

STC METROPOLITAN DISTRICT NO. 2

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

NOTICE OF REGULAR MEETING AND AGENDA

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

Lisa A. Johnson Secretary

DATE: November 7, 2018
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 location of the meeting and posting of meeting notices.
-

II. CONSENT AGENDA

- Approve Minutes of the October 3, 2018 Regular Meeting (enclosure).
 - Ratify approval of Change Order No. 4. Superior Town Center- FDP 2/ FDP3 Phase 1 South Courtyard under the Contract between the District and SAMORA Construction in the amount of \$18,180.15.
-

III. FINANCIAL MATTERS

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

Fund	Period Ending Oct. 29, 2018
General	\$ 30,229.66
Debt	\$ -0-
Capital	\$ 7,195.58
Total	\$ 37,425.24

III. FINANCIAL MATTERS

- B. Review and accept unaudited financial statements through the period ending September 30, 2018 and updated cash position statement dated September 30, 2018 (enclosure).
-
- C. Consider engagement of Dazzio & Associates, P.C. for preparation of 2018 Audit in the amount not to exceed \$6,000. (enclosure).
-
- D. Conduct Public Hearing to consider Amendment to 2018 Budget (if necessary) and consider adoption of Resolution to Amend the 2018 Budget and Appropriate Expenditures.
-
- E. Conduct Public Hearing on the proposed 2019 Budget and consider adoption of Resolution to Adopt the 2019 Budget and Appropriate Sums of Money and Set Mill Levies for General Fund _____, Debt Service Fund _____, and Other Fund(s) _____ for a total mill levy of _____ (enclosures – Preliminary Assessed Valuation, Resolutions, and draft 2019 Budget).
-
- F. 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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IV. LEGAL MATTERS

- A. Discuss status of parking garage conveyance.
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- B. Discuss information received from the Colorado Department of Public Health and Environment regarding Stormwater Management Plan and meeting result from October 9, 2018. ADJOURN TO EXECUTIVE SESSION, IF NECESSARY.
-
- C. Discussion regarding update to Rules and Regulations, including update related to stormwater management plan.
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- D. Discuss Notice of Intent to File Lien pursuant to 38-22-101 et seq., received from Parkway Electric & Communications, LLC. ADJOURN TO EXECUTIVE SESSION, IF NECESSARY.
-

- E. Discuss status of subpoena response to JD Enterprises. ADJOURN TO EXECUTIVE SESSION, IF NECESSARY.
-

- F. Review current District Boundary Map (enclosure).
-

V. OPERATIONS AND MAINTENANCE

- A. Discuss status of approval from the Town of Superior of Resolution Regarding the Imposition of Fees.
-

- B. Status of proposals for 2019 landscape maintenance services contracts and consider award of a service agreement.
-

- C.
-

VI. COVENANT CONTROL

- A. Consider appointment of Peggy Ripko for Covenant Control Committee.
-

V. CAPITAL PROJECTS

- A. Review and accept improvement costs in the amount of \$438,293.56 under that certain Final Engineers Report and Certification No. 40 prepared by Manhard Consulting, Ltd. (enclosure).
-

- B. Consider approval of Change Order No. 8, Superior Town Center Discovery Parkway FD1, Phase 2B, under the Contract between the District and Hudick Excavating, Inc., for an increase in the contract amount of \$584,016.00 (enclosure).
-

VI. DEVELOPER UPDATE

- A. Status of lot and home sales.
-

VII. OTHER MATTERS

- A.
-

VIII. ADJOURNMENT **THE NEXT MEETING IS SCHEDULED FOR DECEMBER 5, 2018.**

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE STC METROPOLITAN DISTRICT NO. 2 HELD OCTOBER 3, 2018

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 3rd day of October, 2018, 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
Bob Revis
Angie Hulsebus

Also In Attendance Were:

Lisa A. Johnson and Peggy Ripko; Special District Management Services, Inc.

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

Mark Chambers; Simmons & Wheeler, P.C.

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

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

RECORD OF PROCEEDINGS

Confirm Location of Meeting, Posting of Meeting Notices and Quorum: 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 Brzostowicz, seconded by Director Revis and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries or within 20 miles of its 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 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 its boundaries.

CONSENT AGENDA

The Board considered the following actions:

- Approve Minutes of the September 5, 2018 Regular Meeting.
- Ratify approval of Vargas Property Services, Inc. for 2018/2019 snow removal services (enclosure).
- Change Order No. 11, Superior Town Center - Phase 1 Final Plan Sidewalks/Parking/Landscaping under the Contract between the District and SAMORA Construction.
- Change Order No. 2, Village Green Park under the Contract between the District and SAMORA Construction.
- Change Order No. 3, Superior Town Center – FDP 2/FDP 3 Phase 1 South Courtyard under the Contract between the District and SAMORA Construction.

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

FINANCIAL MATTERS

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

Fund	Period Ending Sept. 24, 2018
General	\$ 20,831.21
Debt	\$ -0-
Capital	\$ 10,457.11
Total	\$ 31,288.32

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Revis and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as amended. The Capital Fund was adjusted due to invoice #38080 being billed to the wrong District. The following amended payment of claims was approved:

Fund	Period Ending Sept. 24, 2018
General	\$ 20,831.21
Debt	\$ -0-
Capital	\$ 8,337.11
Total	\$ 29,168.32

Unaudited Financial Statements: Mr. Chambers presented the unaudited financial statements for the period ending August 31, 2018 and the updated schedule of cash position for the period ending August 31, 2018.

Following review, upon motion duly made by Director Revis, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending August 31, 2018 and the updated schedule of cash position for the period ending August 31, 2018.

2017 Audit: The Board considered ratifying acceptance of the 2017 Audit.

Following discussion, upon motion duly made by Director Revis, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board ratified acceptance of 2017 Audit.

LEGAL MATTERS

Status of First Amendment to Facilities Funding and Acquisition Agreement between the District and RC Superior, LLC: Attorney Becher reported to the Board that the First Amendment to Facilities Funding and Acquisition Agreement was approved and finalized.

Parking Garage Conveyance: Attorney Becher reported that the Parking Garage Conveyance is almost finalized. Closing is set for the week of October 8, 2018.

Colorado Department of Public Health and Environment (“CDPHE”)– Stormwater Management Plan: Ms. Johnson reported to the Board that the Colorado Department of Public Health and Environment has preapproved the SEP Project. A meeting has been scheduled for October 9, 2018 to discuss final approval and final fine amount of the SEP Project.

Rules and Regulations: The Board deferred discussion.

RECORD OF PROCEEDINGS

County Remittance Issue: Mr. Chambers noted that he continues to work on the remittance matter. He advised the Board that it seems the matter can be rectified by the end of the year.

Engagement Letter of Legal Counsel- Nathan, Dumm, & Mayer, P.C: The Board considered ratifying approval of Engagement Letter for Limited Retention of legal counsel, Nathan, Dumm & Mayer, P.C. regarding third party subpoena between JD Enterprises and Hall-Irwin and the Guarantee Company of North America.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Revis and, upon vote, unanimously carried, the Board ratified approval of Engagement Letter for Limited Retention of legal counsel, Nathan, Dumm & Mayer, P.C. regarding third party subpoena between JD Enterprises and Hall-Irwin and the Guarantee Company of North America.

Receipt of and Response of Third Party Subpoena to Produce: Ms. Johnson noted that Nathan, Dumm & Mayer, P.C. is working through the issue and no executive session was necessary.

OPERATIONS / MAINTENANCE

Resolution Regarding Imposition of Fees and Updated Operations and Maintenance Analysis: Ms. Ripko presented to the Board the updated Operations and Maintenance Analysis. The Board of Directors discussed revisions. Ms. Ripko will work with the developer on projected lot closings for the next few years and work with Mr. Chambers to finalize the Operations and Maintenance Budget to present to the Board at the November Meeting.

Proposals for 2018-2019 Landscape Maintenance Services Contract: Ms. Ripko will present proposals to the Board for 2019 landscape maintenance services once they are received.

CAPITAL PROJECTS

Final Engineer's Report and Certification No. 38 prepared on August 23, 2018: Ms. Johnson reviewed with the Board the improvement costs under the Final Engineer's Report and Certification #38, dated August 23, 2018, prepared by Manhard Consulting, Ltd.

Following discussion, upon motion duly made by Director Revis, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board accepted the improvement costs in the approximate amount of \$790,429.34 under that certain Final Engineer's Report and Certification #38, dated August 23, 2018, prepared by Manhard Consulting, Ltd.

RECORD OF PROCEEDINGS

Final Engineer's Report and Certification No. 39 prepared on September 26, 2018: Ms. Johnson reviewed with the Board the improvement costs under the Final Engineer's Report and Certification #39, dated September 26, 2018, prepared by Manhard Consulting, Ltd.

Following discussion, upon motion duly made by Director Revis, seconded by Director Brzostowicz and, upon vote, unanimously carried, the Board accepted the improvement costs in the approximate amount of \$1,008,881.48 under that certain Final Engineer's Report and Certification #39, dated September 26, 2018, prepared by Manhard Consulting, Ltd.

Change Order No. 4, Superior Town Center – FDP 2/FDP 3 Phase 1 South Courtyard under the Contract between the District and SAMORA Construction: Director Revis reviewed with the Board Change Order No. 4, Superior Town Center – FDP 2/FDP 3 Phase 1 South Courtyard under the Contract between the District and SAMORA Construction in the amount of \$18,180.15.

Following discussion, upon motion duly made by Director Brzostowicz, seconded by Director Revis, and, upon vote, unanimously carried, the Board approved Change Order No. 4 Superior Town Center – FDP 2/FDP 3 Phase 1 South Courtyard under the Contract between the District and SAMORA Construction in the amount of \$18,180.15.

DEVELOPER UPDATE

Lot and Home Sales: Mr. Jencks provided an update on lot and home sales. He noted that 450 homes are scheduled to be approved by Town Board by the end of Summer 2019.

OTHER MATTERS

Resignation of Director: The resignation of Director Revis effective as of October 24, 2018 was acknowledged.

ADJOURNMENT

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

Respectfully submitted,

By _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES ARE APPROVED AS THE OFFICIAL OCTOBER 3, 2018
MINUTES OF THE STC METROPOLITAN DISTRICT NO. 2 BY THE BOARD
OF DIRECTORS SIGNING BELOW:

James A. Brzostowicz

Bob Revis

Angie Hulsebus

STC Metropolitan District No.2
October-18

	General	Debt	Capital	Totals
Disbursements	\$ 29,906.71	\$ -	\$ 7,195.58	\$ 37,102.29
Qtr Payroll Tax	\$ -	\$ -	\$ -	\$ -
Payroll	\$ 300.00	\$ -	\$ -	\$ 300.00
Payroll Taxes District Portion	\$ 22.95	\$ -	\$ -	\$ 22.95
Total Disbursements from Checking Acct	\$30,229.66	\$0.00	\$7,195.58	\$37,425.24

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1297						
10/29/2018	Colorado Special Districts P& L	19W61405-2551	Prepaid Expenses	1-143	350.00	350.00
10/29/2018	Colorado Special Districts P& L	19W61407-2552	Prepaid Expenses	1-143	350.00	350.00
10/29/2018	Colorado Special Districts P& L	19W61407-2553	Prepaid Expenses	1-143	350.00	350.00
Total 1297:						1,050.00
1298						
10/29/2018	Dazzio & Associates, PC	272	Audit	1-615	3,800.00	3,800.00
10/29/2018	Dazzio & Associates, PC	273	Audit	1-615	5,800.00	5,800.00
Total 1298:						9,600.00
1299						
10/29/2018	McGeady Becher P.C.	1190B SEPT 2018	Legal	1-675	1,134.46	1,134.46
10/29/2018	McGeady Becher P.C.	1190B SEPT 2018	Legal	3-675	6,591.24	6,591.24
Total 1299:						7,725.70
1300						
10/29/2018	MMI Water Engineers, LLC	1037	Legal	1-675	120.00	120.00
Total 1300:						120.00
1301						
10/29/2018	Simmons & Wheeler, P.C.	23193	Accounting	3-612	604.34	604.34
10/29/2018	Simmons & Wheeler, P.C.	23193	Accounting	1-612	604.34	604.34
Total 1301:						1,208.68
1302						
10/29/2018	Special Dist Management Svcs	#1 SEPT 2018	Management	1-680	835.70	835.70
10/29/2018	Special Dist Management Svcs	#2 SEPT 2018	Management	1-680	2,013.45	2,013.45
10/29/2018	Special Dist Management Svcs	#2 SEPT 2018	Accounting	1-612	822.00	822.00
10/29/2018	Special Dist Management Svcs	#2 SEPT 2018	Covenant Control	1-682	750.50	750.50
10/29/2018	Special Dist Management Svcs	#3 SEPT 2018	Management	1-680	41.10	41.10
Total 1302:						4,462.75
1303						
10/29/2018	Town of Superior	290 10/18	Utilities	1-704	377.37	377.37
10/29/2018	Town of Superior	411 10/18	Utilities	1-704	1,281.77	1,281.77
10/29/2018	Town of Superior	438 10/18	Utilities	1-704	13.37	13.37
Total 1303:						1,672.51
1304						
10/29/2018	Vargas Property Services, Inc.	27492	Utilities	1-704	7,920.00	7,920.00
10/29/2018	Vargas Property Services, Inc.	27544	Utilities	1-704	1,200.00	1,200.00
10/29/2018	Vargas Property Services, Inc.	27591	Utilities	1-704	1,507.14	1,507.14
Total 1304:						10,627.14
1305						
10/29/2018	Xcel Energy	609088890	Utilities	1-704	144.28	144.28
10/29/2018	Xcel Energy	609107966	Utilities	1-704	130.94	130.94
10/29/2018	Xcel Energy	609112853	Utilities	1-704	178.25	178.25
10/29/2018	Xcel Energy	609127214	Utilities	1-704	182.04	182.04

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
Total 1305:						635.51
Grand Totals:						37,102.29

<u>Check Issue Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>
10/29/2018	9108	Brzostowicz, James	
10/29/2018	9109	Revis, Robert	92.35
10/29/2018	9110	Hulsebus, Angie	92.35
Grand Totals:			
	<u>3</u>		<u>184.70</u>

STC Metropolitan District #2
Financial Statements

September 30, 2018

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, 2018, 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, 2018
Englewood, Colorado

STC Metropolitan District No 2
Balance Sheet - Governmental Funds and Account Groups
September 30, 2018

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Account Groups</u>	<u>Total All Funds</u>
Assets					
Current assets					
Cash in checking	\$ 124,560	\$ 39,490	\$ -	\$ -	\$ 164,050
UMB PIF Supp Interest	-	24,145	-	-	24,145
UMB Non-PIF Supp Interest	-	149	-	-	149
UMB Non-PIF Surplus	-	881,343	-	-	881,343
UMB Non-PIF Supp Principal	-	1,191,702	2,685	-	1,194,387
UMB PIF Supp Res Account	-	1,603,338	-	-	1,603,338
UMB Restricted Project Fund	-	-	-	-	-
UMB Unrestricted Project Fund	-	-	-	-	-
Prepaid Expenses	1,050	-	-	-	1,050
Developer Receivable	-	-	-	-	-
SURA Taxes Receivable	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Due to/from Other funds	-	-	-	-	-
	<u>125,610</u>	<u>3,740,167</u>	<u>2,685</u>	<u>-</u>	<u>3,868,462</u>
Other assets					
Amount available in debt service fun	-	-	-	3,740,167	3,740,167
Amount to be provided for retirement of debt	-	-	-	39,543,284	39,543,284
	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,283,451</u>	<u>43,283,451</u>
	<u>\$ 125,610</u>	<u>\$ 3,740,167</u>	<u>\$ 2,685</u>	<u>\$ 43,283,451</u>	<u>\$ 47,151,913</u>
Liabilities and Equity					
Current liabilities					
Accounts payable	37,102	-	-	-	37,102
Retainage Payable	-	-	388,141	-	388,141
Payroll Taxes Payable	\$ 185	\$ -	\$ -	\$ -	\$ 185
	<u>37,287</u>	<u>-</u>	<u>388,141</u>	<u>-</u>	<u>425,428</u>
Bonds Payable - Series 2015A	-	-	-	17,055,000	17,055,000
Bonds Payable - Series 2015B	-	-	-	7,000,000	7,000,000
Unpaid interest Series 2015B	-	-	-	1,013,553	1,013,553
Developer Note - O&M	-	-	-	659,196	659,196
Accrued Int Dev Note - O&M	-	-	-	191,910	191,910
Developer Note - Capital	-	-	-	14,826,757	14,826,757
Accrued Int Dev Note - Capital	-	-	-	3,011,898	3,011,898
Bond Discount	-	-	-	(474,863)	(474,863)
Total liabilities	<u>37,287</u>	<u>-</u>	<u>388,141</u>	<u>43,283,451</u>	<u>43,708,879</u>
Fund Equity					
Investment in capital improvements	-	-	-	-	-
Fund balance (deficit)	80,519	3,740,167	(385,456)	-	3,435,230
Emergency reserves	7,804	-	-	-	7,804
	<u>88,323</u>	<u>3,740,167</u>	<u>(385,456)</u>	<u>-</u>	<u>3,443,034</u>
	<u>\$ 125,610</u>	<u>\$ 3,740,167</u>	<u>\$ 2,685</u>	<u>\$ 43,283,451</u>	<u>\$ 47,151,913</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, 2018
General Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 197	\$ 8	\$ (189)
Specific ownership taxes	724	406	(318)
SURA Property Tax Increment	47,951	-	(47,951)
O&M Fees	27,600	-	(27,600)
Developer Advance	98,321	194,713	96,392
Miscellaneous/Interest Income	2,000	-	(2,000)
Transfer from District 1	26,629	2,426	(24,203)
Transfer from District 3	5,053	19	(5,034)
	<u>208,475</u>	<u>197,572</u>	<u>(10,903)</u>
Expenditures			
Accounting	35,000	10,839	24,161
Audit	10,000	9,600	400
Directors' Fees	4,800	1,700	3,100
Insurance/SDA Dues	15,000	12,844	2,156
Election	15,000	2,009	12,991
Legal	40,000	12,590	27,410
Management	40,000	35,191	4,809
Miscellaneous	4,000	733	3,267
Aweida Inclusion Expense	-	1,810	(1,810)
O&M - Covenant Control	17,720	5,017	12,703
O&M - Field Services	1,500	2,531	(1,031)
O&M - Landscaping	21,060	50,721	(29,661)
O&M - Equipment	1,420	-	1,420
O&M - Utilities	3,000	8,182	(5,182)
O&M - Monumentation	2,000	-	2,000
O&M - Roads & Sidewalks	38,840	22,025	16,815
O&M - Mailboxes	750	-	750
O&M - Reserve	5,900	-	5,900
Treasurer's Fees	819	-	819
Payroll Taxes	300	153	147
Utilities	3,000	3,398	(398)
Emergency reserve	7,804	-	7,804
	<u>267,913</u>	<u>179,343</u>	<u>88,570</u>
Excess (deficiency) of revenues over expenditures	(59,438)	18,229	77,667
Fund balance - beginning	<u>59,438</u>	<u>70,094</u>	<u>10,656</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 88,323</u>	<u>\$ 88,323</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, 2018
Debt Service Fund

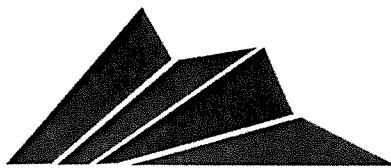
See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property Taxes	\$ 689	\$ 211,107	\$ 210,418
SURA Property Tax Increment	1,527,446	1,005,978	(521,468)
Specific Ownership taxes	4,577	4,470	(107)
PIF-Property Tax	-	-	-
Interest income	18,000	30,743	12,743
Transfer from Capital Projects	-	982,427	982,427
Transfer from STCMD No. 1	133,244	83,972	(49,272)
Transfer from STCMD No. 3	10,107	3,337	(6,770)
	<u>1,694,063</u>	<u>2,322,034</u>	<u>627,971</u>
Expenditures			
Bond interest - 2015A	1,023,300	511,650	511,650
Bond principal - 2015A	280,000	980,000	(700,000)
Miscellaneous Expense	500	-	500
Treasurer's Fees	28,610	12,095	16,515
Trustee / paying agent fees	4,000	4,000	-
	<u>1,336,410</u>	<u>1,507,745</u>	<u>(171,335)</u>
Excess (deficiency) of revenues over expenditures	357,653	814,289	456,636
Fund balance - beginning	<u>2,909,609</u>	<u>2,925,878</u>	<u>16,269</u>
Fund balance - ending	<u>\$ 3,267,262</u>	<u>\$ 3,740,167</u>	<u>\$ 472,905</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, 2018
Capital Projects Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Developer Advance	3,000,000	6,556,997	3,556,997
Interest	<u>20,000</u>	<u>4,519</u>	<u>(15,481)</u>
	<u>3,020,000</u>	<u>6,561,516</u>	<u>3,541,516</u>
Expenditures			
Accounting	5,000	4,467	533
Legal	55,000	42,388	12,612
Management	3,500	96	3,404
Construction Expenses	4,027,849	5,986,902	(1,959,053)
Engineering	271,088	573,726	(302,638)
Transfer to Debt Service Fund	-	982,427	(982,427)
Miscellaneous	<u>1,000</u>	<u>-</u>	<u>1,000</u>
	<u>4,363,437</u>	<u>7,590,006</u>	<u>(3,226,569)</u>
Excess (deficiency) of revenues over expenditures	(1,343,437)	(1,028,490)	314,947
Fund balance - beginning	<u>1,343,437</u>	<u>643,034</u>	<u>(700,403)</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ (385,456)</u>	<u>\$ (385,456)</u>



Dazzio & Associates, PC

Certified Public Accountants

October 29, 2018

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, 2018. 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, 2018.

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

8200 South Quebec Street, Suite A3259, Centennial, Colorado 80112

303-905-0809 • info@dazziocpa.com

• Member American Institute of Certified Public Accountants • Member Colorado Society of Certified Public Accountants •

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 Dazzio 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: _____

CERTIFICATION OF VALUATION BY WELD COUNTY ASSESSOR

Name of Jurisdiction: 1315 - VISTA RIDGE METRO DISTRICT

IN WELD COUNTY ON 8/17/2018

New Entity: No

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 2018 IN WELD COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$72,184,670
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$73,664,480
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$73,664,480
5. NEW CONSTRUCTION: **	\$1,670,980
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a) C.R.S.):	\$0.00
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.):	\$17,953.55

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TAVOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2018 IN WELD COUNTY, COLORADO ON AUGUST 25, 2018

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$904,986,974
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$22,244,961
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(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.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ 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 new mines and increases 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:----->	\$0
---	-----

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2018

Data Date: 8/17/2018

RESOLUTION NO. 2018 - 11 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE STC METROPOLITAN DISTRICT NO. 2
TO ADOPT THE 2019 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 2019 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, 2018, 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 7, 2018, 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 2019 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 7th day of November, 2018.

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 2019, duly adopted at a meeting of the Board of Directors of the STC Metropolitan District No. 2 held on November 7, 2018.

By: _____
Secretary

RESOLUTION NO. 2018 - 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 2019 annual budget in accordance with the Local Government Budget Law on November 7, 2018; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2019 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 2019 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 7th day of November, 2018.

Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)

STC Metropolitan District No. 2
Proposed Budget
General Fund
For the Year Ended December 31, 2019

	Actual <u>2017</u>	Adopted Budget <u>2018</u>	Actual <u>6/30/2018</u>	Estimate <u>2018</u>	Proposed Budget <u>2019</u>
Beginning balance	\$ 56,944	\$ 59,438	\$ 94,641	\$ 94,641	\$ 139,340
Revenues:					
Property taxes	(2,427)	197	7	197	209
SURA Property Tax Increment	21,517	47,951	-	80,873	102,495
Specific ownership taxes	1,250	724	226	500	8,200
Aweida Inclusion	10,000	-	-	-	-
O&M Fee	-	27,600	-	-	-
Developer Advance	165,288	98,321	139,985	175,000	10,000
Transfer from STCMD No. 1	8,134	26,629	1,155	23,500	40,007
Transfer from STCMD No. 3	-	5,053	14	2,340	4,835
Miscellaneous/Interest Income	2,183	2,000	-	5,000	22,000
Total Revenue	<u>205,945</u>	<u>208,475</u>	<u>141,387</u>	<u>287,410</u>	<u>187,746</u>
Total Funds Available	<u>262,889</u>	<u>267,913</u>	<u>236,028</u>	<u>382,051</u>	<u>327,086</u>
Expenditures:					
Accounting	31,335	35,000	6,964	20,000	25,000
Audit	9,614	10,000	-	9,614	11,000
Director's Fees	3,400	4,800	1,300	3,200	5,000
Insurance/SDA Dues	13,109	15,000	12,844	12,844	16,000
Election	-	15,000	1,968	2,000	-
Legal	49,126	40,000	9,391	25,000	40,000
Management	40,538	40,000	24,493	50,000	50,000
Miscellaneous	2,790	4,000	174	1,000	1,000
Aweida Inclusion Expense	1,282	-	1,810	2,250	-
O&M - Covenant Control/Comm Mgmt	-	17,720	3,363	8,000	18,000
O&M - Field Services	1,238	1,500	-	1,500	6,500
O&M - Landscaping	-	21,060	26,760	50,000	45,000
O&M - Equipment Maintenance	-	1,420	-	-	1,500
O&M - Utilities	-	3,000	1,745	3,000	5,000
O&M - Monumentation	-	2,000	-	-	-
O&M - Roads & Sidewalks	7,572	38,840	22,025	40,000	40,000
O&M - Parking Garage	-	-	-	10,000	44,000
O&M - Mailboxes	-	750	-	-	2,000
O&M - Reserve	-	5,900	-	-	3,256
Treasurer's Fees	1	819	-	3	3
Payroll Taxes	245	300	100	300	300
Utilities	7,998	3,000	1,627	4,000	4,000
Total expenditures	<u>168,248</u>	<u>260,109</u>	<u>114,564</u>	<u>242,711</u>	<u>317,559</u>
Transfers and Reserves					
Emergency Reserve	-	7,804	-	-	9,527
Total Transfers and Reserves	<u>-</u>	<u>7,804</u>	<u>-</u>	<u>-</u>	<u>9,527</u>
Ending balance	<u>\$ 94,641</u>	<u>\$ -</u>	<u>\$ 121,464</u>	<u>\$ 139,340</u>	<u>\$ -</u>
Assessed Valuation		<u>\$ 17,803</u>			<u>\$ 18,887</u>

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

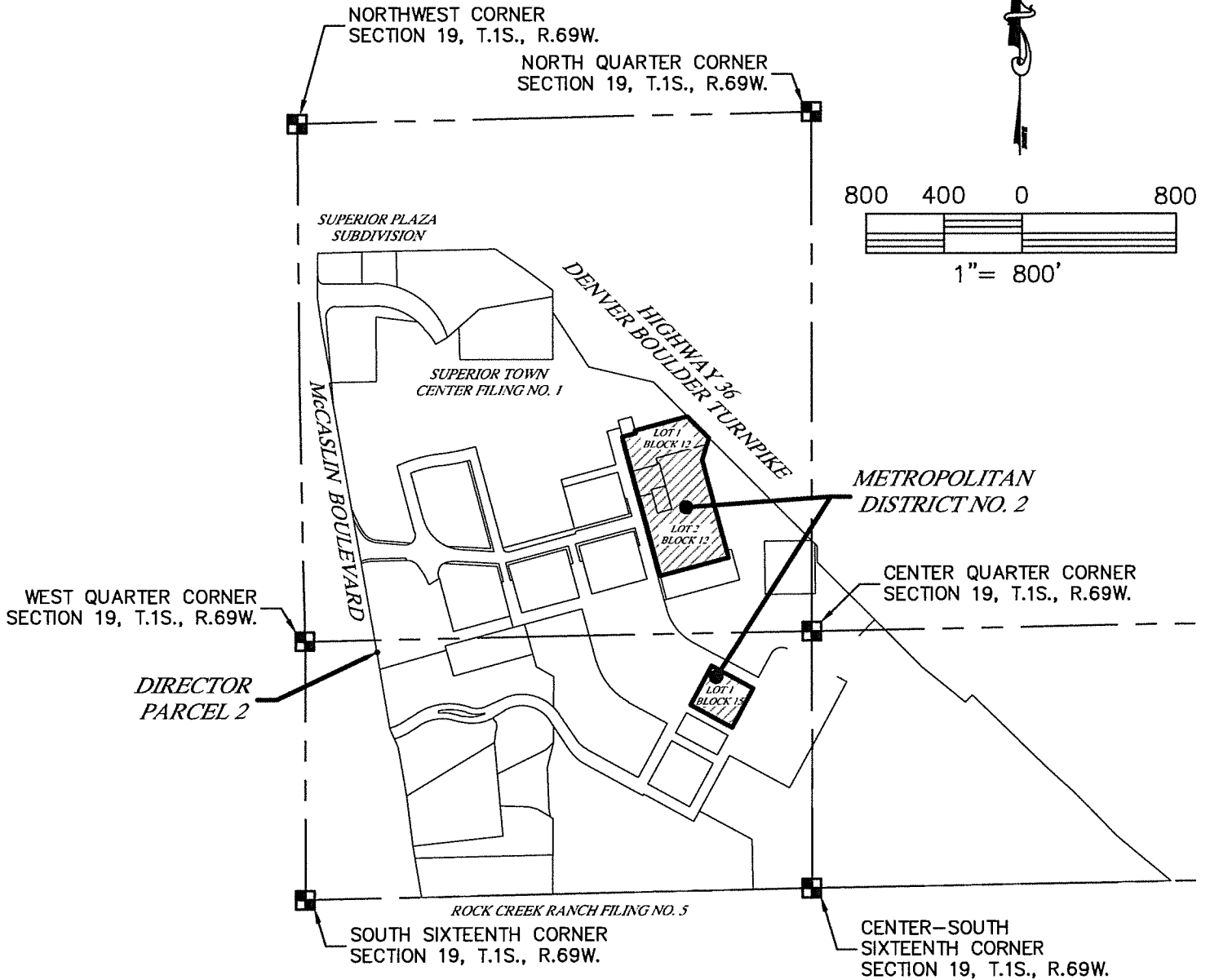
	Actual 2017	Adopted Budget 2018	Actual 6/30/2018	Estimate 2018	Proposed Budget 2019
Beginning balance	\$ 2,809,664	\$ 1,343,437	\$ 338,112	\$ 338,112	\$ 279,612
Revenues:					
Developer Advance	10,153,128	3,000,000	3,749,129	6,000,000	1,500,000
Interest Income	19,061	20,000	1,561	3,000	1,000
Total Revenue	10,172,189	3,020,000	3,750,690	6,003,000	1,501,000
Total Funds Available	12,981,853	4,363,437	4,088,802	6,341,112	1,780,612
Expenditures:					
Accounting	4,707	5,000	2,744	5,000	5,000
Legal	46,612	55,000	28,039	55,000	55,000
Management	2,510	3,500	96	1,000	2,500
Miscellaneous	564	1,000	-	500	1,000
Construction Expenses	10,970,362	4,027,849	3,335,369	5,400,000	1,500,000
Developer Reimbursement	1,598,964	-	-	-	-
Developer Reimbursement - Interest	20,022	-	-	-	-
Engineering	-	271,088	424,902	600,000	200,000
Total expenditures	12,643,741	4,363,437	3,791,150	6,061,500	1,763,500
Ending balance	\$ 338,112	\$ -	\$ 297,652	\$ 279,612	\$ 17,112

STC Metropolitan District No. 2
Proposed Budget
Debt Service Fund
For the Year Ended December 31, 2019

	Actual 2017	Adopted Budget 2018	Actual 6/30/2018	Estimate 2018	Proposed Budget 2019
Beginning balance	\$ 2,923,582	\$ 2,909,609	\$ 2,901,571	\$ 2,901,571	\$ 2,077,964
Revenues:					
Property taxes	(12,521)	689	41	689	731
SURA Property Tax Increment	935,174	1,527,446	666,477	1,300,000	1,800,000
Specific Ownership Taxes	-	4,577	326	3,783	4,577
Reimbursement from SURA	-	-	-	-	-
PIF-Property Tax	-	-	-	-	-
Transfer from STCMD No. 1	61,623	133,244	37,899	114,901	136,192
Transfer from STCMD No. 3	-	10,107	2,236	4,731	9,652
Interest income	21,470	18,000	19,524	40,000	18,000
Total Revenue	<u>1,005,746</u>	<u>1,694,063</u>	<u>726,503</u>	<u>1,464,104</u>	<u>1,969,152</u>
Total Funds Available	<u>3,929,328</u>	<u>4,603,672</u>	<u>3,628,074</u>	<u>4,365,675</u>	<u>4,047,116</u>
Expenditures:					
Bond Interest - 2015A	1,023,300	1,023,300	511,650	1,023,300	1,006,500
Bond Principal	-	280,000	980,000	1,260,000	300,000
Paying agent fees	4,134	4,000	4,000	4,000	4,000
Miscellaneous Expense	318	500	-	400	500
Treasurer's Fees	5	28,610	1	11	28,610
Total expenditures	<u>1,027,757</u>	<u>1,336,410</u>	<u>1,495,651</u>	<u>2,287,711</u>	<u>1,339,610</u>
Ending balance	<u>\$ 2,901,571</u>	<u>\$ 3,267,262</u>	<u>\$ 2,132,423</u>	<u>\$ 2,077,964</u>	<u>\$ 2,707,506</u>
Assessed Valuation		<u>\$ 17,803</u>			<u>\$ 18,887</u>
Mill Levy		<u>38.694</u>			<u>38.694</u>
Total Mill Levy		<u>49.750</u>			<u>49.750</u>

66442

Sht 1 of 2



NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.



KING SURVEYORS

650 E. Garden Drive | Windsor, Colorado 80550

phone: (970) 686-5011 | fax: (970) 686-5821

www.kingsurveyors.com

PROJECT NO: 2012219

DATE: 2/4/2016

CLIENT: CIVIL RESOURCES

DWG: 2012219EXH-METRO-3

DRAWN: CSK **CHECKED:** SAL

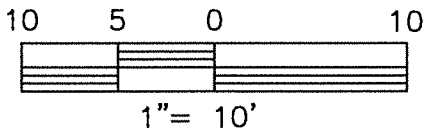
Sht 2 of 2

MCCASLIN BOULEVARD

*SUPERLOT 2
DISCOVERY / SUPERIOR TOWN
CENTER FILING NO. 1B*



DIRECTOR PARCEL 2



NOTE: This exhibit drawing is not intended to be a monumented land survey. It's sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.



KING SURVEYORS

650 E. Garden Drive | Windsor, Colorado 80550

phone: (970) 686-5011 | fax: (970) 686-5821

www.kingsurveyors.com

PROJECT NO: 2012219

DATE: 2/4/2016

CLIENT: CIVIL RESOURCES

DWG: 2012219EXH-METRO-3

DRAWN: CSK CHECKED: SAL

SECTION 00680 CHANGE ORDER

Superior Town
Center Discovery
Parkway FD1,
Phase 2B

CHANGE ORDER

Project: _____ **Date of Issuance:** October 19, 2018

Owner: Superior Town Center Metropolitan District No. 2 **Change Order No.:** 8

Address: c/o Bob Revis
141 Union Blvd, Suite 150
Lakewood, CO 80228

Contractor: Hudick Excavating, Inc **Construction Manager:** Bob Revis

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

Description: Xcel sleeving at Block 25 to finish alley paving, Dirt export west side of McCaslin, redo light pole bases at Promenade, replace light pole, hand vaults at Promenade, Deduct at Village Green Park, Meter corrections at Village Green Park, South pond elimination, Block 14 sleeving, Tract H reuse water connection

Purpose of Change Order: COR#8 Sleeving in alley of lower block 25 for Xcel Gas and Electrical lines in the future COR#9 export dirt west of McCaslin. COR#10 replace light pole, hand vaults at Promenade, Deduct at Village Green Park, Meter corrections at Village Green Park, South pond elimination, Block 14 sleeving, Tract H reuse water connection, redo light pole bases at Promenade,

Attachments (List Documents Supporting Change): HEI COR#8, COR#9, COR#10

CHANGE IN CONTRACT PRICE:

CHANGE IN CONTRACT TIME:

Original Contract Price:

Original Contract Time:

\$ 4,416,485.00

196 days

(days or dates)

Previous Change Orders:

Net Change from Previous Change Order:

No. 1 to No. 7

0 days

(days)

Contract Price Prior to this Change Order:

Contract Time Prior to this Change Order:

\$ 6,701,996.60

196 days

(days or date)

Net Increase of this Change Order:

\$ 584,016.00

Net Decrease of this Change Order:

0

Net Change of this Change Order:

\$ 584,016.00

Contract Price with all Approved Change Orders:

\$ 7,286,012.60

Net Increase of this Change Order:

0 days

Net Decrease of this Change Order:

0 days

Net Change of this Change Order:

0 days

Contract Time with all Approved Change Orders:

196 days

(days)

(days)

(days)

(days or date)

RECOMMENDED:

APPROVED:

APPROVED:

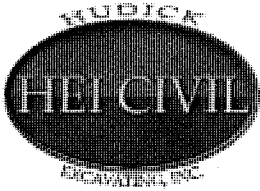
By: _____
Engineer

By: _____
Owner

By: _____
Contractor

END OF SECTION

Superior C.O. #8



Hudick Excavating Inc. dba HEI CIVIL

5460 Montana Vista Way

Castle Rock, CO 80108

Contact: Zane Hudick

Phone: 303-688-9500

Fax: 303-688-5254

Date: 5/9/2018

Quote To:

Attention: Bob Revis

Phone:

Fax:

Job Name:

Date of Plans:

Revision Date:

HEI Bid Number:

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1010	2" Conduit	800.00	LF	11.00	8,800.00
1020	4" Conduit	1,800.00	LF	13.00	23,400.00
1030	1" Irrigation Service	1.00	EA	3,275.00	3,275.00
GRAND TOTAL					\$35,475.00

NOTES:

Exclusions: Engineering, Surveying, Testing, Fees, Permits, Performance & payment bond, hazardous materials removal & disposal, Frost protection or snow removal, Hand grading, dewatering, Rock excavation, Blasting, Off site import or export, Curb & gutter & paving Prep, Storm water management plan & erosion control measures unless listed above - Maintenance of erosion control measures will be done at T&M rates, Site dry utilities and conflicts, Traffic control, Structural excavation or backfill of any nature, Sales Tax. Prevailing Wages.

Job was bid with the following criteria:

Proposal is to be part of any contract issued.

Any Salt deicers - Salt, Sand, Kitty Litter, magnesium chloride will destroy the finish of the concrete and cause Spalding. Sand and Kitty litter need to be removed after 24 hours. Any use of deicers will void warranty.

HEI will be only liable for damages caused by our own acts per CO statute 13-21.111.5.

Per HB 11-1115 5% max retainage is to be held.

Estimated quantities, actual will be invoiced.

Grading tolerances +/- .2'

Pricing is based off diesel fuel at \$4.00 per gallon, subject to a fuel escalation cost.

Water & Sewer Notes.

Material price is based off a order by xx/xx/2013 Ship date by xx/xx/2013 . Stockpile materials will be to be paid for in full

Asphalt Paving:

Prices are subject to monthly AC increases, if price adjustments are needed when paving begins, HEI's Subcontractor will provide the AC price that the project was bid with to establish the benchmark. An invoice will be supplied for the month(s) the work is performed. The pricing will be adjusted depending on the variance at the time of placement.

Retainage on our scope of work is to be released once HEI has complete it's work.

OR

Payment due in full by the 15TH, on monthly invoices.

Please call if you have any questions.

Superior C.O.#9



Hudick Excavating Inc. dba HEI CIVIL

5460 Montana Vista Way

Castle Rock, CO 80108

Contact: Zane Hudick

Phone: 303-688-9500

Fax: 303-688-5254

Date: 5/22/2018

Quote To:

Attention: Bob Revis

Phone:

Fax:

Job Name:

Date of Plans:

Revision Date:

HEI Bid Number:

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1000	Cut to Stockpile	30,750.00	CY	1.75	53,812.50
1010	Export to Rogers Farm	30,750.00	CY	7.25	222,937.50
1020	Revised Sign Detail	1.00	LS	4,000.00	4,000.00
1030	Street 5 Rework/Water Service	1.00	LS	155,312.00	155,312.00
1040	Survey	1.00	LS	7,500.00	7,500.00
GRAND TOTAL					\$443,562.00

NOTES:

Exclusions: Engineering, Surveying, Testing, Fees, Permits, Performance & payment bond, hazardous materials removal & disposal, Frost protection or snow removal, Hand grading, dewatering, Rock excavation, Blasting, Off site import or export, Curb & gutter & paving Prep, Storm water management plan & erosion control measures unless listed above - Maintenance of erosion control measures will be done at T&M rates, Site dry utilities and conflicts, Traffic control, Structural excavation or backfill of any nature, Sales Tax. Prevailing Wages.

Job was bid with the following criteria:

Proposal is to be part of any contract issued.

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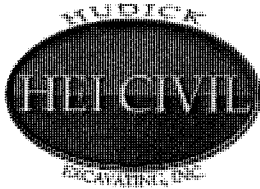
Retainage on our scope of work is to be released once HEI has complete it's work.

OR

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Please call if you have any questions.

Superior Change Order #10



Hudick Excavating Inc. dba HEI CIVIL

5460 Montana Vista Way

Castle Rock, CO 80108

Contact: Zane Hudick

Phone: 303-688-9500

Fax: 303-688-5254

Date: 10/15/2018

Quote To:

Attention: Bob Revis

Phone:

Fax:

Job Name:

Date of Plans:

Revision Date:

HEI Bid Number:

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1000	Remove and Replace Casissons	1.00	LS	10,900.00	10,900.00
1010	Light Pole Damage	1.00	LS	3,025.00	3,025.00
1020	Additional Light Poles	3.00	EA	6,660.00	19,980.00
1030	Concrete Valve Box	2.00	EA	3,030.00	6,060.00
1040	Ave C Sidewalk Deduct	1.00	LS	-7,975.00	-7,975.00
1050	Brick Pavers Ave C Deduct	1.00	LS	-7,325.00	-7,325.00
1060	Village Green Park Extra	1.00	LS	31,625.00	31,625.00
1070	Water Meter Ext	1.00	LS	17,075.00	17,075.00
1080	South Pond Grading	1.00	LS	15,614.00	15,614.00
1090	Block 14 Conduit	1.00	LS	8,500.00	8,500.00
1100	Raw Water Connection	1.00	LS	7,500.00	7,500.00
GRAND TOTAL					\$104,979.00

NOTES:

Exclusions: Engineering, Surveying, Testing, Fees, Permits, Performance & payment bond, hazardous materials removal & disposal, Frost protection or snow removal, Hand grading, dewatering, Rock excavation, Blasting, Off site import or export, Curb & gutter & paving Prep, Storm water management plan & erosion control measures unless listed above - Maintenance of erosion control measures will be done at T&M rates, Site dry utilities and conflicts, Traffic control, Structural excavation or backfill of any nature, Sales Tax, Prevailing Wages.

Job was bid with the following criteria:

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Retainage on our scope of work is to be released once HEI has complete it's work.

OR

Payment due in full by the 15TH, on monthly invoices.

Please call if you have any questions.

Bob Revis

From: jay@jvdconsultingfl.com
Sent: Thursday, October 18, 2018 4:36 PM
To: jim@civilresources.com; Bob Revis
Subject: RE: STC C.O.#10

Got it, thanks for clarification.

From: jim@civilresources.com <jim@civilresources.com>
Sent: Wednesday, October 17, 2018 12:41 PM
To: 'Bob Revis' <brevi@downtownsuperior.com>; 'Jay Diceglie' <jay@jvdconsultingfl.com>
Subject: RE: STC C.O.#10

Bob,

I concur that these scope items were needed.

Jay to clarify on item 1080 we were not mitigating wetlands, we were removing a wet area to prevent it from becoming jurisdictional wetlands when our previous non-jurisdictional determination expired in August.

Jim Brzostowicz, P.E.
Principal / Civil Engineer
Civil Resources, LLC
323 5th Street, P.O. Box 680
Frederick, CO 80530
720-556-7667 mobile
303-833-1416 x 203
jim@civilresources.com



From: Bob Revis <brevi@downtownsuperior.com>
Sent: Wednesday, October 17, 2018 9:36 AM
To: jim@civilresources.com; 'Jay Diceglie (jay@jvdconsultingfl.com)' <jay@jvdconsultingfl.com>
Subject: FW: STC C.O.#10

Jim / Jay,

Change order from HEI Civil,

Item 1000, remove and replace caissons was to redo the pole bases along Promenade from Main to Old Rail Way.

Item 1010 replace damaged pole on Discovery Parkway that was damaged by DTEC installing silt fence this spring.

Item 1020, additional light poles, design change?

Item 1030, concrete valve boxes on the north end of Promenade at Main Street sidewalk. I directed this in the field as we needed to have access to the sleeves below the sidewalks for future access. Extending beyond sidewalks was not an option as the lot lines is at the edge of sidewalk.

Item 1040 Ave C Sidewalk Deduct double up of work at Village Green Park.

Item 1050 Brick paver double up of work at Village Green Park

Item 1060 This was to relocate the irrigation vault at the south end of the park, could not be under the sidewalk. Adjusted to fire hydrants. I directed them to install a conduit along the east side of the sidewalk at village green park, so Xcel could install the single phase electric power. Otherwise would have had to bore or remove and replace sidewalk.

Item 1070 Water meter ext is the 2" irrigation vault required in Old Rail Way for Block 25 and to lower the water meter pit into 519 Promenade (4" to high over sidewalk).

Item 1080 South pond grading was to remove the pond dam to mitigate wetlands for permit.

Item 1090 Block 14 Conduit to allow sidewalks to be installed but get future electric power installed without tearing up Block 14.

Item 1100 Raw water connection was the connection to the Town of Superior Park on Tract H beyond HEI contract limits.

Bob Revis
Project Manager Downtown Superior
720-346-8887

From: Zane Hudick <zane.hudick@heicivil.com>
Sent: Tuesday, October 16, 2018 5:56 PM
To: Bob Revis <brevi@downtownsuperior.com>
Cc: Robert Clifton <Robert.Clifton@heicivil.com>
Subject: STC C.O.#10

Bob

Here is an updated C.O.

The Village Green park extra was for

- Relocate Two Hydrants
- Remove Irrigation Vault
- Install Conduit Along Ave C

The Water Meter Extra was for the meter installed in Old Rail Way and the Existing 1" that Robert Modified.

Please let me know if anything else is needed.

Thanks,

Zane Hudick
Senior PM / Estimator
Office: 303.688.9500 | **Direct:** 303.802.8619
Mobile: 303-877-9951



5460 Montana Vista Way
Castle Rock, 80108
www.HEICivil.com



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