of Ballard Spahr will have disputes or transactions with the Districts. For example, from time to time we represent investment banking firms with whom the Districts may have a relationship, such as the Underwriter, that may be viewed as competing with the Districts’ projects, but are not related to the Districts project, and we would expect to continue with these representations. Accordingly, to prevent any future misunderstanding and to preserve Ballard Spahr’s ability to represent the Districts and its other clients, the Districts and we agree as follows with respect to certain conflicts of interest issues:

(a) Unless we have a District’s specific agreement that we may do so we will not represent another client in a matter which is substantially related to a matter in which we represent that District and in which the other client is adverse to that District. We understand the term “matter” to refer to transactions, negotiations, proceedings or other representations involving specific parties.

(b) In the absence of a conflict as described in subparagraph (a) above, each District acknowledges that we will be free to represent any other client either generally or in any matter in which a District may have an interest.

(c) The effect of subparagraph (b) above is that we may represent another client on any issue or matter in which a District might have an interest, including, but not limited to:

(i) Agreements; licenses; mergers and acquisitions; joint ventures; loans and financings; securities offerings; bankruptcy, receivership or insolvency (including, without limitation, representation of a debtor, secured creditor, unsecured creditor, potential or actual acquirer, contract party or other party-in-interest in a case under the federal bankruptcy code or state insolvency laws or in a non-judicial debt restructuring, in which you are a debtor, creditor, contract party, potential or actual acquirer or other party-in-interest); patents, copyrights, trademarks, trade secrets or other intellectual property; real estate; government contracts; the protection of rights; representation before regulatory authorities as to these matters and others;

(ii) Representation of the debtor or other party in a Chapter 11 case under the Federal Bankruptcy Code in which you are a creditor, debtor or otherwise have an interest in the case;

(iii) Representation and advocacy with respect to legislative issues, policy issues, or regulatory issues, including rulemakings, administrative proceedings and enforcement proceedings; and

(iv) Litigation matters brought by or against you as long as such matters are not the same as or substantially related to matters in which we are, or have been, representing you.

We agree, however, that a District's prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of such District, we have obtained proprietary or other confidential information of a nonpublic nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage. Each District should know that, in similar engagement letters with many of our other clients, we have asked for similar agreements to preserve our ability to represent the Districts.

8. **APPLICATION OF THESE TERMS.** The Transmittal Letter, this statement of general terms of representation, and the accompanying schedule of other charges will govern our relationship with you upon our retention even if you do not sign and return a copy of the Transmittal Letter. In the event that we agree to undertake additional matters, any such additional representations will be governed by the terms and conditions of this agreement unless we mutually agree otherwise in writing. Our representation will be deemed concluded at the time that we have rendered our final bill for services on this matter. If you disagree with any of these terms and conditions, please advise us immediately by return correspondence so that we can resolve any differences as early as possible and proceed with a clear, complete, and consistent understanding of our relationship. This letter agreement supersedes any prior agreement with you with respect to our engagement to provide professional services to you. The terms and conditions of this letter may be modified or amended only by written agreement signed by an authorized representatives of the Districts and Ballard Spahr, and no party may bind another party by unilateral submission of additional or different terms and conditions absent written consent to such terms and conditions by the other parties.

Ballard Spahr LLP

2019

Disbursement Pricing

Disbursement	Cost
Ballard Spahr Messenger	No Charge
Binding	No Charge
Cab Fares/Ride Share Services	Actual Cost
Courier Service	Actual Cost
Data Hosting	\$2 p/gb per month
Data Processing	\$150 p/gb
Document Production	No Charge
Duplicating	\$0.10 per page
Duplicating (Color)	\$0.45 per page
Outside Duplicating	Invoice Cost
Fax (Outgoing Only)	No Charge
Lexis	Actual (discounted) Cost
Library Research Services	Published Standard Cost
Long Distance Telephone	No Charge
Overtime	No Charge
Postage	No Charge
State Department Services	No Charge
Telephone (Credit Card Calls)	No Charge
Travel	Actual Cost
Westlaw	Actual (discounted) Cost

INCLUSION AGREEMENT

THIS INCLUSION AGREEMENT (this “**Agreement**”) is executed and effective as of this ____, day of _____, 2019 by and between **STC METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 1**”), **STC METROPOLITAN DISTRICT NO. 2**, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 2**”), **STC METROPOLITAN DISTRICT NO. 3**, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 3**”), and **RC SUPERIOR, LLC**, a Delaware limited liability company (the “**Owner**”). District No. 1, District No. 2, District No. 3 and the Owner are each referred to herein as a “**Party**”, and collectively, the “**Parties**”).

RECITALS

- A. The Owner is the owner of certain property described on **Exhibit A** attached hereto and incorporated herein by this reference (the “**Property**”).
- B. The Property is located within the mixed-used planned community located in the Town of Superior (the “**Town**”), Boulder County, Colorado (the “**County**”), commonly known as the Superior Town Center (the “**Development**”).
- C. District No. 1 was organized concurrently with District No. 2 and District No. 3 (collectively, the “**Districts**” and each a “**District**”).
- D. Each District has been organized pursuant to Colorado State law to finance, construct, complete, operate, maintain, repair, replace and provide public improvements and services within or without its boundaries, including, without limitation, sanitary sewer, water, streets, safety protection, park and recreation, transportation, mosquito control improvements, as described in the Special District Act and their respective Service Plans (defined below) (collectively, the “**Improvements**”).
- E. The Property has been designated as being within the service area of the Districts.
- F. Pursuant to the Service Plans approved by the Town for all the Districts on May 13, 2013, as amended by a non-material modification effective April 6, 2014 (as the same may be amended from time to time, the “**Service Plans**”), the Districts entered into that certain Facilities Funding, Construction and Operation Agreement, effective January 15, 2015 (as it may be amended from time to time, the “**FFCOA**”), pursuant to which the Districts agreed to cooperate to provide, operate and maintain certain Improvements, and agreed that District No. 2 is the operating district responsible for the provision of management, construction, operations and maintenance services for the Districts.
- G. Pursuant to the Service Plans, the Districts are authorized to impose taxes, rates, fees, tolls and charges to pay for the operations, maintenance, enforcement and administration of the Districts and to pay for the construction, acquisition and financing of the Improvements (collectively, the “**District Services**”).

H. Each District has the authority, under the laws of the State of Colorado, the Service Plan, and its electoral authorization, to issue debt for the purpose of, among other things, financing (or refinancing) the cost of the Improvements.

I. Pursuant to the Service Plans, the debt service mill levy to be imposed upon the taxable property of the Districts within the Development is limited to 50 mills (as may only be adjusted for statutory or constitutional modifications to the method of calculation, the “**Maximum Debt Mill Cap**”), and the maximum mill levy of the Districts for operations and maintenance purposes is 10 mills (as may only be adjusted for statutory or constitutional modifications to the method of calculation, the “**Maximum Operating Mill Levy Cap**”) (the Maximum Debt Mill Cap and the Maximum Operating Mill Levy Cap are collectively referred to herein as the “**Maximum Mill Levy Cap**”).

J. The Districts anticipate that District No. 2 will be issuing bonds to refund prior bonds issued to finance a portion of the Improvements and to finance costs of construction, installation and provision of additional Improvements that will benefit the Property and other properties within the service area of the Districts and each District will pledge its mill levy to pay a portion of such bonds pursuant to a Capital Pledge Agreement among the Districts (the “**Pledge Agreement**”) to be entered into in connection with the bonds.

K. All of the Property must be included into one or more of the Districts to provide the tax base necessary to support the repayment of bonds issued by District No. 2 to finance or refinance the Improvements that will benefit the Property and to ensure the availability of mill levy revenues to the Districts for payment under the Pledge Agreement.

L. In recognition of the benefit received by the provision of the Improvements and the District Services for the benefit of the Property, the Owner has agreed to include the Property into one of the Districts upon the occurrence of certain events as more particularly described herein.

M. The Owner has agreed to execute petition(s) to include parcels of the Property at the times specified below (each, a “**Petition**”) substantially in the form of **Exhibit B** attached hereto and incorporated herein by reference, within one of the Districts, as provided herein.

N. The Owner acknowledges that upon inclusion of a Triggered Parcel (hereinafter defined) into one of the Districts, such Triggered Parcel will be subject to the taxes, fees, rates, tolls and charges of that District, including but not limited to the Maximum Mill Levy Cap, which revenues are intended to be applied to payment of costs of Improvements pursuant to the Pledge Agreement.

O. The Parties acknowledge that the Districts and other landowners within the service area of the Districts are each relying on the agreements established in this Agreement in order to ensure revenues are available in order to complete construction and financing of the Improvements.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, the Districts and the Owner hereby agree as follows:

COVENANTS AND AGREEMENTS

1. Recitals. All of the above Recitals are incorporated herein by reference as if fully set forth herein.

2. Intent of Parties. It is the intent of the Parties that all owners, their successors and assigns, of any portion of the Property included into the boundaries of one of the Districts, be subject to all District Agreements, taxes, fees, rates, and charges of the applicable District, and all governing documents of the Districts, as applicable, and this Agreement.

3. Inclusion Trigger. For the purposes of this Agreement, the events described in clauses a. – c. of this section 3, with respect to all or any portion of the Property, will cumulatively constitute a Trigger (“**Trigger**”), (the subject property being referred to herein as a “**Triggered Parcel**”):

- a. The recordation of this Agreement;
- b. Approval and Execution of the final development plan and final plat for the Triggered Parcel by the Board of Trustees of the Town (“**Board of Trustees**”); and
- c. Recordation of the final development plan and final plat for the Triggered Parcel (“**Recorded Plan**”).

4. Inclusion Into a District. Upon the occurrence of a Trigger, the Owner and the District shall cooperate to effect the inclusion of the Triggered Parcel into a District as more specifically set forth herein.

- a. Owner shall, within 30 days after recordation of such Recorded Plan, Petition to the board of one of the Districts to include into such District, pursuant to Colorado Revised Statute 32-1-401, et seq., the portion of the Property subject to such Recorded Plan.
- b. Triggered Parcels that constitute for-sale residential property will be included in District 1 and all other Triggered Parcels may be included in any of the Districts.
- c. Owner further covenants and agrees that if any public right(s) of way adjacent to and contiguous with the Property are vacated or relocated by the Town or another governmental entity or title to which reverts by law or conveyance to Owner, such vacated or relocated right(s) of way shall be deemed to be part of the Property for purposes of the Owner’s covenants and agreements hereunder and shall be subject to all covenants and agreements set forth in this Agreement.

d. The affected District hereby agrees to conduct a public hearing (“**Public Hearing**”) in accordance with applicable statutes on any Petition to include any portion of the Property within its boundaries within thirty (30) days following receipt of the same (and if

applicable, take all statutorily required actions to return to active status prior to the date of the Public Hearing). If the board of directors of the affected District, in accordance with its statutory authority, adopts a resolution approving the Petition, the District, within five (5) business days thereafter, shall submit a motion for an order and decree to include the Triggered Parcel (“**Order and Decree**”) to the District Court for the County (the “**District Court**”) and, within three (3) business days after entry of such Order and Decree, record same in the real property records of the County.

5. Additional Covenant of Owner. In the event that closing on the sale of a portion of the Property or all of the Property by Owner to a third party (other than an affiliate) is scheduled to occur prior to the recording of the Order and Decree, the Owner shall either: (a) obtain the written consent of the third party buyer to the recording of the Order and Decree post-closing; or (b) delay the closing until such time as the Order and Decree are recorded.

6. Modifications of this Agreement. No amendments or modifications shall be made to this Agreement, except in writing signed by the Parties.

7. Recordation/Covenants Run with the Land. This Agreement and the covenants, terms, conditions, agreements, provisions, promises, and duties set forth in this Agreement shall run with the land, shall be binding upon and inure to the benefit of all Owners of the Property and their respective legal representatives, heirs, successors, and assigns, and shall constitute an equitable servitude burdening the Property. If and to the extent that any of the restrictions or covenants herein would otherwise be unlawful or void for violation of (i) the rule against perpetuities, (ii) the rule restricting restraints on alienation, or (iii) any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time for which such covenants may be valid, then the provisions concerned will continue and endure only until the expiration of a period of ninety (90) years after the Effective Date. The restrictions and covenants set forth herein are reasonable and necessary to effect the financing, provision, and maintenance of the Public Improvements benefitting the Property and the Owners thereof. Declarant, on behalf of itself and its successors and assigns, covenants that it will not contest the effectiveness or enforceability of this Agreement by any legal proceedings in any forum. Owner hereby consents to a District recording a copy of this Agreement in the real property records of the County to serve as notice to any potential purchasers, lessees or other entities having an interest now or in the future in the Property.

8. Notices. All notices, demands, requests or other communications to be sent by one Party to another 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 addressee or by courier delivery via nationally recognized overnight courier service or by electronic email transmission or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the Districts: STC Metropolitan District No. 1, 2 and 3
 c/o Special District Management Services, Inc.
 141 Union Blvd., Suite 150
 Lakewood, CO 80228
 Attn: Lisa Johnson
 Phone: 720-214-3965

Email: ljohnson@sdmsi.com

With a copy to:

McGeady Becher P.C.
450 E. 17th Ave., Suite 400
Denver, CO 80203
Attn: Megan Becher
Phone: 303-592-4380
Email: mbecher@specialdistrictlaw.com

To Developer:

RC Superior, LLC
c/o Ranch Capital, LLC
12275 El Camino Real, Suite 110
San Diego, CA 92130
Attn: Bill Jeneks
Phone: 858-345-3640
Email: bjeneks@ranchcapital.com

With a copy to:

Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203
Attn: James L. Kurtz-Phelan
Phone: 303-839-3800
Email: jkurtzphelan@spencerfane.com

All notices, demands, requests or other communications shall be effective upon such personal delivery, one (1) business day after deposit with a national recognized overnight carrier or upon electronic confirmation of email transmission or three (3) business days after deposit in the United States mail. By giving the other Parties ten (10) days' written notice in accordance with the provisions hereof, each Party shall have the right from time to time to change its address or contact information.

9. Third Party Beneficiaries. The Parties acknowledge and agree that the Districts and any owners of any portion of the Property other than the Owner are third party beneficiaries of this Agreement, and except for the Districts and such other owners, there are no other third party beneficiaries to this Agreement. In the event the Districts fail to enforce the terms and conditions contained herein, Owner and such other owners shall have all rights at law or in equity to enforce the same.

10. Entire Agreement. This Agreement constitutes the entire agreement between the Parties hereto with respect to the inclusion of the Property into one or more of the Districts pursuant to the terms hereof and sets forth the rights, duties, and obligations of each to the other as of this date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement shall have no force and effect.

11. Binding Effect. This Agreement shall inure to and be binding on the heirs, executors, administrators, successors, and permitted assigns of the Parties hereto. This

Agreement shall automatically terminate on the date that a petition to include the last portion of the Property into a District is approved by the board of one of the Districts.

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

13. Remedies. The Parties hereto agree and acknowledge that this Agreement may be enforced in law or in equity, by decree of specific performance, a writ of mandamus or damages, or such other legal or equitable relief as may be available subject to the provisions of the statutes of the State of Colorado.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

15. Severability. 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.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. Venue shall be exclusive in the County.

17. Non-liability of Directors, Members, and Employees. No member or director of the Districts' boards of directors, or official, employee, agent, attorney or consultant of the Districts shall be personally liable in the event of default, or breach of this Agreement or for any amount that may become due under the terms of this Agreement.

[Signature Pages Follow]

[SIGNATURE PAGE 1 OF 4 TO INCLUSION AGREEMENT]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first set forth above.

DISTRICT NO. 1:

STC METROPOLITAN DISTRICT NO. 1

By: _____
President

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of December, 20____, by _____, as President of STC Metropolitan District No. 1, on behalf of STC Metropolitan District No. 1.

Witness my hand and official seal.

My commission expires: _____

Notary Public

[SIGNATURE PAGE 2 OF 4 TO INCLUSION AGREEMENT]

DISTRICT NO. 2:

STC METROPOLITAN DISTRICT NO. 2

By: _____
President

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of December, 20____, by _____, as President of STC Metropolitan District No. 2, on behalf of STC Metropolitan District No. 2.

Witness my hand and official seal.

My commission expires: _____

Notary Public

[SIGNATURE PAGE 3 OF 4 TO INCLUSION AGREEMENT]

DISTRICT NO. 2:

STC METROPOLITAN DISTRICT NO. 3

By: _____
President

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
20____, by _____, as President of STC Metropolitan District
No. 3, on behalf of STC Metropolitan District No. 3.

Witness my hand and official seal.

My commission expires: _____

Notary Public

[SIGNATURE PAGE 4 OF 4 TO INCLUSION AGREEMENT]

OWNER:

RC SUPERIOR, LLC, a Delaware limited liability company

By: Superior Town Center ASLI VII Holdings, LLC, a Delaware limited liability company, its sole Member

By: Avanti Strategic Land Investors VII, L.L.L.P., a Delaware limited liability limited partnership, its sole Member

By: Avanti Properties Group II, L.L.L.P., a Delaware limited liability limited partnership, its Managing General Partner

By: Avanti Management Corporation, a Florida corporation, its sole General Partner

Name: _____

Title: _____

STATE OF FLORIDA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____ as _____ of Avanti Management Corporation, a Florida Corporation, sole general partner of Avanti Properties Group II, L.L.L.P., a Delaware limited liability limited partnership, managing general partner of Avanti Strategic Land Investors VII, L.L.L.P., a Delaware limited liability limited partnership, sole member of Superior Town Center ASLI VII Holdings, LLC, a Delaware limited liability company, sole member of RC Superior, LLC, a Delaware limited liability company.

Witness my hand and official seal.

My commission expires: _____

Notary Public

**EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY**

[See attached two sheets]

EXHIBIT B

FORM OF PETITION FOR INCLUSION OF PROPERTY PETITION FOR INCLUSION

In accordance with Section 32-1-401(1)(a), C.R.S., the undersigned, _____, a _____ (the "**Petitioner**"), does hereby respectfully petition STC District No. _____ (the "**District**"), acting by and through its Board of Directors (the "**Board**"), for the inclusion of certain real property into the boundaries of the District, subject to the conditions described herein (the "**Inclusion**").

The Petitioner represents to the District as follows:

1. The land to be included consists of approximately _____ acres, situate in Boulder County (the "**County**"), State of Colorado, and is legally described on Exhibit I attached hereto and incorporated herein by this reference (the "**Property**").
2. The Petitioner is the fee owner of one hundred percent (100%) of the Property and no other person(s), entity or entities own(s) an interest in the Property except as beneficial holder(s) of encumbrances.
3. The Petitioner hereby assents to the inclusion of the Property into the boundaries of the District and to the entry of an Order in the County District Court, including the Property into the boundaries of the District (the "**Order for Inclusion**"). The Petitioner acknowledges that from and after the entry of the Order for Inclusion, the Property shall be liable for taxes, assessments, or other obligations of the District, including its proportionate share of existing bonded indebtedness of the District, subject to the conditions and limitations set forth herein.
4. The Petitioner acknowledges that the District is not required to enlarge or extend its facilities beyond those currently existing and all such enlargements or extensions are undertaken in the exercise of discretion as a governmental function in the interest of public health, safety and welfare.
5. The Petitioner acknowledges that acceptance of this petition by the District does not constitute any assurance from the District that the Property can be served by the District and acknowledges that there shall be no withdrawal of this Petition from consideration by the Board after publication of notice of the hearing therefore, without the Board's consent.
6. The Petitioner and the District have negotiated and entered into an Inclusion Agreement prior to Inclusion of the Property into District.
7. The Petitioner agrees that it will pay, or cause to be paid, the costs incurred by the District for the Inclusion if this Petition is accepted, including the costs of publication of appropriate legal notices and legal fees and costs incurred by the District in connection with the Inclusion of the Property.

The Petitioner hereby requests that the Board approve the Inclusion of the Property into the boundaries of the District, and that the District file a motion for an order to be entered in the

County District Court, State of Colorado, including the Property into the boundaries of the District such that, as of the effective date of the Order for Inclusion, the Property shall be subject to all of the taxes and charges imposed by the District, and the Property shall be liable for its proportionate share of existing bonded indebtedness of the District.

Signed this ____ day of _____, 20____.

PETITIONER:

By: _____
Its: _____
Address of Petitioner:

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT I
LEGAL DESCRIPTION OF THE PROPERTY

[See attached two sheets]

**FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT REGARDING
COVENANT ENFORCEMENT AND DESIGN REVIEW SERVICES**

**THIS FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT
REGARDING COVENANT ENFORCEMENT AND DESIGN REVIEW SERVICES**
 (“**First Amendment**”) is entered into this 9th day of December, 2019 by and between **STC METROPOLITAN DISTRICT NO. 1** (“**District No. 1**”); **STC METROPOLITAN DISTRICT NO. 2** (“**District No. 2**”); and **STC METROPOLITAN DISTRICT NO. 3** (“**District No. 3**”), each a quasi-municipal corporation and political subdivision of the State of Colorado (each a “**District**” and, collectively, the “**Districts**”).

RECITALS

1. The Districts were organized pursuant to Service Plans approved by the Town of Superior on May 13, 2013 (“**Service Plans**”) for the purpose of providing certain public improvements and services to and for the benefit of certain real property in the Town of Superior (the “**Town**”), County of Boulder (the “**County**”), State of Colorado, commonly known as the Superior Town Center (the “**Development**”).

2. The owner and master developer of the Development executed that certain Master Declaration of Covenants, Conditions and Restrictions dated April 13, 2015 and recorded in the real property records of the County on April 14, 2015 as Reception No. 3439339, as the same may be amended and/or modified from time to time (the “**Original Declaration**”), for that certain property more particularly described on Exhibit A of the Declaration (“**Original Declaration Property**”), which declares that the Original Declaration Property is and shall be subject to the Original Declaration and shall be owned, held, conveyed, encumbered, leased, improved, used, occupied, enjoyed, sold, transferred, hypothecated, maintained, altered and otherwise enjoyed in accordance with and subject to the covenants and use restrictions contained therein.

3. Aweida Properties, Inc., a Colorado corporation (the “**Discovery Ridge Developer**”) has caused to be recorded the Declaration of Covenants, Conditions and Restrictions, dated November 22, 2019, and recorded in the real property records of the County as Reception No. 3750773, as the same may be amended and/or modified from time to time (the “**Discovery Ridge Declaration**”), for that certain property more particularly described on Exhibit A of the Discovery Ridge Declaration (“**Discovery Ridge Property**”), which declares that the Discovery Ridge Property is and shall be subject to the Discovery Ridge Declaration and shall be owned, held, conveyed, encumbered, leased, improved, used, occupied, enjoyed, sold, transferred, hypothecated, maintained, altered and otherwise enjoyed in accordance with and subject to the covenants and use restrictions contained therein.

4. The Districts previously entered into that certain Intergovernmental Agreement dated and approved by the Districts on June 7, 2017 (“**IGA**”) a copy of which is attached hereto and incorporated herein as **Exhibit A**.

5. It is the intent of the Districts to amend the IGA to include the Discovery Ridge Declaration.

6. The property encumbered by the Declaration either is, or is anticipated to be included within the boundaries of one of the Districts.

COVENANTS AND AGREEMENTS

1. All terms which are not defined herein shall have the same meaning as set forth in the IGA.

2. This First Amendment revises the IGA to include the Discovery Ridge Declaration. Therefore, any reference to the "Declaration" in the IGA shall also include the Discovery Ridge Declaration.

3. Except as expressly set forth in this First Amendment, the Districts hereby ratify and reaffirm each of the terms, covenants and conditions of the IGA.

4. In the event of any express conflict or inconsistency between the terms of the IGA and this First Amendment, this First Amendment shall control and govern. In all other respects, except to the extent expressly modified herein, the covenants and conditions of the IGA are hereby ratified, reaffirmed and republished in their entirety.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Districts have executed this First Amendment as of the day and year first set forth above.

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

President

Attest:

Secretary

STC METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado

President

Attest:

Secretary

STC METROPOLITAN DISTRICT NO. 3, a quasi-municipal corporation and political subdivision of the State of Colorado

President

Attest:

Secretary

STATE OF COLORADO)
)
 BOULDER COUNTY) ss
)
 STC METROPOLITAN)
 DISTRICT NO. 1)

I, the Secretary or Assistant Secretary of the STC Metropolitan District No. 1, in the Town of Superior, Boulder County, Colorado (the “**District**”), do hereby certify that:

1. Attached hereto is a true and correct copy of a resolution (the “**Resolution**”) adopted by the Board of Directors (the “**Board**”) of the District at a special meeting held at 10:00 a.m. on Thursday, December 9, 2019, at the Sport Stable, 1 Superior Drive, Superior, Colorado 80027.

2. Notice of such meeting was posted no less 24 hours prior to the holding of the meeting on a public website of the District or in a designated public place within the boundaries of the District, in accordance with law.

3. Upon roll call, the members of the Board not marked absent below, were present, constituting a quorum, and the Resolution was duly introduced, moved, seconded and adopted at such meeting by the affirmative vote of a majority of the members of the Board as follows:

Board Member	Yes	No	Absent	Abstain
James A. Brzostowicz, President	_____	_____	_____	_____
Angie Hulsebus, Treasurer	_____	_____	_____	_____
Terry A. Willis, Assistant Secretary	_____	_____	_____	_____

4. The Resolution was duly approved by the Board, signed by the President of the District, sealed with the District’s seal, attested by the Secretary or Assistant Secretary of the District and recorded in the minutes of the Board.

5. The meeting at which the Resolution was adopted was noticed, and all proceedings relating to the adoption of the Resolution were conducted in accordance with all applicable bylaws, rules, regulations and resolutions of the District, in accordance with the normal procedures of the District relating to such matters, and in accordance with applicable constitutional provisions and statutes of the State of Colorado.

WITNESS my hand and the seal of the District this 9th day of December, 2019.

[SEAL]

By _____
 Secretary or Assistant Secretary

(Attach copy of meeting notice as posted)

RESOLUTION

WHEREAS, STC Metropolitan District No. 1, in the Town of Superior, Boulder County, Colorado (the “**District**”) is a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, including particularly Title 32 of the Colorado Revised Statutes, as amended (“**C.R.S.**”); and

WHEREAS, the District was organized by Order and Decree of the District Court of Boulder County, Colorado recorded in the real property records of Boulder County, Colorado (the “**County**”) on December 5, 2013; and

WHEREAS, the District is authorized by Title 32, Article 1, Part 1, C.R.S. (the “**Act**”), to furnish certain public facilities and services, including, but not limited to, streets, water, sanitation, parks and recreation, traffic and safety control, transportation, mosquito control, fire protection, and television relay and translation improvements in accordance with the Service Plan for the District approved by the Board of Trustees of the Town of Superior, Colorado (the “**Town**”) on May 13, 2013, modified by a Non-Material Modification to Service Plan effective April 6, 2014 (as may be further modified or amended and restated from time to time, the “**Service Plan**”) to serve a planned, mixed-use development consisting of commercial, retail, and residential properties within the boundaries of the Project Area (as defined herein) known as the Superior Town Center Development (the “**Service Area**”) located within the Town of Superior, Colorado, as such area is more particularly described in the Service Plan; and

WHEREAS, at an election of the qualified electors of the District, duly called and held on Tuesday, November 5, 2013 (the “**Election**”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, inter alia, the issuance of District indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities (as more particularly defined herein, the “**Facilities**”), and for the refunding of such indebtedness, as follows, the questions relating thereto being as set forth in Exhibit A hereto:

<u>Purpose</u>	<u>Authorized Principal Amount</u>
Streets	\$145,000,000
Park/Rec	145,000,000
Water	145,000,000
Sanitation/Storm Sewer	145,000,000
Transportation	145,000,000
Mosquito Control	145,000,000
Safety Protection	145,000,000
Fire Protection	145,000,000
TV Relay and Translation	145,000,000
Refunding	290,000,000

WHEREAS, the returns of the Election were duly canvassed and the results thereof duly declared; and

WHEREAS, the results of the Election were certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to Section 32-1-204.5, C.R.S. and with the division of securities created by Section 11-51-701, C.R.S., within forty-five days after the Election; and

WHEREAS, the Board of Directors of the District (the “**Board**”) has previously determined that it was necessary to acquire, construct, and install a portion of the Facilities (the “**Authorized Projects**”); and

WHEREAS, the urban renewal plan (the “**SURA Plan**”) previously approved by the Town Board on June 12, 1995, was amended by Resolution No. R-53, Series 2006, to add the Service Area as an urban renewal area (the “**2006 Addition**”) to the previously designated urban renewal area (as may be amended from time to time pursuant to the SURA Plan, collectively with the 2006 Addition, the “**Urban Renewal Area**”) within the meaning of Colorado Revised Statutes §31-25-101 *et seq.*, as amended (the “**Urban Renewal Act**”); and

WHEREAS, the Superior Urban Renewal Authority (“**SURA**”), a corporate body organized and existing under the Urban Renewal Act, is authorized to transact business and exercise its powers as an urban renewal authority within the Town under the Urban Renewal Act; and

WHEREAS, the Town Board approved the Second Amendment to the SURA Plan on August 26, 2013, to implement property tax increment financing (“**TIF**”) within the boundaries of the 2006 Addition; and

WHEREAS, in furtherance of the SURA Plan, SURA has entered into a Cost Sharing Agreement with an effective date of October 18, 2013 (as amended and supplemented from time to time, the “**Cost Sharing Agreement**”) with RC Superior, LLC, a Delaware limited liability company (together with its successors and assigns referred to herein as the “**Developer**”), the District, STC Metropolitan District No. 1 (“**District No. 1**”), and STC Metropolitan District No. 3 (“**District No. 3**,” and collectively with the District and District No. 1, the “**Districts**”) for the purpose of providing for the elimination of blight in the Project Area through the redevelopment of the property within the Project Area; and

WHEREAS, pursuant to the Cost Sharing Agreement, SURA has agreed to pay certain amounts to the Districts in order to finance a portion of the Authorized Projects in the Project Area more particularly described in Exhibit A attached to the Cost Sharing Agreement; and

WHEREAS, the Districts have entered into a Facilities Funding, Construction and Operation Agreement dated as of January 1, 2015 (as further amended or supplemented from time to time, the “**FFCO Agreement**”), for the purpose of allocating responsibilities among the Districts with respect to financing, constructing, acquiring, operating and managing the Authorized Projects; and

WHEREAS, the Developer, as declarant, intends to execute and record in the records of the County Clerk and Recorder of Boulder County with respect to certain areas within the Project Area (as more particularly defined in the Covenant, the “**Property**”) an Amended and

Restated Declaration of Covenants Imposing and Implementing the Superior Town Center Payment in Lieu of Taxes (as more particularly defined herein, the “**Covenant**”), the burdens of which will run with the land; and

WHEREAS, pursuant to the Covenant, if any of the Property is owned by any entity which is exempt from payment of ad valorem property taxes (“**Exempt User**”), such Exempt User shall be obligated to pay and remit to the District an annual payment in immediately available funds in an amount equal to the revenue that would be derived from the imposition by a District of its debt service mill levy and operating mill levy against such Property, which would have been due to that District if such owner were not an Exempt User (“**Payment in Lieu of Taxes**” or “**PILOT**”); and

WHEREAS, the Districts and the Developer intend to enter into an Inclusion Agreement, pursuant to which the parties will agree to cooperate to effect the inclusion of certain land that is currently not included into any District into a District upon the occurrence of certain trigger events, as more specifically set forth therein; and

WHEREAS, for the purpose of providing for a portion of the Facilities comprising Authorized Projects, prior to the issuance of the Series 2019A Senior Bonds and the Series 2019B Subordinate Bonds (each as defined below), the District and the Developer intend to enter into the Amended and Restated Funding and Acquisition Agreement (as defined herein) pursuant to which the District agreed to (i) acquire from the Developer any Facilities constructed for the benefit of the Districts and to reimburse the Developer for the costs of Facilities constructed by or on behalf of the Developer, if any, in accordance with the provisions thereof, and (ii) reimburse the Developer for advances made to the District for purposes of constructing and equipping the Facilities, but, in each case, solely from the sources of revenue identified therein; and

WHEREAS, for the purpose of financing or reimbursing a portion of the Authorized Projects (including paying amounts due or to become due to the Developer under the Funding and Acquisition Agreement), the District has previously issued its Limited Tax General Obligation Senior Bonds, Series 2015A, originally issued in the aggregate principal amount of \$17,055,000 (the “**Series 2015A Bonds**”) and presently outstanding in the aggregate principal amount of \$15,495,000, and the District’s Limited Tax General Obligation Subordinate Bonds, Series 2015B, originally issued in the aggregate principal amount of \$7,000,000 and presently outstanding in the aggregate principal amount of \$7,000,000 (the “**Series 2015B Bonds**” and together with the Series 2015A Bonds, the “**Series 2015 Bonds**”) pursuant to a Trust Indenture dated as of April 1, 2015 (the “**2015 Indenture**”), between the District and UMB Bank, n.a., as trustee; and

WHEREAS, in furtherance of the FFCO Agreement and in order to provide additional security for the Series 2015 Bonds, the District, District No. 1 and the Trustee entered into a Capital Pledge Agreement dated as of April 1, 2015, pursuant to which (i) the District agreed to finance a portion of the costs of the Authorized Projects through the issuance of the Series 2015 Bonds and (ii) District No. 1 agreed to impose its debt service mill levy and assign to the District and remit to the trustee for the Series 2015 Bonds all revenues resulting from the imposition thereof, specific ownership tax revenue and certain other revenues of District No. 1; and

WHEREAS, the Board has previously determined and hereby determines that the Facilities expected to be financed with proceeds of the Bonds (defined below) were generally contemplated by the Service Plan and, prior to the application of proceeds of the Bonds to the costs thereof, the Board will make a finding that such Facilities are in the nature of community improvements intended for the general direct and indirect benefit of the planned, mixed-use development consisting of commercial, retail, and residential properties within the Service Area and will serve the future taxpayers and inhabitants of the Districts; and

WHEREAS, for the purpose of refunding the Series 2015 Bonds and financing or reimbursing a portion of the Authorized Projects (including paying amounts due or to become due to the Developer under the Funding and Acquisition Agreement), the Board of Directors of STC Metropolitan District No. 2 (“**District No. 2**”) has determined to issue its Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds, Series 2019A (the “**Series 2019A Senior Bonds**”) and Subordinate Limited Tax General Obligation and Special Revenue Bonds, Series 2019B(3) (the “**Series 2019B Subordinate Bonds**”), in the combined aggregate principal amount of up to \$[_____]; and

WHEREAS, in order to provide for the payment of the Bonds and certain other obligations that may be issued by District No. 2 in the future, the District intends to enter into an Amended and Restated Capital Pledge Agreement (the “**Pledge Agreement**”), with District No. 2, District No. 3 and the Trustee (defined herein), pursuant to which the Districts will be obligated to impose ad valorem property taxes in an amount equal to the “**Required Mill Levy**” (as defined therein) and pledge their respective Pledged Revenue (as defined therein); and

WHEREAS, the Bonds have been or are being initially issued, and, in accordance with the Pledge Agreement, any other obligations secured by such agreements will be issued, either: (i) in denominations of not less than \$500,000 each, or (ii) as otherwise will qualify for an exemption from the registration requirements of the Colorado Municipal Bond Supervision Act, Title 11, Article 59, C.R.S., or any successor statute; and

WHEREAS, pursuant to the provisions of Section 32-1-1101(6)(a)(IV), C.R.S., the Bonds have been or are being initially issued only to, and any other obligations secured by such agreements will be initially issued only to, “financial institutions or institutional investors” as such terms are defined in Section 32-1-103(6.5), C.R.S., unless otherwise permitted by applicable laws; and

WHEREAS, with respect to the use of electoral authorization of the Election, although the Districts will not collectively pay on the Bonds and under the Pledge Agreement (to the extent relating to the Bonds) more than the total principal amount of the Bonds (plus accrued interest thereon), the actual amount that each of the Districts will contribute to such payment cannot be known today and, accordingly, the District has determined to allocate the indebtedness represented by the Pledge Agreement, in a principal amount equal to the sum of the principal amounts of the Bonds and any other obligations payable from revenues generated thereunder to the electoral authorization of the Election as set forth in the Pledge Agreement; and

WHEREAS, there has been presented to this meeting of the Board a substantially final draft of the Pledge Agreement, the Funding and Acquisition Agreement and the Inclusion Agreement; and

WHEREAS, the Board desires to authorize the execution and delivery of the District Documents (defined below), and authorize the execution, completion, and delivery of such certificates and other documents as may be necessary to effect the intent of this Resolution, as such authority is more specifically delineated by, and subject to the limitations set forth in, this Resolution; and

WHEREAS, pursuant to Section 32-1-902(3), C.R.S., and Section 18-8-308, C.R.S., all known potential conflicting interests of the directors were disclosed to the Colorado Secretary of State and to the Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with Section 24-18-110, C.R.S., the appropriate Board members have made disclosure of their personal and private interests relating to the execution and delivery of the District Documents (defined below) in writing to the Secretary of State and the Board; finally, the Board members have stated for the record immediately prior to the adoption of this Resolution the fact that they have such interests and the summary nature of such interests and the participation of those Board members is necessary to obtain a quorum or otherwise enable the Board to act.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF STC METROPOLITAN DISTRICT NO. 1, BOULDER COUNTY, COLORADO:

Section 1. Definitions. Unless the context indicates otherwise, as used herein, capitalized terms shall have the meanings ascribed by the preambles hereto and the Senior Indenture, the Subordinate Indenture and the Junior Lien Indenture, and the following capitalized terms shall have the respective meanings set forth below:

“District Documents” means, collectively, this Resolution, the Funding and Acquisition Agreement, the Inclusion Agreement, and the Pledge Agreement.

“Funding and Acquisition Agreement” means the Amended and Restated Facilities Funding and Acquisition Agreement with an effective date of January 1, 2014 between the District and the Developer.

“Inclusion Agreement” means that certain Inclusion Agreement among the Districts and the Developer.

“Pledge Agreement” means the Amended and Restated Capital Pledge Agreement by and among the Districts and the Trustee, pertaining to payment of, among other obligations, the Bonds.

“Resolution” means this Resolution which authorizes and approves the execution of the District Documents.

“Supplemental Act” means the “Supplemental Public Securities Act,” being Title 11, Article 57, Part 2, C.R.S.

Section 2. Approvals, Authorizations, and Amendments. The District Documents are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the District Documents in the form of such documents presented at this meeting, with such changes as are made pursuant to this Section 2 and are not inconsistent herewith. The President or Treasurer of the District and the Secretary or Assistant Secretary of the District, or other authorized officers of the District in the absence of the President or Treasurer or Secretary or Assistant Secretary, are hereby authorized and directed to execute the District Documents and to affix the seal of the District thereto, and the President or Treasurer of the District, Secretary or Assistant Secretary to the Board, and other appropriate officers of the District are further authorized to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to accomplish the purposes of the District Documents, as stated therein. The District Documents and such other documents are to be executed in substantially the form presented at this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary and approved by the officer of the District executing the same in order to carry out the purposes of this Resolution. To the extent any District Document has been executed prior to the date hereof, said execution is hereby ratified and affirmed. Copies of all of the District Documents shall be delivered, filed, and recorded as provided therein.

Upon execution of the District Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the District Documents and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any instrument by the President of the District, Secretary or Assistant Secretary of the District or other appropriate officer of the District in connection with the issuance, sale, or delivery of the Bonds and execution and delivery of the District Documents not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

Section 3. Permitted Amendments to Resolution. Except as otherwise provided herein, the District may amend this Resolution in the same manner, and subject to the same terms and conditions, as apply to an amendment or supplement to the Senior Indenture and the Subordinate Indenture.

Section 4. Authorization to Execute Documents. The President of the District, Secretary or Assistant Secretary of the District, or other appropriate officer of the District shall, and they are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Resolution, including, but not limited to, the execution of such certificates and affidavits as may be reasonably required by bond counsel to District No. 2. The execution by the President of the District, Secretary or Assistant Secretary of the District, or

other appropriate officer of the District of any document not inconsistent herewith shall be conclusive proof of the approval by the District of the terms thereof.

Section 5. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues as it relates to the Bonds and other obligations of District No. 2 as provided in the Pledge Agreement shall be governed by Section 11-57-208 of the Supplemental Act, this Resolution and the Pledge Agreement. Such revenues pledged for the payment of the Bonds and other obligations of District No. 2, as received by or otherwise credited to District No. 2, or other designee of District No. 2, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues pledged for payment of the District's Payment Obligation (as defined in the Pledge Agreement) shall have priority over any or all other obligations and liabilities of the District. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

Section 6. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the District and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the execution of the District Documents are hereby ratified, approved, and confirmed.

Section 7. Resolution Irrepealable. After the execution and delivery of the Pledge Agreement, this Resolution shall be and remain irrepealable until all obligations secured by amounts payable by the District under the District Documents shall have been fully paid, satisfied, and discharged.

Section 8. Repealer. All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

Section 9. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 10. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this 9th day of December, 2019.

STC METROPOLITAN DISTRICT NO. 1

[SEAL]

By _____
President

ATTEST:

By _____
Secretary or Assistant Secretary

EXHIBIT A
BALLOT QUESTIONS