

STC METROPOLITAN DISTRICT NO. 2

141 Union Boulevard, Suite 150
 Lakewood, Colorado 80228-1898
 Tel: 303-987-0835 . 800-741-3254
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NOTICE OF REGULAR 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: November 6, 2019
 TIME: 9:00 A.M.
 PLACE: McGeady Becher P.C.
 450 E. 17th Ave., Suite 400
 Denver, CO 80203

I. ADMINISTRATIVE MATTERS

- A. Present Disclosures of Potential Conflicts of Interest.

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

- C. Consider regular meeting dates for 2020. Review and consider approval of Resolution No. 2019-11-01; Resolution Establishing 2020 Regular Meeting Dates, Times and Location, and on Designating Locations for Posting of 24-Hour Notices (enclosure).

- D. Discuss §32-1-809, C.R.S., reporting requirements and mode of eligible elector notification for 2020.

- E.

II. CONSENT AGENDA

- Approve Minutes of the October 2, 2019 Regular Meeting (enclosure).

III. FINANCIAL MATTERS

- A. Review and ratify approval of payment of claims for the following period (enclosure):

Fund	Period Ending Oct. 31, 2019
General	\$ 28,508.59
Debt	\$ -0-
Capital	\$ 47,028.58
Total	\$ 75,537.17

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- B. Review and accept unaudited financial statements through the period ending September 30, 2019 (enclosure).
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- C. Discuss status of operations and maintenance budget forecast (to be distributed).
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- D. Consider engagement of Dazzio & Associates, PC to perform the 2019 Audit in an amount not to exceed \$6,000.00 (enclosures).
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- E. Conduct Public Hearing to consider Amendment to 2019 Budget and consider adoption of Resolution to Amend the 2019 Budget and Appropriate Expenditures, if necessary.
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- F. Conduct Public Hearing on the proposed 2020 Budget and consider adoption of Resolution to Adopt the 2020 Budget and Appropriate Sums of Money and Resolution to Set Mill Levies for General Fund _____, Debt Service Fund _____, and Other Fund(s) _____ for a total mill levy of _____ (enclosures – Preliminary Assessed Valuation, draft 2020 Budget, and Resolutions).
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- G. Consider Resolution Authorizing Adjustment of the District Mill Levy in accordance with the Colorado Constitution, Article X, Section 3 (to be distributed).
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- H. Consider authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.
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- I. Consider appointment of District Accountant to prepare 2021 Budget.
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IV. LEGAL MATTERS

- A. Consider adoption of Resolution No. 2019-11-__ ; Resolution Calling a Regular Election for Directors on May 5, 2020, appointing the Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of mail ballot election (enclosure). Self-Nomination forms are due by February 28, 2020. Discuss the need for ballot issues and/or questions.
-

- B. Discuss status of 2019 Refunding and Improvement Bonds.
-

- C.
-

V. OPERATIONS AND MAINTENANCE

- A. Consider ratification of approval of Service Agreement with Edifice North, LLC for Project Management Services.
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VI. COVENANT CONTROL

- A. Review Community Manager’s Report (enclosure).
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- B. Discuss and consider approval of Homeowner’s Request for a variance as it relates to short-term rental options (enclosures).
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- C. Review and consider acceptance of responsibilities associated with proposed Declaration of Covenants for Discovery Residential (enclosure).
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VII. CAPITAL PROJECTS

- A. Review and consider acceptance of revised improvement costs in the amount of \$438,346.69 under that certain Final Engineers Report and Certification #52 R1 prepared by Ranger Engineering, LLC, dated September 25, 2019 and revised October 29, 2019 (enclosure).
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- B. Review and consider acceptance of improvement costs in the amount of \$1,627,039.73 under that certain Final Engineers Report and Certification #53 prepared by Ranger Engineering, LLC, dated October 29, 2019 (enclosure).

- C. Review and consider Proposal for Construction Management for FDP 1 Phase 9 from CFC Construction (to be distributed).

- D. Review and consider approval of Change Order No. 003 to the Construction Contract with Hudick Excavating, Inc. dba HEI Civil for Superior Town Center FDP1, Phase 2D regarding revised plans and damages in the amount of \$125,533.00 (enclosure).

- E. Review and consider approval of Change Order No. 012 to the Construction Contract with SAMORA Construction for STC Block 25 Phase 2 in the amount of \$176,504.81 (enclosure).

- F.

VIII. DEVELOPER UPDATE

- A. Status of lot and home sales.

IX. OTHER MATTERS

- A.

X. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
DECEMBER 4, 2019.**

RESOLUTION NO. 2019-11-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
STC METROPOLITAN DISTRICT NO. 2
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION,
ESTABLISHING DISTRICT WEBSITE AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903, C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings ("**Notice of Meeting**") will be physically posted at least 24 hours prior to each meeting ("**Designated Public Place**"). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

C. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting, if a special district posts the Notice of Meeting online at a public website of the special district ("**District Website**") at least 24 hours prior to each regular and special meeting

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

E. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

F. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of STC Metropolitan District No. 2 (the "**District**"), Boulder County, Colorado:

1. That the provisions of Section 32-1-903(1), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2020 shall be held on _____ at _____, at the offices of McGeady Becher P.C., 450 E. 17th Avenue, Suite 400, Denver, Colorado.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District Board authorizes establishment of a District Website, if such District Website does not already exist, in order to provide full and timely notice of regular and special meetings of the District Board online pursuant to the provisions of Section 24-6-402(2)(c)(III), C.R.S.

8. That, if the District has established a District Website, the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to each regular and special meeting pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

9. That, if the District has not yet established a District Website or is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) On the fence in the northwest corner of the 5’ x 5’ District parcel (said parcel located 86 feet north of the fence corner)

10. Jim Brzostowicz, or designee is hereby appointed to post the above-referenced notices.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING
DATES, TIME, AND LOCATION, ESTABLISHING DISTRICT WEBSITE AND
DESIGNATING LOCATION FOR 24-HOUR NOTICES]**

RESOLUTION APPROVED AND ADOPTED on November 6, 2019.

STC METROPOLITAN DISTRICT NO. 2

By: _____
President

Attest:

Secretary

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE STC METROPOLITAN DISTRICT NO. 2 HELD OCTOBER 2, 2019

A Regular Meeting of the Board of Directors (referred to hereafter as the “Board”) of the STC Metropolitan District No. 2 (referred to hereafter as the “District”) was convened on Wednesday, the 2nd day of October, 2019, at 9:00 A.M., at the offices of McGeady Becher P.C., 450 E. 17th Avenue, Suite 400, Denver, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

James A. Brzostowicz
Angie Hulsebus
Terry Willis

Also In Attendance Were:

Lisa A. Johnson; Special District Management Services, Inc. (“SDMS”)

Megan Becher, Esq.; McGeady Becher P.C.

Diane Wheeler; Simmons & Wheeler, P.C.

Bill Jencks and Jessica Sergi; Ranch Capital, LLC (via speakerphone)

David Andrews; Edifice North, LLC

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board noted it was in receipt of disclosures of potential conflicts of interest statements for each of the Directors and that the statements had been filed with the Secretary of State at least seventy-two hours in advance of the meeting. Ms. Johnson requested that the Directors review the Agenda for the meeting and advised the Board to disclose any new conflicts of interest which had not been previously disclosed. No further disclosures were made by Directors present at the meeting.

ADMINISTRATIVE MATTERS

Agenda: Ms. Johnson distributed for the Board's review and approval a proposed Agenda for the District's Regular Meeting.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Hulsebus, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Agenda was approved, as presented.

Confirm Quorum, Location of Meeting and Posting of Meeting Notices: Ms. Johnson confirmed the presence of a quorum. The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director Hulsebus, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within the District's boundaries, or within the County which the District is located, or within 20 miles of the District's boundaries to conduct this meeting, the meeting would be conducted at the above-stated location. The Board further noted that the notice of the time, date and location of the meeting was duly posted and that no objections to the location or any requests that the meeting place be changed were received from taxpaying electors within the District's boundaries.

CONSENT AGENDA

The Board considered the following actions:

- Approve Minutes of the September 10, 2019 Special Meeting.
- Ratify the acceptance and filing of the 2018 Audit.
- Ratify approval of Change Order No. 1, to FDP1, Phase 2D under the Construction Contract with Hudick Excavating Inc. DBA HEI Civil ("HEI") in the amount of \$252,906.00.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board approved and/or ratified approval of, as appropriate, the above actions, as presented.

FINANCIAL MATTERS

Claims: The Board considered ratifying approval of the payment of claims as follows:

Fund	Period Ending Sept. 25, 2019
General	\$ 31,486.92
Debt	\$ -0-
Capital	\$ 12,917.83
Total	\$ 44,404.75

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Hulsebus, seconded by Director Willis and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as presented.

Unaudited Financial Statements: Ms. Wheeler discussed with the Board the unaudited financial statements through the period ending August 31, 2019.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board accepted the unaudited financial statements through the period ending August 31, 2019.

Operation and Maintenance Budget Forecast: Ms. Johnson noted that a meeting to discuss the forecast is in process of being scheduled.

LEGAL MATTERS

2019 Refunding and Improvement Bonds: Attorney Becher presented the Board with an update on the status of the 2019 Refunding and Improvement Bonds.

Status of Inclusions: Mr. Jencks provided the Board with an update on the Town's approval of development plans of property proposed to be included and approved in the prior month.

OPERATIONS / MAINTENANCE

Service Agreement with Edifice North, LLC for Project Management Services: The Board deferred discussion at this time.

COMMUNITY MANAGEMENT/ COVENANT CONTROL

Community Management Report: The Board reviewed the Community Manager's Report.

CAPITAL PROJECTS

Final Engineer's Report and Certification #52 dated, September 25, 2019: Ms. Johnson reviewed with the Board the improvement costs in the amount of \$571,059.79 under the Final Engineer's Report and Certification #52, dated September 25, 2019, prepared by Ranger Engineering, LLC.

Following discussion, upon motion duly made by Director Hulsebus, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board accepted the improvement costs in the amount of \$571,059.79 under the Final Engineer's Report and Certification #52, dated September 25, 2019, prepared by Ranger Engineering, LLC.

RECORD OF PROCEEDINGS

Block 14 Infrastructure Proposals: The Board discussed two proposals for Block 14 Infrastructure, received from SAMORA Construction, LLC (“SAMORA”) in the amount of \$850,349.32 and from HEI in the amount of \$1,833,335.00.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board approved award of Construction Contract to SAMORA for Block 14 Infrastructure in the amount of \$850,349.32.

Change Order No. 002 to the Construction Contract with HEI for FDP1, Phase 2D for Revised Plans and Damages in the amount of \$34,027.00: Mr. Andrews presented to the Board Change Order No. 002 to the Construction Contract with HEI for FDP1, Phase 2D for revised plans and damages in the amount of \$34,027.00.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Willis and, upon vote, unanimously carried, the Board approved Change Order No. 002 to the Construction Contract with HEI for FDP1, Phase 2D for revised plans and damages in the amount of \$34,027.00, subject to any necessary revisions and adjustments discussed.

Change Order No. 011, FDP1 to the Construction Contract with SAMORA for STC Block 25, Phase 2, to excavate sidewalk, raise manholes, and moving excess soil in the amount of \$18,400.05: Mr. Andrews presented to the Board Change Order No. 011, FDP1 to the Construction Contract with SAMORA for STC Block 25, Phase 2, to excavate sidewalk, raise manholes, and moving excess soil in the amount of \$18,400.05.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Hulsebus and, upon vote, unanimously carried, the Board approved Change Order No. 011, FDP1 to the Construction Contract with SAMORA for STC Block 25, Phase 2, to excavate sidewalk, raise manholes, and moving excess soil in the amount of \$18,400.05.

DEVELOPER UPDATE

Lot and Home Sales: Mr. Jencks provided an update to the Board on lot and home sales.

OTHER MATTERS

There were no other matters for discussion at this time.

RECORD OF PROCEEDINGS

ADJOURNMENT

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

Respectfully submitted,

By _____
Secretary for the Meeting

STC Metropolitan District No.2
October-19

	General	Debt	Capital	Totals
Disbursements	\$ 28,185.64	\$ -	\$ 47,028.58	\$ 75,214.22
		\$ -	\$ -	\$ -
Payroll	\$ 300.00	\$ -		\$ 300.00
Payroll Taxes District Portion	\$ 22.95	\$ -	\$ -	\$ 22.95
Total Disbursements from Checking Acct	\$28,508.59	\$0.00	\$47,028.58	\$75,537.17

Report Criteria:

Detail report.

Invoices with totals above \$0.00 included.

Only unpaid invoices included.

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	GL Account Number
Cesare, Inc.					
Cesare, Inc.	18.3030.13	Construction	07/29/2019	212.50	3-784
Cesare, Inc.	18.3030.14	Construction	09/09/2019	4,659.73	3-784
Cesare, Inc.	19.3035.5	Construction	08/30/2019	17,877.05	3-784
Cesare, Inc.	19.3035.6	Construction	09/27/2019	19,818.05	3-784
Total Cesare, Inc.:				42,567.33	
Comcast					
Comcast	0316389 10/19	8497 10 020 0316389	10/14/2019	130.06	1-730
Total Comcast:				130.06	
Doody Calls					
Doody Calls	24245	Maint	07/31/2019	75.00	1-720
Doody Calls	25563	Maint	09/30/2019	188.50	1-720
Total Doody Calls:				263.50	
McGeady Becher P.C.					
McGeady Be	1190B 9/19	Legal	09/30/2019	9,217.50	1-675
McGeady Be	1190B 9/19	Legal	09/30/2019	147.50	3-675
McGeady Be	1190B-MAR 19	Legal	03/31/2019	142.50	3-675
Total McGeady Becher P.C.:				9,507.50	
OTAK					
OTAK	91900010	Engineering	09/30/2019	318.75	3-784
Total OTAK:				318.75	
Prairie Mountain Publishing					
Prairie Mount	209074	Publication	09/30/2019	112.64	1-685
Total Prairie Mountain Publishing:				112.64	
Ranger Engineering, LLC					
Ranger Engi	1106	Engineering	09/27/2019	1,650.00	3-784
Total Ranger Engineering, LLC:				1,650.00	
RLI Surety					
RLI Surety	LSM0545260	Insurance	10/07/2019	250.00	1-670
Total RLI Surety:				250.00	
Simmons & Wheeler, P.C.					
Simmons &	25049	Accounting Capital	08/31/2019	2,202.50	3-612
Simmons &	25049	Accounting General	08/31/2019	2,202.50	1-612
Total Simmons & Wheeler, P.C.:				4,405.00	

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	GL Account Number
Special Dist Management Svcs					
Special Dist	56958 8/19	Management	08/31/2019	2,718.32	1-680
Special Dist	56958 8/19	Accounting	08/31/2019	826.00	1-612
Special Dist	56958 8/19	Covenant Control	08/31/2019	579.50	1-682
Special Dist	56972 8/19	Management	08/31/2019	127.40	1-680
Special Dist	58063 9/19	Management	09/30/2019	766.00	1-680
Special Dist	58063 9/19	Office	09/30/2019	90.95	1-685
Special Dist	58071 9/19	Management	09/30/2019	14.00	1-680
Special Dist	58088 9/19	Management	09/30/2019	2,906.50	1-680
Special Dist	58088 9/19	Office	09/30/2019	114.48	1-685
Special Dist	58088 9/19	Accounting	09/30/2019	406.00	1-612
Special Dist	58088 9/19	audit	09/30/2019	28.00	1-615
Special Dist	58088 9/19	Covenant Control	09/30/2019	565.00	1-682
Total Special Dist Management Svcs:				9,142.15	
Thyssenkrupp Elevator Corporation					
Thyssenkrupp	3004826776	Parking Structure	10/01/2019	165.00	1-735
Total Thyssenkrupp Elevator Corporation:				165.00	
Town of Superior					
Town of Sup	2289.5 10/19	Irrigation	10/01/2019	122.57	1-704
Town of Sup	290.5 10/19	Irrigation	10/01/2019	175.77	1-704
Town of Sup	411.5 10/19	Irrigation	10/01/2019	466.97	1-704
Town of Sup	438.5 10/19	Irrigation	10/01/2019	486.57	1-704
Town of Sup	440.5 10/19	Irrigation	10/01/2019	228.97	1-704
Town of Sup	505487 10/19	Irrigation	10/01/2019	536.97	1-704
Total Town of Superior:				2,017.82	
Vargas Property Services, Inc.					
Vargas Prope	29231	Landscaping	09/01/2019	1,940.24	1-720
Vargas Prope	29321	Landscaping	10/01/2019	2,115.17	1-720
Total Vargas Property Services, Inc.:				4,055.41	
Xcel Energy					
Xcel Energy	655407766	Utilities	09/26/2019	131.86	1-704
Xcel Energy	655413349	Utilities	09/26/2019	203.07	1-704
Xcel Energy	655422868	Utilities	09/26/2019	253.82	1-704
Xcel Energy	655422997	Utilities	09/26/2019	62.63	1-704
Xcel Energy	655432826	Utilities	09/26/2019	184.65	1-704
Xcel Energy	655440115	Utilities	09/26/2019	93.03	1-704
Total Xcel Energy:				929.06	
Grand Totals:				75,514.22	

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	GL Account Number
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Report Criteria:

Detail report.

Invoices with totals above \$0.00 included.

Only unpaid invoices included.

<u>Check Issue Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>
11/01/2019	9132	Brzostowicz, James	
11/01/2019	9133	Hulsebus, Angie	92.35
11/01/2019	9134	Willis, Terry A.	92.35
Grand Totals:			
	<u>3</u>		<u>184.70</u>

STC Metropolitan District #2
Financial Statements

September 30, 2019

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
STC Metropolitan District #2

Management is responsible for the accompanying financial statements of each major fund of STC Metropolitan District #2, as of and for the period ended September 30, 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 nine 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 #2 because we performed certain accounting services that impaired our independence.

Simmons & Wheeler P.C.

October 29, 2019
Englewood, Colorado

STC Metropolitan District No 2
Balance Sheet - Governmental Funds and Account Groups
September 30, 2019

See Accountant's Compilation Report

	General Fund	Debt Service Fund	Capital Projects Fund	Total All Funds
Assets				
Current assets				
Cash in checking	\$ 177,183	\$ 5,375	\$ 81,965	\$ 264,523
UMB PIF Supp Interest	-	11,162	-	11,162
UMB Non-PIF Supp Interest	-	747,540	-	747,540
UMB Non-PIF Surplus	-	1,439,480	-	1,439,480
UMB Non-PIF Supp Principal	-	1,102,878	-	1,102,878
UMB PIF Supp Res Account	-	1,603,751	-	1,603,751
Taxes receivable	373	1,304	-	1,677
MOB Receivable	205	-	-	205
Due from District No. 1	173	-	-	173
Due from District No 3	19	-	-	19
Due From/To Other funds	-	-	-	-
	<u>177,953</u>	<u>4,911,490</u>	<u>81,965</u>	<u>5,171,408</u>
	\$ <u><u>177,953</u></u>	\$ <u><u>4,911,490</u></u>	\$ <u><u>81,965</u></u>	\$ <u><u>5,171,408</u></u>
Liabilities and Equity				
Current liabilities				
Accounts payable	\$ 58,551	\$ 10,436	\$ 59,946	\$ 128,933
Retainage Payable	-	-	20,141	20,141
Payroll Taxes Payable	150	-	-	150
Due To/From Other funds	-	-	-	-
	<u>58,701</u>	<u>10,436</u>	<u>80,087</u>	<u>149,224</u>
Fund Equity				
Fund balance (deficit)	109,726	4,901,054	1,878	5,012,658
Emergency reserves	<u>9,526</u>	<u>-</u>	<u>-</u>	<u>9,526</u>
	<u>119,252</u>	<u>4,901,054</u>	<u>1,878</u>	<u>5,022,184</u>
	\$ <u><u>177,953</u></u>	\$ <u><u>4,911,490</u></u>	\$ <u><u>81,965</u></u>	\$ <u><u>5,171,408</u></u>

STC Metropolitan District No 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Nine Months Ended September 30, 2019
General Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Property Taxes	\$ 176	\$ 179	\$ 3
Specific Ownership Taxes	8,200	3,187	(5,013)
SURA Property Tax Increment	102,495	80,000	(22,495)
Parking Garage Cost Share	22,000	3,792	(18,208)
Developer Advance	10,000	133,768	123,768
Miscellaneous/Interest Income	-	2,207	2,207
Transfer from District 1	40,007	44,755	4,748
Transfer from District 3	4,835	4,584	(251)
	<u>187,713</u>	<u>272,472</u>	<u>84,759</u>
Expenditures			
Accounting	25,000	15,520	9,480
Audit	11,000	10,115	885
Directors' Fees	5,000	800	4,200
Insurance/SDA Dues	16,000	25,157	(9,157)
Legal	40,000	40,767	(767)
Management	50,000	37,703	12,297
Miscellaneous	1,000	2,973	(1,973)
Aweida Inclusion Expense	-	143	(143)
O&M - Covenant Control	18,000	8,260	9,740
O&M - Field Services	6,500	133	6,367
O&M - Landscaping	45,000	27,109	17,891
O&M - Equipment	1,500	-	1,500
O&M - Utilities	5,000	15,712	(10,712)
O&M - Roads & Sidewalks	40,000	39,873	127
O&M - Parking Garage	44,000	5,141	38,859
O&M - Mailboxes	2,000	-	2,000
O&M - Reserve	3,224	-	3,224
Treasurer's Fees	3	3	-
Payroll Taxes	300	1,598	(1,298)
Utilities	4,000	1,717	2,283
Emergency reserve	9,526	-	9,526
	<u>327,053</u>	<u>232,724</u>	<u>94,329</u>
Excess (deficiency) of revenues over expenditures	(139,340)	39,748	179,088
Fund balance - beginning	<u>139,340</u>	<u>79,504</u>	<u>(59,836)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 119,252</u>	<u>\$ 119,252</u>

STC Metropolitan District No 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Nine Months Ended September 30, 2019
Debt Service Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property Taxes	\$ 689	\$ 626	\$ (63)
Specific Ownership Taxes	4,577	11,155	6,578
SURA Property Tax Increment	1,527,446	1,792,605	265,159
Interest income	18,000	53,125	35,125
Transfer from STCMD No. 1	133,244	193,693	60,449
Transfer from STCMD No. 3	<u>10,107</u>	<u>9,095</u>	<u>(1,012)</u>
	<u>1,694,063</u>	<u>2,060,299</u>	<u>366,236</u>
Expenditures			
Bond interest - 2015A	1,023,300	473,850	549,450
Bond principal - 2015A	1,260,000	-	1,260,000
Miscellaneous Expense	500	10,436	(9,936)
Treasurer's Fees	28,610	10	28,600
Trustee / paying agent fees	<u>4,000</u>	<u>4,000</u>	<u>-</u>
	<u>2,316,410</u>	<u>488,296</u>	<u>1,828,114</u>
Excess (deficiency) of revenues over expenditures	(622,347)	1,572,003	2,194,350
Fund balance - beginning	<u>2,909,609</u>	<u>3,329,051</u>	<u>419,442</u>
Fund balance - ending	<u>\$ 2,287,262</u>	<u>\$ 4,901,054</u>	<u>\$ 2,613,792</u>

STC Metropolitan District No 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Nine Months Ended September 30, 2019
Capital Projects Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Developer Advance	5,000,000	8,898,982	3,898,982
Interest	<u>1,000</u>	<u>4,715</u>	<u>3,715</u>
	<u>5,001,000</u>	<u>8,903,697</u>	<u>3,902,697</u>
Expenditures			
Accounting	5,000	8,913	(3,913)
Legal	55,000	40,438	14,562
Management	2,500	-	2,500
Construction Expenses	5,000,000	2,814,319	2,185,681
Engineering	200,000	2,900,949	(2,700,949)
System Development Costs	-	3,109,974	(3,109,974)
Miscellaneous	<u>1,000</u>	<u>-</u>	<u>1,000</u>
	<u>5,263,500</u>	<u>8,874,593</u>	<u>(3,611,093)</u>
Excess (deficiency) of revenues over expenditures	(262,500)	29,104	291,604
Fund balance - beginning	<u>279,612</u>	<u>(27,226)</u>	<u>(306,838)</u>
Fund balance (deficit) - ending	<u>\$ 17,112</u>	<u>\$ 1,878</u>	<u>\$ (15,234)</u>



Dazio & Associates, PC
Certified Public Accountants

October 24, 2019

To the Board of Directors and Management
STC Metropolitan District No. 2
c/o Special District Management Services, Inc.
141 Union Blvd, Suite 150
Lakewood, Colorado 80228

We are pleased to confirm our understanding of the services we are to provide STC Metropolitan District No. 2 (the District) for the year ended December 31, 2019. We will audit the financial statements of the governmental activities and each major fund including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2019.

We have also been engaged to report on supplementary information that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Debt Service Fund
- 2) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Capital Projects Fund

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information:

- 1) Schedule of Future Debt Service Requirements to Maturity

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Directors of the District. We cannot provide assurance that unmodified opinions will be expressed.

Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and

liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also prepare the financial statements of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest

period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

Stephen Dazio is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$6,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to

reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Duggio & Associates, P.C.

RESPONSE:

This letter correctly sets forth the understanding of STC Metropolitan District No. 2.

Management signature: _____

Title: _____

Date: _____

Board signature: _____

Title: _____

Date: _____

STC METROPOLITAN DISTRICT NO. 2

McGeady Becher, P.C.
450 E 17th Avenue, Suite 400
Denver, CO 80203-1254

Our auditors, Dazio & Associates, PC, 8200 S. Quebec St., Suite A3259, Centennial, Colorado, 80112,, are conducting an audit of our financial statements at December 31, 2019 and for the year then ended. This letter will serve as our consent for you to furnish to our auditors all the information requested herein. Accordingly, please provide to them the information requested below involving matters with respect to which you have been engaged and to which you have devoted substantive attention on behalf of STC Metropolitan District No. 2 in the form of legal consultation or representation.

Pending or Threatened Litigation, Claims, and Assessments (excluding unasserted claims and assessments)

Please prepare a description of all material pending or threatened litigation, claims, and assessments (excluding unasserted claims and assessments). Materiality for purposes of this letter includes items involving amounts exceeding \$5,000 individually or in the aggregate. The description of each matter should include:

- 1) the nature of the litigation;
- 2) the progress of the matter to date;
- 3) how management of the District is responding or intends to respond to the litigation; e.g., to contest the case vigorously or to seek an out-of-court settlement; and
- 4) an evaluation of the likelihood of an unfavorable outcome and an estimate, if one can be made, of the amount or range of potential loss.

Also, please identify any pending or threatened litigation, claims, and assessments with respect to which you have been engaged but as to which you have not devoted substantive attention.

Unasserted Claims and Assessments

We have represented to our auditors that there are no unasserted possible claims or assessments that you have advised us are probable of assertion and must be disclosed in accordance with *FASB Accounting Standards Codification 450, Contingencies*.

We understand that, whenever, in the course of performing legal services for us with respect to a matter recognized to involve an unasserted possible claim or assessment that may call for financial statement disclosure, if you have formed a professional conclusion that we should disclose or consider disclosure concerning such possible claim or assessment, as a matter of professional responsibility to us, you will so advise us and will consult with us concerning the question of such disclosure and the applicable requirements of *FASB Accounting Standards Codification 450, Contingencies* (excerpts of which can be found in the ABA's *Auditor's Letter Handbook*). Please specifically confirm to our auditors that our understanding is correct.

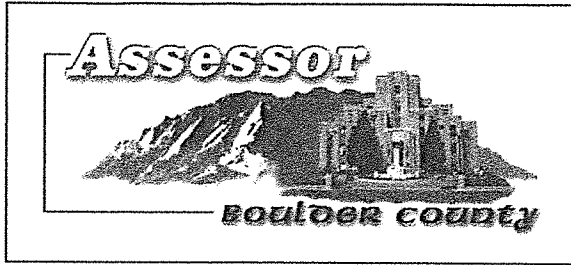
Response

Your response should include matters that existed as of December 31, 2019, and during the period from that date to the effective date of your response. Please specify the date of your response if it is other than the date of reply.

Please specifically identify the nature of, and reasons for, any limitations on your response.

Very truly yours,

STC Metropolitan District No. 2



Cynthia Braddock

PO Box 471, 13th and Pearl
Boulder, Colorado 80306-0471

Phone: (303) 441-3530

FAX: (303) 441-4996

www.BoulderCountyAssessor.org



IAAO

INTERNATIONAL ASSOCIATION
of ASSESSING OFFICERS
Valuing the World

August 23, 2019

Superior Town Center Metro District #2
Special District Management Services
141 Union Blvd Ste #150
Lakewood, CO 80228-1898

This is to certify that, as of August 23, 2019, per C.R.S. 39-5-128(1) the assessed value of the

Superior Town Center Metro District #2

For the purpose of taxation for the year 2019 is:

15,670

Per C.R.S. 39-5-128(3), this figure represents the value remaining after the following Urban Renewal Area/Downtown Authority tax increments have been deducted from the total valuation for your district:

	BASE	INCREMENT
Superior Town Center Urban Renewal Plan	15,670	9,247,864

This valuation is subject to change by the County Board of Equalization (C.R.S. 39-8-107(2)), the State Board of Assessment Appeals (C.R.S. 39-2-125), the State Board of Equalization (C.R.S. 39-9-103), and the correction of errors by the Assessor or Treasurer (C.R.S. 39-5-125.2). Due to the increase in values we have been seeing over the past few reappraisal cycles, the number of abatements filed by property owners and agents is increasing. Please pay close attention to the amount of taxes listed *on line 11* on the top portion of the Certification letter.

Boulder County will begin the next level of appeals in September. Any value changes from the County Board of Equalization will be reflected in the Final Certification Letters sent in November. Please be sure to use Final Certification value when determining your 2019 mill levy. Values listed in the enclosed Certification letter are **preliminary values and should not be used to determine your budget and/or mill levy for next year.**

If you have any questions about the value or other information on this letter, need to update your district contact information, please contact Erin Gray at egray@bouldercounty.org.

Sincerely,

**CERTIFICATION OF VALUATION BY
BOULDER COUNTY ASSESSOR**

New Tax Entity YES NO

Date: August 23, 2019

NAME OF TAX ENTITY: STC METROPOLITAN DISTRICT 2

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR :

1. PREVIOUS YEAR'S NET TOTAL ASSESSED VALUATION:	1. \$	<u>\$17,643</u>
2. CURRENT YEAR'S GROSS TOTAL ASSESSED VALUATION: ‡	2. \$	<u>\$9,263,534</u>
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3. \$	<u>\$9,247,864</u>
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4. \$	<u>\$15,670</u>
5. NEW CONSTRUCTION: *	5. \$	<u>\$786,099</u>
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6. \$	<u>\$0</u>
7. ANNEXATIONS/INCLUSIONS:	7. \$	<u>\$0</u>
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8. \$	<u>\$0</u>
9. NEW PRIMARY OIL AND GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.) ☐:	9. \$	<u>\$0</u>
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	10. \$	<u>\$0</u>
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a),C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11. \$	<u>\$0</u>

‡ This value reflects personal property exemption IF enacted by the jurisdiction as authorized by Art . X, Sec. 20(8)(b), Colo. Constitution
 * New Construction is defined as: Taxable real property structures and personal property connected with the structure .
 ≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use forms DLG52 & 52A.
 ☐ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form (DLG 52B).

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART. X, SEC.20, COLO.CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR :

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1. \$	<u>\$31,943,202</u>
ADDITIONS TO TAXABLE REAL PROPERTY		
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2. \$	<u>\$2,712,094</u>
3. ANNEXATIONS/INCLUSIONS:	3. \$	<u>\$0</u>
4. INCREASED MINING PRODUCTION: §	4. \$	<u>\$0</u>
5. PREVIOUSLY EXEMPT PROPERTY:	5. \$	<u>\$0</u>
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6. \$	<u>\$0</u>
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7. \$	<u>\$0</u>
DELETIONS FROM TAXABLE REAL PROPERTY		
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8. \$	<u>\$0</u>
9. DISCONNECTIONS/EXCLUSIONS:	9. \$	<u>\$0</u>
10. PREVIOUSLY TAXABLE PROPERTY:	10. \$	<u>\$0</u>

¶ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.
 * Construction is defined as newly constructed taxable real property structures.
 § Includes production from a new mines and increase in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1. \$	<u>\$0</u>
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NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

STC Metropolitan District No. 2
Proposed Budget
General Fund
For the Year Ended December 31, 2020

	Actual 2018	Adopted Budget 2019	Actual 7/31/2019	Estimate 2019	Proposed Budget 2020
Beginning balance	\$ 94,641	\$ 139,340	\$ 132,598	\$ 132,598	\$ 232,077
Revenues:					
Property taxes	163	176	40	176	157
SURA Property Tax Increment	72,938	102,495	47,999	102,500	91,091
Specific ownership taxes	4,322	8,200	541	4,100	8,200
Developer Advance	187,083	10,000	234,304	234,304	-
Transfer from STCMD No. 1	21,225	40,007	27,254	40,242	68,021
Transfer from STCMD No. 3	1,190	4,835	2,691	4,567	27,389
Parking Garage Cost Share/MOB	-	22,000	3,792	5,000	22,000
Miscellaneous/Interest Income	1,103	-	2,206	4,400	2,000
Total Revenue	<u>288,024</u>	<u>187,713</u>	<u>318,827</u>	<u>395,289</u>	<u>218,858</u>
Total Funds Available	<u>382,665</u>	<u>327,053</u>	<u>451,425</u>	<u>527,887</u>	<u>450,935</u>
Expenditures:					
Accounting	11,542	25,000	9,595	20,000	25,000
Audit	9,600	11,000	-	11,000	11,000
Director's Fees	1,600	5,000	600	3,200	5,000
Insurance/SDA Dues	12,844	16,000	23,657	23,657	16,000
Election	-	-	-	-	1,500
Legal	25,966	40,000	29,045	50,000	40,000
Management	62,706	50,000	30,713	50,000	50,000
Miscellaneous	-	1,000	2,280	3,500	1,000
Aweida Inclusion Expense	2,621	-	143	150	-
O&M - Covenant Control/Comm Mgmt.	-	18,000	7,116	15,000	18,000
O&M - Field Services	-	6,500	-	-	6,500
O&M - Landscaping	7,370	45,000	16,920	50,000	45,000
O&M - Equipment Maintenance	-	1,500	-	-	1,500
O&M - Utilities	-	5,000	7,160	15,000	5,000
O&M - Roads & Sidewalks	79,470	40,000	39,873	40,000	40,000
O&M - Snow Removal	28,743	-	-	-	-
O&M - Parking Garage	-	44,000	3,084	10,000	44,000
O&M - Mailboxes	-	2,000	-	-	2,000
O&M - Reserve	-	3,224	-	-	3,224
Treasurer's Fees	19	3	3	3	3
Payroll Taxes	122	300	1,583	300	300
Contingency	-	-	-	-	122,457
Utilities	7,464	4,000	1,717	4,000	4,000
	<u>250,067</u>	<u>317,527</u>	<u>173,489</u>	<u>295,810</u>	<u>441,484</u>
Transfers and Reserves					
Emergency Reserve	-	9,526	-	-	9,451
Total expenditures	<u>-</u>	<u>9,526</u>	<u>-</u>	<u>-</u>	<u>9,451</u>
Ending balance	<u>\$ 132,598</u>	<u>\$ -</u>	<u>\$ 277,936</u>	<u>\$ 232,077</u>	<u>\$ -</u>
Assessed Valuation Gross					<u>\$ 9,263,534</u>
Assessed Valuation Increment					<u>\$ 9,247,864</u>
Assessed Valuation		<u>\$ 17,643</u>			<u>\$ 15,670</u>
Mill Levy		<u>10.000</u>			<u>10.000</u>

STC Metropolitan District No. 2
Adopted Budget
Capital Projects Fund
For the Year Ended December 31, 2018

	Estimate 2018	Adopted Budget 2019	Actual 7/31/2019	Estimate 2019	Proposed Budget 2020
Beginning balance	\$ 338,112	\$ 279,612	\$ -	\$ -	\$ 37,298,059
Revenues:					
Developer Advance	8,045,532	5,000,000	7,947,996	6,000,000	5,000,000
Bond Proceeds	-	-	-	108,714,000	-
Premium on bonds	-	-	-	1,883,213	-
Interest Income	4,990	1,000	3,775	3,000	1,000
Total Revenue	8,050,522	5,001,000	7,951,771	116,600,213	5,001,000
Total Funds Available	8,388,634	5,280,612	7,951,771	116,600,213	42,299,059
Expenditures:					
Accounting	6,233	5,000	4,220	5,000	5,000
Legal	58,470	55,000	31,522	55,000	55,000
Management	96	2,500	-	1,000	2,500
Miscellaneous	-	1,000	-	500	1,000
Construction Expenses	7,341,408	5,000,000	2,445,841	5,400,000	38,833,559
System Development Costs	-	-	2,767,852	3,500,000	-
Developer Reimbursement	-	-	-	30,000,000	-
Cost of issuance	-	-	-	2,903,270	-
Transfer to debt service	982,427	-	-	36,837,384	-
Engineering	-	200,000	2,702,336	600,000	200,000
Total expenditures	8,388,634	5,263,500	7,951,771	79,302,154	39,097,059
Ending balance	\$ -	\$ 17,112	\$ -	\$ 37,298,059	\$ 3,202,000

STC Metropolitan District No. 2
Proposed Budget
Debt Service Fund
For the Year Ended December 31, 2020

	Actual 2018	Adopted Budget 2019	Actual 7/31/2019	Estimate 2019	Proposed Budget 2020
Beginning balance	\$ 2,901,360	\$ 2,077,964	\$ 3,251,116	\$ 3,251,116	\$ 13,630,586
Revenues:					
Property taxes	570	618	139	618	548
SURA Property Tax Increment	-	-	-	317,739	318,820
Specific Ownership Taxes	15,126	4,577	1,895	3,600	19,064
Reimbursement from SURA	1,460,972	1,800,000	1,081,895	1,431,184	1,883,435
Transfer from Capital Projects	982,427	-	-	36,837,384	-
Transfer from STCMD No. 1	86,132	136,093	115,985	136,021	358,148
Transfer from STCMD No. 3	4,731	9,652	5,556	4,567	27,389
Interest income	57,765	18,000	40,845	60,000	18,000
Total Revenue	<u>2,607,723</u>	<u>1,968,940</u>	<u>1,246,315</u>	<u>38,791,113</u>	<u>2,625,404</u>
Total Funds Available	<u>5,509,083</u>	<u>4,046,904</u>	<u>4,497,431</u>	<u>42,042,229</u>	<u>16,255,990</u>
Expenditures:					
Bond Interest - 2015A	993,900	1,006,500	473,850	1,003,298	-
Bond Principal	1,260,000	300,000	-	300,000	-
Bond Interest - 2019A	-	-	-	-	4,374,450
Payment to escrow agent	-	-	-	27,104,334	-
Paying agent fees	4,000	4,000	4,000	4,000	8,000
Miscellaneous Expense	-	500	-	-	500
Treasurer's Fees	67	28,610	10	11	8
Total expenditures	<u>2,257,967</u>	<u>1,339,610</u>	<u>477,860</u>	<u>28,411,643</u>	<u>4,382,958</u>
Ending balance	<u>\$ 3,251,116</u>	<u>\$ 2,707,294</u>	<u>\$ 4,019,571</u>	<u>\$ 13,630,586</u>	<u>\$ 11,873,032</u>
Assessed Valuation Gross					<u>\$ 9,263,534</u>
Assessed Valuation Increment					<u>\$ 9,247,864</u>
Assessed Valuation		<u>\$ 17,643</u>			<u>\$ 15,670</u>
Mill Levy		<u>35.000</u>			<u>35.000</u>
Total Mill Levy		<u>45.000</u>			<u>45.000</u>

RESOLUTION NO. 2019 - 11 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE STC METROPOLITAN DISTRICT NO. 2
TO ADOPT THE 2020 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the STC Metropolitan District No. 2 (“District”) has appointed the District Accountant to prepare and submit a proposed 2020 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2019, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 6, 2019, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the STC Metropolitan District No. 2:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the STC Metropolitan District No. 2 for the 2020 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 6th day of November, 2019.

Secretary

(SEAL)

EXHIBIT A
(Budget)

I, Lisa A. Johnson, hereby certify that I am the duly appointed Secretary of the STC Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2020, duly adopted at a meeting of the Board of Directors of the STC Metropolitan District No. 2 held on November 6, 2019.

By: _____
Secretary

RESOLUTION NO. 2019 - 11 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE STC METROPOLITAN DISTRICT NO. 2
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the STC Metropolitan District No. 2 (“District”) has adopted the 2020 annual budget in accordance with the Local Government Budget Law on November 6, 2019; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2020 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of STC Metropolitan District No. 2:

1. That for the purposes of meeting all general fund expenses of the District during the 2020 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Boulder County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 6th day of November, 2019.

Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)

RESOLUTION NO. 2019-11-_____

A RESOLUTION OF THE BOARD OF DIRECTORS OF
STC METROPOLITAN DISTRICT NO. 2
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 5, 2020

A. The term of the office of Director Brzostowicz shall expire upon the election of his successor at the regular election, to be held on May 5, 2020 (“**Election**”), and upon such successor taking office.

B. The terms of the offices to which Directors Hulsebus and Willis have previously been appointed expire upon their election, or the election of their successors at the Election, and upon such successor taking office.

C. Two vacancies currently exist on the Board of Directors of the District.

D. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect two (2) Directors to serve until the next regular election, to occur May 3, 2022, and three (3) Directors to serve until the second regular election, to occur May 2, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the STC Metropolitan District No. 2 (the “**District**”) of the County of Boulder, Colorado:

1. Date and Time of Election. The Election shall be held on May 5, 2020, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, two (2) Directors shall be elected to serve until the next regular election, to occur May 3, 2022, and three (3) Directors shall be elected to serve until the second regular election, to occur May 2, 2023.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. _____ shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with the Designated Election Official of the District, c/o Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, CO 80228, between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 28, 2020).

6. Self-Nomination and Acceptance Forms. Self-nomination and acceptance forms are available at the office of the Designated Election Official located at the above address. All candidates must file a self-nomination and acceptance form with the Designated Election Official no later than 3:00 P.M. on February 28, 2020.

7. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at 5:00 P.M. on March 3, 2020, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

8. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

9. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

10. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of STC Metropolitan District No. 2.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 5, 2020]**

RESOLUTION APPROVED AND ADOPTED on November 6, 2019.

STC METROPOLITAN DISTRICT NO. 2

By: _____
President

Attest:

Secretary

**STC Metropolitan District
Community Management Report
November 6, 2019**

Architectural Reviews

No forms pending.

Inspections

Inspection conducted on October 3rd. Trash cans in the new areas are the only concerns. Confirmed snow removal with Vargas as well.

Compliance Update

No updates

Pending Items:

1. **Insurance-** We are still working to confirm who is responsible for what items, and who is therefore responsible for insuring.
 2. **2020 Budget Numbers-** Budget drafted and sent to Bill & Sam on 10/21/2019.
 3. **Pet Station-** Requested a proposal for an additional pet station in the new areas to be proactive.
-

Robin Navant

From: Peggy Ripko
Sent: Monday, October 21, 2019 3:56 PM
To: Robin Navant
Subject: FW: Metro district question
Attachments: Lease Provisions.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Robin-

Can you please add this e-mail and the attached to the next STC Board meeting?

Peggy Ripko, CAM
Community Management Division Manager
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
pripko@sdmsi.com
Phone: 303-987-0835 ext 210

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From: Danielle Davis <danielle@firstsummitrealty.com>
Sent: Monday, October 21, 2019 2:46 PM
To: Peggy Ripko <pripko@sdmsi.com>
Cc: Lisa Johnson <ljohnson@sdmsi.com>
Subject: Re: Metro district question

Hi Peggy,

Thanks so much for getting back to me! I've copied my request below:

To Whom it may concern,

I am the owner of 401 Promenade. To date, my home has been used as a model home giving people the ability to envision themselves living in Downtown Superior with their families.

As a mother of four, when I travel I find it incredibly challenging to find a space where my family can stay, and we can prepare some meals at home as dining out with a large group is both a challenge and expensive. Superior has a number of short term lodging options, but they are the more traditional hotel set up. I'm sure there are short term rentals in Rock Creek, but that's a considerably different from being in what will be a bustling downtown with walkable amenities. So, I would like to propose to lease my townhome for terms of less than 6 months. I think adding this beautiful show home as a short term rental will be a wonderful addition to the area, and offer families the ability to

envision themselves living in Superior. With so many family friendly amenities near by, we truly believe offering our townhome will be the solution so many families struggle to find.

I'd also like to add - while the home has been a model, there have been a number of long term rentals come available, with moderate success for finding a renter.

Please let me know what the committee decides and if they have any additional questions for us.

Thank you for your consideration.

Danielle

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On Oct 11, 2019, at 10:09 AM, Peggy Ripko <pripko@sdmsi.com> wrote:

Good morning-

You would need to submit the request in writing, including the length of time you anticipate the rentals to occur and the reasoning.

This will go to the Board at their next meeting if we receive it by October 23rd.

Peggy

Peggy Ripko, CAM
Community Management Division Manager
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
pripko@sdmsi.com
Phone: 303-987-0835 ext 210

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-----Original Message-----

From: Lisa Johnson <ljohnson@sdmsi.com>
Sent: Thursday, October 10, 2019 6:43 PM
To: Peggy Ripko <pripko@sdmsi.com>
Subject: FW: Metro district question

Hey there - can you respond to the question below?

Lisa A. Johnson
Senior District Manager
Special District Management Services, Inc.
141 Union Blvd., Ste. 150
Lakewood, CO 80228
303-987-0835 (o)
303-987-2032 (f)

-----Original Message-----

From: First Summit Realty <danielle@firstsummitrealty.com>
Sent: Thursday, October 10, 2019 5:31 PM
To: Lisa Johnson <ljohnson@sdmsi.com>
Subject: Metro district question

Hello,

I own one of the newly built townhomes by wonderland homes in downtown Superior on Promenade.
How do I go about applying for the ability to rent my home out for a term of less than six months?

Thanks!

Danielle

7.19 Insurance Risks. No Residential Site may be used for any use which would constitute an unusual fire hazard, would result in jeopardizing any insurance maintained on other Residential Sites within or on any other portion of the Property or would result in any increase in the premium for any such insurance; provided, however, that the DRC may approve the use if adequate safeguards are undertaken at the applicable Owner's expense and any increase in insurance premiums is allocated to, and paid by, the applicable Owner. This Section 7.19 shall not be construed as prohibiting the normal use of barbecue grills on outdoor terraces or patios, subject to reasonable regulation by the Metropolitan Districts pursuant to the Rules.

7.20 Hazardous Activities/Fires. No activities shall be conducted which are or might be unsafe or hazardous to any Person or property. Without limiting the generality of the foregoing, no firearms shall be discharged, no exploding fireworks shall be set off and no open fires shall be lighted or permitted except in a contained barbecue unit, indoor or outdoor fireplace or fire pit which is attended. Trash, leaves, and other similar materials shall not be burned.

7.21 Mining or Drilling. No Residential Site within the Property shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel or earth.

7.22 Storage of Explosives, Gasoline, and Similar Substances. No Residential Site shall be used for storage of explosives, gasoline or other volatile or incendiary materials or devices. Gasoline or fuel for a lawn mower, snowblower, and the like may be maintained on an incidental basis on a Residential Site if the amount so kept does not exceed five gallons and is kept in UL approved containers. Gasoline or other volatile or incendiary materials or devices shall be stored only in a manner that strictly complies with all Applicable Laws.

7.23 Restriction on Further Subdivision. No Residential Site shall be further subdivided or separated into smaller Lots by any Owner unless such subdivision is consistent with the Superior Town Center Documents, and no portion consisting of less than all of any such Lot, nor any easement or other interest herein, shall be conveyed or transferred by an Owner, provided that this shall not prohibit deeds of correction, deeds to resolve boundary line disputes, and similar non-material corrective instruments.

7.24 Leases Subject to Section 7.3, the Owner of a Residential Site shall have the right to lease such Owner's Residence, subject to the following conditions:

(a) All leases shall be in writing and shall be for a term of not less than six (6) months, unless otherwise excepted by the CEC upon application by a Residential Site Owner.

(b) The lease and each tenant and his, her or their family members (collectively, "tenant") occupying the Residence shall be specifically subject to this Declaration. Any failure of a tenant to comply with such documents shall be a default under the lease.

(c) The Owner and the tenant shall be jointly and severally liable for any violation of the Restrictions committed by the Owner's tenant(s), without prejudice to the Owner's right to collect any sums paid by the Owner on behalf of the tenant(s).

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
DISCOVERY RIDGE AT
SUPERIOR TOWN CENTER**

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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR DISCOVERY RIDGE
AT SUPERIOR TOWN CENTER**

This Declaration of Covenants, Conditions and Restrictions for Discovery Ridge at Superior Town Center (the "Declaration") dated as of _____, 2019, shall be effective upon recordation, and is made by Aweida Properties, Inc., a Colorado corporation, whose address is 500 Discovery Parkway, Suite 300, Superior, CO 80027 (the "Declarant").

RECITALS

A. The Declarant owns that certain real property described on Exhibit A attached hereto and incorporated herein by this reference (the "Property").

B. This Declaration is exempt from the provisions of the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101 et seq. because there is no mandatory association or assessments created under this Declaration, and there is no obligation to pay for real estate taxes, insurance premiums, maintenance, or improvements or other real estate or common area under this Declaration.

C. Pursuant to C.R.S. § 32-1-1004, the Declarant, in imposing this Declaration on the Property, intends to empower the Metropolitan Districts or any one of them (as defined in **Section 1.23** below) with the authority to provide governmental services, including but not limited to the provision of covenant enforcement and design review services, to the Property and to use therefor revenues that are derived from the Property.

D. The Property is located within the boundaries of one or more of the Finance Districts, which have entered, or will be entering, into a binding multi-year intergovernmental agreement with the Operating District (as defined in **Section 1.33**) for the provision of covenant enforcement and design review services to the Property.

E. The Declarant now desires to establish certain easements, covenants, restrictions and equitable servitudes for the cooperative development, improvement, use, operation, maintenance, repair and enjoyment of the Property.

F. The Property is adjacent to a planned development created by RC Superior, LLC generally known as "Superior Town Center," located in the Town of Superior in Boulder County, Colorado (the "Superior Town Center Property"), which is subject to that certain "Master Declaration of Covenants, Conditions, and Restrictions for Superior Town Center" dated April 14, 2015 and recorded in the real property records of the Boulder County Clerk and Recorder at Reception Number 03439339, as may be amended from time to time, (the "STC Master Covenants"). The Superior Town Center Property may include several different Neighborhoods (as defined in **Section 1.28**), which may contain different types of Residences (as defined in **Section 1.40**) and other Improvements (as defined in **Section 1.20**) including, without limitation, single family detached homes, attached homes, multi-family housing, such as townhomes and/or condominiums and apartment complexes, Commercial Sites, Office Sites, Civic Space and a

Private Recreational Facility (as such terms are defined respectively in **Sections 1.6, 1.32, 1.3 and 1.37**). Under the STC Master Covenants, the Metropolitan Districts have the same authority to provide governmental services to the Superior Town Center Property as provided under this Declaration for the Property. The Property shall be administered by the Metropolitan Districts as a Neighborhood of the Superior Town Center.

G. Additional real property may become subject to this Declaration by the recording of a Supplemental Declaration, and the Declarant hereby reserves the right to add additional real property to this Declaration pursuant to the terms hereof.

DECLARATION

NOW, THEREFORE, the Declarant hereby declares that the Property is hereby made subject to this Declaration and shall be owned, held, conveyed, encumbered, leased, improved, used, occupied, enjoyed, sold, transferred, hypothecated, maintained and altered subject to the covenants, conditions, restrictions, limitations, reservations, exceptions and equitable servitudes set forth in this Declaration. The terms of this Declaration touch and concern the Property, and shall (a) run with the land and all parts thereof at law and as an equitable servitude; (b) bind all Persons having or acquiring any interest in the Property or any part thereof; (c) inure to the benefit of and be binding upon every part of the Property and every interest therein; and (d) inure to the benefit of, be binding upon, and be enforceable by the Declarant, its successors in interest, each Owner and each Owner's grantees, heirs, assigns and successors in interest, and the Metropolitan Districts including the Finance Districts and Operating District and any successors in interest thereto.

ARTICLE 1. DEFINITIONS

The following sections define words and phrases which, as used in this Declaration, have the meanings set forth below. Other terms in this Declaration may be defined in specific provisions of this Declaration and shall have the meaning assigned by such definition. Defined words and phrases are indicated in this Declaration by capitalizing the first letter of a defined word or of each word in a defined phrase.

1.1. "Applicable Laws" means the decrees, edicts, laws, orders, ordinances, promulgations, regulations, rules and statutes of all federal, local (including the Town, the County and the Metropolitan Districts), or state governments (including, but not limited to, all agencies, departments, divisions or parts thereof) having or from time to time exercising jurisdiction or authority over the Property.

1.2. "Builder" means an Owner that (a) acquires one or more Lots from the Declarant for the purpose of developing infrastructure on such Lots and for the construction of Residential, Commercial, Office, Private Recreational Facility or Civic Space buildings thereon for the purpose of selling or leasing such buildings and such Lot to the ultimate purchaser or tenant(s) thereof; and (b) is designated by the Declarant as a "Builder" in a Recorded writing signed by the Declarant. Such Recorded writing may (but is not required to) be part of a Supplemental Declaration and also may assign to a Builder some or all of the Declarant's rights under this Declaration, including the Declarant's right to make additional property as designated therein subject to this Declaration.

1.3. “Civic Space” means facilities to be constructed on the Superior Town Center Property that may include, but are not necessarily limited to, up to one hundred thousand (100,000) square feet for the Town Hall, a community/recreation center, a library, and one or more multi-purpose athletic fields as provided in the Planned Development Plan/Zone District Plan approved by the Board of Trustees in Ordinance No. 0-3 Series 2012 adopted October 22, 2012, and as amended by the Planned Development Amendment 2 approved by the Board of Trustees in Ordinance No. 0-4 Series 2014 adopted May 27, 2014, and intended to be used by the general public. The foregoing list of Civic Space is non-exclusive, and is intended to encompass those types of Civic Spaces that are approved by the Town and that will be constructed, and additional types of space which may exist. The term “Civic Space” only applies to those facilities that are actually constructed.

1.4. “Civic Space Risks” means all risks attendant to or associated with the operation of the Civic Space. Such risks include, without limitation, injury to person or property or both arising out of, or resulting from, (a) the construction, design, maintenance, operation, or use of the Civic Space, (b) lights and noise associated with the Civic Space (including by way of example and not by way of limitation, lights and noise generated by blowers, compressors, crowds, lights used to illuminate night time activities on the Civic Space, mulchers, parked cars or vehicles of persons using the Civic Space, public events held from time to time on the Civic Space, pumps, tractors, traffic, utility vehicles, and wells), (c) trespass, acts or omissions of persons employed in connection with, using, or otherwise on the Civic Space, (d) the use of reclaimed water, treated wastewater, or other sources of non-potable water for irrigation and overspray in connection with such use, (e) the use of fertilizers, insecticides, and pesticides in connection with the maintenance of the Civic Space, together with overspray in connection with such use, (f) drainage resulting from drainage easements established for the Civic Space to the extent such drainage is in accordance with the drainage plan established for the Property, (g) creeks, water courses, and waterways constructed or located on a Tract, and (h) the fact that the Civic Space may constitute or be considered an “attractive nuisance” under Applicable Laws.

1.5. “Commercial” means activity or use connected with trade and traffic or commerce.

1.6. “Commercial Site” means any Lot zoned and used or intended to be used for commercial or mixed commercial-residential uses and which may be designated as a “Commercial Site” in a Supplemental Declaration applicable to such Lot.

1.7. “CEC” means the Covenant Enforcement Committee established, if at all, by the Finance Districts or upon delegation, the Operating District, and as appointed in **Section 6.1** to carry out the purposes set forth in **ARTICLE 6** and any other applicable provisions of this Declaration for the Property and the Superior Town Center Property.

1.8. “County” means Boulder County, Colorado.

1.9. “Declarant” means Aweida Properties, Inc., a Colorado corporation, or any Person or group of Persons acting in concert with Declarant or who is granted or succeeds to any Special Declarant Right or Development Right. The term “the Declarant” also shall include one or more successors in interest which have been designated in writing (which writing shall be Recorded in the Records) by the then-existing Declarant who owns all or a portion of the Property.

1.10. "Declaration" means this Declaration of Covenants, Conditions and Restrictions for Discovery Ridge Residential at Superior Town Center, as Recorded in the Records, together with any amendments or supplements to such document.

1.11. "Dispute" shall have the meaning specified in **Section 14.12(a)**.

1.12. "DRC" means the Design Review Committee established, if at all, by the Declarant, the Declarant of the Superior Town Center or the Metropolitan Districts, for the purposes set forth in **ARTICLE 5** and any other applicable provisions of this Declaration. The DRC shall be the same as the DRC for the Superior Town Center Property, unless the Declarant appoints different members and provides notice thereof pursuant to **Section 5.1**.

1.13. "Development Period" means the period of time beginning upon the date of Recording of this Declaration and expiring fifteen (15) years after recording of this Declaration or on the date that Declarant has conveyed all of the Lots to parties other than a related party, whichever occurs later.

1.14. "Easements" shall have the meaning specified in **Section 12.1**.

1.15. "Finance District" means the STC Metropolitan District No. 1 and/or the STC Metropolitan District No. 3, and any other finance district created or empowered under a Supplemental Declaration.

1.16. "Fines" means any monetary penalty imposed by the Metropolitan Districts against a Lot Owner due to a violation of this Declaration or the Rules and Regulations by such Lot Owner, a member of the Lot Owner's family or a tenant, guest or invitee of the Lot Owner or any of the foregoing.

1.17. "Government Mortgage Agencies" means the FHA, the VA, the FHLMC, GNMA, FNMA, or any similar entity, public or private, authorized, approved or sponsored by any governmental agency to insure, guarantee, make or purchase mortgage loans.

1.18. "Guidelines" means the Design Guidelines promulgated and adopted by the Declarant, the DRC and/or the Metropolitan District(s), as may be amended from time to time, and administered by the appropriate acting authority pursuant to **ARTICLE 5**.

1.19. "HUD" means the United States Department of Housing and Urban Development.

1.20. "Improvements" means all structures, facilities and appurtenances of any kind located or occurring in or on any portion of the Property including, but not limited to, the following: Residences, buildings, structures, pools, trampolines, basketball backboards, outdoor play structures, gazebos, hot tubs, tree houses, fences, walls, hedges, plantings, landscaping, sprinkler systems, "yard art" (including, without limitation, all statues, decorative pieces and other pieces of art located in the yard area of any Lot which are intended to remain in place longer than typical holiday period decorations; holiday period decorations which are in place for less than six (6) weeks are specifically excluded from this definition of Improvements), lighting, poles, driveways, parking areas, sidewalks, patios, decks, signs, changes in any existing exterior color or shape, excavation and site work, removal of trees or plantings, walkways, trails, paving, parking

areas, satellite dishes, antennae, garages, carports, driveways, retaining walls, fixtures, solar equipment, exterior tank, and exterior heating and/or air conditioning equipment and any new exterior construction or exterior improvement on a Lot which may not be included in the foregoing. The term “Improvements” includes both original improvements and all later changes, modifications and improvements on a Lot.

1.21. “Intergovernmental Agreement” shall mean that certain agreement between the Operating District and one or more of the Finance District(s) whereby the Operating District may agree to perform certain services called for by this Declaration which will be paid for by the Finance District(s) with revenues generated from the Property and other property within the Metropolitan Districts.

1.22. “Lot or Lots” means a physical portion of the Property which is designated for separate ownership or occupancy, the boundaries and identifying number of which are described in a Supplemental Declaration or Plat applicable to such Lots. A Lot or Lots may be Residential, Commercial, Private Recreational Facility or Civic Space.

1.23. “Metropolitan Districts” shall mean the STC Metropolitan District No. 1, STC Metropolitan District No. 2 and STC Metropolitan District No. 3, all quasi-municipal corporations and political subdivisions of the State of Colorado as well as any other Metropolitan Districts servicing portions of the Property or any additional real property subjected to this Declaration. As used herein, “Metropolitan Districts” includes where the delegation of authority has lawfully occurred, the Operating District. The Metropolitan Districts are public entities, and as such are entitled to sovereign immunity in accordance with Applicable Laws. No provision of this Declaration shall be deemed to waive the sovereign immunity of the Metropolitan Districts.

1.24. “Metropolitan District Property” means any real property within the Property now or hereafter owned or leased by the Metropolitan Districts, together with all landscaping improvements, trails, open space, irrigation systems, entry monuments and other Improvements now or hereafter located on such Metropolitan District Property. Unless otherwise stated, Metropolitan District Property shall not be subject to this Declaration.

1.25. “Mortgage” means any mortgage or deed of trust or other similar instrument, given voluntarily by the Owner of a Lot, encumbering the Lot to secure the performance of an obligation or the payment of a debt and which is to be released upon performance of the obligation or payment of the debt. The term “Deed of Trust” as used herein is synonymous with the term “Mortgage.” “First Mortgage” means a Mortgage which has priority over all other security interests in a Lot, other than statutory liens for taxes, public improvement fees (“PIF”) and special assessments, and shall include an executory land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is the seller, whether such contract is owned by the Veterans Administration or its assigns, and whether Recorded or not.

1.26. “Mortgagee” means a mortgagee under a Mortgage or a beneficiary under a Deed of Trust, as the case may be, and the assignees of such Mortgagee. “First Mortgagee” means any Person named as the mortgagee or beneficiary under any First Mortgage, or any insurer or guarantor of a First Mortgage, including the Administrator of Veterans Affairs for the Veterans Administration.

1.27. “Mortgagor” means the Person who mortgages his or its property to another (i.e., the maker or grantor of a Mortgage). The term “Mortgagor” shall include a trustor or grantor under a Deed of Trust.

1.28. “Neighborhood” means any area of the Property having a similar type of use, such as an area with detached single family homes, an area with attached homes (duplexes), an area with multi-family housing, such as townhomes and/or condominiums, Commercial, Private Recreational Facility or Civic Space. The Property originally included under this Declaration is designated as a Neighborhood. A Neighborhood may contain more than one type of use if so stated in the Supplemental Declaration for that Neighborhood or as approved by the Declarant or the Metropolitan Districts.

1.29. “Neighborhood Association” means any Colorado corporation, nonprofit corporation or limited liability company, and its successors and assigns, organized, established or authorized pursuant to this Declaration.

1.30. “Notice of Violation” means a written notice given by the Declarant, a Metropolitan District and/or the DRC or the CEC, as applicable, to an Owner notifying the Owner that such Owner is responsible for a Violation of the Restrictions, which may include notification of the time period in which the Owner has to correct, remedy or otherwise remove the Violation, or notification of the date, time and place of a hearing related thereto.

1.31. “Office” means activity or use connected with the transaction of business or the supply of services other than Commercial uses.

1.32. “Office Site” means any Lot zoned and used or intended to be used for Office uses and which may be designated as an “Office Site” in a Supplemental Declaration applicable to such.

1.33. “Operating District” means the STC Metropolitan District No. 2 or, as the context requires, the Metropolitan Districts or the Finance Districts.

1.34. “Owner” means the Declarant or any other Person, or, if more than one, all Persons collectively, who hold fee simple title of Record to any portion of the Property, including sellers under executory contracts of sale but excluding buyers thereunder, and further excluding any Mortgagee or other Person having an interest in a Lot solely as security for an obligation.

1.35. “Person” means any natural person, corporation, partnership (general or limited), limited liability company, governmental entity, association, trust, or any other entity or combination thereof.

1.36. “Plat” means collectively the Recorded plats of the Property, and all Recorded amendments, corrections and replats, together with any subsequently Recorded plats of the Property or other real property which becomes subject to this Declaration.

1.37. “Private Recreational Facility” means the private recreational facilities as shown on the Plat to be operated as a for-profit business, if any.

1.38. “Property” means and refers to the real property described on Exhibit A, and as of any particular time, any additional real property that has been annexed or otherwise made subject to this Declaration by a Supplemental Declaration.

1.39. “Records” means the official real property records maintained in the office of the Clerk and Recorder of Boulder County, Colorado; “to Record” means to file for recording in the Records; “of Record” and “Recorded” means having been recorded in the Records, and “Recording” means the act of recording a document or instrument in the Records.

1.40. “Residence” means a single family residential dwelling constructed within the Property, specifically including, but not limited to, a detached home, an attached home, or an apartment or a condominium unit or other separate living unit within a multi-family home.

1.41. “Residential” means Restricted to or occupied for housing or dwelling purposes.

1.42. “Residential Improvement” means any Improvement on a “Residential Site.”

1.43. “Residential Site” means any Lot zoned and used for single-family or multi-family residential purposes.

1.44. “Residential Use” means a use for dwelling purposes.

1.45. “Restrictions” means (a) this Declaration as amended from time to time, and (b) the “Rules and Regulations from time to time in effect.

1.46. “Rules and Regulations” means any instruments, however denominated, which are adopted by the Metropolitan Districts for the regulation and management of the Property and the Superior Town Center Property, including all amendments to those instruments. The term “Rules and Regulations” specifically includes the Guidelines.

1.47. “Special Declarant Rights” means rights which only the Declarant has the right to exercise as enumerated in this Declaration.

1.48. “Subdistrict” means any special improvement district or Metropolitan District designated in a Supplemental Declaration which includes within its boundaries a portion of the Property and whose residents are less than all of the Owners of Lots which are subject to this Declaration and the STC Master Covenants.

1.49. “Superior/Discovery Ridge Documents” or “Property Documents” means the Discovery Ridge Final Development Plan approved by the Board of Trustees on April 10, 2018, all amendments thereto, (the “Final Development Plan”) and all Plats and plans for the Property, and all construction drawings, utility plans, engineering plans, drainage plans and subdivision or development agreements approved by the Town.

1.50. “Supplemental Declaration” means a written instrument containing covenants, conditions, restrictions, reservations, easements or equitable servitudes, or any combination thereof, which may be Recorded against real property described therein and which subjects such described real property to the terms, conditions and restrictions of this Declaration. Any additional

use restrictions contained in a Supplemental Declaration shall apply only to the real property described in the Supplemental Declaration.

1.51. “Telecommunication Facilities” means all facilities installed and used in the distribution of Telecommunication Services (including, but not limited to, cables, cabling conduits, cabling interfaces, conduits, cross connect panels, equipment cabinets, fiber, fiber interfaces, fiber transceivers, lines, network interface units, pads, patch panels and cords, pipes, power interfaces, routers/bridgers, service drop wiring and service laterals, sleeves, test equipment, wires, and other structures and improvements).

1.52. “Telecommunication Facilities and Utilities Easement” shall have the meaning specified in **Section 12.5(a)**.

1.53. “Telecommunication Services” means cable, cable television, computer, data transmission, internet and intranet access and service (and any new or replacement technology), telecommunication, telephone, television, and other means of communicating, receiving, and transmitting audio, video, visual, and other data signals through electrical, light wave, radio, or other technology, whether now existing or hereafter developed.

1.54. “Town” means the Town of Superior, Colorado.

1.55. “Tract” means any portion of the Property designated on a Plat as a Tract, Parcel or Outlot and owned by the Declarant, the Town, the Metropolitan Districts or other governmental entity. Unless otherwise stated, Tracts are not subject to the provisions of this Declaration.

1.56. “Utilities” means all utility services necessary or convenient for the use and enjoyment of the Lots (including, but not necessarily limited to, electric, gas, water, sewer service and Telecommunication Facilities).

1.57. “Violation” means (a) an Improvement that has been performed without obtaining the DRC’s approval, (b) an Improvement that was not performed in substantial compliance with the approval that was granted by the Metropolitan Districts, (or as delegated) the Operating District or the DRC (including, without limitation, any time periods for completion), or (c) any other violation of the Restrictions by an Owner.

ARTICLE 2. DEVELOPMENT OF THE PROPERTY/ANNEXATION

2.1. Subdivision and Development by the Declarant. The Declarant has designated or intends to designate all or a portion of the Property into Lots for residential development, commercial, office and/or private recreation and related uses.

2.2. Conveyance and Acceptance of Metropolitan District Property. The Declarant expressly reserves the right in the course of planning the Property to convey to the Metropolitan Districts certain Lots or Tracts and/or other property or facilities which are deemed by the Declarant to be most suitable for maintenance and administration by the Metropolitan Districts, and which are hereinafter referred to as “Metropolitan District Property” as defined in **Section 1.24**. The Declarant contemplates that maintenance of certain open space, parks, sidewalks and roads may be assumed by the Metropolitan Districts or another governmental entity.

Conveyance of real property from the Declarant, a Builder or other Owner to the Metropolitan District(s) shall be made by a separate conveyance deed whereby the designated Metropolitan District(s) shall accept such real property and all duties and responsibilities provided and assumed by the Metropolitan District(s) in this Declaration.

2.3. Merger. The properties, rights and obligations of the Metropolitan Districts, by operation of law, may be transferred to another surviving governmental entity or consolidated association similar in nature and purposes. The surviving governmental entity or consolidated association may administer the covenants and restrictions established upon any other basis as one scheme. No such merger or consolidation, however, shall effect any revocation, change, or addition to the covenants established by this Declaration within the Property except as expressly hereinafter provided.

2.4. Manner and Effect of Annexation. Portions of real property in addition to the Property, from time to time may become part of and made subject to this Declaration as hereinafter set forth.

2.5. Supplements to this Declaration. If the Declarant elects to submit any additional real property to this Declaration, such additions shall be described in and effected by a duly Recorded Supplemental Declaration. The Recording of any such Supplemental Declaration and the resulting expansion of the Property shall not require the consent or ratification of any Owner other than the Declarant. A Supplemental Declaration may impose on the real property described therein additional covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and provisions other than those set forth in this Declaration, taking into account the unique and particular aspects of the Neighborhoods within the real property covered thereby. A Supplemental Declaration which applies only to Commercial, Office and/or Civic Space may also specify that certain use restrictions contained in this Declaration do not apply to all or a portion of the real property described in such Supplemental Declaration in light of the non-Residential uses being made of such property, and in which cases the Supplemental Declaration also may contain use restrictions different from this Declaration. Upon Recordation of a Supplemental Declaration, the portion of the real property subject to the Supplemental Declaration shall become part of the Property and shall be subject to all covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and other provisions set forth in this Declaration, except to the extent permitted hereunder and otherwise specifically stated in the Supplemental Declaration. Any additional use restrictions contained in a Supplemental Declaration shall only apply to the real property subject to that Supplemental Declaration.

2.6. No Annexation Required; Contraction of Property. Notwithstanding any other provision of this Declaration to the contrary, nothing in this Declaration shall be construed to obligate the Declarant to make any real property other than the Property subject to this Declaration. The Declarant expressly reserves the right, in its sole discretion, from time to time to remove or withdraw any portion of the Property effective upon the Recordation of a written instrument, executed by the Declarant, referring to this Declaration, describing such portion and declaring that such portion shall thereafter be withdrawn from the Property under this Declaration. The recording of any such written instrument and the withdrawal of any portion of the Property shall not require the consent or ratification of any Owner or the owner of any portion of the Property other than the Declarant, but shall require the written consent of the Owner of the portion of the Property being

withdrawn, if and only if at the time such portion of the Property then being withdrawn from the Property is not then owned by the Declarant.

ARTICLE 3. METROPOLITAN DISTRICTS

3.1. Powers and Authority. The Property is located within the boundaries of one or more of the Metropolitan Districts. The Operating District and the Finance District(s) have entered into or may enter into an Intergovernmental Agreement, to be duly approved by the registered electors and Board of Directors of the Metropolitan District(s), whereby the Operating District has agreed or may agree to perform the duties, rights and obligations of the Finance District(s), and the Finance District(s) have agreed to impose such taxes, fees, rates, tolls and charges as are permitted under the Metropolitan Districts' Service Plan(s) and Applicable Law to pay for the provision of such services, including the provision of covenant enforcement and design review services as set forth in this Declaration. The Metropolitan Districts, or the Operating District to the extent delegated (together hereinafter referred to variably as the "Metropolitan Districts" the "Districts" or the "Operating District") shall have, and may exercise with regard to the Property, all powers and authority reasonably necessary to administer their rights and duties under this Declaration, including, without limitation: (a) the power to adopt and amend budgets for revenues, expenditures, and reserves; (b) the power to collect taxes and fees for expenses from the Owners to administer its duties and obligations provided in this Declaration; (c) the power to manage and enforce the Restrictions provided herein; (d) the power to contract with a third-party property manager for the management of the Property and/or for all other duties and responsibilities related to the overall operation of the Property; and (e) all other rights, powers and authority necessary to enforce this Declaration. The Metropolitan District(s) may adopt Rules and Regulations; provided that any Rules and Regulations applicable to the Property shall be consistent with Rules and Regulations applied to other properties within the Superior Town Center with the same type of use (Residential, Commercial, Office, etc.). Additionally, subject to Declarant's reservations set forth in **Section 5.1**, a Metropolitan District, acting through its governing board, shall have the power to levy reasonable fees, fines and penalties for violations of any provision of this Declaration and/or the Rules and Regulations as allowed by its Service Plan and Applicable Law. The mechanism for collection of any such fees, fines and penalties shall be as provided in **ARTICLES 5** and **6** of this Declaration. Financial obligations of the Metropolitan Districts, not otherwise reimbursed as set forth herein, shall be subject to the budget and annual appropriation limitations contained in Applicable Laws.

3.2. Enforcement of Guidelines and Restrictions. Each Owner, by its acceptance of title to a Lot, hereby assigns and delegates and consents to the assignment and delegation to the Metropolitan Districts, in their own name as an Owner of property within the Property and on behalf of all Owners of Lots, the authority, power, right, and responsibility to enforce the covenants, Guidelines, and Restrictions contained in this Declaration. The enforcement of the covenants, Guidelines and Restrictions shall be conducted by the Metropolitan Districts in accordance with Applicable Law and consistent with enforcement against other properties within the Superior Town Center.

3.3. Cooperation with the Metropolitan Districts. The Metropolitan Districts shall have the right and authority at any time, from time to time to enter into agreements and otherwise cooperate with any Neighborhood Association or other community associations, any other

governmental or quasi-governmental entity, and/or any other districts in furtherance of performing the services called for under this Declaration.

3.4. Delegation and Termination of Rights. The enforcement of the covenants, Guidelines and Restrictions hereof may be delegated in whole or in part by the Finance Districts and/or Operating District to one another or to a Subdistrict with respect to a portion of the Property described in a deed or other Recorded instrument.

ARTICLE 4. MAINTENANCE

4.1. General Maintenance. All property in the Property shall be maintained in accordance with standards established by the DRC and/or the Metropolitan Districts.

4.2. Maintenance of Property and Improvements. At all times property within the Property shall be maintained in accordance with the standards established by the DRC and/or the Metropolitan Districts, and all property within the Property, including all improvements and landscaping shall be kept and maintained in a clean, safe and attractive condition, in good repair, as determined by the DRC and/or the Metropolitan Districts and in accordance with all Applicable Laws. Maintenance, repair, and upkeep of the Property shall be allocated among the Owners as follows: (i) the maintenance, repair and upkeep of each Lot shall be the responsibility of the Lot Owner; (ii) the maintenance, repair, and upkeep of all other Tracts or Lots shall be the responsibility of the Metropolitan Districts except as may otherwise be provided herein or in a Supplemental Declaration or other Recorded instrument. At their option, the Metropolitan Districts may contract with third parties to perform maintenance, repair, and upkeep obligations hereunder. Nothing shall be done or kept on any property within the Property in violation of any Applicable Law. All maintenance, repair and upkeep by Lot Owners shall be performed in a manner considered acceptable to the Metropolitan Districts and/or the DRC, and in a manner which complies with this Declaration and the Rules and Regulations. No improvements, alterations, repairs, change of paint colors, excavations, changes in grade or other work which in any way alters the exterior of any Lot or Improvements located thereon from its natural or improved state existing on the date such Lot was first subject to this Declaration shall be made or done without compliance with the procedures set forth in **ARTICLE 6** of this Declaration.

4.3. Maintenance of Landscaping. Landscaping shall be installed on the side, front and back yards of each Residential Site by the Builder or if the Builder fails to install landscaping, by the Owner, within the first growing season in effect after acquisition of title to such Residential Site by the Builder or Owner of such; provided, however, that if such acquisition occurs between the months of October and March, landscaping will be installed in the subsequent spring following such acquisition. Xeriscaping and other landscaping approved by the Town in a Site Plan will be permitted to satisfy landscaping requirements. Landscaping (including xeriscaping) plans and sprinkler system plans must be submitted to the Metropolitan Districts or DRC, as applicable, for review, and the approval of such plans shall be obtained from the applicable governing board prior to the installation of landscaping and sprinkler systems. Each Owner shall maintain all landscaping on such Owner's Lot in a neat, clean, safe and attractive condition, including periodic and horticulturally correct pruning, removal of weeds and debris, and replacement of dead plants.

4.4. Fencing and Maintenance of Fencing by Owners. No fence, including a fence for the containment of any pets permitted by the Restrictions, may be constructed by an Owner on a Lot without the prior approval of the Metropolitan Districts or the DRC, as applicable. Any fences constructed on a Lot (including, without limitation, any fences constructed by a Builder or Metropolitan District) must be repaired and maintained by the Owner of that Lot or by each of the Owners of adjacent Lots in the event such fence is located on a Lot boundary line between the adjacent Lots and shared by such Lots, and such Owners shall be responsible for maintaining the portion of the fence that faces the Owner's Lot. The cost of reasonable repair and maintenance of a fence shall be shared equally by the Owners of the adjacent Lots sharing the fence. If a shared fence is destroyed or damaged by fire or other casualty, any Owner whose Lot abuts the fence may restore it, and the Owner of the other Lot(s) abutting the fence shall contribute equally to the cost of restoration thereof, subject, however, to the right of any such Owners to call for a larger contribution from the other Owners under any rule of law regarding liability for negligent or willful acts or omissions. Notwithstanding any other provision of this Declaration, an Owner who by his, her or its negligence or willful acts causes a shared fence to be damaged shall bear the entire cost of repairing such damage. Within ten (10) days after the occurrence of the damage, the Owner causing such damage shall commence to repair or reconstruct the damaged fence to its original condition and shall diligently complete all such repairs and reconstruction. If such Owner shall fail to do so, then the non-responsible Owner of a Lot abutting such fence may do so at the sole cost and expense of the Owner causing such damage. All repairs and maintenance shall conform to existing fence materials and finishes.

4.5. Maintenance by Metropolitan Districts/the Declarant. The Metropolitan Districts or the Declarant (or a Builder, with the Declarant's consent) may construct certain entryways, fences, fence pillars, stone pilasters or walls on or within the Property, including the Metropolitan District Property. The constructing party shall also maintain such entryways, fences, fence pillars, stone pilasters or walls at its sole cost and expense; provided, however, that the Metropolitan Districts shall be responsible for maintenance of all stone pilasters constructed by Declarant or any Builder on the Property. No Owner shall construct, modify, replace, paint or obstruct any such entryways, fences, fence pillars, stone pilasters or walls without the prior written approval of the Metropolitan Districts or the DRC, as applicable.

4.6. Construction and Maintenance of Perimeter Fencing. The Metropolitan Districts or a Builder may install perimeter fencing along exterior portions of the Property or a Neighborhood. Perimeter fencing must be constructed pursuant to requirements of the Town, in accordance with the Property Documents and the Guidelines, as defined in **Section 5.1** below. Some portions of such fencing may be constructed on Lot boundary lines, and other portions may be constructed adjacent to the Lots. Owners of Lots with perimeter fencing (either on the Lot boundary line or appurtenant to said Lot) shall be responsible for maintaining the portion of the fence that faces the Owner's Lot, to the extent such Owner is also responsible for landscaping and maintaining his or her Lot. All repairs and maintenance of perimeter fencing shall conform to existing materials and finishes.

4.7. Maintenance of Drainage. Each Owner shall maintain the grading upon such Owner's Lot (including grading around the building foundation) at the slope and pitch fixed by the final grading thereof, including landscaping and maintenance of the slopes, so as to maintain the established drainage. Each Owner agrees that it will not in any way interfere with the

established drainage pattern over the Owner's Lot. In the event that it is necessary or desirable to change the established drainage over any Lot, then the Owner thereof shall submit a plan to the Metropolitan Districts or as applicable the DRC for its review and approval, and any such approved change shall also be made in accordance with all Applicable Laws. For purposes of this **Section 4.7**, "established drainage" means the drainage which exists at the time final grading of a Lot by the Declarant, or by a Builder, is completed.

4.8. Additional Requirements in Supplemental Declarations. Notwithstanding the foregoing provisions of **Sections 4.1 to 4.7**, a Supplemental Declaration may adopt additional maintenance requirements for certain Subdistricts or Neighborhoods subject to such Supplemental Declaration, provided that such Supplemental Declaration has been approved by the Declarant and otherwise conforms to the requirements of **Section 2.5**.

4.9. Metropolitan Districts' Right to Perform Work. In the event any Lot Owner shall fail to timely and/or satisfactorily perform any maintenance, repair or upkeep obligations of such Lot Owner, the DRC or Metropolitan Districts may give written notice to the Lot Owner of the work required to be performed, and, if such failure to perform the work continues for a period of thirty (30) days after such notice has been given, the Metropolitan Districts may enter upon the Lot and perform the necessary maintenance, repairs or upkeep including grading; provided, however, that the Metropolitan Districts may, but shall not be required to, enter upon a Lot in order to perform maintenance, repairs or upkeep without prior notice to the Lot Owner in the event of an emergency, as determined by the Metropolitan Districts in their reasonable discretion. The cost of any such maintenance, repair or upkeep shall be the obligation of the Lot Owner and shall be added to and become a part of the fee to which the Lot is subject and the Metropolitan Districts shall have a lien to secure such fee as provided by this Declaration. Such fees shall be payable by the Lot Owner upon demand by the Metropolitan Districts.

4.10. Metropolitan Districts' Easement to Perform Work. The Metropolitan Districts shall have an easement over, across and upon each Lot (and to the extent necessary, any Improvements on or in such Lot) permitting the Metropolitan Districts, their agents, employees and independent contractors to enter upon the Lot as reasonably necessary and with reasonable notice so that the Metropolitan Districts may perform any required work on the Lot pursuant to this Declaration. All persons performing such work shall use reasonable efforts to minimize interference with the Lot Owners' use and enjoyment of the Lot when performing such work.

4.11. Damage by Owner. Notwithstanding anything to the contrary contained in this Declaration, in the event the need for the Metropolitan Districts to maintain, repair or replace any portion of the Metropolitan District Property is caused by the negligence, willful act or other misconduct of an Owner, or a member of such Owner's family or a guest, invitee or tenant of an Owner, or any Person acting by, for or under any of the foregoing, the costs of such repair, replacement or maintenance shall be the personal obligation of such Owner, and the costs, expenses and fees incurred by the Metropolitan Districts for the same shall be levied against such Owner as part of such Owner's taxes and fees to be collected by the Metropolitan Districts. The Metropolitan Districts shall have a lien against such Owner's Lot to secure such taxes and fees.

ARTICLE 5. DESIGN REVIEW COMMITTEE

5.1. Design Review Committee and Design Guidelines. The Design Review Committee (“DRC”) shall consist of three (3) regular members, and up to two (2) alternate members, each of whom shall have the right to attend all meetings of the DRC and in the absence of any regular member at any such meeting vote on all matters that come before the DRC at that meeting. From the date of recording this Declaration, unless and until notice is provided by the Declarant as set forth below, the DRC for the Property shall be the same as the DRC for the Superior Town Center and the members of the DRC shall be appointed by the Declarant of the Superior Town Center or the Metropolitan Districts. For such time as Declarant owns any Lot within the Property, Declarant may elect, in writing provided to the Declarant of the Superior Town Center and the Metropolitan Districts to establish a separate DRC for the Property only, with members appointed by the Declarant. From and after the earlier of (a) the date on which there is deemed to be no Declarant under this Declaration, and (b) the date on which all Lots within the Property have been conveyed to and/or are owned by Persons other than Declarant, the DRC shall be the same as the DRC for the Superior Town Center Property and all regular and alternate members of the DRC shall be appointed per the STC Master Covenants. Any member of the DRC may be removed at any time by the entity that appointed that member (the “Appointing Entity”) and each member shall serve for a term as may be designated by the Appointing Entity or until resignation or removal by the Appointing Entity. The DRC shall be responsible for the ministerial administration and application of the Guidelines to facilitate the purposes and intent of this Declaration. Separate and distinct Guidelines may apply to one or more specific Neighborhoods within the Property, if contained in a Supplemental Declaration or approved by the owners of a majority of the affected Lots. Other Guidelines may apply to the Property as a whole. All such Guidelines shall be prepared and adopted by the DRC and administered by the DRC and shall be consistent with Guidelines for similar Neighborhoods in the Superior Town Center Property. The DRC may promulgate, amend, vary, repeal and augment the Guidelines from time to time, in its reasonable discretion based on concerns for good planning and design, the aesthetic, architectural and environmental harmony of Superior Town Center, or other factors considered necessary or desirable to fulfill the intent of the Guidelines. The Guidelines shall be binding on the Property, provided, however, that the Guidelines shall only be binding on any Commercial Sites, Office Sites, Private Recreational Facility or Civic Space made subject to this Declaration if specifically provided for in the Supplemental Declaration relating to such Commercial Sites, Office Sites, Private Recreational Facility or Civic Space. In the event of any conflict between the Guidelines and this Declaration, this Declaration shall control. The Guidelines may include among other things, those restrictions and limitations set forth below:

- (a) Standards establishing an architectural theme and requirements pertaining to building style and design, colors, construction materials and site planning.
- (b) Procedures for making an application to the DRC for approval, including the documents to be submitted and the time limits for such submission.
- (c) Time limitations for the completion, within specified periods after approval, of the improvements for which approval is required under the Guidelines.

(d) Designation of building setbacks, which shall be not more restrictive than the minimum setbacks established by the Town for the Property.

(e) Minimum and maximum areas of living space that may be developed on any Lot; provided that any such limits are consistent with Town Code limitations and allow the areas of living space approved in the Property Documents.

(f) Limitations on the height of any Residence or other Improvement, which shall not be more restrictive than height limitations established by the Town, except that more restrictive height limits may be adopted for detached sheds and other detached accessory structures.

(g) Specifications for the location, dimensions and appearance or screening of any fences, accessory structures, antennae or other such Improvements.

(h) Landscaping regulations.

(i) General conditions for the construction, reconstruction, refinishing or alteration of any Improvement.

(j) Rules for construction activities, as well as maintaining construction sites and adjacent areas.

5.2. Purpose and General Authority. The DRC shall review, study and either approve or reject proposed Improvements, including landscaping, on the Property, all in compliance with this Declaration and as further set forth in the Guidelines and such Rules and Regulations as the DRC may establish from time to time to govern its proceedings. No Improvement shall be erected, placed, reconstructed, replaced, repaired or otherwise altered, nor shall any construction, repair or reconstruction be commenced until plans for the Improvements shall have been approved by the DRC; provided, however, that Improvements that are completely within, and not visible from the outside of, a building may be undertaken without such approval, provided such Improvements do not affect the structural integrity of a building, or impact any party walls or other common or shared areas between Lots. In the event of destruction or damage to an existing structure that was part of the original construction, the DRC shall approve construction of a substantially similar replacement structure. All Improvements shall be constructed only in accordance with plans therefor approved by the DRC. In addition to reviewing and approving plans for Improvements, the DRC may review applications from Owners regarding proposed variances from the Restrictions or the Guidelines, and approve or disapprove the same.

5.3. Approval of Improvements Required. Except as may be otherwise set forth in a Supplemental Declaration, the approval of the DRC shall be required for any Improvement on any Lot except where prior approval of an Improvement on a Lot has been waived by the DRC or certain Improvements have been exempted in writing by the DRC or specifically exempted in the Guidelines. The foregoing notwithstanding, the approval of the DRC shall not be required for any Improvement made by the Declarant, or for any Improvement made by a Builder, the plans for which have been approved by the Declarant in writing. Further, DRC approval of any Commercial use, Office use or Civic Space shall not be required unless DRC approval is specifically required by the Supplemental Declaration making such Commercial Site, Office Site or Civic Space part of the Property.

5.4. Improvement Defined. An Improvement requiring approval of the DRC means and includes, without limitation: (a) the construction, installation, erection, or expansion of any building, structure, or other Improvement, including utility facilities and fences; (b) the demolition or destruction, by voluntary action, of any building, structure, or other Improvement; (c) the grading, excavation, filling, or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern, or change of stream bed; (d) installation of landscaping on a Lot or replacement of more than five percent (5%) of the total organic landscaped area on a Lot with non-organic landscape materials; (e) any change or alteration of any previously approved Improvement, including any change of exterior appearance, color or texture; and including any of the Improvements as defined in **Section 1.20**.

5.5. Submission of Plans. Prior to commencement of work to accomplish any proposed Improvement requiring DRC approval, including landscaping, to a Lot, the Owner proposing to make such Improvement (the "Applicant") shall submit to the DRC at its offices or at such place as it may designate for such purpose such descriptions, sketches, surveys, plot plans, drainage plans, elevation drawings, construction plans, specifications and samples of materials and colors as the DRC reasonably shall request showing the nature, kind, shape, height, width, color, materials and location of the proposed Improvement. The DRC may require submission of additional plans, specifications or other information prior to approving or disapproving the proposed Improvement. Until receipt by the DRC of all required design review fees and materials in connection with the proposed Improvement, the DRC may postpone review of any materials submitted for approval.

5.6. DRC Approval. The DRC, by majority vote, shall approve plans and specifications submitted to it only if it determines that the construction, alteration and additions contemplated thereby, and in the location as indicated, will comply with this Declaration, the applicable Supplemental Declaration, if any, the Guidelines, and the Property Documents and will serve to preserve and/or enhance the values of the Lots within the Property and will maintain a harmonious relationship among structures, vegetation, topography and the overall design of the Property. All plans and specifications submitted to the DRC shall be drawn to scale and include such detail necessary for the DRC to make an informed review of such plans and specifications. The DRC may reject any plans and specifications it deems to be insufficient, in its reasonable discretion. The DRC may condition its approval of plans and specifications for Improvements on such changes therein as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving the material submitted. The DRC shall consider the proposed quality of workmanship, type of materials and harmony of

exterior design with other portions of the Property. Furthermore, unless otherwise allowed in writing by the DRC, an Owner shall not apply for a building permit for any Improvements from the Town or other governmental authority having jurisdiction over the Property until DRC approval for such Improvements has been obtained. Approval by the DRC shall be in writing or indicated by endorsement on the plans and specifications submitted for approval. No building, other structure or landscaping shall be erected or allowed to remain on any Lot which violates this Declaration. The issuance of a building permit by the Town or other governmental authority having jurisdiction over the Property shall not prevent or prohibit the DRC from enforcing the terms and provisions of this Declaration. Furthermore, any approval granted shall not be considered a permit to build under applicable governmental regulations. Compliance with the provisions of **ARTICLE 5** hereof is not a substitute for compliance with the Town and other governmental building, zoning and subdivision regulations and other Applicable Laws, and each Owner is responsible for obtaining all approvals, licenses and permits as may be required prior to commencing construction of Improvements. Furthermore, DRC approval does not approve or guarantee engineering design or compliance with Applicable Laws, and does not constitute any representation by the DRC as to such matter. The Owner is solely responsible for all such compliance. By approving plans and specifications, neither the DRC, its members, the Metropolitan Districts nor the Declarant assumes any liability or responsibility for engineering design, construction, valuation, or that the approved plans and specifications will maintain a harmonious relationship among structures, vegetation, topography or the overall design of the Property, or be in compliance with Applicable Laws.

5.7. Failure of DRC to Approve Plans. The DRC shall use its best efforts to respond to any request for a proposed Improvements within sixty (60) days of receipt of all required fees and materials. Any request for approval of a proposed Improvement shall be deemed disapproved, unless written approval is transmitted to the Applicant by the DRC within sixty (60) days after the date of receipt by the DRC of all required fees and materials. If additional fees, information, or materials are requested by the DRC, the sixty-day time period within which the DRC is required to make its decision shall be automatically extended to sixty (60) days after the DRC receives the requested fees, information, or materials. If the DRC fails to approve or disapproves submitted plans and specifications, such as non-approval may be appealed to the Metropolitan Districts, which shall hold a public hearing and consider the appeal within sixty (60) days.

5.8. Prosecution of Work After Approval. After approval of any proposed Improvement by the DRC, the proposed Improvement shall be accomplished as promptly and diligently as possible and in complete conformity with the description of the proposed Improvement, any materials submitted to the DRC in connection with the proposed Improvement, and any conditions imposed by the DRC and all Applicable Laws. Failure (a) to complete the proposed Improvement within twelve (12) months after the date of approval or such other period or extension of the initial twelve-month period as specified in the Guidelines or in writing by the DRC, or (b) to complete the Improvement in accordance with the description and materials furnished to, and the conditions imposed by, the DRC and all Applicable Laws, shall constitute noncompliance with the requirements for approval of the Improvement.

5.9. Notice of Completion. Upon completion of any Improvement, the Applicant shall submit a written notice of completion to the DRC requesting final approval of the Improvement. No Owner or Builder shall seek a certificate of occupancy for any Improvement until receipt of final approval from the DRC, which shall not be unreasonably withheld or delayed.

5.10. Inspection of the Work. Any member or authorized agent or consultant of the DRC, may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect any Improvement on a Lot (including an interior Improvement which is subject to DRC review) prior to or after completion in order to determine whether or not the Improvement is being completed or has been completed in compliance with the approval granted pursuant to **Section 5.6** and **Section 5.8**; provided, however, that the right of inspection shall terminate ninety (90) days after the DRC's receipt the Applicant's notice of completion. Failure of the DRC to inspect the work shall not relieve the Applicant from its obligations to comply with this Declaration or all conditions of approval or prevent the DRC from pursuing all remedies available to it in the event of any Violation.

5.11. Violation Failure to Comply with Approved Plans.

(a) Notice of Violation. If, as a result of the DRC's inspection of a newly-constructed Improvement per **Section 5.10**, the DRC determines that a Violation exists because the Improvement has not been completed in compliance with the approved plans, the DRC shall issue a Notice of Violation to the noncompliant Owner within thirty (30) days of inspection. The Notice of Violation shall be sent via certified mail/return receipt requested and shall identify the particular circumstances or conditions of the Violation and shall require the Owner to take such action as may be necessary to connect, remedy or otherwise remove the Violation, including the time period in which the Violation is to be remedied and shall be in accordance with **Section 5.12**.

(b) Remedies. If an Owner fails to remedy the Violation within the time period specified in the Notice of Violation, the DRC shall have all remedies available to it at law or in equity, including without limitation the following remedies:

(i) An Appointing Entity or the DRC may Record a Notice of Violation against the Lot on which the Violation exists;

(ii) An Appointing Entity, upon request of the DRC, shall have the right to remove, modify or otherwise correct any Violation constructed, reconstruct refinished, altered or maintained upon a Lot that is a Violation of the Restrictions, or otherwise correct, remedy or otherwise remove any Violation in any manner the DRC advises is appropriate;

(iii) An Appointing Entity may file an action for injunctive relief to cause an existing violation to be brought into compliance with the Declaration, the Guidelines and/or any Rules and Regulations and the Appointing Entity shall be entitled to recover all costs and attorney's fees associated with bringing the action;

(iv) An Appointing Entity upon recommendation of the DRC may levy reasonable Fines for such Violation; and

(v) An Appointing Entity shall be entitled to collect, and shall have a lien against, the noncompliant Lot to secure (1) payment for expenses incurred in obtaining injunctive relief, including costs and attorney's fees (2) payment for reimbursement by the noncompliant Owner for any work performed by the DRC or an Appointing Entity to remove, modify or otherwise correct the Violation, plus the following amounts, to the extent not inconsistent with Applicable Laws: (3) interest on such amount after the due date on the invoice at a rate equal to two percent (2%) over the prime rate of interest quoted at such time in the Wall Street Journal, (4) an additional charge on such amount equal to four percent (4%) of the amount due, and (5) all costs and expenses of collecting the unpaid amount, including reasonable attorneys' fees.

5.12. General Inspections; Violation Identified by Another Owner; Notice and Hearing Procedures.

(a) General Inspections. In addition to the inspection of completed Work as provided in **Section 5.10** and other provision of this Declaration, any member or authorized agent or consultant the DRC, may enter upon any Lot, at any reasonable time after notice to the Owner without being guilty of trespass, in order to investigate or inspect any part or portion of the Property for conformance or compliance with the Restrictions, and the DRC approved Improvements. Where such investigation or inspection reveals that any part or portion of such Lot is in violation of the Restrictions, the DRC may issue a Notice of Violation to the Owner of the Lot. The Notice of Violation shall be sent via certified mail/return receipt requested and shall identify the particular circumstances or conditions of the Lot that fail to conform to the Restrictions. The Notice of Violation sent pursuant to this **Section 5.12** shall also contain the date, time, and place of a hearing to be held by the DRC for the purpose of evaluating the Lot's conformance with such Restrictions and to consider the issuance of a finding of Violation. Any Notice of Violation sent pursuant to this **Section 5.12** shall also be sent via first class U.S. mail addressed to "Occupant" at the address of the alleged nonconforming Lot, which is subject to the Declaration for which the Notice of Violation is issued, as well as a copy to any Owner notifying the DRC of any alleged Violation in accordance with subsection (b) below. All such Notices of Violation shall be sent no less than fifteen (15) days prior to the date of the hearing.

(b) Violation Identified by Another Owner. If an Owner alleges that another Owner is in Violation of this **ARTICLE 5** or otherwise is not in compliance with any Restrictions, the complaining Owner must first submit written notice to the DRC of the alleged Violation, and the DRC may investigate such allegation and may, if warranted, send a Notice of Violation to the alleged noncompliant Owner in accordance with subsection (a) above. A hearing must be held by the DRC before the complaining Owner may resort to Legal or other action for relief.

(c) Procedure for Hearing. On the date and time of the hearing specified in any Notice of Violation, the DRC shall hear and consider information and evidence presented by any Owners or other interested parties regarding the conformance of the subject Lot with such Restrictions. The hearing shall be conducted in accordance with any rules and procedures promulgated by the DRC. Not more than five (5) business days following the

hearing, the DRC shall either: (i) make a finding that the Lot is in compliance with the applicable Restrictions; (ii) make a finding that the Lot is in Violation of the applicable Restrictions; or (iii) continue the hearing to a date certain for the purpose of obtaining additional information regarding the alleged Violation. The decision of the DRC shall be final. Where the Lot is determined to be in Violation of the Restrictions, the DRC shall issue a written finding of Violation, which shall include the time period in which the Violation is to be corrected, remedied or otherwise removed. Following such decision, any noncompliant Owner shall correct, remedy, or otherwise remove the Violation within the time period specified in the written finding of the DRC. If the Owner does not comply within the specified time period, the DRC may, at its option, pursue those remedies specified in **Section 5.11(b)**. Notwithstanding anything to the contrary contained herein, at any time prior to the DRC's final determination of Violation, an Owner may notify the DRC in writing that the Violation has been corrected, remedied or removed. Following inspection of the Lot by the DRC and confirmation that the Lot is in compliance the DRC may suspend or dismiss all actions to enforce its remedies.

(d) Rights of the DRC The rights of the DRC to remove, modify or otherwise connect any Improvement constructed, reconstructed, refinished, altered or maintained upon a Lot in Violation of the Restrictions, or otherwise correct, remedy or otherwise remove any Violation shall be in addition to all other rights and remedies which the DRC may have at law, in equity or under the Restrictions.

(e) No Representation. Any inspection made by the DRC pursuant to the Restrictions shall not constitute a representation by the DRC that there has been or will be compliance with this Declaration, the approved plans for any Improvements, the Guidelines or any other architectural guidelines or design standards, rules or regulations promulgated under this Declaration, or that the subject Lot, and the Improvements thereon, are free from defective materials or workmanship.

5.13. Discretion and Variances. The DRC may, but is under no obligation to, authorize variances from compliance with any of the provisions of the Restrictions and the Guidelines, including restrictions on height, size, floor area, or placement of structures or similar restrictions taking into account circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations. Such variances must be in writing and shall become effective only when signed by at least a majority of the DRC. If any such variance is granted, no violation of the provisions of the Restrictions or the Guidelines shall be deemed to have occurred with respect to the matter for which the variance is granted. However, the granting of a variance shall not affect in any way the Owner's obligation to comply with any Applicable Laws and any conditions imposed by the DRC in granting the variance.

5.14. No implied Waiver or Estoppel. No action or failure to act by the DRC, including the granting of a variance, shall constitute a waiver or estoppel with respect to future action by the DRC with respect to any matter covered by this Declaration. Specifically, the approval by the DRC of any Improvement or granting of a variance shall not be deemed a waiver of any right or an estoppel to withhold approval or consent for any similar Improvement on the same Lot or any other Lots or any similar proposals, plans, specifications, or other materials submitted with respect to any other Improvement on the same Lot or any other Lot.

5.15. Changes to Approved Plans. Any and all changes or alterations whatsoever to plans previously approved by the DRC must be reviewed and approved by the DRC.

5.16. Binding Effect. The reasonable actions of the DRC in the exercise of its discretion by its approval or disapproval of plans and other information submitted to it, or with respect to any other matter before it, shall be conclusive and binding on all interested parties.

5.17. Fees and Expenses. Except as provided in the next sentence, all expenses of the DRC shall be paid by the Districts with revenues derived from the portion of the Property and the Superior Town Center Property within which the DRC's services are performed. The DRC shall have the right to charge fees and deposits for each application submitted to the DRC for review, in an amount which may be established by the DRC from time to time, and such fees shall be collected by the DRC to recover the fair and reasonable costs of such service as is directly related to such application. The Appointing Entity or a private management company hired by the Appointing Entity shall provide the DRC with staff for the recording of committee meeting minutes and assistance with other administrative needs, at the Appointing Entity's cost and expense as it deems reasonably necessary.

5.18. Limitation of Liability. Neither the DRC nor any individual DRC member shall be liable to any person for any official act of the DRC in connection with submitted plans and specifications, except to the extent the DRC or any individual DRC member acted willfully or in bad faith. The DRC, its members and the Metropolitan Districts shall not be responsible or liable to any Owner, developer or contractor with respect to any loss, liability, claim or expense which may arise by reason of plan approval or disapproval or the construction of Improvements whether or not pursuant to any approved plans. As set forth in **Section 5.6**, neither the DRC, the Metropolitan Districts, nor any agent thereof, nor the Declarant or any of its managers, members, employees, agents or consultants shall be responsible for reviewing, nor shall its approval of an Improvement to Property be deemed approval of, the Improvement to Property from the standpoint of safety, whether structural or otherwise or conformance with any Applicable Laws. Members of the DRC, to the extent appointed by the Metropolitan District(s), shall be defended and indemnified by the Metropolitan District(s) in any such suit or proceeding which may arise by reason of the DRC's decision. The Metropolitan District(s), however, shall not be obligated to indemnify each member of the DRC to the extent any such member of the DRC is adjudged to be liable for bad faith or willful misconduct in the performance of his or her duty as a member of the DRC, unless and then only to the extent that the court in which such action or suit may be brought determines upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expense as such court shall deem proper.

5.19. Construction and Certificate of Compliance. All approved Improvements constructed upon a Lot shall be constructed in strict accordance with the plans and specifications approved by the DRC. Upon written request of any Owner or his agent, or a prospective transferee and upon payment of a reasonable fee established from time to time by the DRC, the DRC shall issue a certificate setting forth generally whether, to the best of the DRC's knowledge, the Improvements on a particular Lot are in compliance with the terms and conditions of the Guidelines and this Declaration.

5.20. Access Easement. Each Lot is subject to an easement in favor of the DRC, including its respective members, employees, agents and representatives for performing any of the actions contemplated by this **ARTICLE 5**, including without limitation **Sections 5.10** and **5.19** hereof. All Persons performing such work shall use reasonable efforts to minimize interference with the Lot Owners' use and enjoyment of the Lot when performing such work.

ARTICLE 6. COVENANT ENFORCEMENT COMMITTEE

6.1. Committee. The Metropolitan Districts, or as may be delegated, the Operating District, may establish a CEC for the Property and the Superior Town Center Property and, in such event, the members of the CEC shall be appointed by the governing board of the respective Metropolitan District(s). For purposes of this Declaration, in the event a CEC does not exist, all references to "CEC" shall be deemed to be a reference to one or more of the Metropolitan Districts. The CEC shall be responsible for the ministerial administration and enforcement of the Restrictions, and shall have the right to: (a) accept complaints for violations of the Restrictions; (b) submit complaints regarding violations of the Restrictions; (c) inspect the Property for violations of the Restrictions; (d) issue various notices to Owners regarding the Restrictions; and (e) provide all ministerial administration and enforcement of the Restrictions as permitted by this Declaration. Notwithstanding anything to the contrary herein, at all times a member of the responsible Metropolitan District's governing board shall be appointed as the "Chairman" of the CEC.

6.2. CEC Membership and Organization. The CEC shall be composed of not less than one (1) nor more than five (5) Persons and shall consist be the same CEC as established for the Superior Town Center Property. Subject to **Section 6.1**, all members of the CEC shall be appointed, removed and replaced by the Metropolitan District(s), in its sole discretion.

6.3. Purpose and General Authority. The CEC shall review all complaints and notifications provided by the Declarant, an Owner, the Finance Districts or the Operating District, or a Neighborhood Association regarding any alleged Violation; provided however, that the CEC shall have no authority over any Commercial Sites, Office Sites, the Private Recreational Facility or Civic Space unless such authority is specifically granted in the Supplemental Declaration relating to such Commercial Site, Office Site, Private Recreational Facility or Civic Space, or is specifically set forth herein. The CEC also shall have the right to make an investigation on its own regarding potential Violations. In accordance with the procedures set forth in **Section 6.5** below, the CEC shall have the authority to determine whether a Violation has occurred by any Owner, and upon such determination, may issue to an Owner a Notice of Violation identifying the particular circumstances or conditions of the Violation and requiring the Owner to take such action as may be necessary to correct, remedy or otherwise remove the Violation, including the time period in which the Violation is to be remedied.

6.4. Fees and Expenses. All expenses of the CEC shall be paid by the Metropolitan District(s) with revenues derived from that portion of the Property and the Superior Town Center Property with respect to which the CEC's services are required or performed. The Metropolitan District(s) shall have the right to charge fees for inspections and Fines for costs of enforcement of the Restrictions and the costs incurred to correct, remedy or otherwise remedy Violations from the subject Owner, in amounts which may be established by the CEC from time to time, and such fees and Fines shall be collected by the Metropolitan District(s) and can be used to help defray the expenses of the CEC's operation. The Metropolitan District(s) or the private management company hired by the Metropolitan District(s) shall provide the CEC with staff for the recording of committee meeting minutes and assistance with other administrative needs, at the Metropolitan District(s)'s cost and expense, as it deems reasonably necessary from time to time.

6.5. General Inspections; Violation Identified by Another Owner; Notice and Hearing; Procedures and Remedies.

(a) General Inspection. Any member or authorized agent or consultant of the CEC, or any authorized officer, director, employee or agent of the responsible Metropolitan District may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to investigate or inspect any portion of the Property for alleged violations of the Restrictions.

(b) Notice of Violation. Where such investigation or inspection reveals that any part or portion of a Lot is not in compliance with the Restrictions, the CEC may send a Notice of Violation to the Owners of such Lot. The Notice of Violation shall be sent via certified mail/return receipt requested and shall identify the particular circumstances or conditions of the Lot that fail to conform to the Restrictions. The Notice of Violation sent pursuant to this **Section 6.5** shall also contain the date, time, and place of a hearing to be held by the CEC for the purpose of evaluating the Lot's conformance with such Restrictions and to consider the issuance of a finding of Violation. Any Notice of Violation sent pursuant to this **Section 6.5** shall also be sent via first class U.S. mail addressed to "Occupant" at the address of the alleged nonconforming Lot, which is subject to the Declaration and for which the Notice of Violation is issued, as well as a copy to any Owner notifying the CEC of any alleged violation of the Restrictions in accordance with subsection (c) below. All Notices of Violation shall be sent no less than fifteen (15) days prior to the date of the hearing.

(c) Violations Identified by Another Owner. If an Owner alleges that another Owner is in violation of **ARTICLE 7** or otherwise is not in compliance with any Restrictions, the complaining Owner must first submit written notice to the CEC of the alleged Violation, and the CEC may investigate such allegation and may then send a Notice of Violation to the alleged noncompliant Owner in accordance with subsection (b) above. A hearing must be held by the CEC before the complaining Owner may resort to legal or other action for relief.

(d) Procedure for Hearing. On the date and time of the hearing specified in any Notice of Violation, the CEC shall hear and consider information and evidence presented by any Owners or other interested parties regarding the conformance of the subject Lot

with the Restrictions. The hearing shall be conducted in accordance with any rules and procedures promulgated by the CEC. Not more than five (5) business days following the hearing, the CEC shall either: (i) make a finding that the Lot is in compliance with the Restrictions; (ii) make a finding that the Lot is in Violation of the Restrictions; or (iii) continue the hearing to a date certain for the purpose of obtaining additional information regarding the alleged Violation. The decision of the CEC shall be final. Where the Lot is determined to be in Violation of the Restrictions, the CEC shall issue a written finding of Violation, which shall include the time period, not to exceed forty-five (45) days, in which the Violation is to be corrected, remedied or otherwise removed. Any Owner who is found to be in violation of the Restrictions shall correct, remedy, or otherwise remove the Violation within the time period specified in the Notice of Violation. If the Owner does not comply within the specified time period, the CEC may, at its option, pursue those remedies specified in subsection (e) below. Notwithstanding anything to the contrary contained herein, at any time prior to the CEC's final determination of Violation, an Owner may notify the CEC in writing that any Violation has been corrected, remedied or removed. Following inspection of the Lot by the CEC and confirmation that the Lot is in compliance, the CEC may suspend or dismiss all actions to enforce its remedies.

(e) Remedies. If an Owner fails to remedy the Violation within the time period specified in the Notice of Violation, the CEC shall have all remedies available to it at law or in equity, including without limitation the following remedies.

(i) The CEC may Record a Notice of Violation against the Lot on which the Violation exists;

(ii) The CEC shall have the right to remove, correct or otherwise remedy any Violation in any manner the CEC deems appropriate, which may include adding an Improvement to the Lot, removing an Improvement in Violation or obtaining an injunction prohibiting a restricted use of the Lot;

(iii) The CEC may file an action for injunctive relief to cause an existing violation to be brought into compliance with the Declaration, the Guidelines and/or any Rules and Regulations and the CEC shall be entitled to recover all costs and attorney's fees associated with bringing the action.

(iv) The CEC may levy reasonable Fines for such Violation.

(v) The CEC shall be entitled to collect and shall have a lien against the Lot subject to the Violation to secure (1) payment for reimbursement by the violating Owner for any remedial work performed by the CEC or a Metropolitan District required to remove, correct or otherwise remedy the Violation; (2) payment for expenses incurred in obtaining injunctive relief, including costs and attorney's fees, plus the following amounts, to the extent not inconsistent with Applicable Laws; (3) interest on such amount from the due date indicated in the invoice at a rate equal to two percent (2%) over the prime rate of interest quoted at such time in the Wall Street Journal; (4) an additional charge on such amount equal to four

percent (4%) of the amount due; and (5) all costs and expenses of collecting the unpaid amount, including reasonable attorneys' fees.

(vi) Deemed Nuisances. Every Violation is hereby declared to be and to constitute a nuisance, and every remedy allowed for such Violation at law, in equity or under the Restrictions against the violating Owner shall be applicable.

(vii) Rights of the Metropolitan Districts. The rights of the Metropolitan District(s) acting through the CEC to remove, correct or otherwise remedy any Violation shall be in addition to all other rights and remedies which the Metropolitan Districts may have at law, in equity or under the Restrictions.

(viii) Access Easement. Each Lot is subject to an easement in favor of the CEC and the Metropolitan Districts, including their respective members, employees, agents and representatives, for the performance of any actions contemplated by this **ARTICLE 6**, including, without limitation, **Section 6.5**. All Persons performing such work shall use reasonable efforts to minimize interference with the Lot Owner's use and enjoyment of the Lot when performing such work.

ARTICLE 7. USE RESTRICTIONS.

7.1. Applicability; General Restriction. The Restrictions set forth in this **ARTICLE 7** shall only govern those portions of the Property that have been zoned as Residential or designated as a Residential Site in this Declaration, or in any Supplemental Declaration subjecting such property to this Declaration, unless the Restriction is specifically made applicable to other property within the Property. Residential Sites shall be used only for the purposes set forth in this Declaration, as permitted by the Applicable Laws, and as set forth in this Declaration or other specific Recorded covenants, conditions or restrictions affecting all or any part of the Property. No Residence shall be occupied for living or sleeping purposes by more persons than it was designed to accommodate safely, but in no event shall the maximum number of occupants in a Residence exceed the maximum number permitted under Applicable Law.

7.2. Residential Use of Lots. Subject to the provisions of **Sections 7.3** and **9.1(d)**, each Residential Site, after construction, shall only be used as a Residence and for appurtenant uses which are customarily incident thereto. No business or commercial use or other non-residential use may be conducted on any part of a Residential Site, except as provided in **Sections 7.3** and **ARTICLE 9**.

7.3. Home Occupations. The conduct of a home occupation within a Residence shall be considered accessory to the Residential Use and shall not be deemed a Violation of this Declaration, provided that the following requirements are met:

(i) Such home occupation shall be conducted only within the interior of the Residence and shall be clearly secondary to the Residential Use.

(ii) The home occupation shall be conducted only by residents of the Residence and no non-residents shall be employed in connection with the home occupation carried on in the Residence.

(iii) The home occupation does not result in undue volume of traffic or parking at or near the Residence.

(iv) There shall be no evidence of a home occupation detectable from the outside of the Residence by sight, sound, smell or otherwise.

(v) The conduct of such home occupation must be permitted under the zoning ordinances of the Town and all other Applicable Laws.

(vi) No commercial deliveries for such home occupation shall be allowed other than occasional mail service deliveries.

A child daycare facility within a Residence does not comply with the above requirements, but may nevertheless be allowed in limited circumstances if a variance for such use is considered advisable by the CEC (as determined in its sole discretion), and if such variance is granted in writing by the CEC and is otherwise allowed under Applicable Laws.

7.4. Damage or Destruction. In the event any Residence or other Improvement constructed on a Residential Site is damaged, either in whole or in part, by fire or other casualty, such Residence or other Improvement shall be promptly rebuilt, repaired or remodeled to comply with this Declaration. In the alternative, if a damaged Residence or other Improvement is not to be rebuilt, repaired or remodeled, all remaining portions of the damaged Residence or Improvement, including the foundation and all debris, shall be promptly removed from the Lot, and the Lot shall be restored to its natural condition existing prior to the construction of the Residence or other Improvement. The DRC shall not unreasonably delay or withhold approval of rebuilding of the Residence or other Improvement.

7.5. Vehicular Parking, Storage and Repairs.

(a) Parking. Except as otherwise set forth in any Rules and Regulations, vehicles shall be parked only in the garages or the driveways, if any, serving the Residential Sites, or in appropriate spaces or areas which may be designated by the Metropolitan District(s) from time to time, except that any vehicle may be otherwise parked on a temporary basis for loading, delivery, emergency, or for guests of an Owner at the Residence on a temporary basis. The Declarant or Metropolitan District(s) may designate certain parking areas for visitors or guests and adopt reasonable rules and regulations, from time to time, governing such areas. The parking spaces or parking garages shown on the Final Development Plan shall not be removed, altered or otherwise modified. Except as otherwise set forth in the Rules and Regulations, commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, recreational vehicles, golf carts and boat trailers, shall be parked only in enclosed garages or specific areas, if any, which may be designated by the Metropolitan District(s) from time to time. This restriction, however, shall not restrict trucks or commercial vehicles which are necessary for construction or for the maintenance of any portion of the Property or any Improvements located thereon, nor shall such restriction prohibit vehicles (including, without limitation,

emergency vehicles driven by an on or off duty employee of the entity providing emergency services) that may be otherwise parked on a temporary basis for loading, delivery, emergency or, in the case of emergency vehicles, for any other lawful purpose.

(b) Storage. Stored vehicles and vehicles which are inoperable or do not have current operating licenses shall not be permitted on a Residential Site or upon a street adjacent to a Residential Site except within enclosed garages on Residential Sites having two or more garage spaces. For purposes of this **Section 7**, a vehicle shall be considered “stored” if, for example, it is up on blocks or covered with a tarpaulin and remains on blocks or so covered for seventy-two (72) consecutive hours without the prior approval of the CEC. Garages attached to Residential Sites are intended, at all times, for vehicle parking not general storage. An Owner of a Residential Site shall not be permitted to park a vehicle on a public or private street as an alternative to parking in the Owner’s garage. Vehicles parked in violation of this Article may be subject to CEC enforcement.

(c) Repair Work. No activity such as, but not limited to, maintenance (other than washing and polishing and activities normally incident thereto), repair, rebuilding, dismantling, repainting, or servicing of any kind of vehicles, trailers, or boats, may be performed on any Residential Site unless it is done within a fully enclosed garage or other building which screens the sight and sound of the activity from the street and from adjoining Residences, nor shall any such activity be performed upon a street adjacent to a Residential Site.

(d) Private Recreational Facility Events. In the instance that more than 401 parking spaces are required for an event scheduled at the Private Recreational Facility, then at least five (5) business days prior to the event, the Owner or operator of the facility shall submit to the CEC a parking plan which shall include: (i) a description of the event, (ii) the expected attendance, (iii) the parking spaces estimated to be required, (iv) the location of the additional parking spaces to be utilized (beyond those spaces allocated to the Private Recreational Facility), and (v) the transportation plan to be utilized to shuttle guests between the facility and the designated parking areas. The CEC may, but shall not be required to, address and/or facilitate parking for the event.

(e) Violations. In the event the CEC or the Metropolitan District(s) shall determine that a vehicle is being parked, stored or repaired in violation of **Subsections 7.5(a), (b) or (c)** hereof, then a written notice describing such infraction shall be personally delivered to the owner thereof (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner thereof cannot be reasonably ascertained) and if the vehicle is not removed within a reasonable time thereafter, as determined by the CEC or the Metropolitan District(s) in its discretion from time to time, the Metropolitan District(s) shall have the right to remove the vehicle at the sole expense of the owner thereof.

7.6. Pets. No animals, including, but not limited to, livestock, poultry, or reptiles shall be raised, bred, or kept within a Residential Site except as hereinafter provided. A reasonable number of cats, dogs, birds or other common household pets may be kept on a Residential Site, provided that (a) they are not kept, bred, or maintained for any commercial purposes; (b) in the CEC's reasonable opinion, they do not make objectionable noises or otherwise constitute an unreasonable nuisance to other Owners; (c) they are kept within an enclosed yard on a Residential Site occupied by the owner of such pets or on a leash being held by a person capable of controlling the animal; (d) the Owner of the Residential Site properly disposes of all pet waste; (e) the Owner shall be financially responsible and liable for any damage caused by such pets; and (f) they are not in violation of any other provision of the Restrictions or any Applicable Laws. A "reasonable number" as used in this **Section 7.6** shall mean not more than four (4) pets consisting of not more than two (2) dogs, not more than two (2) cats, or any combination of other common household pets (for a total of four (4) pets) per Residential Site; provided, however, that the CEC or a Neighborhood Association in a Supplemental Declaration may, from time to time, determine that a reasonable number in any instance may be more or less than the above number. The CEC shall have the right to prohibit any animal which, in the reasonable opinion of the CEC, is not being kept in accordance with the restrictions contained herein. The CEC may adopt and enforce additional rules and regulations governing the subject of pets within the Property.

7.7. Nuisance and Waste. No noxious or offensive activity shall be permitted in or on any Residential Site nor shall anything be done therein which may be or become an annoyance, disturbance or nuisance to any Owner. No waste shall be committed on any Residential Site.

7.8. Violation of Law. Nothing shall be done or kept in or on any Residential Site or any portion of the Property which would be in violation of any Applicable Laws.

7.9. Annoying Light, Sound or Odors. No light shall be emitted from any Residential Site which is unreasonably bright or causes unreasonable glare; no sound shall be emitted on any Residential Site which is unreasonably loud or annoying; and no odor shall be emitted on any Residential Site which is noxious or offensive.

7.10. Unsuitability. No unsightly conditions, structures, facilities, equipment or objects shall be permitted to remain on any Residential Site if they are visible from adjoining property or public or private thoroughfares. Without limiting the generality of the foregoing, service areas, storage areas and compost piles shall be appropriately screened from view and no clotheslines shall be permitted on any Residential Site. No lumber, grass or plant waste, shrub or tree clippings, metals, bulk materials, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any Residential Site except within an enclosed structure or appropriately screened from view.

7.11. Trash Disposal. No trash, garbage, refuse, rubbish, or cuttings shall be deposited on any street, or on any Residential Site unless placed in a container suitably located, solely for the purpose of garbage pickup and screened from view. All equipment for the storage or disposal of such materials shall be kept in clean and sanitary condition. Lot Owners agree that the Metropolitan District(s) will provide, or will contract for the provision of, trash disposal services and Lot Owners will not enter into private contracts for trash disposal services. It is currently anticipated that the Metropolitan District(s) shall contract for trash collection by one or more trash collection companies based upon competitive bids. In order to minimize unsightliness, the Metropolitan District(s) shall have the right to restrict the placement of trash receptacles outside for collection on any day other than the actual day for trash collection.

7.12. Restrictions on Temporary Structures. Except as hereinafter provided, no structure of a temporary character, including, but not limited to, a house trailer, tent, shack, storage shed, or outbuilding shall be placed or erected upon any Residential Site; provided, however, that during the actual, continuous construction, alteration, repair or remodeling of any Improvements, necessary temporary structures for storage of materials may be erected and maintained by the Person doing such work. No camper, tent, trailer, motorhome, mobile home or other temporary structure shall be used as a Residence or other living quarters within the Property.

7.13. Restrictions on Signs. Except as expressly permitted by Applicable Law, no signs or flags shall be displayed to the public view on any Residential Site without the prior written approval of the CEC, with the following exceptions: (a) the Declarant may erect and maintain a sign or signs in connection with the construction, development, operation, promotion and sale of the Lots; (b) the patriotic display of flags not exceeding 4' x 6' in size shall be permitted on Memorial Day, Fourth of July and other appropriate holidays; and (c) signs of customary dimensions, not exceeding 3' x 4' in size, advertising a Lot or portion thereof as "For Sale" or "For Rent"; provided, however, that any "For Sale" or "For Rent" sign must comply with the Guidelines and any Owner must obtain DRC approval before displaying such a sign on a Lot. Notwithstanding anything herein contained to the contrary, any and all signs, if allowed, shall comply with all sign standards of the applicable governmental authorities which may be applicable to the Property, as well as the Restrictions.

7.14. Restrictions on Antennas, Pipes, Utility Lines and Transmitters. Pipes for water, gas, sewer, drainage, or other purposes for a Residential Site, and wires, poles, aerials, antennas, satellite dishes, and other facilities for the Telecommunication Facilities or electricity, and utility meters or other utility facilities for a site shall be kept and maintained, to the extent possible, underground or within an enclosed structure. Any Telecommunication Facility for the transmission or reception of audio, data or video signals (except those located entirely inside a structure) shall first be approved by the DRC. The DRC shall act on applications for approval of satellite dishes and antennas in accordance with the requirements of the Federal Telecommunications Act of 1996, and any applicable regulations adopted pursuant thereto, as such statute and regulations may be amended from time to time. No wind-powered electrical generators shall be permitted.

7.15. Restrictions on Storage Tanks. No tanks for the storage of gas, fuel, oil, or other materials shall be erected, placed or permitted above or below the surface of any Residential Site (other than reasonably sized propane tanks intended for use with gas grills and fire pits, but only if and as specifically allowed in the Rules and Regulations).

7.16. Restrictions on Sewage Disposal Systems. No cesspool, septic tank or other sewage disposal system shall be installed on a Residential Site without the prior written consent of the Town and the DRC, except a central sewage disposal system installed and maintained by a water and sanitation district or other sanitation agency providing sewage disposal services to a significant portion of the Property. Any sewage disposal system shall be subject to all Applicable Laws and the Rules and Regulations of the Metropolitan Districts.

7.17. Restrictions on Water Systems. No individual water supply or water softener system shall be installed or maintained unless such system is approved in writing by the Town and the DRC, and is constructed, designed, equipped, and located in accordance with all Applicable Laws and the recommendations, requirements and standards of the Town and the Metropolitan Districts.

7.18. Restrictions on Cooling and Heating Systems. No types of refrigerating, cooling or heating apparatus shall be permitted on the roof or in any window of any Residence unless such system is approved in writing by the DRC. Further, no such apparatus shall be permitted elsewhere on a Lot except when appropriately screened and approved by the DRC. Without limiting the foregoing, conventional air conditioning units located on the ground of a Residential Site are permissible when approved in accordance with the preceding sentence.

7.19. Insurance Risks. No Residential Site may be used for any use which would constitute an unusual fire hazard, would result in jeopardizing any insurance maintained on other Residential Sites within or on any other portion of the Property or would result in any increase in the premium for any such insurance; provided, however, that the DRC may approve the use if adequate safeguards are undertaken at the applicable Owner's expense and any increase in insurance premiums is allocated to, and paid by, the applicable Owner. This **Section 7.19** shall not be construed as prohibiting the normal use of barbecue grills on outdoor terraces or patios, subject to reasonable regulation by the Metropolitan Districts pursuant to the Rules.

7.20. Hazardous Activities/Fires. No activities shall be conducted which are or might be unsafe or hazardous to any Person or property. Without limiting the generality of the foregoing, no firearms shall be discharged, no exploding fireworks shall be set off and no open fires shall be lighted or permitted except in a contained barbecue unit, indoor or outdoor fireplace or fire pit which is attended. Trash, leaves, and other similar materials shall not be burned.

7.21. Mining or Drilling. No Residential Site within the Property shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel or earth.

7.22. Storage of Explosives, Gasoline, and Similar Substances. No Residential Site shall be used for storage of explosives, gasoline or other volatile or incendiary materials or devices. Gasoline or fuel for a lawn mower, snow blower, camp stove and the like may be maintained on an incidental basis on a Residential Site if the amount so kept does not exceed five (5) gallons and is kept in UL approved containers. Gasoline or other volatile or incendiary materials or devices shall be stored only in a manner that strictly complies with all Applicable Laws.

7.23. Restriction on Further Subdivision. No Residential Site shall be further subdivided or separated into smaller Lots by any Owner unless such subdivision is consistent with the Property Documents, and no portion consisting of less than all of any such Lot, nor any easement or other interest herein, shall be conveyed or transferred by an Owner, provided that this shall not prohibit deeds of correction, deeds to resolve boundary line disputes, and similar non-material corrective instruments.

7.24. Leases. Subject to **Section 7.3**, the Owner of a Residential Site shall have the right to lease such Owner's Residence, subject to the following conditions:

(a) All leases shall be in writing and shall be for a term of not less than six (6) months, unless otherwise excepted by the CEC upon application by a Residential Site Owner.

(b) The lease and each tenant and his, her or their family members (collectively, "tenant") occupying the Residence shall be specifically subject to this Declaration. Any failure of a tenant to comply with such documents shall be a default under the lease.

(c) The Owner and the tenant shall be jointly and severally liable for any violation of the Restrictions committed by the Owner's tenant(s), without prejudice to the Owner's right to collect any sums paid by the Owner on behalf of the tenant(s).

7.25. Rules and Regulations. Rules and Regulations concerning and governing the use of the Property and the Superior Town Center Property, or any portion thereof, may be adopted, amended or repealed from time to time by the CEC and/or the Metropolitan Districts. Such Rules and Regulations may address matters not appearing in this Declaration as well as matters appearing in this Declaration, provided that the Rules and Regulations shall not contradict the provisions of this Declaration. The CEC or the Metropolitan District(s) may establish and enforce penalties for the infraction of such Rules and Regulations including, without limitation, the levying and collecting of Fines.

7.26. Violation of Restrictions. If any Owner or his or her respective family, guests, licensees, lessees, tenants, invitees, agents or employees is in Violation of the Restrictions set forth in this **ARTICLE 7**, then in addition to any enforcement and remedies described in **Section 6.5**, the CEC may invoke any one or more of the following remedies, in accordance with the procedure set forth in **Section 6.5**: (a) levy Fines upon such Owner for each Violation; (b) cause the Violation to be cured and charge the cost thereof to such Owner; and (c) obtain injunctive relief against the continuance of such Violation. Before invoking any such remedy, the CEC shall give such Owner prior written notice of the Violation, including a specific description of the Violation and shall require the Owner to take such action as may be necessary to remedy the Violation, including the

time period in which the Violation is to be remedied which time period shall not exceed forty-five (45) days.

7.27. Easement Areas: By taking title to any Residential Site in the Property, each Owner acknowledges that certain portions of the Property are subject to easement rights in favor of governmental, quasi-governmental and other parties, including easements for the benefit of the Town, Utility Providers, and the Metropolitan Districts, among others, pursuant to a Plat or other document creating such easement rights. Notwithstanding any other provision of this Declaration, no Owner shall be allowed to use any portion of the Property or place any trees, structures, fences or other improvements on any portion of the Property that would violate any use restrictions contained in any easement, Plat or other document creating easement rights.

ARTICLE 8. DRAINAGE AND SOILS CONDITIONS

8.1. Acknowledgment. The soils within Colorado consist of both expansive soils and low density soils, which may adversely affect the integrity of a Residence or other Improvement (residential, commercial or industrial) if the Residence, the other Improvement and the Lot on which they are constructed are not properly maintained. Expansive soils contain clay minerals which have the characteristic of changing volume with the addition or subtraction of moisture, thereby resulting in swelling and/or shrinking soils. The addition of moisture to low-density soils causes a realignment of soil grains, thereby resulting in consolidation and/or collapse of the soils.

8.2. Disclaimer. The Declarant, the Operating District, any Metropolitan District, the DRC and the CEC, and their respective officers, directors, managers, members and shareholders shall not be liable for any loss or damage to any Residence or other Improvement (residential, commercial or industrial) or to any Person, caused by, resulting from, or in any way connected with soil conditions on any Lot, including, by example and not limitation, expansive soils. Owners should carefully consider the risk of planting any vegetation within five (5) feet of the Residences or other Improvement, as watering of this vegetation could result in loss or damage to a Residence or other Improvement due to expansive or low-density soil.

8.3. Moisture. Each Owner of a Lot shall use his or her best efforts to assure that the moisture content of those soils supporting the foundation and the concrete slabs forming a part of the Residence or other Improvements constructed thereon remain stable and shall not introduce excessive water into the soils surrounding the Residence and other Improvements.

8.4. Grading. Each Owner of a Lot shall maintain and shall not disturb the elevation, grading and drainage patterns of the Residential Site as originally constructed by Declarant or a Builder.

8.5. Water Flow. The Owner of a Lot shall not impede or hinder in any way the water falling on or passing through the Lot from reaching the drainage courses established for the Lot and the Property.

8.6. Actions by Owners. By accepting title to a Lot, each Owner covenants and agrees:

(a) Not to install any Improvements which will change the grading of the Lot without first obtaining DRC approval.

(b) To fill with additional soil any back-filled areas adjacent to the foundation of a Residence or any other Improvement and in or about the utility trenches on the Lot in which settling occurs to the extent necessary from time to time to maintain the grading and drainage patterns of the Lot.

(c) Not to water the lawn or other landscaping on the Lot excessively.

(d) Not to plant turf grass, flower beds (especially annuals) or vegetable gardens adjacent to or within five (5) feet of the foundation and slabs of a Residence or any other structure.

(e) To minimize the installation of piping and heads for sprinkler systems within five (5) feet of foundation walls and slabs. Sprinkler systems shall be subject to DRC review and may be located or limited in the discretion of the DRC.

(f) To install any gravel beds in a manner which will assure that water will not pond in the gravel areas, whether due to non-perforated edging or due to installation of the base of the gravel bed at a level lower than the adjacent lawn, or otherwise.

(g) Not to install a moisture barrier (such as polyethylene) under any gravel.

(h) To maintain all gutters and downspouts which discharge water into extensions or splash blocks by assuring that (i) the gutters and downspouts remain in the down position and are free and clear of all obstructions and debris; (ii) the water flow from the extension or the splash block is allowed to flow rapidly away from the foundation and/or slabs; and (iii) that splash blocks are maintained under outdoor faucets.

(i) To re-caulk construction joints opening up between portions of the exterior slabs and garage slabs to seal out moisture.

(j) Not to alter, obstruct, or obliterate, in any manner, any drainage swales, pans, easements, or channels located or installed, or required to be located or installed, upon the Property pursuant to established drainage plans.

8.7. Radon Gas; Naturally Occurring Radioactive Materials. Elevated levels of naturally occurring radioactive materials or radon gas may be present in or adjacent to some residential and other structures in Colorado. Governmental authorities have voiced concerns about the possible adverse effects on human health from long-term exposure to high levels of radon gas and naturally occurring radioactive materials. Each Owner is responsible to conduct such Owner's own investigation and consult with such experts as such Owner deems appropriate with respect to the presence or absence of radon gas or naturally occurring radioactive materials in the soil on that Owner's Lot. Furthermore, each Owner shall be solely responsible for the mitigation of any radon gas or naturally occurring radioactive materials on such Owner's Lot. The Declarant, the Operating District, any Metropolitan District, the DRC and the CEC, and their respective officers, directors, members, managers and shareholders, and the Builder of the initial Residence on a Residential Site shall not be liable for the existence of radon gas or naturally occurring radioactive materials in any Residence or other Improvement, or elsewhere on the Property, for any loss or damage to any Residence or other Improvement on the Property, or for any injury to any Person caused by or resulting from or in any way connected with the existence of radon gas or naturally occurring radioactive materials on the Property.

ARTICLE 9. SPECIAL DECLARANT RIGHTS.

9.1. Special Declarant Rights. The Declarant reserves the right during the Development Period to perform the acts and exercise the rights specified below (the "Special Declarant Rights"). The Special Declarant Rights include the following rights:

(a) Add or Withdraw Real Property. The right to add or withdraw real property as set forth in **ARTICLE 2**.

(b) Completion of Improvements. The right to construct and complete Improvements within the Property, including, without limitation, the Tracts and the Metropolitan District Property.

(c) Exercise of Development Rights. The right to exercise any right reserved in **ARTICLE 10** of this Declaration or any other rights reserved by the Declarant in this Declaration.

(d) Sales, Management and Marketing. The right within the Property to maintain sales offices, construction offices, management offices, model homes, and signs, flags and other on-site marketing and sales promotion materials advertising the Property. Specifically, the Declarant may maintain one or more sales offices within the Property. The Declarant shall have the right to determine the number of model homes and the size and location within the Property of any sales offices, management office, and model homes. The Declarant shall also have the right to relocate any sales offices, management offices, and model homes from time to time at its discretion. After the Declarant ceases to be the Owner of a Lot, the Declarant shall have the right to remove any sales offices and management offices. No structure used by the Declarant for a sales office, construction office, management office or model home shall be deemed the property of any party other than the Declarant unless specifically assigned, conveyed or dedicated by the Declarant to

such other party. In addition to Declarant, all Builders shall also have the rights specified in this subsection (d).

(e) Project Management. The right to select and hire a third-party manager for the management, administration and operation of the Property or any lesser portion thereof. In addition to Declarant, the Metropolitan Districts shall also have the rights specified in this subsection (e).

(f) Construction and Access Easements. The right to use easements through the Property for the purpose of making improvements and providing access within the Property.

(g) Alteration of Lots. The right to alter any condition (including size and location of Improvements) on any Lot owned by the Declarant, whether with respect to sales and marketing efforts or otherwise.

9.2. Additional Reserved Rights. In addition to the Special Declarant Rights set forth above, the Declarant reserves the following additional rights (the "Additional Reserved Rights") during the Development Period:

(a) Amendment of Declaration. The right to amend this Declaration without Owner consent or approval in connection with the exercise of any Development Rights (as defined in **ARTICLE 10**) or in connection with the qualification or continued qualification for loan guarantees, and for compliance with the requirements of HUD or other Government Mortgage Agencies or any other available financing programs. The Declarant also shall have the right to amend this Declaration to comply with the requirements of Applicable Law in the event any provision contained in this Declaration does not comply with Applicable Law.

(b) Errors. The right to amend this Declaration without Owner consent or approval in order to correct clerical, typographical or technical errors, or to clarify any of the Restrictions or any provision hereof.

(c) Amendment of Plat/Re-Plats. The right to supplement the Plat in connection with the exercise of any Development Rights, the right to re-plat all or any portions of the Property, the right to create additional Lots up to the maximum number of Lots allowed by the Town and the right to subdivide or combine Lots which it owns.

(d) Dedications. The right to establish, from time to time, by dedication or otherwise, utility and other easements over, across, and upon the Property for purposes including, but not limited to, streets, paths, walkways, drainage, tracts and parking areas, and to create other reservations, exceptions, and exclusions over, across, and upon the Property for the benefit of the Lot Owners.

(e) Use Agreements. The right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance, or regulation of the Property.

(f) Irrigation Water. The right to use potable or non-potable water, from whatever source, for the following purposes:

(i) Dust control in connection with constructing and completing improvements within the Property;

(ii) Initial establishment of grass and landscaping on Tracts and Lots (as a temporary dust and erosion control measure before such Lots are initially sold by the Declarant); and

(iii) Initial establishment of grass and landscaping on planned parks and trails, if any.

(g) Other Rights. The right to exercise any additional reserved right created by any other provision of this Declaration.

9.3. Rights Transferable. Any Special Declarant Right or Additional Reserved Right created or reserved under this **ARTICLE 9** for the benefit of the Declarant may be transferred to any Person in whole or in part by Recording an instrument in the Records describing specifically the rights transferred. Such instrument shall be executed by the Declarant and the transferee.

ARTICLE 10. RESERVATION OF DEVELOPMENT RIGHTS.

10.1. Development Rights. During the Development Period, the Declarant reserves the following rights (the "Development Rights"):

(a) Expansion Rights. The Declarant reserves the right (but is not required) to subject additional real property to the terms, conditions and restrictions of this Declaration in accordance with **ARTICLE 2** above. Furthermore, the Declarant reserves the right to subject all or any portion of any such additional real property to such other covenants, conditions and restrictions as the Declarant deems appropriate by Recording a Supplemental Declaration with respect thereto; provided, however that no such other covenants, conditions and restrictions may amend or be in conflict with this Declaration, unless approved as an amendment to this Declaration or where approval is not required, executed by the Declarant in accordance with the provisions hereof. The consent of the existing Lot Owners shall not be required for the exercise of these rights, and the Declarant may proceed to exercise such rights without limitation, at its sole option.

(b) Exercise of Rights. The Declarant may exercise any Development Rights with respect to all or a portion of different parcels of real property at different times in whatever order and to whatever extent the Declarant, in its sole discretion, may determine.

10.2. Interpretation. Upon the Recording of a Supplemental Declaration, the real property subject thereto, or any part thereof as specifically stated therein, shall be added to and become a part of the Property for all purposes, or for such limited purpose as are set forth in the Supplemental Declaration, and, except as set forth in the Supplemental Declaration, the definitions in this Declaration shall automatically be extended to encompass and refer to all real property then

comprising the Property. Reference to this Declaration in any instrument shall be deemed to include all supplements and amendments to this Declaration without specific reference thereto.

10.3. Utilities Easement. The Declarant hereby reserves for itself a blanket easement upon, across, over and under the Property, specifically including the Lots, Tracts and the Metropolitan District Property, for Utilities and the installation, use, replacement, repair and maintenance of Utilities, including, but not limited to, water, sewer, gas, telephone, electricity, renewable energy/energy efficiency, computer cable, and master television antenna or cable or satellite television systems, if any. By virtue of this blanket easement, it shall be expressly permissible to erect, use and maintain the necessary facilities, equipment and appurtenances on the Property, specifically including the Lots, Tracts, and the Metropolitan District Property, and to affix, use, repair and maintain water and sewer pipes, gas, electric, telephone, renewable energy/energy efficiency, computer and television wires, cables, circuits, conduits and meters. In the event any utility or quasi-utility company furnishing a service covered by the general easement created herein requests a specific easement by separate recordable document, the Declarant reserves and is hereby given the absolute right and authority to grant such easement upon, across, over or under any part or all of the Property, specifically including the Lots, Tracts and the Metropolitan District Property; provided, however, that such right and authority of the Declarant shall automatically cease at such time as the Special Declarant Rights terminate as provided in **ARTICLE 9** of this Declaration, at which time such reserved rights shall vest in one or more of the Districts. The easement provided for in this **Section 10.3** shall in no way void, extinguish or modify any other Recorded easement(s) on the Property, specifically including the Lots, Tracts and the Metropolitan District Property.

10.4. Drainage Easement. The Declarant hereby reserves to itself and to the Metropolitan Districts easements for drainage or drainage facilities across the ten (10) rear and ten (10) side feet of each Lot and, if necessary, an easement across each Lot in order for Declarant to access such drainage easement areas; provided, however, that such easement shall not be reserved over any of the areas described in this sentence if and to the extent a Residence is located upon any such areas, which was previously approved by the Declarant or by the DRC. Except for Residences as provided in the preceding sentence, no Improvements shall be placed or permitted to remain on any Lot, nor shall any change in grading be permitted to exist which may change the direction of flow or obstruct or retard the flow of water through channels or swales within such rear and side yard drainage easements. The Declarant reserves to itself and to the Metropolitan Districts the right to enter in and upon each ten (10) foot rear and side yard drainage easement at any time to construct, repair, replace or change drainage structures or to perform such grading, draining or corrective work as the Declarant or the Metropolitan Districts may deem necessary or desirable in their sole discretion from time to time; provided, however, that such right and authority in the Declarant shall automatically cease at such time as the Special Declarant Rights terminate as provided in **ARTICLE 9** of this Declaration, at which time such reserved right shall vest solely in one or more of the Metropolitan Districts.

10.5. Transfer of Development Rights. Any right created or reserved under this **ARTICLE 10** for the benefit of the Declarant may be transferred to any Person by Recording an instrument in the Records specifically describing the rights transferred. Such instrument shall be executed by the transferor, the Declarant and the transferee.

ARTICLE 11. PARTY WALLS.

11.1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Residences or other Sites and placed on the boundary line separating adjacent Lots shall constitute a "Party Wall," and, to the extent not inconsistent with the provisions of this **ARTICLE 11**, the general rules of Applicable Laws regarding Party Walls and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

11.2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a Party Wall shall be shared equally by the Owners of the Lots divided by the Party Wall; however, each Owner is responsible for painting and repainting the side of any Party Wall facing such Owner's Lot.

11.3. Destruction by Fire or Other Casualty. If a Party Wall is destroyed or damaged by fire or other casualty, any Owner whose Lot abuts the Party Wall may restore it, and the Owner of the other Lot(s) abutting the Party Wall shall contribute equally to the cost of restoration thereof, subject, however, to the right of any such Owners to call for a larger contribution from the other Owners under any rule of law regarding liability for negligent or willful acts or omissions.

11.4. Damage and Repair. Notwithstanding any other provision of this **ARTICLE 11**, an Owner who by his, her or its negligence or willful acts causes a Party Wall to be damaged shall bear the entire cost of repairing such damage. Within ten (10) days after the occurrence of such damage, the Owner causing such damage shall commence to repair or reconstruct the damaged Party Wall to its original condition and shall diligently complete all such repairs and reconstruction. If such Owner shall fail to do so, then the Owner of the Lot abutting such Party Wall may do so at the sole cost and expense of the Owner causing such damage.

11.5. Right to Contribution Runs with Lot. The right of any Lot Owner to contribution from any other Owner under this **ARTICLE 11** shall be appurtenant to the Lot and shall pass to such Owner's successors in title.

11.6. Arbitration. In the event of a dispute arising concerning the provisions of this **ARTICLE 11**, the parties shall resolve such dispute in accordance with the terms of **Section 14.12**.

ARTICLE 12. EASEMENTS AND DISCLOSURES.

12.1. Easements. In addition to any other easements which may be granted or reserved elsewhere in this Declaration, this **ARTICLE 12** describes (a) certain disclosures regarding the Property, (b) additional easements (the "Easements") that are declared, established, granted, and reserved hereby as more particularly set forth in **Sections 12.2** through **12.5** hereof, and (c) the limitations on the Easements (**Section 12.6** hereof).

12.2. Easements for Access. The Declarant hereby declares, establishes, grants, and reserves Easements over each Lot in favor of the Declarant and the Metropolitan Districts, including their respective agents, contractors, and employees thereof, for performing maintenance, repair, or replacement or other services as provided in this Declaration, including, without

limitation, maintenance, repair, or replacement pursuant to **ARTICLE 4** hereof. If damage is inflicted on a Tract, any Lot or any other property, then (a) the Owner or Owners responsible for such damage will be responsible for the cost and expense of repairing or avoiding such damage, and (b) the Metropolitan District(s) may, at its option, take steps necessary to avoid or mitigate damage and, if an Owner or Owners are responsible for such damage, then such Owner or Owners will reimburse the Metropolitan District for the cost and expense of avoiding or repairing such damage. Further, the rights to access Easements granted in this Section may be exercised only during reasonable hours after reasonable notice to the Owner or Owners or occupant or occupants of any affected Lot; provided, however, that no such notice shall be required in connection with any exterior, non-intrusive maintenance and in emergency situations entry upon a Lot may be made at any time, provided that the Owner or Owners or occupant or occupants of each affected Lot shall be warned of impending emergency entry as early as is reasonably possible. The interior of any Residence located on a Lot shall not be subject to the Easements provided for in this Section.

12.3. Retention Ponds and Detention Ponds. In furtherance of developing the Property, retention ponds and/or detention ponds may be constructed within the Metropolitan District Property to hold and release storm water in accordance with storm water drainage plan(s) that have been or will be approved by the Town. The Metropolitan District(s) will be responsible for maintaining any retention ponds or detention ponds within the Property. With the presence of retention pond(s) or detention pond(s), there may be surface water that accumulates within the area of such ponds, and there may be periods of time when the area immediately surrounding a retention pond or detention pond is subject to flooding. Additionally, there are certain risks and dangers of physical injury and property damage inherent in the physical configuration of a retention pond and a detention pond, and the location of such a pond relative to the Property. Neither the Metropolitan District(s) nor the Declarant, its officers, directors or shareholders, shall be liable for any injury, loss or damage arising from such flooding or otherwise arising from the proximity of any retention ponds or detention ponds to the Property.

12.4. Easements and Disclosures Regarding Civic Space. The following disclosures are made and easements established with respect to the Civic Space:

(a) Easement for Operation of Civic Space. The Declarant hereby declares, establishes, grants, and reserves to itself, to the Town, to the Metropolitan Districts, and to any Neighborhood Association allocated the responsibility of operating the Civic Space, and to their respective assigns, concessionaires, licensees, and representatives, a nonexclusive, blanket Easement over the Property for the purpose of permitting (i) the performance of every act necessary and proper for the operation and use of the Civic Space, (ii) the effect on such Lot of one or more of the risks disclosed hereby as one of the Civic Space Risks, (iii) light, noise, and sound emanating from the operation and use of the Civic Space for its intended uses and purposes, and (iv) overspray in connection with the watering or fertilizing of the Civic Space.

(b) Proximity to the Civic Space; Acceptance and Acknowledgment of Risks. Portions of the Property adjoin, are adjacent to, border, or are otherwise in the vicinity of the Civic Space and are subject to the Civic Space Risks. Each Owner and each family member, guest, invitee or tenant of an Owner, by acceptance of a deed to a Lot, or through

the use or occupancy of a Residence or other Improvement within the Property, as applicable, is hereby deemed to have assumed and agreed to accept the Civic Space Risks.

(c) Release by Owner of Claims Relating to Risks. Each Owner agrees that, by acceptance of a deed to a Lot within the Property, and each family member, guest, invitee or tenant of an Owner, by use or occupancy of a Residence or other Improvement within the Property hereby (i) discharges and releases the Declarant, the Metropolitan Districts and their Boards of Directors, the DRC and the CEC, the Town, the County, any Builder; any neighborhood association, any party operating the Civic Space, as a concessionaire or otherwise, and their respective parents, subsidiaries, and affiliated entities and their agents, directors, employees, members, managers, officers, partners, and shareholders, and their respective heirs, successors, and assigns (the "Benefited Parties") from all Claims (as that term is hereinafter defined) and (ii) waives all Claims against the Benefited Parties. The foregoing discharge, release, and waiver are made by each Owner and each family member, guest, invitee or tenant of an Owner to the fullest extent permitted by the law and for and on behalf of itself, its assigns, executors, heirs, guests, invitees, lessees, personal representatives, representatives, and successors, and for any person using or occupying any Residence or other Improvement within the Property, through, under, or with the permission of each Owner and each family member, guest, invitee or tenant of an Owner. As used in this **Section 12.4(e)** and in **Section 12.4(d)** hereof, the term "Claims" means any and all causes of action, claims, costs, damages, expenses, liabilities, and other claims arising directly or indirectly from or otherwise in connection with the Civic Space and the Civic Space Risks, whether or not caused by the negligent conduct of the Benefited Parties (including, without limitation, the negligent design, development, construction, operation, or use of the Civic Space).

(d) Covenant Not to Sue. Each Owner, by acceptance of a Lot, and each family member, guest, invitee or tenant of an Owner, by the use or occupancy of a Residence or other Improvement within the Property, hereby further agrees that it will not assert, institute, maintain, or prosecute any proceeding (as that term is hereinafter defined) against the Benefited Parties, or any of them, for or on account of any Claim. As used herein, the term "proceeding" means any action, civil action, suit at law, claim in equity, arbitration, or other proceeding against the Benefited Parties or any of them.

12.5. Easement and Reserved Rights for Telecommunications Facilities. The Declarant hereby declares, establishes, grants and reserves the following Easements and rights with respect to Telecommunications Facilities, Telecommunications Services and Utilities:

(a) Easement. The Declarant hereby declares, establishes, grants, and reserves for the benefit of itself a blanket Easement (the "Telecommunication Facilities and Utilities Easement") upon, across, over, and under the Property for Telecommunication Facilities and Utilities and for the construction, installation, maintenance, replacement, and repair of Telecommunication Facilities and Utilities. By virtue of the Telecommunication Facilities and Utilities Easement, it shall be expressly permissible for the Declarant and its respective assignees or designees to (i) erect and maintain the necessary appurtenances, equipment, lines, and other facilities on the Property that are needed for Telecommunication Facilities and Utilities, and (ii) affix, maintain, repair, and replace the necessary appurtenances,

equipment, lines, and other facilities necessary or desirable for the operation, repair, replacement, and use of the Telecommunication Facilities and the Utilities.

(b) Reserved Rights. The Declarant declares, establishes, grants, and reserves the right for itself to (i) grant the use of the Telecommunication Facilities and Utilities Easement to contractors, licensees, Builders, providers of Telecommunication Services, and utility companies, together with the respective contractors, designees, licensees, and subcontractors of such parties, (ii) contract with a common provider of one or more Telecommunication Services on such conditions, provisions, and terms (including length of the term over which such Telecommunication Services will be provided, the type of Telecommunication Services to be provided, and the cost of such Telecommunication Services), (iii) receive a marketing fee from providers of Telecommunication Services, and (iv) require Owners in all or a designated part of the Property to use one or more common providers of one or more types of Telecommunication Services. If any provider of Telecommunication Services, utility, or quasi-utility company furnishing Telecommunication Services or Utilities requests a specific easement by separate Recordable document, the Declarant declares, establishes, grants, and reserves the right to grant such easement upon, across, over, or under any part or all of the Property without conflicting with the terms hereof.

12.6. Limitation on Easements. Notwithstanding anything to the contrary contained herein, the Easements (a) shall in no way affect, avoid, extinguish, or modify any other Recorded covenants, easements, limitations, reservations, or restrictions affecting all or part of the Property, (b) may be amended, limited, modified, restricted, or terminated by the Declarant by means of a Recorded instrument, and (c) shall not be interpreted or construed as preventing or including the construction, operation, and use of any structure or use on any Lot which is otherwise permitted by the terms of this Declaration or which is otherwise approved by the Declarant or the Metropolitan District(s).

12.7. Delegation and Termination of Rights. The duties, Easements, responsibilities, and rights that are reserved and granted pursuant to **Sections 11.2 through 12.5** hereof may be delegated in whole or in part by the Declarant or the Metropolitan District(s) to an agent or management company that is acting on behalf of the Metropolitan District(s) with respect to all or part of the Property; provided, however, that any such delegation shall not relieve the Metropolitan District(s) of its obligations and rights hereunder. The right and authority of the Declarant pursuant to **Sections 12.2, 12.3, 12.5, and 12.7** hereof shall automatically cease upon expiration of the Development Period at which time the foregoing reserved rights shall vest solely in the Metropolitan District(s).

12.8. Recorded Easements. In addition to all easements and rights-of-way of Record at or before Recordation of this Declaration, the Property, and all portions thereof, shall be subject to the Easements shown on any Plat of the Property.

12.9. Acknowledgment of Inconvenience. Each of the Lot Owners has acknowledged and agreed that there are inconveniences which will accompany the construction of this Property and the Superior Town Center Property, including but not limited to construction noise, portable toilets, construction traffic, uncompleted buildings, areas not landscaped, potholes and

construction supplies stored in plain view, and general inconvenience associated with construction sites and related issues. Each Lot Owner, by taking title to any Lot, shall be deemed to have waived any claims associated with the inconveniences, nuisance and hazards associated with such construction.

ARTICLE 13. EXEMPTION FOR THE DECLARANT AND BUILDER

13.1. Exemption. Notwithstanding anything in this Declaration to the contrary, neither the Declarant nor any of the Declarant's activities shall in any way be subject to the control of, or under the jurisdiction of the Metropolitan Districts, the DRC or the CEC (including any Design Guidelines, Rules and Regulations) nor shall the Declarant be required to seek the approval or consent of the Metropolitan Districts, the DRC or the CEC for any construction or other work to be performed by or on behalf of the Declarant in the Property. The Declarant, in its sole discretion, may also exempt any Builder from the provisions of (a) **ARTICLE 5**, as long as Builder has received written design approval under the Guidelines from the Declarant, and (b) **ARTICLE 7**, for activities which the Declarant deems to be incidental to the Builder's development activities, in the Declarant's sole and absolute discretion. This exemption shall terminate upon expiration of the Development Period.

ARTICLE 14. MISCELLANEOUS PROVISIONS

14.1. Enforcement. Enforcement of any provision of this Declaration, the Guidelines, and any Rules and Regulations shall be by appropriate proceedings at law or in equity against those Persons violating or attempting to violate any such provision. Such proceedings may be for the purpose of removing a Violation, restraining or enjoining a future Violation, recovering damages for any Violation, foreclosing a lien, obtaining such other and further relief as may be available, or any combination thereof. Subject to the provisions of this Declaration, such proceedings may be instituted by Declarant, an Owner, the Metropolitan District(s) or its designated committee. In any such proceedings, the prevailing party shall recover the costs and reasonable attorneys' fees incurred by such party in connection with such proceedings, except that the Metropolitan District(s) shall not be liable to reimburse any Lot Owner for attorneys' fees or costs incurred in any suit brought by a Lot Owner to enforce or attempt to enforce this Declaration against another Lot Owner. In addition, the Metropolitan District(s) may levy Fines against a Lot Owner, or such Owner's lessee, due to a violation of the terms of this Declaration. Reasonable notice and the opportunity for a hearing shall be provided to the affected Lot Owner, or such Owner's lessee, before any such Fines are charged. The unpaid Fines shall be added to the taxes and fees charged against the Lot of such Lot Owner by the Operating District or the Finance Districts. The failure to enforce any provision of this Declaration, the Guidelines, or the Rules and Regulations shall not preclude or prevent the enforcement thereof for a further or continued Violation, whether such Violation shall be of the same or of a different provision.

No breach of any of the covenants, conditions and restrictions herein contained, nor the enforcement of any lien provisions herein, shall render invalid a lien of any First Mortgage on any part of the Property, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise.

14.2. Reserved.

14.3. Severability. If any provision or term of this Declaration is invalidated, such invalidity shall not affect the validity of the remainder of this Declaration.

14.4. Duration. The covenants, conditions and restrictions contained in this Declaration shall run with the Property, and, except as otherwise specifically set forth in a Supplemental Declaration pursuant to **Section 2.5**, shall be binding on all Lot Owners, their legal representatives, heirs, successors and assigns, and shall be in effect in perpetuity unless amended or terminated as provided in this Declaration.

14.5. No Right of First Refusal. This Declaration neither contains nor shall be amended to contain any provision creating a “right of first refusal” to the Metropolitan District(s) before a Lot or unit can be sold. Should any such rights nevertheless be created in the future, such rights shall not impair the rights of any holder of a First Mortgage to: (a) foreclose or take title to a Lot or unit pursuant to the remedies provided in the Mortgage, (b) accept a deed (or assignment) in lieu of foreclosure in the event of a default by a Mortgagor, or (c) sell or lease a Lot or Unit acquired by the Mortgagee.

14.6. Amendment. Except as otherwise provided in this Declaration, this Declaration may be amended (by (a) either modifying or deleting any existing provisions, or (b) adding new provisions) or terminated at any time by a written and recorded instrument containing the consents of the then record Owners of at least sixty-seven percent (67%) of the Lots subject to this Declaration together with the approval of fifty-one percent (51%) of the First Mortgagees; provided, however, that at any time that the Declarant owns a Lot or any other real property subject to this Declaration, any amendment to this Declaration shall be strictly conditioned on the Declarant’s written consent. Furthermore, to the extent the Property and this Declaration have been submitted to and approved by HUD or any Government Mortgage Agencies (collectively “Agency”), all amendments to this Declaration must have the approval of any of the foregoing entities that have approved the same and have outstanding guaranteed loans secured by Lots within the Property. To the extent that the approval of any Agency or First Mortgagee is required, then, if any Agency or First Mortgagee fails to respond to any written proposal for such approval within thirty (30) days after such Agency or First Mortgagee receives proper notice of the proposal (or such longer time as may be set forth in the notice), such Agency or First Mortgagee shall be deemed to have approved such proposal provided that the notice was delivered to the Agency or First Mortgagee by certified or registered mail, return receipt requested.

14.7. Waiver. No provision in this Declaration is or shall be deemed waived by reason of any failure to enforce the provision, regardless of the number of Violations or breaches which may occur.

14.8. Limited Liability. Neither the Declarant, the Metropolitan Districts, or any officers, directors, shareholders, managers, members, partners, agents or employees of any of the same shall be liable to any party for any action or for any failure to act with respect to any matter in which the action taken or failure to act was in good faith and without malice. Such parties shall be reimbursed by the Metropolitan District(s) for any costs and expenses, including reasonable attorneys’ fees, incurred by them with the prior approval of the Metropolitan District(s) (which

approval shall not unreasonably be withheld) as a result of the threatened or pending litigation pertaining to the Property or this Declaration in which they are or may be named as parties.

14.9. Disclaimer Regarding Safety. THE DECLARANT AND THE METROPOLITAN DISTRICTS AND THEIR OFFICERS, DIRECTORS, MANAGERS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE PROPERTY. BY ACCEPTING A DEED TO PROPERTY WITHIN THE PROPERTY, EACH OWNER ACKNOWLEDGES THAT THE DECLARANT AND THE METROPOLITAN DISTRICTS AND THEIR OFFICERS, DIRECTORS, MANAGERS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED IN THE RESTRICTIONS AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE PROPERTY.

14.10. No Representations, Guaranties or Warranties. No representations, guaranties or warranties of any kind, express or implied, shall be deemed to have been given or made by the Declarant, the Metropolitan Districts, or by any of their officers, directors, shareholders, managers, members, partners, agents or employees in connection with any portion of the Property, or any Improvement, its physical condition, structural integrity, freedom from defects, zoning, compliance with Applicable Laws, fitness for intended use, or view, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, or any other matter whatsoever whether similar or dissimilar to the foregoing, unless and except as specifically set forth in writing. The release and waiver set forth in **Section 14.11** shall apply to this Section.

14.11. Waiver. By acceptance of a deed to a Lot, each Owner hereby releases, waives and discharges the Declarant and the Metropolitan Districts and their respective officers, directors, managers, members, partners, agents, employees, successors and assigns from all losses, claims, liabilities, costs, expenses and damages arising directly or indirectly from any hazards, disclosures or risks set forth in this Declaration.

14.12. Arbitration of Disputes. All Disputes (as defined below) shall be subject to and be resolved by binding arbitration as follows:

(a) Binding Arbitration. Any action, dispute, claim or controversy between the Declarant and the Metropolitan Districts and the Owners, or any of them, whether sounding in contract, tort or otherwise, and whether or not concerning an individual Lot or other portion of the Property (each a "Dispute" and collectively, whether all or less than all, the "Disputes"), shall be resolved by binding arbitration in accordance with the Colorado Uniform Arbitration Act, C.R.S. § 13-22-201, et seq., as then in effect, by a single arbitrator. The arbitrator's award shall be entered as a final, unappealable judgment in the appropriate court in the county in which the Property is located. In the event of any inconsistency between such rules and the provisions of this **Section 14.11**, these provisions shall supersede such rules. All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceedings under this Section. The parties shall be entitled to conduct discovery as if the Dispute were pending in a District Court in the State of

Colorado. In any arbitration proceeding subject to these provisions, the arbitrator is specifically empowered to allow discovery and decide pre-hearing motions that are substantially similar to pre-hearing motions to dismiss and motions for summary adjudication. Judgment upon the award rendered may be entered in any court having jurisdiction. Any arbitrator selected under this Section shall be knowledgeable in the area of the subject matter of the Dispute and shall be selected by the parties to the Dispute, any court in which the Property is located or any private organization providing such services. In the event the parties to the Dispute cannot agree upon an arbitrator, they shall apply to the Chief Judge of the District Court where the Property is located for appointment of a qualified arbitrator.

(b) Stenographic Record. A stenographic record of the binding arbitration mandated by **Section 14.12(a)** shall be made, provided that the record shall remain confidential except as may be necessary for post-hearing motions and appeals. The arbitrator's decision shall contain findings of fact and conclusions of law to the extent applicable, and the arbitrator shall have the authority to rule on all post-hearing motions in the same manner as a trial judge. The statement of decision of the arbitrator upon all of the issues considered by the arbitrator is final and binding upon the parties, and upon filing of a statement of decision with the clerk of the court, or with the judge where there is no clerk, judgment may be entered thereon.

(c) Procedure. If any claim regarding defects in construction is made, each claim shall be specified with particularity. Each location of any claimed defect must be identified, and all evidence supporting each claim, along with all repair methodologies and costs of repair, must be provided to the party or parties against whom the claim is made in advance of any request for arbitration.

(d) Amendment. Notwithstanding any provisions in this Declaration to the contrary, this **Section 14.12** shall not be amended without the prior written consent of the Declarant.

14.13. Waiver of Trial to a Jury or Trial to a Judge. BY ACCEPTING A DEED TO ANY LOT, EACH OWNER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY A JURY OR TO A JUDGE WITH RESPECT TO ANY AND ALL ISSUES PRESENTED IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY THEM AGAINST DECLARANT OR ITS SUCCESSORS WITH RESPECT TO ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS DECLARATION OR ANY DOCUMENT CONTEMPLATED HEREIN OR RELATED HERETO, OR ANY CLAIM ARISING OUT OF ALLEGATIONS OF DEFECTIVE CONSTRUCTION.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the day and year first written above.

DECLARANT:

AWEIDA PROPERTIES, INC.
a Colorado corporation

By: _____

Name:

Its:

STATE OF COLORADO)

)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____ as _____ of Aweida Properties, Inc., a Colorado corporation.

Witness my hand and official seal.

My commission expires: _____

Notary Public

[SEAL]

ACKNOWLEDGEMENT AND CONSENT

By execution below, STC Metropolitan District No. 1 hereby acknowledges and assumes its rights, duties and obligations as provided herein.

STC METROPOLITAN DISTRICT NO. 1

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

By execution below, STC Metropolitan District No. 2 hereby acknowledges and assumes its rights, duties and obligations as provided herein.

STC METROPOLITAN DISTRICT NO. 2

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

By execution below, STC Metropolitan District No. 3 hereby acknowledges and assumes its rights, duties and obligations as provided herein.

STC METROPOLITAN DISTRICT NO. 3

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

The Property includes all of the following lots and parcels, all located in the County of Boulder, State of Colorado:

LOT 1 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 2 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 3 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 4 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 5 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 6 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 7 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 8 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 9 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 10 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 11 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 12 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 13 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 14 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 15 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 16 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 17 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 18 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 19 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

LOT 20 BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3

PARCEL A BLK 1 FINAL PLAT BLK 1 DISCOVERY OFFICE PARK SUPERIOR TOWN CENTER REPLAT 3



**STC METROPOLITAN DISTRICT NO. 2
ENGINEER'S REPORT and CERTIFICATION #52 R1**

PREPARED FOR:

STC Metropolitan District No. 2
141 Union Blvd
Lakewood, CO 80228

PREPARED BY:

Ranger Engineering, LLC
2590 Cody Ct.
Lakewood, CO 80215

DATE PREPARED:

September 25, 2019
Revised October 29, 2019

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ENGINEER’S REPORT

Introduction

Ranger Engineering, LLC. (“Ranger”) was retained by STC Metropolitan District No. 2 (“District”) as an Independent Consulting Engineer to certify costs associated with constructed Public Improvements associated with the District. Per the Cost Sharing Agreement between the Superior Urban Renewal Authority (“SURA”) representing the Town of Superior (“Town”), RC Superior LLC (“Developer”), and the District, a portion of the costs are eligible to be reimbursed by the Town of Superior. It should be noted that personnel from Ranger were formerly part of Tamarack Consulting, LLC and Manhard Consulting, Ltd., both of which have been engaged by the District to certify costs related to the Public Improvements.

The District is located within the Town of Superior, Colorado. The development area is approximately 91 acres. This certification considers soft & indirect and construction costs.

The attached Engineer’s Certification states that the Independent Consulting Engineer finds and determines that the constructed value of the Public Improvements considered in this Engineer’s Report, including both soft and hard costs from approximately July 2019 to August 2019, are valued at **\$438,346.69** for the District, and **\$438,346.69** for the Town. Table I summarizes costs certified to date.

Table I – Cost Certified to Date				
Cert No.	Date	Total Costs Paid	Total District Eligible Costs	Total Town Eligible Costs
1	17-Feb-15	\$4,643,001.98	\$3,207,467.82	\$3,207,467.82
2	16-Jul-15	\$701,094.68	\$322,489.80	\$322,489.80
3	14-Aug-15	\$959,075.78	\$489,247.48	\$489,247.48
4	17-Sep-15	\$1,219,271.89	\$683,402.69	\$683,402.69
5	19-Oct-15	\$2,119,386.67	\$1,446,709.01	\$1,446,709.01
6	17-Nov-15	\$1,231,778.40	\$984,437.64	\$984,437.64
7	21-Dec-15	\$1,017,615.94	\$910,069.14	\$910,069.14
8	19-Jan-16	\$739,528.78	\$563,708.01	\$563,708.01
9	25-Feb-16	\$495,715.12	\$461,463.79	\$461,463.79
10	17-Mar-16	\$332,878.20	\$300,162.73	\$300,162.73
11	18-Apr-16	\$198,444.34	\$173,549.33	\$173,549.33
12	20-May-16	\$398,396.63	\$334,538.75	\$334,538.75
13	20-Jun-16	\$772,592.31	\$627,210.02	\$627,210.02
14	27-Jul-16	\$647,191.62	\$622,677.30	\$622,677.30
15	15-Aug-16	\$414,015.43	\$374,344.41	\$374,344.41
16	23-Sep-16	\$674,802.27	\$652,819.56	\$652,819.56
17	20-Oct-16	\$1,127,902.22	\$991,366.52	\$991,366.52
18	23-Nov-16	\$1,358,809.86	\$1,176,715.72	\$1,176,715.72
19	19-Dec-16	\$813,631.42	\$661,258.25	\$661,258.25
20	25-Jan-17	\$834,276.57	\$757,405.36	\$757,405.36

21	23-Feb-17	\$784,846.38	\$694,206.67	\$694,206.67
22	17-Mar-17	\$663,385.40	\$571,156.39	\$571,156.39
23	20-Apr-17	\$912,437.74	\$894,668.66	\$894,668.66
24	17-May-17	\$488,722.33	\$477,391.96	\$477,391.96
25	29-Jun-17	\$2,648,255.90	\$842,092.22	\$842,092.22
26	3-Aug-17	\$476,010.18	\$425,687.34	\$425,687.34
27	17-Aug-17	\$995,465.07	\$781,719.74	\$781,719.74
28	21-Sep-17	\$2,202,490.66	\$1,813,800.55	\$1,813,800.55
29	11-Nov-17	\$2,372,127.66	\$2,363,679.49	\$2,363,679.49
30	22-Nov-17	\$1,914,639.28	\$1,929,475.33	\$1,711,298.63
31	19-Dec-17	\$1,731,761.49	\$1,561,854.08	\$1,440,391.55
32	16-Feb-18	\$582,701.05	\$559,378.98	\$461,363.52
33	10-Apr-18	\$932,657.82	\$858,000.53	\$690,670.88
34	10-Apr-18	\$670,283.35	\$623,505.43	\$519,950.65
35	18-Jun-18	\$1,053,420.34	\$695,052.19	\$469,031.50
36	13-Jul-18	\$1,315,446.78	\$998,428.76	\$805,440.44
37	31-Jul-18	\$1,097,722.72	\$1,019,716.46	\$910,204.30
38	23-Aug-18	\$998,452.43	\$790,429.34	\$757,296.58
39	26-Sep-18	\$1,181,782.21	\$1,008,881.48	\$851,219.77
40	10-Oct-18	\$506,528.48	\$438,293.56	\$395,834.23
41	06-Dec-18	\$883,785.69	\$837,473.61	\$444,364.63
42	03-Jan-19	\$223,714.21	\$179,926.82	\$137,852.65
43	09-Jan-19	\$266,323.20	\$198,080.87	\$180,809.72
44	24-Jan-19	\$105,648.98	\$82,117.55	\$82,117.55
45	21-Feb-19	\$291,779.76	\$259,508.79	\$259,508.79
46	20-Mar-19	\$325,500.49	\$212,355.06	\$212,355.06
47	25-Apr-19	\$315,703.35	\$288,250.21	\$288,250.21
48	24-May-19	\$3,889,134.73	\$2,984,557.18	\$900,749.68
49	21-Jun-19	\$5,047,252.81	\$2,986,639.50	\$2,775,141.50
50	23-Jul-19	\$857,721.41	\$697,366.45	\$697,366.45
51	21-Aug-19	\$980,208.74	\$872,480.78	\$530,358.78
52	24-Sep-19	\$628,822.07	\$438,346.69	\$438,346.69
TOTALS		\$58,044,142.81	\$45,125,566.00	\$40,565,370.08

Table II summarizes the cost breakdown of the construction, soft and indirect, district funded costs, and system development fees. Tables III, IV, V, and VI provide category breakdowns of construction, soft and indirect, district funded costs, and system development fees reviewed for this certification. Table VII provides a detailed breakdown of the eligible hard costs per the Service Plan categories and the SURA categories. Table VIII provides a detailed breakdown of the eligible soft costs per the Service Plan categories and the SURA categories. Table IX provides a detailed breakdown of district funded costs per

the Service Plan categories and the SURA categories. Table X provides a detailed breakdown of system develop fee costs per the Service Plan categories and the SURA categories.

Public Improvements as Authorized by the Service Plan

Ranger reviewed the Service Plan associated with Superior Town Center Metropolitan District No. 2 (“Service Plan”); dated May 13, 2013.

Section I-A of the Service Plan states:

It is intended that the District will provide a part or all of the Public Improvements for the use and benefit of the anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these public improvements.

Section V-A of the Service Plan States:

The District shall have the power and authority to provide the Public Improvements and related operations and maintenance services within and beyond the District Boundaries as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

Section V-A.8 limits debt issuance to \$145,000,000. Exhibit C-2 maps depict the Inclusion Area of Public Improvements at the time the Service Plan was approved. Ranger has determined that the constructed improvements and associated soft and indirect construction costs (“Public Improvements”) under consideration in this report and certification for reimbursement by the District are indeed authorized by the Service Plan.

Scope of Certification

The Cost Sharing Agreement has identified cost categories eligible for reimbursement. The cost categories reviewed for this report include earthwork, storm sewer, sanitary sewer, domestic water, and mob & temporary conditions. For a breakdown of district eligible costs, refer to Tables II - VIII.

General Methodology

Ranger employed a phased approach toward the preparation of this Engineer’s Report and Certification of Public Costs (“Engineer’s Certification”).

Phase I – Authorization to Proceed and Document Gathering

Ranger was authorized to proceed with the Engineer’s Certification in December 2015 (as Tamarack Consulting, LLC). The initial construction documentation was provided by the District January 11, 2016. Subsequent supporting documentation for Phase II construction improvements was delivered by the District through the current cost certification.

Phase II – Site Visit and Meetings

Ranger has performed site visits to verify completion of work relating to District infrastructure during Phase II construction improvements. The site visits were to verify general conformance with contract documents and does not guarantee quality or acceptance of public improvements.

Phase III – Review of Documentation

Documentation was requested at the beginning of work. Requested documentation include the following:

- Executed Contracts and Bid Tabs
- Approved Construction Drawings
- Acceptable Proof of Payment (Cancelled checks and bank statements or lien waivers)
- Invoices and/or Pay Applications
- Approved changes or amendments to contract documents
- Copies of any agreements that will impact District funding

See Appendix A for a complete listing of documents reviewed, as deemed necessary, by Ranger.

Phase IV – Verification of Construction Quantities

Construction quantity take-offs were performed from applicable construction drawings. These quantity take-offs were used in conjunction with Phase V below to certify reasonableness of construction costs.

Phase V – Verification of Construction Unit Costs and Indirect Costs

Construction Unit Costs and Indirect Costs were reviewed for market reasonableness. Ranger took into consideration the type of construction and the timeframe during which the construction occurred. Ranger determined that the costs incurred were within a reasonable range.

Phase VI – Verification of Payment for Public Costs

Per current agreements, District funded costs are approved before payment is made. Contractors and consultants are to provide Conditional Lien Release Waivers for the amount of payment requested. After payment is made, the contractors and consultants are to provide Unconditional Lien Release Waivers. When applicable, cancelled checks and bank statements are also used to verify proof of payment. Certain soft and indirect costs that have portions that are both publicly and privately funded but have not yet been paid are included in this certification. These costs are clearly identified in Table VII Soft and Indirect Costs Detail in the District and Developer Disbursement columns. These costs are included in order to identify the public and private costs and assign these costs to either the Developer or the District. The proof of payment in the form of cancelled checks and bank statements will be reviewed as payments are processed and reflected on future certifications.

Phase VII – Determination of Costs Eligible for Reimbursement

Ranger concluded the Engineer's Certification by determining which improvements were eligible for District and Town reimbursement and what percent of the costs for those improvements were reimbursable.

Cost Certification Phase II construction improvements that were reimbursable consisted of roadways, paths, & hardscape and temporary conditions.

In Cost Certification #24, an Xcel fee was determined eligible in the amount of \$72,886.93. This cost shows up on two separate District funding requests. A check was originally written to pay this fee but was canceled. After verification of the costs, the District wrote another check to pay for this fee per the June funding request, even though this cost was certified on Cost Certification #24.

A fee for American Fence directly paid by Lee Merritt of Ranch Capital was duplicated on Cost Certifications #24 and #25. There is a deduction on Cost Certification #26 to reconcile the overall costs paid to American Fence.

The Town of Superior provided a contribution of \$198,795.49 directly to the funding of the McCaslin Roundabout scope of work performed by Hall Irwin Corporation. On Cost Certification #27, a credit was identified for this amount to be applied to District costs. This credit did not impact the amount of reimbursable costs for the Town. The intent of this credit is to show the financial impact of the Town directly providing these funds.

Hudick Excavating Inc. ("HEI") provided Pay Application 1 directly to the District and Pay Application 2 to the Developer. The funding for these pay applications was allocated separately, but the costs were still determined to be District eligible.

On Cost Certification #31, Samora Construction Contract, costs were submitted for work related to Superior Roadway, which had the top 2" lift fail. Samora issued a credit in the amount of \$9,975 for the 2" failure on Cost Certification #32. When this work is accepted, the full line item will be billed. Costs submitted deemed District eligible for Ninyo & Moore on Cost Certification #20 were realized to be partially non-District. A negative cost of (-\$2,984.79) was identified on Cost Certification #31 to adjust for the non-District costs previously certified.

On Cost Certification #33, adjustments were made to account for errors in prior Cost Certification reports that were identified after performing an audit of certified costs to date. A Cut Above had duplicate costs certified on Certifications #21 and #22. There was a Special District Management Services, Inc invoice that was incorrectly captured as Capital costs as well. Lastly, there were various vendor invoices that were not included in final reports, and those costs were captured at this time.

During the review of Cost Certification #34, the Town notified associated parties that costs associated with the Medical Office Building Garage would not be eligible under SURA until approved by the Town Board, per Resolution No. R-36. Garage costs are currently determined to be District eligible and will become SURA eligible upon the Town Board approval.

System Development Fee backup was provided with Cost Certification #41 backup, but the costs were not included in the report, pending comments and coordination between the Town and the District.

In February 2019, the Town reviewed costs that had been applied to the *Public Park Amenities and Facilities* Town Category. Miscellaneous line items that were labeled under this category were updated to different Town Categories. The impact was that \$14,209.35 was reallocated to *Mob & Temporary Conditions*, \$719,328.02 was reallocated to *Roadways, Paths, & Hardscape*, and \$780,200.89 was reallocated from *Park Site Development* to *Public Park Amenities and Facilities*.

On Cost Certification #48, System Development fees were certified for the first time. Fees related to SDC – Planning Area 3 Residential were only District eligible, while fees related to SDC – Planning Area 1 and 2 Residential and Commercial, as well as SDC – Planning Area 3 Commercial were considered District and Town eligible.

On Cost Certification #49, the MOB Parking Structure (“MOBPS”) costs were certified as a District Funded Cost. The overall reconciled market value of the MOBPS was determined per a report prepared by National Valuation Consultants, Inc. (“NVC”). NVC determined that the MOB Parking Structure has a reconciled market value \$4,260,000 (assuming completion by January 11, 2018). A prorated amount of the MOBPS District value was determined per a memorandum provided by Walker Parking Consultants (“Walker”) based upon public versus private parking availability in the MOBPS. Ranger utilized the Declaration of Parking Structure Easement and Cost Sharing Agreement based upon the definitions of *MOB Spaces*, *Preferred Parking Period*, and *Public Spaces* to review a prorated value and determined that Walker’s percentage was reasonable. Utilizing the NVC market value and the Walker prorated percentage of 52%, a District value of \$2,215,200 was utilized in the Real Estate Sale Contract between the Developer and the District regarding the MOBPS. The full value of the Real Estate Sale Contract value was deemed eligible.

On Cost Certification #50, a subcategory of Civic Space was added as part of the Public Park Amenities and Facilities Town Eligible Categories. All costs under the Civic Space subcategory are rolled up into the overall Public Park Amenities and Facilities costs.

On Cost Certification #52, costs related to the interior courtyard as part of Block 25 Phase 2 had the eligibility removed until further review was completed to determine the extent of public costs. These costs were related to stairs, retaining walls, and electrical systems for lighting, and are subject to being included as eligible at a later time.

ENGINEER'S CERTIFICATION

Collin D Koranda, P.E. / Ranger Engineering, LLC (the "Independent Consulting Engineer"), states as follows:

1. The Independent Consulting Engineer is an engineer duly qualified and licensed in the State of Colorado with experience in the design, construction and certification of Public Improvements of similar type and function as those described in the above Engineer's Report.
2. The Independent Consulting Engineer has performed a site visit and reviewed applicable construction and legal documents related to the Public Improvements under consideration to state the conclusions set forth in this Engineer's Certification.
3. The Independent Consulting Engineer finds and determines that the constructed value of the Public Improvements considered in the attached Engineer's Report dated October 29, 2019 including soft and indirect, District funded, and hard costs, are valued at an estimated **\$438,346.69**. In the opinion of the Independent Consulting Engineer, the above stated estimated value for the Public Improvements is reasonable and consistent with costs of similar improvements constructed for similar purposes during the same timeframe in similar locales.

Sincerely,

Ranger Engineering, LLC

A handwritten signature in blue ink, appearing to read "Collin D. Koranda".

Collin D. Koranda, P. E.

APPENDIX A

Documents Reviewed

Agreements

- Cost Sharing Agreement between Superior Urban Renewal Authority, RC Superior, LLC, and STC Metropolitan District No 1, 2 and 3. Dated October 18, 2013.
- Development Agreement between the Town of Superior, CO, the Superior Metropolitan District No. 1, the Superior Urban Renewal Authority, and RC Superior LLC. Dated March 11, 2013.
- Public Finance Agreement between the Superior Urban Renewal Authority, the Superior McCaslin Interchange Metropolitan District, RC Superior LLC, and the Town of Superior, CO. Dated March 15, 2013.
- Cost Sharing and Reimbursement Agreement between Aweida Properties and STC Metropolitan District No. 2. Dated October 21, 2015.
- Declaration of Parking Structure Easement and Cost Sharing Agreement, by IISRE-Superior MOB, LLC. Dated March 28, 2017.
- Real Estate Sale Contract (MOB Parking Structure). Entered between RC Superior, LLC and STC Metropolitan District No. 2. August 2018.

Construction Plans

- Final Development Plan – Phase I Superior Town Center Infrastructure Plans. Prepared by Civil Resources LLC. Dated November 12, 2013.
- Final Development Plan #1 – Phase I Street Paving Plans. Prepared by Civil Resources LLC. Dated April 29, 2016.
- Final Plat Superior Town Center Filing No. 1B. Prepared by Civil Resources LLC. Dated December 4, 2013.
- Overlot Grading and Stormwater Management Plans for Superior Town Center Phase 1A. Prepared by Civil Resources LLC. Released for construction May 22, 2015.
- Superior Town Center Phase I Utility Infrastructure Plans. Prepared by Civil Resources LLC. Issued for Construction August 20, 2015.
- Town of Superior Town Center Lift Station Final Drawings Set 1 & Set 2 Rev 0. Prepared by Dewberry Engineers Inc. Dated July 25, 2014.
- Town of Superior McCaslin Blvd. Town Center Left Turn Lane Drawings. Dated February 24, 2016.
- Superior Town Center – Construction Plans – Phase 3 (McCaslin Roundabout). Prepared by Civil Resources Inc. Dated August 12, 2016. Accepted by Public Works September 9, 2016.
- Final Development Plan 1 – Phase 4 (Marshall Road Extension) – Construction Plans – Superior Town Center. Dated August 19, 2016.

Invoices

- Samora Construction Pay Application 6-677. Dated 8/31/19.
- Samora Construction Pay Application 2-675. Dated 8/31/19.
- Samora Construction Pay Application 3-676. Dated 8/31/19.
- Samora Construction Invoice 674. Dated 8/3/19.
- Down To Earth Compliance Invoices 48544, 48603, 49022, 49013. Dated 6/28/19 – 9/6/19.

For soft and indirect costs, district funded costs, and System Development Fees reviewed, refer to Tables VIII, IX, and X.

Service Plan and Reports

- Superior Town Center Metropolitan District No. 2. Prepared by McGeady Sisneros, P.C. and dated May 13, 2013.
- Memorandum Superior Town Center – Block 12 Garage Allocations. Prepared by Walker Parking Consultants. Revised Date November 18, 2016.
- Appraisal Report of a Parking Structure. Prepared by National Valuation Consultants, Inc. Effective Date of Appraisal January 11, 2018.



SUPERIOR TOWN CENTER METROPOLITAN DISTRICT

Project Costs Summary for District and Town

Table II

	Total Cost Invoiced	Maximum Eligible Costs	District Eligible Costs	Town Eligible Costs
Direct Construction Costs	\$ 389,903.41	\$ 250,605.65	\$ 250,605.65	\$ 250,605.65
Soft and Indirect Costs	\$ 203,324.86	\$ 175,204.66	\$ 175,204.66	\$ 175,204.66
District Funded Costs	\$ 35,593.80	\$ 12,536.38	\$ 12,536.38	\$ 12,536.38
System Development Costs	\$ -	\$ -	\$ -	\$ -
Totals	\$ 628,822.07	\$ 438,346.69	\$ 438,346.69	\$ 438,346.69



SUPERIOR TOWN CENTER METROPOLITAN DISTRICT

Construction Costs Summary By Category

Table III

Category	Total Eligible Soft Costs	Category Percentage
Total Town Eligible Costs		
Earthwork	\$ -	0.0%
Roadways, Paths, & Hardscape	\$ 242,414.60	96.7%
Offsite Roadways	\$ -	0.0%
Walls and Structures	\$ -	0.0%
Storm Sewer	\$ -	0.0%
Sanitary Sewer	\$ -	0.0%
Reuse Water & Irrigation Piping	\$ -	0.0%
Domestic Water	\$ -	0.0%
Dry Utilities	\$ -	0.0%
Park Site Development	\$ -	0.0%
Mob & Temporary Conditions	\$ 8,191.05	3.3%
SDC - Planning Area 1 and 2	\$ -	0.0%
SDC - Planning Area 3	\$ -	0.0%
Parking & Architectural Enhancement	\$ -	0.0%
Public Park Amenities & Facilities	\$ -	0.0%
Civic Space (Part of PPA&F)	\$0.00	
	\$ 250,605.65	100.0%
Total District Eligible Costs		
Operation	\$ -	0.0%
Capital	\$ 250,605.65	100.0%
Non District	\$ -	0.0%
	\$ 250,605.65	100.0%



SUPERIOR TOWN CENTER METROPOLITAN DISTRICT

Soft Costs Summary By Category

Table IV

Category	Total Eligible Soft Costs	Category Percentage
Total Town Eligible Costs		
Earthwork	\$ -	0.0%
Roadways, Paths, & Hardscape	\$ 65,572.99	37.4%
Offsite Roadways	\$ -	0.0%
Walls and Structures	\$ -	0.0%
Storm Sewer	\$ -	0.0%
Sanitary Sewer	\$ -	0.0%
Reuse Water & Irrigation Piping	\$ -	0.0%
Domestic Water	\$ -	0.0%
Dry Utilities	\$ -	0.0%
Park Site Development	\$ 773.81	0.4%
Mob & Temporary Conditions	\$ 800.00	0.5%
SDC - Planning Area 1 and 2	\$ -	0.0%
SDC - Planning Area 3	\$ -	0.0%
Parking & Architectural Enhancement	\$ 3,060.92	1.7%
Public Park Amenities & Facilities	\$74,054.69	42.3%
Civic Space (Part of PPA&F)	\$74,054.69	
Other Eligible Costs	\$ 30,942.25	17.7%
	\$ 175,204.66	100.0%
Total District Eligible Costs		
Organization	\$ -	0.0%
Operation	\$ -	0.0%
Capital	\$ 175,204.66	100.0%
	\$ 175,204.66	100.0%



SUPERIOR TOWN CENTER METROPOLITAN DISTRICT

District Funded Costs Summary

Table V

Category	Total Eligible Soft Costs		Category Percentage
Total Town Eligible Costs			
Earthwork	\$	-	0.0%
Roadways, Paths, & Hardscape	\$	-	0.0%
Offsite Roadways	\$	-	0.0%
Walls and Structures	\$	-	0.0%
Storm Sewer	\$	-	0.0%
Sanitary Sewer	\$	-	0.0%
Reuse Water & Irrigation Piping	\$	-	0.0%
Domestic Water	\$	-	0.0%
Dry Utilities	\$	-	0.0%
Park Site Development	\$	-	0.0%
Mob & Temporary Conditions	\$	-	0.0%
SDC - Planning Area 1 and 2	\$	-	0.0%
SDC - Planning Area 3	\$	-	0.0%
Parking & Architectural Enhancement	\$	-	0.0%
Public Park Amenities & Facilities	\$	-	0.0%
Other Eligible Costs	\$	12,536.38	100.0%
Not Eligible	\$	-	0.0%
	\$	12,536.38	100.0%
Total District Eligible Costs			
Operation	\$	-	0.0%
Capital	\$	12,536.38	100.0%
Organization	\$	-	0.0%
	\$	12,536.38	100.0%



SUPERIOR TOWN CENTER METROPOLITAN DISTRICT

Soft and Indirect Costs

Table VIII

Invoices								Percent District	Amount District	Percent Town	Amount Town	Certification
Vendor	Invoice Number	Description	Date	Amount Invoiced	District Category	District Powers	Town Categories	Eligible	Eligible	Eligible	Eligible	Number
505 Design, Inc.	12107	Superior Sign Planning & Design - Phase 2	07/28/19	\$ 6,000.00	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ 6,000.00	100%	\$ 6,000.00	52
Cesare, Inc	19.3035.5	Block 25 Phase 2	08/30/19	\$ 17,877.05	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ 17,877.05	100%	\$ 17,877.05	52
Cesare, Inc	18.3030.14	Main St. & Gateway Dr. Roundabout Evaluation	09/09/19	\$ 4,659.73	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ 4,659.73	100%	\$ 4,659.73	52
Civil Resources, LLC	238.001.01.67	Superior Town Center - Infrastructure	08/27/19	\$ 30,942.25	Capital	Multiple	Other Eligible Costs	100%	\$ 30,942.25	100%	\$ 30,942.25	52
Cohn Markeing	11587	Pop up tent	08/15/19	\$ 800.00	Non District	Non District	Not Eligible	0%	\$ -	0%	\$ -	52
Cohn Markeing	11634	Large Format Signage Redesigns	09/05/19	\$ 2,625.00	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ 2,625.00	100%	\$ 2,625.00	52
KTGY	142363	Public Architecture	06/30/19	\$ 37,000.00	Capital	Parks and Recreation	Civic Space (Part of PPA&F)	100%	\$ 37,000.00	100%	\$ 37,000.00	52
KTGY	142666	Public Architecture	07/31/19	\$ 37,054.69	Capital	Parks and Recreation	Civic Space (Part of PPA&F)	100%	\$ 37,054.69	100%	\$ 37,054.69	52
Loris (OTAK)	91900010	Marshal Road Bridge over Coal Creek	08/28/19	\$ 318.75	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ 318.75	100%	\$ 318.75	52
Loris (OTAK)	51900106	Marshal Road Bridge over Coal Creek	05/07/19	\$ 660.00	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ 660.00	100%	\$ 660.00	52
Moore Iacofano Goltzman, Inc.	0060340	STC - Blocks 13-25 ROW CD's	08/29/19	\$ 773.81	Capital	Parks and Recreation	Park Site Development	100%	\$ 773.81	100%	\$ 773.81	52
Moore Iacofano Goltzman, Inc.	0060341	STC - Main St. FDP 1 Phase 1	08/29/19	\$ 5,220.00	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ 5,220.00	100%	\$ 5,220.00	52
Moore Iacofano Goltzman, Inc.	0060342	Marshall Road Bridge and ROW FDP & CDs	08/29/19	\$ 1,780.00	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ 1,780.00	100%	\$ 1,780.00	52
Moore Iacofano Goltzman, Inc.	0060343	STC - Blocks 26, 27, and Central Park Circle	08/29/19	\$ 6,247.70	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ 6,247.70	100%	\$ 6,247.70	52
Otten Johnson PC	433745	Legal - PIF Covenant	08/14/19	\$ 110.00	Non District	Non District	Not Eligible	0%	\$ -	0%	\$ -	52
RC Superior Holdings LLC	152	Development Management Services	01/01/19	\$ 25,000.00	Non District	Non District	Not Eligible	0%	\$ -	0%	\$ -	52
Summit Services	27819	Stormwater Inseption	08/30/19	\$ 800.00	Capital	Multiple	Mob & Temporary Conditions	100%	\$ 800.00	100%	\$ 800.00	52
Town of Superior	895	STC FDP 3 (Phase 3 Block 25)	07/29/19	\$ 2,277.00	Capital	Multiple	Roadways, Paths, & Hardscape	100%	\$ 2,277.00	100%	\$ 2,277.00	52
Town of Superior	896	STC Development	07/29/19	\$ 349.61	Capital	Multiple	Roadways, Paths, & Hardscape	100%	\$ 349.61	100%	\$ 349.61	52
Town of Superior	903	FDP #1 Infrastructure	08/23/19	\$ 19,522.48	Capital	Multiple	Roadways, Paths, & Hardscape	89%	\$ 17,312.28	89%	\$ 17,312.28	52
Town of Superior	904	STC Development	08/23/19	\$ 245.87	Capital	Multiple	Roadways, Paths, & Hardscape	100%	\$ 245.87	100%	\$ 245.87	52
Walker Parking Consultants	23764601001	Parking Consulting - MOB Board Meeting Discussion	07/31/19	\$ 3,060.92	Capital	Street	Parking & Architectural Enhance	100%	\$ 3,060.92	100%	\$ 3,060.92	52
				\$ 203,324.86				\$ 175,204.66	\$ 175,204.66			



SUPERIOR TOWN CENTER METROPOLITAN DISTRICT

District Funded Costs

Table IX

Vendor		Invoices		Date	Amount Invoiced	District Category	District Powers	Town Categories	Percent District	Amount District	Percent Town	Amount Town	Total	Certification
	Invoice Number	Description	Eligible						Eligible	Eligible	Eligible	Eligible	Number	
Colorado Dept of Health	WC191056232	WQ Permits	07/19/19	\$ 540.00	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	0%	52	
Comcast	316389	Parking Structure	07/14/19	\$ 289.94	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	0%	52	
Manhard Consulting	36313	Certification of Current District Eligible Costs	07/19/18	\$ 3,640.00	Non-District	Not Eligible	Not Eligible	0%	\$ -	0%	\$ -	0%	52	
McGeady Becher P.C.	11098 Jul 19	Legal fees for operations related matters	07/31/19	\$ 4,401.15	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	0%	52	
McGeady Becher P.C.	11098 Jul 19	Legal fees for capital related matters	07/31/19	\$ 9,291.85	Capital	Multiple	Other Eligible Costs	100%	\$ 9,291.85	100%	\$ 9,291.85	100%	52	
Ranger Engineering, LLC	1092	Cost Certification Services	07/31/19	\$ 1,800.00	Capital	Multiple	Other Eligible Costs	100%	\$ 1,800.00	100%	\$ 1,800.00	100%	52	
Simmons & Wheeler, P.C.	24780	Accounting Services - Operations	06/30/19	\$ 1,444.54	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	0%	52	
Simmons & Wheeler, P.C.	24780	Accounting Services - Capital	06/30/19	\$ 1,444.53	Capital	Multiple	Other Eligible Costs	100%	\$ 1,444.53	100%	\$ 1,444.53	100%	52	
Special District Management Services	Jul 2019	District Management Services	07/31/19	\$ 3,941.10	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	0%	52	
Special District Management Services	Jul 2019	District Management Services	07/31/19	\$ -	Capital	Multiple	Other Eligible Costs	100%	\$ -	100%	\$ -	100%	52	
Summit Services Group, LLC	27322	SWMP Narrative	06/30/19	\$ 1,500.00	Operation	Not Eligible	Not Eligible	0%	\$ -	0%	\$ -	0%	52	
Thyssenkrupp Elevator Corp	3004723908	Parking Structure	08/01/19	\$ 165.00	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	0%	52	
Town of Superior	Src 2289, 290, 411, 438	Irrigation Costs	08/11/19	\$ 1,990.48	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	0%	52	
Vargas Property Services	28971	Contract Maintenance, Trash, Watering	07/01/19	\$ 4,230.34	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	0%	52	
Xcel Energy	6173-6572	Monthly Service	08/16/19	\$ 914.87	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	0%	52	
				\$ 35,593.80				\$ 12,536.38	\$ 12,536.38					



**STC METROPOLITAN DISTRICT NO. 2
ENGINEER'S REPORT and CERTIFICATION #53**

PREPARED FOR:

STC Metropolitan District No. 2
141 Union Blvd
Lakewood, CO 80228

PREPARED BY:

Ranger Engineering, LLC
2590 Cody Ct.
Lakewood, CO 80215

DATE PREPARED:

October 29, 2019

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ENGINEER’S REPORT

Introduction

Ranger Engineering, LLC. (“Ranger”) was retained by STC Metropolitan District No. 2 (“District”) as an Independent Consulting Engineer to certify costs associated with constructed Public Improvements associated with the District. Per the Cost Sharing Agreement between the Superior Urban Renewal Authority (“SURA”) representing the Town of Superior (“Town”), RC Superior LLC (“Developer”), and the District, a portion of the costs are eligible to be reimbursed by the Town of Superior. It should be noted that personnel from Ranger were formerly part of Tamarack Consulting, LLC and Manhard Consulting, Ltd., both of which have been engaged by the District to certify costs related to the Public Improvements.

The District is located within the Town of Superior, Colorado. The development area is approximately 91 acres. This certification considers soft & indirect and construction costs.

The attached Engineer’s Certification states that the Independent Consulting Engineer finds and determines that the constructed value of the Public Improvements considered in this Engineer’s Report, including both soft and hard costs from approximately August 2019 to September 2019, are valued at **\$1,627,039.73** for the District, and **\$1,498,922.24** for the Town. Table I summarizes costs certified to date.

Table I – Cost Certified to Date				
Cert No.	Date	Total Costs Paid	Total District Eligible Costs	Total Town Eligible Costs
1	17-Feb-15	\$4,643,001.98	\$3,207,467.82	\$3,207,467.82
2	16-Jul-15	\$701,094.68	\$322,489.80	\$322,489.80
3	14-Aug-15	\$959,075.78	\$489,247.48	\$489,247.48
4	17-Sep-15	\$1,219,271.89	\$683,402.69	\$683,402.69
5	19-Oct-15	\$2,119,386.67	\$1,446,709.01	\$1,446,709.01
6	17-Nov-15	\$1,231,778.40	\$984,437.64	\$984,437.64
7	21-Dec-15	\$1,017,615.94	\$910,069.14	\$910,069.14
8	19-Jan-16	\$739,528.78	\$563,708.01	\$563,708.01
9	25-Feb-16	\$495,715.12	\$461,463.79	\$461,463.79
10	17-Mar-16	\$332,878.20	\$300,162.73	\$300,162.73
11	18-Apr-16	\$198,444.34	\$173,549.33	\$173,549.33
12	20-May-16	\$398,396.63	\$334,538.75	\$334,538.75
13	20-Jun-16	\$772,592.31	\$627,210.02	\$627,210.02
14	27-Jul-16	\$647,191.62	\$622,677.30	\$622,677.30
15	15-Aug-16	\$414,015.43	\$374,344.41	\$374,344.41
16	23-Sep-16	\$674,802.27	\$652,819.56	\$652,819.56
17	20-Oct-16	\$1,127,902.22	\$991,366.52	\$991,366.52
18	23-Nov-16	\$1,358,809.86	\$1,176,715.72	\$1,176,715.72
19	19-Dec-16	\$813,631.42	\$661,258.25	\$661,258.25
20	25-Jan-17	\$834,276.57	\$757,405.36	\$757,405.36

21	23-Feb-17	\$784,846.38	\$694,206.67	\$694,206.67
22	17-Mar-17	\$663,385.40	\$571,156.39	\$571,156.39
23	20-Apr-17	\$912,437.74	\$894,668.66	\$894,668.66
24	17-May-17	\$488,722.33	\$477,391.96	\$477,391.96
25	29-Jun-17	\$2,648,255.90	\$842,092.22	\$842,092.22
26	3-Aug-17	\$476,010.18	\$425,687.34	\$425,687.34
27	17-Aug-17	\$995,465.07	\$781,719.74	\$781,719.74
28	21-Sep-17	\$2,202,490.66	\$1,813,800.55	\$1,813,800.55
29	11-Nov-17	\$2,372,127.66	\$2,363,679.49	\$2,363,679.49
30	22-Nov-17	\$1,914,639.28	\$1,929,475.33	\$1,711,298.63
31	19-Dec-17	\$1,731,761.49	\$1,561,854.08	\$1,440,391.55
32	16-Feb-18	\$582,701.05	\$559,378.98	\$461,363.52
33	10-Apr-18	\$932,657.82	\$858,000.53	\$690,670.88
34	10-Apr-18	\$670,283.35	\$623,505.43	\$519,950.65
35	18-Jun-18	\$1,053,420.34	\$695,052.19	\$469,031.50
36	13-Jul-18	\$1,315,446.78	\$998,428.76	\$805,440.44
37	31-Jul-18	\$1,097,722.72	\$1,019,716.46	\$910,204.30
38	23-Aug-18	\$998,452.43	\$790,429.34	\$757,296.58
39	26-Sep-18	\$1,181,782.21	\$1,008,881.48	\$851,219.77
40	10-Oct-18	\$506,528.48	\$438,293.56	\$395,834.23
41	06-Dec-18	\$883,785.69	\$837,473.61	\$444,364.63
42	03-Jan-19	\$223,714.21	\$179,926.82	\$137,852.65
43	09-Jan-19	\$266,323.20	\$198,080.87	\$180,809.72
44	24-Jan-19	\$105,648.98	\$82,117.55	\$82,117.55
45	21-Feb-19	\$291,779.76	\$259,508.79	\$259,508.79
46	20-Mar-19	\$325,500.49	\$212,355.06	\$212,355.06
47	25-Apr-19	\$315,703.35	\$288,250.21	\$288,250.21
48	24-May-19	\$3,889,134.73	\$2,984,557.18	\$900,749.68
49	21-Jun-19	\$5,047,252.81	\$2,986,639.50	\$2,775,141.50
50	23-Jul-19	\$857,721.41	\$697,366.45	\$697,366.45
51	21-Aug-19	\$980,208.74	\$872,480.78	\$530,358.78
52	24-Sep-19	\$628,822.07	\$438,346.69	\$438,346.69
53	29-Oct-19	\$1,803,938.03	\$1,627,039.73	\$1,498,922.24
TOTALS		\$59,848,080.84	\$46,752,605.73	\$42,064,292.33

Table II summarizes the cost breakdown of the construction, soft and indirect, district funded costs, and system development fees. Tables III, IV, V, and VI provide category breakdowns of construction, soft and indirect, district funded costs, and system development fees reviewed for this certification. Table VII provides a detailed breakdown of the eligible hard costs per the Service Plan categories and the SURA

categories. Table VIII provides a detailed breakdown of the eligible soft costs per the Service Plan categories and the SURA categories. Table IX provides a detailed breakdown of district funded costs per the Service Plan categories and the SURA categories. Table X provides a detailed breakdown of system develop fee costs per the Service Plan categories and the SURA categories.

Public Improvements as Authorized by the Service Plan

Ranger reviewed the Service Plan associated with Superior Town Center Metropolitan District No. 2 ("Service Plan"); dated May 13, 2013.

Section I-A of the Service Plan states:

It is intended that the District will provide a part or all of the Public Improvements for the use and benefit of the anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these public improvements.

Section V-A of the Service Plan States:

The District shall have the power and authority to provide the Public Improvements and related operations and maintenance services within and beyond the District Boundaries as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

Section V-A.8 limits debt issuance to \$145,000,000. Exhibit C-2 maps depict the Inclusion Area of Public Improvements at the time the Service Plan was approved. Ranger has determined that the constructed improvements and associated soft and indirect construction costs ("Public Improvements") under consideration in this report and certification for reimbursement by the District are indeed authorized by the Service Plan.

Scope of Certification

The Cost Sharing Agreement has identified cost categories eligible for reimbursement. The cost categories reviewed for this report include earthwork, storm sewer, sanitary sewer, domestic water, and mob & temporary conditions. For a breakdown of district eligible costs, refer to Tables II - VIII.

General Methodology

Ranger employed a phased approach toward the preparation of this Engineer's Report and Certification of Public Costs ("Engineer's Certification").

Phase I – Authorization to Proceed and Document Gathering

Ranger was authorized to proceed with the Engineer's Certification in December 2015 (as Tamarack Consulting, LLC). The initial construction documentation was provided by the District January 11, 2016.

Subsequent supporting documentation for Phase II construction improvements was delivered by the District through the current cost certification.

Phase II – Site Visit and Meetings

Ranger has performed site visits to verify completion of work relating to District infrastructure during Phase II construction improvements. The site visits were to verify general conformance with contract documents and does not guarantee quality or acceptance of public improvements.

Phase III – Review of Documentation

Documentation was requested at the beginning of work. Requested documentation include the following:

- Executed Contracts and Bid Tabs
- Approved Construction Drawings
- Acceptable Proof of Payment (Cancelled checks and bank statements or lien waivers)
- Invoices and/or Pay Applications
- Approved changes or amendments to contract documents
- Copies of any agreements that will impact District funding

See Appendix A for a complete listing of documents reviewed, as deemed necessary, by Ranger.

Phase IV – Verification of Construction Quantities

Construction quantity take-offs were performed from applicable construction drawings. These quantity take-offs were used in conjunction with Phase V below to certify reasonableness of construction costs.

Phase V – Verification of Construction Unit Costs and Indirect Costs

Construction Unit Costs and Indirect Costs were reviewed for market reasonableness. Ranger took into consideration the type of construction and the timeframe during which the construction occurred. Ranger determined that the costs incurred were within a reasonable range.

Phase VI – Verification of Payment for Public Costs

Per current agreements, District funded costs are approved before payment is made. Contractors and consultants are to provide Conditional Lien Release Waivers for the amount of payment requested. After payment is made, the contractors and consultants are to provide Unconditional Lien Release Waivers. When applicable, cancelled checks and bank statements are also used to verify proof of payment. Certain soft and indirect costs that have portions that are both publicly and privately funded but have not yet been paid are included in this certification. These costs are clearly identified in Table VII Soft and Indirect Costs Detail in the District and Developer Disbursement columns. These costs are included in order to identify the public and private costs and assign these costs to either the Developer or the District. The proof of payment in the form of cancelled checks and bank statements will be reviewed as payments are processed and reflected on future certifications.

Phase VII – Determination of Costs Eligible for Reimbursement

Ranger concluded the Engineer's Certification by determining which improvements were eligible for District and Town reimbursement and what percent of the costs for those improvements were reimbursable.

Cost Certification Phase II construction improvements that were reimbursable consisted of roadways, paths, & hardscape and temporary conditions.

In Cost Certification #24, an Xcel fee was determined eligible in the amount of \$72,886.93. This cost shows up on two separate District funding requests. A check was originally written to pay this fee but was canceled. After verification of the costs, the District wrote another check to pay for this fee per the June funding request, even though this cost was certified on Cost Certification #24.

A fee for American Fence directly paid by Lee Merritt of Ranch Capital was duplicated on Cost Certifications #24 and #25. There is a deduction on Cost Certification #26 to reconcile the overall costs paid to American Fence.

The Town of Superior provided a contribution of \$198,795.49 directly to the funding of the McCaslin Roundabout scope of work performed by Hall Irwin Corporation. On Cost Certification #27, a credit was identified for this amount to be applied to District costs. This credit did not impact the amount of reimbursable costs for the Town. The intent of this credit is to show the financial impact of the Town directly providing these funds.

Hudick Excavating Inc. ("HEI") provided Pay Application 1 directly to the District and Pay Application 2 to the Developer. The funding for these pay applications was allocated separately, but the costs were still determined to be District eligible.

On Cost Certification #31, Samora Construction Contract, costs were submitted for work related to Superior Roadway, which had the top 2" lift fail. Samora issued a credit in the amount of \$9,975 for the 2" failure on Cost Certification #32. When this work is accepted, the full line item will be billed. Costs submitted deemed District eligible for Ninyo & Moore on Cost Certification #20 were realized to be partially non-District. A negative cost of (-\$2,984.79) was identified on Cost Certification #31 to adjust for the non-District costs previously certified.

On Cost Certification #33, adjustments were made to account for errors in prior Cost Certification reports that were identified after performing an audit of certified costs to date. A Cut Above had duplicate costs certified on Certifications #21 and #22. There was a Special District Management Services, Inc invoice that was incorrectly captured as Capital costs as well. Lastly, there were various vendor invoices that were not included in final reports, and those costs were captured at this time.

During the review of Cost Certification #34, the Town notified associated parties that costs associated with the Medical Office Building Garage would not be eligible under SURA until approved by the Town Board, per Resolution No. R-36. Garage costs are currently determined to be District eligible and will become SURA eligible upon the Town Board approval.

System Development Fee backup was provided with Cost Certification #41 backup, but the costs were not included in the report, pending comments and coordination between the Town and the District.

In February 2019, the Town reviewed costs that had been applied to the *Public Park Amenities and Facilities* Town Category. Miscellaneous line items that were labeled under this category were updated to different Town Categories. The impact was that \$14,209.35 was reallocated to *Mob & Temporary Conditions*, \$719,328.02 was reallocated to *Roadways, Paths, & Hardscape*, and \$780,200.89 was reallocated from *Park Site Development* to *Public Park Amenities and Facilities*.

On Cost Certification #48, System Development fees were certified for the first time. Fees related to SDC – Planning Area 3 Residential were only District eligible, while fees related to SDC – Planning Area 1 and 2 Residential and Commercial, as well as SDC – Planning Area 3 Commercial were considered District and Town eligible.

On Cost Certification #49, the MOB Parking Structure (“MOBPS”) costs were certified as a District Funded Cost. The overall reconciled market value of the MOBPS was determined per a report prepared by National Valuation Consultants, Inc. (“NVC”). NVC determined that the MOB Parking Structure has a reconciled market value \$4,260,000 (assuming completion by January 11, 2018). A prorated amount of the MOBPS District value was determined per a memorandum provided by Walker Parking Consultants (“Walker”) based upon public versus private parking availability in the MOBPS. Ranger utilized the Declaration of Parking Structure Easement and Cost Sharing Agreement based upon the definitions of *MOB Spaces*, *Preferred Parking Period*, and *Public Spaces* to review a prorated value and determined that Walker’s percentage was reasonable. Utilizing the NVC market value and the Walker prorated percentage of 52%, a District value of \$2,215,200 was utilized in the Real Estate Sale Contract between the Developer and the District regarding the MOBPS. The full value of the Real Estate Sale Contract value was deemed eligible.

On Cost Certification #50, a subcategory of Civic Space was added as part of the Public Park Amenities and Facilities Town Eligible Categories. All costs under the Civic Space subcategory are rolled up into the overall Public Park Amenities and Facilities costs.

On Cost Certification #52, costs related to the interior courtyard as part of Block 25 Phase 2 had the eligibility removed until further review was completed to determine the extent of public costs. These costs were related to stairs, retaining walls, and electrical systems for lighting, and are subject to being included as eligible at a later time.

ENGINEER'S CERTIFICATION

Collin D Koranda, P.E. / Ranger Engineering, LLC (the "Independent Consulting Engineer"), states as follows:

1. The Independent Consulting Engineer is an engineer duly qualified and licensed in the State of Colorado with experience in the design, construction and certification of Public Improvements of similar type and function as those described in the above Engineer's Report.
2. The Independent Consulting Engineer has performed a site visit and reviewed applicable construction and legal documents related to the Public Improvements under consideration to state the conclusions set forth in this Engineer's Certification.
3. The Independent Consulting Engineer finds and determines that the constructed value of the Public Improvements considered in the attached Engineer's Report dated October 29, 2019 including soft and indirect, District funded, and hard costs, are valued at an estimated **\$1,627,039.73**. In the opinion of the Independent Consulting Engineer, the above stated estimated value for the Public Improvements is reasonable and consistent with costs of similar improvements constructed for similar purposes during the same timeframe in similar locales.

Sincerely,

Ranger Engineering, LLC

A handwritten signature in blue ink, appearing to read "Collin D. Koranda".

Collin D. Koranda, P. E.

APPENDIX A

Documents Reviewed

Agreements

- Cost Sharing Agreement between Superior Urban Renewal Authority, RC Superior, LLC, and STC Metropolitan District No 1, 2 and 3. Dated October 18, 2013.
- Development Agreement between the Town of Superior, CO, the Superior Metropolitan District No. 1, the Superior Urban Renewal Authority, and RC Superior LLC. Dated March 11, 2013.
- Public Finance Agreement between the Superior Urban Renewal Authority, the Superior McCaslin Interchange Metropolitan District, RC Superior LLC, and the Town of Superior, CO. Dated March 15, 2013.
- Cost Sharing and Reimbursement Agreement between Aweida Properties and STC Metropolitan District No. 2. Dated October 21, 2015.
- Declaration of Parking Structure Easement and Cost Sharing Agreement, by IISRE-Superior MOB, LLC. Dated March 28, 2017.
- Real Estate Sale Contract (MOB Parking Structure). Entered between RC Superior, LLC and STC Metropolitan District No. 2. August 2018.

Construction Plans

- Final Development Plan – Phase I Superior Town Center Infrastructure Plans. Prepared by Civil Resources LLC. Dated November 12, 2013.
- Final Development Plan #1 – Phase I Street Paving Plans. Prepared by Civil Resources LLC. Dated April 29, 2016.
- Final Plat Superior Town Center Filing No. 1B. Prepared by Civil Resources LLC. Dated December 4, 2013.
- Overlot Grading and Stormwater Management Plans for Superior Town Center Phase 1A. Prepared by Civil Resources LLC. Released for construction May 22, 2015.
- Superior Town Center Phase I Utility Infrastructure Plans. Prepared by Civil Resources LLC. Issued for Construction August 20, 2015.
- Town of Superior Town Center Lift Station Final Drawings Set 1 & Set 2 Rev 0. Prepared by Dewberry Engineers Inc. Dated July 25, 2014.
- Town of Superior McCaslin Blvd. Town Center Left Turn Lane Drawings. Dated February 24, 2016.
- Superior Town Center – Construction Plans – Phase 3 (McCaslin Roundabout). Prepared by Civil Resources Inc. Dated August 12, 2016. Accepted by Public Works September 9, 2016.
- Final Development Plan 1 – Phase 4 (Marshall Road Extension) – Construction Plans – Superior Town Center. Dated August 19, 2016.

Invoices

- Samora Construction Pay Application 7-682. Dated 9/30/19.
- Samora Construction Pay Application 3-683. Dated 9/30/19.
- Samora Construction Pay Application 2-666. Dated 6/30/19.
- Samora Construction Pay Application 4-684. Dated 9/30/19.
- Samora Construction Invoice 679. Dated 10/3/19.
- Hudick Excavating Inc. Pay Application 21 Revised and 22 Revised. 23-Retainage. Dated 9/30/19.
- Hudick STC Town Center 2D Pay Applications 1 & 2. Dated 8/31/19 & 9/30/19.
- Down To Earth Compliance Invoices 49146 & 49217. Dated 9/26/19 & 10/3/19.

For soft and indirect costs, district funded costs, and System Development Fees reviewed, refer to Tables VIII, IX, and X.

Service Plan and Reports

- Superior Town Center Metropolitan District No. 2. Prepared by McGeady Sisneros, P.C. and dated May 13, 2013.
- Memorandum Superior Town Center – Block 12 Garage Allocations. Prepared by Walker Parking Consultants. Revised Date November 18, 2016.
- Appraisal Report of a Parking Structure. Prepared by National Valuation Consultants, Inc. Effective Date of Appraisal January 11, 2018.



SUPERIOR TOWN CENTER METROPOLITAN DISTRICT
Project Costs Summary for District and Town

Table II

	Total Cost Invoiced	Maximum Eligible Costs	District Eligible Costs	Town Eligible Costs
Direct Construction Costs	\$ 1,439,781.08	\$ 1,347,838.81	\$ 1,347,838.81	\$ 1,340,577.32
Soft and Indirect Costs	\$ 199,111.50	\$ 145,427.09	\$ 145,427.09	\$ 145,427.09
District Funded Costs	\$ 44,189.45	\$ 12,917.83	\$ 12,917.83	\$ 12,917.83
System Development Costs	\$ 120,856.00	\$ 120,856.00	\$ 120,856.00	\$ -
Totals	\$ 1,803,938.03	\$ 1,627,039.73	\$ 1,627,039.73	\$ 1,498,922.24



SUPERIOR TOWN CENTER METROPOLITAN DISTRICT

Construction Costs Summary By Category

Table III

Category	Total Eligible Soft Costs	Category Percentage
Total Town Eligible Costs		
Earthwork	\$ 77,907.44	5.8%
Roadways, Paths, & Hardscape	\$ 575,740.31	42.9%
Offsite Roadways	\$ -	0.0%
Walls and Structures	\$ 28,007.90	2.1%
Storm Sewer	\$ 214,691.79	16.0%
Sanitary Sewer	\$ 143,375.25	10.7%
Reuse Water & Irrigation Piping	\$ 77,359.40	5.8%
Domestic Water	\$ 182,525.35	13.6%
Dry Utilities	\$ 32,650.00	2.4%
Park Site Development	\$ 3,800.00	0.3%
Mob & Temporary Conditions	\$ 4,519.89	0.3%
SDC - Planning Area 1 and 2	\$ -	0.0%
SDC - Planning Area 3	\$ -	0.0%
Parking & Architectural Enhancement	\$ -	0.0%
Public Park Amenities & Facilities	\$ -	0.0%
Civic Space (Part of PPA&F)	\$ -	-
	\$ 1,340,577.32	100.0%
Total District Eligible Costs		
Operation	\$ -	0.0%
Capital	\$ 1,347,838.81	100.0%
Non District	\$ -	0.0%
	\$ 1,347,838.81	100.0%



SUPERIOR TOWN CENTER METROPOLITAN DISTRICT

Soft Costs Summary By Category

Table IV

Category	Total Eligible Soft Costs		Category Percentage
	Total Town Eligible Costs		
Earthwork	\$	-	0.0%
Roadways, Paths, & Hardscape	\$	40,495.14	27.8%
Offsite Roadways	\$	-	0.0%
Walls and Structures	\$	-	0.0%
Storm Sewer	\$	-	0.0%
Sanitary Sewer	\$	-	0.0%
Reuse Water & Irrigation Piping	\$	-	0.0%
Domestic Water	\$	-	0.0%
Dry Utilities	\$	-	0.0%
Park Site Development	\$	202.50	0.1%
Mob & Temporary Conditions	\$	3,902.00	2.7%
SDC - Planning Area 1 and 2	\$	-	0.0%
SDC - Planning Area 3	\$	-	0.0%
Parking & Architectural Enhancement	\$	15,000.00	10.3%
Public Park Amenities & Facilities		\$50,700.25	34.9%
Civic Space (Part of PPA&F)	\$	50,700.25	
Other Eligible Costs	\$	35,127.20	24.2%
	\$	145,427.09	100.0%

Total District Eligible Costs			
Organization	\$	-	0.0%
Operation	\$	-	0.0%
Capital	\$	145,427.09	100.0%
	\$	145,427.09	100.0%



SUPERIOR TOWN CENTER METROPOLITAN DISTRICT

District Funded Costs Summary

Table V

Category	Total Eligible DF Costs		Category Percentage
	Total Town Eligible Costs		
Earthwork	\$	-	0.0%
Roadways, Paths, & Hardscape	\$	-	0.0%
Offsite Roadways	\$	-	0.0%
Walls and Structures	\$	-	0.0%
Storm Sewer	\$	-	0.0%
Sanitary Sewer	\$	-	0.0%
Reuse Water & Irrigation Piping	\$	-	0.0%
Domestic Water	\$	-	0.0%
Dry Utilities	\$	-	0.0%
Park Site Development	\$	-	0.0%
Mob & Temporary Conditions	\$	-	0.0%
SDC - Planning Area 1 and 2	\$	-	0.0%
SDC - Planning Area 3	\$	-	0.0%
Parking & Architectural Enhancement	\$	-	0.0%
Public Park Amenities & Facilities	\$	-	0.0%
Other Eligible Costs	\$	12,917.83	100.0%
Not Eligible	\$	-	0.0%
	\$	12,917.83	100.0%
Total District Eligible Costs			
Operation	\$	-	0.0%
Capital	\$	12,917.83	100.0%
Organization	\$	-	0.0%
	\$	12,917.83	100.0%



SUPERIOR TOWN CENTER METROPOLITAN DISTRICT
System Development Charges Costs Summary
Table VI

Category	Total Eligible SD Costs		Category Percentage
	Total Town Eligible Costs		
Earthwork	\$	-	#DIV/0!
Roadways, Paths, & Hardscape	\$	-	#DIV/0!
Offsite Roadways	\$	-	#DIV/0!
Walls and Structures	\$	-	#DIV/0!
Storm Sewer	\$	-	#DIV/0!
Sanitary Sewer	\$	-	#DIV/0!
Reuse Water & Irrigation Piping	\$	-	#DIV/0!
Domestic Water	\$	-	#DIV/0!
Dry Utilities	\$	-	#DIV/0!
Park Site Development	\$	-	#DIV/0!
Mob & Temporary Conditions	\$	-	#DIV/0!
SDC - Planning Area 1 and 2	\$	-	#DIV/0!
SDC - Planning Area 3	\$	-	#DIV/0!
Parking & Architectural Enhancement	\$	-	#DIV/0!
Public Park Amenities & Facilities	\$	-	#DIV/0!
Other Eligible Costs	\$	-	#DIV/0!
Not Eligible	\$	-	#DIV/0!
	\$	-	#DIV/0!
Total District Eligible Costs			
Operation	\$	-	0.0%
Capital	\$	120,856.00	100.0%
Organization	\$	-	0.0%
	\$	120,856.00	100.0%



Work Description	Contract Values				Invoiced Values				District Eligibility										Inv. No. Inv. Date	Certification Number	Inv. No. Inv. Date	Retainer Payments Curt 13																
	Quantity	Unit	Unit Price	Amount	Amount Invoiced	Retainage Held	Amount Less Retainage Plus Ret Pay	Percent Invoiced	District Type	District Powers	Town Category	Percent District Eligible	Amount District Eligible	Town Eligible	Amount Town Eligible	Total Percent Eligible	Total Eligible	Pending					Non-District															
CD 1 DED # Storm Manhole	1 EA	\$	5,070.00	\$ (5,070.00)	\$ (5,070.00)	\$ (507.00)	\$4,563.00	100%	Capital	Sanitation	Storm Sewer	100%	\$ (4,563.00)	100%	\$ (4,563.00)	100%	\$ (4,563.00)	\$ -	\$ -	\$ (5,070.00)																		
CD 1 DED # Storm Manhole	1 EA	\$	3,500.00	\$ (3,500.00)	\$ (3,500.00)	\$ (350.00)	\$3,150.00	100%	Capital	Sanitation	Storm Sewer	100%	\$ (3,150.00)	100%	\$ (3,150.00)	100%	\$ (3,150.00)	\$ -	\$ -	\$ (3,500.00)																		
CD 1 Storm Manhole Coating	2 EA	\$	5,900.00	\$ 11,800.00	\$ 11,800.00	\$ 1,180.00	\$10,620.00	100%	Capital	Sanitation	Storm Sewer	100%	\$ 10,620.00	100%	\$ 10,620.00	100%	\$ 10,620.00	\$ -	\$ -	\$ 11,800.00																		
CD 1 Storm Sewer Testing	1 LS	\$	15,750.00	\$ 15,750.00	\$ -	\$ -	\$0.00	0%	Capital	Sanitation	Storm Sewer	100%	\$ -	100%	\$ -	100%	\$ -	\$ -	\$ -	\$ -																		
CD 1 Storm Sewer Bedding Detail	1 EA	\$	5,700.00	\$ 5,700.00	\$ 5,700.00	\$ 570.00	\$5,130.00	100%	Capital	Sanitation	Storm Sewer	100%	\$ 5,130.00	100%	\$ 5,130.00	100%	\$ 5,130.00	\$ -	\$ -	\$ 5,700.00																		
CD 1 Concrete Cap Storm S Tub	1 EA	\$	1,695.00	\$ 1,695.00	\$ 1,695.00	\$ 169.50	\$1,525.50	100%	Capital	Sanitation	Storm Sewer	100%	\$ 1,525.50	100%	\$ 1,525.50	100%	\$ 1,525.50	\$ -	\$ -	\$ 1,695.00																		
CD 1 Insulation	3 EA	\$	620.00	\$ 1,860.00	\$ 1,860.00	\$ 186.00	\$1,674.00	100%	Capital	Water	Domestic Water	100%	\$ 1,674.00	100%	\$ 1,674.00	100%	\$ 1,674.00	\$ -	\$ -	\$ 1,860.00																		
CD 1 2 Gate Valve	1 EA	\$	7,750.00	\$ 7,750.00	\$ 7,750.00	\$ 775.00	\$6,975.00	100%	Capital	Water	Domestic Water	100%	\$ 6,975.00	100%	\$ 6,975.00	100%	\$ 6,975.00	\$ -	\$ -	\$ 7,750.00																		
CD 1 6 Gate Valve	2 EA	\$	6,150.00	\$ 12,300.00	\$ 12,300.00	\$ 1,230.00	\$11,070.00	100%	Capital	Water	Domestic Water	100%	\$ 11,070.00	100%	\$ 11,070.00	100%	\$ 11,070.00	\$ -	\$ -	\$ 12,300.00																		
CD 1 6 Gate Valve	1 EA	\$	2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 240.00	\$2,160.00	100%	Capital	Water	Domestic Water	100%	\$ 2,160.00	100%	\$ 2,160.00	100%	\$ 2,160.00	\$ -	\$ -	\$ 2,400.00																		
CD 1 6 DP	27 LF	\$	53.00	\$ 1,431.00	\$ 1,431.00	\$ 143.10	\$1,287.90	100%	Capital	Water	Domestic Water	100%	\$ 1,287.90	100%	\$ 1,287.90	100%	\$ 1,287.90	\$ -	\$ -	\$ 1,431.00																		
CD 1 Fire Hydrant	1 EA	\$	7,190.00	\$ 7,190.00	\$ 7,190.00	\$ 719.00	\$6,471.00	100%	Capital	Water	Domestic Water	100%	\$ 6,471.00	100%	\$ 6,471.00	100%	\$ 6,471.00	\$ -	\$ -	\$ 7,190.00																		
CD 1 1/4 Service w Meter Pit	10 EA	\$	3,100.00	\$ 31,000.00	\$ -	\$ -	\$0.00	0%	Capital	Water	Domestic Water	100%	\$ -	100%	\$ -	100%	\$ -	\$ -	\$ -	\$ -																		
CD 1 Sampling Station	1 EA	\$	6,900.00	\$ 6,900.00	\$ 6,900.00	\$ 690.00	\$6,210.00	100%	Capital	Water	Domestic Water	100%	\$ 6,210.00	100%	\$ 6,210.00	100%	\$ 6,210.00	\$ -	\$ -	\$ 6,900.00																		
CD 1 Domestic Water Bedding Detail	1 LS	\$	8,930.00	\$ 8,930.00	\$ -	\$ -	\$0.00	0%	Capital	Water	Domestic Water	100%	\$ -	100%	\$ -	100%	\$ -	\$ -	\$ -	\$ -																		
CD 1 8 CSO	38 LF	\$	50.00	\$ 1,900.00	\$ -	\$ -	\$0.00	0%	Capital	Water	Domestic Water	100%	\$ -	100%	\$ -	100%	\$ -	\$ -	\$ -	\$ -																		
CD 1 8 Gate Valve	1 EA	\$	5,150.00	\$ 5,150.00	\$ -	\$ -	\$0.00	0%	Capital	Water	Domestic Water	100%	\$ -	100%	\$ -	100%	\$ -	\$ -	\$ -	\$ -																		
CD 1 8 Tee	1 EA	\$	2,010.00	\$ 2,010.00	\$ -	\$ -	\$0.00	0%	Capital	Water	Domestic Water	100%	\$ -	100%	\$ -	100%	\$ -	\$ -	\$ -	\$ -																		
CD 1 8 Bend	3 EA	\$	1,545.00	\$ 4,635.00	\$ -	\$ -	\$0.00	0%	Capital	Water	Domestic Water	100%	\$ -	100%	\$ -	100%	\$ -	\$ -	\$ -	\$ -																		
CD 1 8 1/2 Blowoff	1 EA	\$	4,050.00	\$ 4,050.00	\$ -	\$ -	\$0.00	0%	Capital	Water	Domestic Water	100%	\$ -	100%	\$ -	100%	\$ -	\$ -	\$ -	\$ -																		
CD 1 1 Irrigation Service	2 EA	\$	3,980.00	\$ 7,960.00	\$ -	\$ -	\$0.00	0%	Capital	Water	Reuse Water & Irrigation Piping	100%	\$ -	100%	\$ -	100%	\$ -	\$ -	\$ -	\$ -																		
CD 1 2 Irrigation Service	2 EA	\$	4,500.00	\$ (9,000.00)	\$ -	\$ -	\$0.00	0%	Capital	Water	Reuse Water & Irrigation Piping	100%	\$ -	100%	\$ -	100%	\$ -	\$ -	\$ -	\$ -																		
CD 1 Reuse Water Bedding Detail	1 LS	\$	8,930.00	\$ 8,930.00	\$ -	\$ -	\$0.00	0%	Capital	Water	Reuse Water & Irrigation Piping	100%	\$ -	100%	\$ -	100%	\$ -	\$ -	\$ -	\$ -																		
CD 1 Sanitary Manhole Coating	1 EA	\$	6,900.00	\$ 41,400.00	\$ 41,400.00	\$ 4,140.00	\$37,260.00	100%	Capital	Sanitation	Sanitary Sewer	100%	\$ 37,260.00	100%	\$ 37,260.00	100%	\$ 37,260.00	\$ -	\$ -	\$ 41,400.00																		
CD 1 Concrete Cap Sanitary Stub	1 EA	\$	1,285.00	\$ 1,285.00	\$ 1,285.00	\$ 128.50	\$1,156.50	100%	Capital	Sanitation	Sanitary Sewer	100%	\$ 1,156.50	100%	\$ 1,156.50	100%	\$ 1,156.50	\$ -	\$ -	\$ 1,285.00																		
CD 1 Fly Ash Treated Subgrade	100 TN	\$	480.00	\$ 48,000.00	\$ -	\$ -	\$0.00	0%	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ -	100%	\$ -	100%	\$ -	\$ -	\$ -	\$ -																		
CD 1 DED Lime Treated Subgrade	1 LS	\$	40,400.00	\$ (40,400.00)	\$ -	\$ -	\$0.00	0%	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ -	100%	\$ -	100%	\$ -	\$ -	\$ -	\$ -																		
																			Subtotal	\$	19,000.00	\$	430,131.00															
																			Amount Less Retainage	\$	17,100.00	\$	567,117.90															
																			Check # or PLW	CLW		CLW		POP														
																			Amount	\$	117,100.00	\$	567,117.90															
																			Date		10/8/2019		10/8/2019															
Down to Earth Compliance																			Invoice Number																			
																			Date																			
																			Pay App																			
																			Amount Less Retainage	\$	4,519.89	\$	54,519.89															
																			Check # or PLW																			
																			Subtotal	\$	4,519.89	\$	1,347,838.81															
																			Amount Less Retainage	\$	1,347,838.81	\$	1,347,838.81															



SUPERIOR TOWN CENTER METROPOLITAN DISTRICT
Soft and Indirect Costs
Table VIII

Invoices									Percent District	Amount District	Percent Town	Amount Town	Total	Certification
Vendor	Invoice Number	Description	Date	Amount Invoiced	District Category	District Powers	Town Categories	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible	Number
Cesare, Inc	19.3035.6	Block 25 Phase 2	09/27/19	\$ 19,818.05	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ 19,818.05	100%	\$ 19,818.05	100%	100%	53
Civil Resources, LLC	238.001.01.68	Superior Town Center - Infrastructure	09/30/19	\$ 35,127.20	Capital	Multiple	Other Eligible Costs	100%	\$ 35,127.20	100%	\$ 35,127.20	100%	100%	53
Cohn Markeing	11604	Monthly Makreting, PR & Social Media	09/01/19	\$ 8,329.58	Non District	Non District	Not Eligible	0%	\$ -	0%	\$ -	0%	0%	53
Cohn Markeing	11669	Monthly Makreting, PR & Social Media	10/01/19	\$ 8,329.58	Non District	Non District	Not Eligible	0%	\$ -	0%	\$ -	0%	0%	53
KTGY	143730	RCS Public Structural	08/31/19	\$ 7,700.25	Capital	Parks and Recreation	Civic Space (Part of PPA&F)	100%	\$ 7,700.25	100%	\$ 7,700.25	100%	100%	53
KTGY	143729	Public Architecture	08/31/19	\$ 34,400.00	Capital	Parks and Recreation	Civic Space (Part of PPA&F)	100%	\$ 34,400.00	100%	\$ 34,400.00	100%	100%	53
KTGY	143731	Live-Work Unit Design	08/31/19	\$ 7,200.00	Non District	Non District	Not Eligible	0%	\$ -	0%	\$ -	0%	0%	53
KTGY	144699	Public Architecture	09/30/19	\$ 8,600.00	Capital	Parks and Recreation	Civic Space (Part of PPA&F)	100%	\$ 8,600.00	100%	\$ 8,600.00	100%	100%	53
KTGY	144700	Live-Work Unit Design	09/30/19	\$ 5,400.00	Non District	Non District	Not Eligible	0%	\$ -	0%	\$ -	0%	0%	53
Loris (OTAK)	101900033	Marshal Road Bridge over Coal Creek	10/02/19	\$ 2,666.25	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ 2,666.25	100%	\$ 2,666.25	100%	100%	53
Moore Iacofano Goltzman, Inc.	0060527	STC - FDP's 2-3	09/13/19	\$ 3,045.00	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ 3,045.00	100%	\$ 3,045.00	100%	100%	53
Moore Iacofano Goltzman, Inc.	0060528	STC - Blocks 13-25 ROW CD's	09/13/19	\$ 202.50	Capital	Parks and Recreation	Park Site Development	100%	\$ 202.50	100%	\$ 202.50	100%	100%	53
Moore Iacofano Goltzman, Inc.	0060529	STC - Blocks 6, 7, 9, 10, 11	09/13/19	\$ 861.25	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ 861.25	100%	\$ 861.25	100%	100%	53
Moore Iacofano Goltzman, Inc.	0060530	Marshall Road Bridge and ROW FDP & CDs	09/13/19	\$ 3,122.50	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ 3,122.50	100%	\$ 3,122.50	100%	100%	53
Moore Iacofano Goltzman, Inc.	0060531	STC - Blocks 26, 27, and Central Park Circle	09/13/19	\$ 4,687.35	Capital	Street	Roadways, Paths, & Hardscape	100%	\$ 4,687.35	100%	\$ 4,687.35	100%	100%	53
Moore Iacofano Goltzman, Inc.	0060532	Remington Homes Blocks 26 & 27 Typical Landscape Plans for Private Lots	09/13/19	\$ 2,871.25	Non District	Non District	Not Eligible	0%	\$ -	0%	\$ -	0%	0%	53
Otten Johnson PC	434889	Legal - PIF Covenant	09/12/19	\$ 55.00	Non District	Non District	Not Eligible	0%	\$ -	0%	\$ -	0%	0%	53
PCS Group Inc.	10175	3D Townhome Modeling	07/31/19	\$ 9,100.00	Non District	Non District	Not Eligible	0%	\$ -	0%	\$ -	0%	0%	53
Rush Management	128246	Street Sweeping	09/30/19	\$ 3,720.00	Capital	Multiple	Mob & Temporary Conditions	47%	\$ 1,748.40	47%	\$ 1,748.40	47%	47%	53
Rush Management	127924	Street Sweeping	08/31/19	\$ 2,880.00	Capital	Multiple	Mob & Temporary Conditions	47%	\$ 1,353.60	47%	\$ 1,353.60	47%	47%	53
Summit Services	28142	Stormwater Inseption	09/30/19	\$ 800.00	Capital	Multiple	Mob & Temporary Conditions	100%	\$ 800.00	100%	\$ 800.00	100%	100%	53
Town of Superior	915	FDP #1 Infrastructure	09/27/19	\$ 14,902.55	Capital	Multiple	Roadways, Paths, & Hardscape	40%	\$ 6,001.55	40%	\$ 6,001.55	40%	40%	53
Town of Superior	916	STC Development	09/27/19	\$ 293.19	Capital	Multiple	Roadways, Paths, & Hardscape	100%	\$ 293.19	100%	\$ 293.19	100%	100%	53
Walker Parking Consultants	23791401001	Downtown Superior Sitewide Needs Analysis	08/31/19	\$ 9,000.00	Capital	Street	Parking & Architectural Enhanc	100%	\$ 9,000.00	100%	\$ 9,000.00	100%	100%	53
Walker Parking Consultants	23791401002	Downtown Superior Sitewide Needs Analysis	09/30/19	\$ 6,000.00	Capital	Street	Parking & Architectural Enhanc	100%	\$ 6,000.00	100%	\$ 6,000.00	100%	100%	53
				\$ 199,111.50					\$ 145,427.09			\$ 145,427.09		



SUPERIOR TOWN CENTER METROPOLITAN DISTRICT
District Funded Costs
Table IX

Invoices											Percent District	Amount District	Percent Town	Amount Town	Certification
Vendor	Invoice Number	Description	Date	Amount Invoiced	Check No	Check Written	District Category	District Powers	Town Categories	Eligible	Eligible	Eligible	Eligible	Number	
Colorado Dept of Health	WC201089331	WQ Permits	08/20/19	\$ 540.00	1414	09/25/19	Operation	Non District	Not Eligible	Non District	\$ -	0%	\$ -	53	
Dazio & Associated, PC	352, 353	Audit	09/17/19	\$ 10,000.00	1415	09/25/19	Operation	Non District	Not Eligible		\$ -	0%	\$ -	53	
Doody Calls	25008	Pet Waste Removal	08/31/19	\$ 133.50	1416	09/25/19	Operation	Non District	Not Eligible		\$ -	0%	\$ -	53	
McGeady Becher P.C.	11098 Aug 19	Legal fees for operations related matters	08/31/19	\$ 2,503.50	1417	09/25/19	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	53	
McGeady Becher P.C.	11098 Aug 19	Legal fees for capital related matters	08/31/19	\$ 8,626.20	1417	09/25/19	Capital	Multiple	Other Eligible Costs	100%	\$ 8,626.20	100%	\$ 8,626.20	53	
Mountain Alarm	1885143-145	Parking Structure Alarm Monitoring	09/01/19	\$ 360.00	1418	09/25/19	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	53	
Ranger Engineering, LLC	1098	Cost Certification Services	09/04/19	\$ 1,800.00	1419	09/25/19	Capital	Multiple	Other Eligible Costs	100%	\$ 1,800.00	100%	\$ 1,800.00	53	
RLI Surety	LSM054260	STC Metropolitan District No. 2 - Public Official	10/01/19	\$ 750.00	1420	09/25/19	Organization	Non District	Non District	0%	\$ -	0%	\$ -	53	
Simmons & Wheeler, P.C.	24954	Accounting Services - Operations	07/31/19	\$ 2,491.62	1421	09/25/19	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	53	
Simmons & Wheeler, P.C.	24954	Accounting Services - Capital	07/31/19	\$ 2,491.63	1421	09/25/19	Capital	Multiple	Other Eligible Costs	100%	\$ 2,491.63	100%	\$ 2,491.63	53	
Special District Management Services	Aug 2019	District Management Services	08/31/19	\$ 457.89	1422	09/25/19	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	53	
Thyssenkrupp Elevator Corp	6000389028	Parking Structure	09/01/19	\$ 1,532.00	1423	09/25/19	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	53	
Town of Superior	Src 2289, 290, 411, 438, 440, 505	Irrigation Costs	09/11/19	\$ 3,633.42	1424	09/25/19	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	53	
Vargas Property Services	29119	Contract Maintenance, Trash, Watering	08/01/19	\$ 7,985.02	1425	09/25/19	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	53	
Xcel Energy	1808-1436	Monthly Service	09/16/19	\$ 884.67	1426	09/25/19	Operation	Non District	Not Eligible	0%	\$ -	0%	\$ -	53	
				\$ 44,189.45						\$ 12,917.83		\$ 12,917.83			



SUPERIOR TOWN CENTER METROPOLITAN DISTRICT
System Development Charges Costs
Table X

Invoices						Proof of Payment						Percent District	Amount District	Percent Town	Amount Town	Certification		
Builder Name	Invoice Number	Description	Type	Date	Amount Invoiced	Paid By	Check No	Check Written	Check Cleared	Amount Paid	District Category	District Powers	Town Categories	Eligible	Eligible	Eligible	Eligible	Number
TH Superior MF LLC		Block 26, Lots 11-15	Residential	09/05/19	\$ 120,856.00	RC Superior, LLC	Wire	09/05/19	09/05/19	\$ 120,856.00	Capital	Multiple	SDC - Planning Area 3	100%	\$ 120,856.00	0%	\$ -	53
					\$ 120,856.00						\$ 120,856.00			\$ 120,856.00			\$ -	

SECTION 00680 CHANGE ORDER

CHANGE ORDER

Project: Superior Town Center _____ Date of Issuance: _____

Owner: Superior Town Center Metropolitan District No. 2 **Change Order No:** 003
Address: c/o 12775 El Camino Real, Suite 100
San Diego, CO 92130

Contractor: HEI Civil **Construction Manager:** Noah Carter

You are directed to make the following changes in the Contract Documents:

Description:

Cut to Stockpile		\$ 9,045.00
Haul North of Superior Drive		\$ 10,854.00
2' Road Base		\$ 108,540.00
Fly Ash Treated Subgrade		\$ (48,000.00)
Road Base	Subtotal	\$ 80,439.00
Corner Repairs		\$ 6,234.00
Damaged Corner Repairs	Subtotal	\$ 6,234.00
Colored Concrete Crosswalk (Includes Demo)		\$ 32,200.00
18" Thermoplastic Strip		\$ 5,280.00
Plan Changes	Subtotal	\$ 37,480.00
Extra Seeding		\$ 1,380.00
Extra Seeding	Subtotal	\$ 1,380.00
	Total	\$ 125,533.00

Purpose of Change Order: _____
Revised plans and damages

Attachments (List Documents Supporting Change): _____

CHANGE IN CONTRACT PRICE:

Original Contract Price:
\$

Previous Change Orders:

Contract Price Prior to this Change Order:

Net Increase of this Change Order:
\$

Net Decrease of this Change Order:

Net Change of this Change Order:
\$

Contract Price with all Approved Change Orders:
\$

CHANGE IN CONTRACT TIME:

Original Contract Time:
770,440.00 (days)

Net Change from Previous Change Order:

0 (days)

Contract Time Prior to this Change Order:
(days)

Net Increase of this Change Order:
125,533.00

Net Decrease of this Change Order:

Net Change of this Change Order:
125,533.00

Contract Time with all Approved Change Orders:
1,182,906.00 (days)

RECOMMENDED:

By: _____
Engineer

APPROVED:

By: _____
Owner

APPROVED:

By: _____
Contractor

SECTION 00680 CHANGE ORDER

CHANGE ORDER

Project: STC Block 25 Phase 2 **Date of Issuance:** 10/23/2019

Owner: Superior Town Center Metropolitan District No. 2 **Change Order No:** 012
Address: c/o 12775 El Camino Real, Suite 100
San Diego, CO 92130

Contractor: SAMORA Construction **Construction Manager:** Dave Torreyson

You are directed to make the following changes in the Contract Documents:

Description:

1. E-Z Excavating - Removal of 24" existing subgrade and place roadbase	\$	98,610.00
2. E-Z Excavating - Additional stair excavation Stair "E" not in original bid	\$	4,912.24
3. E-Z Excavating - Water meter repairs at 414 Promenade	\$	1,650.00
4. Thoutt Bros - RFI #24 Wall Items	\$	2,654.20
5. Fly Ash Credit	\$	(15,160.00)
6. SAMORA - 4 Weeks General Conditions Remington - Town sequencing delay	\$	17,376.00
7. SAMORA - 6 Weeks General Conditions Dry Utilities coordination and delay	\$	26,064.00
8. SAMORA - 4 weeks General Conditions Old Rail Road Pavment Design delay	\$	17,376.00
(August 11, 2019 to November 15, 2019)		
Subtotal		\$ 153,482.44
Overhead/Profit/Bond/Insurance		\$ 23,022.37
Total		\$ 176,504.81

Purpose of Change Order: _____
Block 25 _____

Attachments (List Documents Supporting Change): _____

CHANGE IN CONTRACT PRICE:

Original Contract Price:

\$ 1,795,098.32

Previous Change Orders:

\$ 1,075,099.77

Contract Price Prior to this Change Order:

\$ 2,870,198.09

Net Increase of this Change Order:

\$ 176,504.81

Net Decrease of this Change Order:

\$ -

Net Change of this Change Order:

\$ 176,504.81

Contract Price with all Approved Change Orders:

\$ 3,046,702.90

CHANGE IN CONTRACT TIME:

Original Contract Time:

(days)

Net Change from Previous Change Order:

14 (days)

Contract Time Prior to this Change Order:

14 (days)

Net Increase of this Change Order:

(days)

Net Decrease of this Change Order:

Net Change of this Change Order:

(days)

Contract Time with all Approved Change Orders:

(days)

RECOMMENDED:

By: _____

Engineer

APPROVED:

By: _____

Owner

APPROVED: SAMORA Construction

By: _____

Contractor

**CHANGE ORDER REQUEST
SUMMARY SHEET
COR NO.: #012**



Date: 10/24/2019

Project Name: STC Block 26 Phase 2

Project Location: Superior, CO

Project No.: 19-004

Description of Change:

1.	E-Z Excavating - Removal of 24" existing subgrade and place roadbase	\$98,610.00
2.	E-Z Excavating - Additional stair excavation Stair "E" not in original bid plan	\$4,912.24
3.	E-Z Excavating - Water meter repairs at 414 Promenade	\$1,650.00
4.	Thoutt Bros - RFI #24 Wall Items	\$2,654.20
5.	Fly-Ash Credit	-\$15,160.00
6.	SAMORA - 4 Weeks General Conditions Remington Town sequencing delay	\$17,376.00
7.	SAMORA - 4 Weeks General Conditions Dry Utilities coordination and	\$17,376.00
8.	SAMORA SAMORA - 6 Weeks General Conditions Old Rail Way Pavment Design delay	\$26,064.00

Subtotal \$153,482.44

Overhead/Profit/Bond Insurance \$23,022.37

Change Order Request Total \$176,504.81

Note: SAMORA Construction not responsible for any unforeseen conditions or schedule delays.

**ACCEPTED:
SAMORA CONSTRUCTION**

By: _____

Brenda Torreyson

President/CEO



Proposal

P.O. Box 1439
Longmont, CO 80502

(303) 772-8121
Fax (303) 772-3640

ATTN:	Dave Torreyson	DATE:	10/16/2019
COMPANY:	Samora Construction	JOB NAME:	Superior Town Center- Old Rail Way Prep
	5310 Ward Road, Suite G-01	LOCATION:	Old Rail Way & Marshall Road
	Arvada, CO. 80002		Superior, CO
Phone #:	(303) 422-4285	ENGINEER:	Civil Resources, LLC
email	dtorreyson@samoragroup.com	DATE OF PRINTS:	12/14/2018

E-Z EXCAVATING, INC hereby submit specifications and estimates for:

ITEM #	DESCRIPTION	QUANTITY	UNIT	UNIT COST	ITEM COST
CLEAR & GRUB/DEMO					
1	Removal of 24" - Existing Subgrade Material	1,565	SY	\$ 12.60	\$ 19,719.00
Clear & Grub / Demo Subtotal:					\$ 19,719.00
EARTHWORK PREP AND FINISH					
2	Mobilization	1	EA	\$ 5,638.00	\$ 5,638.00
3	Curb & Gutter Prep & Backfill	595	LF	\$ 9.00	\$ 5,355.00
4	Concrete Flatwork Prep & Backfill	1,240	SF	\$ 2.50	\$ 3,100.00
5	Balance Street Areas +/- One Tenth- No Compaction	1,030	SY	\$ 2.00	\$ 2,060.00
Earthwork Prep and Finish Subtotal:					\$ 16,153.00
RECYCLE CONCRETE BASE					
6	Scarify, Recompact, & Finegrade	1,030	SY	\$ 4.00	\$ 4,120.00
7	Furnish & Place 24" Recycle Concrete Base	1,880	TON	\$ 28.40	\$ 53,392.00
8	Manhole Adjustment	4	EA	\$ 610.00	\$ 2,440.00
9	Watervalve Adjustment	7	EA	\$ 398.00	\$ 2,786.00
Recycle Concrete Base Subtotal:					\$ 62,738.00
PROJECT TOTAL:					\$ 98,610.00

#1

EXCLUDED FROM THIS PROPOSAL are the following:

Staking, Surveying, Engineering, Fees, Permits, Inspections, Plant Investment Fees, Tap Fees, Soils Testing, Landscaping, Winter Protection, Frost Removal, Rock Excavation, Dewatering, Chemical Stabilization, Hazardous Materials Removal or Abatement, Signage, Striping, Rotomill and Overlay, Infrared Asphalt, Erosion Control, Export of Spoils, SWMP, and Bond (Add 2% if reqd).

NOTE:

Pricing subject to review of final approved plans.

PAYMENT FOR SERVICES:

Net 10th. Finance charges of 1.5% per month will be charged on past due billings. All material is guaranteed to be as specified. All work to be completed in a substantial workmanlike manner according to specifications. Scope changes involving extra cost will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

This proposal is VALID for sixty (60) days from the date of Proposal above.

Change Order



NO. 23
97.53723

P.O. Box 1439
Longmont, Colorado 80502

(303) 772-8121
Fax (303) 772-3640

ATTN: Dave Torryson
COMPANY: Samora Construction
ADDRESS: Discovery Parkway & Central Park Circle
PHONE #: 303-422-4285
FAX #:

DATE: 10/15/2019
JOB #: 7537
LOCATION: Superior, CO
Bid Number

Additional sidewalk & stairway Excavation & Grading on Block25. Additional Stair "E" per Jim B meeting on site.

ITEM #	DESCRIPTION	QUANTITY	UNIT	UNIT COST	ITEM COST
9/30/2019					
	Tandem	3.5	HR	\$ 95.00	\$ 332.50
	CAT Mini Excavator	9.0	HR	\$ 110.00	\$ 990.00
	CAT 262D Skid Steer	6.0	HR	\$ 85.00	\$ 510.00
	Operator	4.00	MH	\$ 50.00	\$ 200.00
	Operator	2.0	MH	\$ 50.00	\$ 100.00
	Class 6	22.27	TN	\$ 12.00	\$ 267.24
10/1/2019					
	CAT Mini Excavator	3.0	HR	\$ 110.00	\$ 330.00
	CAT 262D Skid Steer	1.5	HR	\$ 85.00	\$ 127.50
	Operator	4.0	MH	\$ 50.00	\$ 200.00
	Operator	2.5	MH	\$ 50.00	\$ 125.00
				Total:	\$ 3,182.24

#2

The Contract Time will be extended by _____ days

Firm: _____
Signature: _____
Print Name: _____
Title: _____
Date: _____

Contractor: E-Z Excavating, Inc.
Signature: Arnold Alvarado
Print Name: Arnold Alvarado
Title: Project Manager
Date: 10/15/2019

Change Order



NO. 22
97.53720

P.O. Box 1439
Longmont, Colorado 80502

(303) 772-8121
Fax (303) 772-3640

ATTN: Dave Torryson
 COMPANY: Samora Construction
 ADDRESS: Discovery Parkway & Central Park Circle
 PHONE #: 303-422-4285
 FAX #:

DATE: 10/8/2019
 JOB #: 7537
 LOCATION: Superior, CO
 Bid Number

Stairway Excavation on Block 25.

ITEM #	DESCRIPTION	QUANTITY	UNIT	UNIT COST	ITEM COST
9/11/2019					
	CAT 305 Mini Excavator	4.5	HR	\$ 110.00	\$ 495.00
	Operator	3.5	MH	\$ 50.00	\$ 175.00
	Laborer	7.0	MH	\$ 45.00	\$ 315.00
9/12/2019					
	CAT 305 Mini Excavator	4.5	HR	\$ 110.00	\$ 495.00
	Operator	0.5	MH	\$ 50.00	\$ 25.00
	Laborer	5.0	MH	\$ 45.00	\$ 225.00
Total:					\$ 1,730.00

#2

The Contract Time will be extended by _____ days

Firm: _____
 Signature: _____
 Print Name: _____
 Title: _____
 Date: _____

Contractor: E-Z Excavating, Inc.
 Signature: *Arnold Alvarado*
 Print Name: Arnold Alvarado
 Title: Project Manager
 Date: _____

Change Order



NO. 20
97.43714

P.O. Box 1439
Longmont, Colorado 80502

(303) 772-8121
Fax (303) 772-3640

ATTN: Dave Torryson
 COMPANY: Samora Construction
 ADDRESS: Discovery Parkway & Central Park Circle
 PHONE #: 303-422-4285
 FAX #:

DATE: 10/9/2019
 JOB #: 7537
 LOCATION: Superior, CO
 Bid Number

Water Meter Repairs at 414 Promenade

ITEM #	DESCRIPTION	QUANTITY	UNIT	UNIT COST	ITEM COST
8/2/2019					
	Foreman	1.0	MH	\$ 60.00	\$ 60.00
	Laborer	1.0	MH	\$ 45.00	\$ 45.00
	Laborer	1.0	MH	\$ 45.00	\$ 45.00
9/3/2019					
	Foreman	10.0	MH	\$ 60.00	\$ 600.00
	Laborer	10.0	MH	\$ 45.00	\$ 450.00
	Laborer	10.0	MH	\$ 45.00	\$ 450.00
Total:					\$ 1,650.00

#3

The Contract Time will be extended by _____ days

Firm: _____
 Signature: _____
 Print Name: _____
 Title: _____
 Date: _____

Contractor: E-Z Excavating, Inc.
 Signature: *Arnold Alvarado*
 Print Name: Arnold Alvarado
 Title: Project Manager
 Date: _____



Build with concrete for a better tomorrow.
Build the future of tomorrow now!

THOUTT BROS. CONCRETE CONTRACTORS INC.

5460 Tennyson Street
Denver, CO 80212
Phone: 303-458-1298 x 340
Fax: 303-458-1424

**CHANGE ORDER REQUEST 1 for job
Superior Town Center Block 25 Outlots-Wall.**

COMPANY INFORMATION:	
This estimate is for:	Samora Inc 5310 Ward Rd, Suite G-01 Arvada, Co 80002 Phone: 303-422-4285
Company contact:	Dave Torreyson Email: dtorreyson@samoragroup.com Cell: 303-422-4285
Job Location:	Main St. & McCaslin Blvd. Superior CO 80027
Estimate name:	1902650-EXT-1
Estimate entered on date:	10/24/2019
Estimate last updated:	10/24/2019
Estimate expires on:	07/22/2019

BASE ESTIMATE DETAILS:				
Wall A				
Description	Quantity	Unit	UnitPrice	Total Price
Add 3 Wing Walls at Stairs	36.00	SF	26.20	\$943.20
Subtotal for Wall A:				\$943.20
Wall B				
Description	Quantity	Unit	UnitPrice	Total Price
Add 2 Wing Walls at Stairs	48.00	SF	26.20	\$1,257.60
Added Extra Row Hieght on Wall	7.00	SF	26.20	\$183.40
Subtotal for Wall B:				\$1,441.00
Wall F				
Description	Quantity	Unit	UnitPrice	Total Price
Re-Set Wall	1.00	LS	270.00	\$270.00
Subtotal for Wall F:				\$270.00

Main Estimate Subtotal: \$2,654.20
 Bond Fee Rate: 0.0000%
 Bond fee: \$0.00

Main Estimate Subtotal: \$2,654.20

#4