

CITYSET METROPOLITAN DISTRICT NO. 2

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

<https://citysetmd2.colorado.gov>

NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Jason Gaede	President	2025/May 2025
Mark Hays	Treasurer	2025/May 2025
Ashley Dimond	Assistant Secretary	2027/May 2027
William G. Martinic	Assistant Secretary	2027/May 2027
VACANT		2025/May 2025

DATE: June 28, 2023 (Wednesday)

TIME: 9:00 A.M.

PLACE: **Zoom Meeting: This meeting will be held via Zoom without any individuals (neither District representatives nor the general public) attending in person. The meeting can be joined through the directions below:**

Join Zoom Meeting

<https://us02web.zoom.us/j/5469119353?pwd=SmtlcHJETFhCQUZEcVBBOGZVU3Fqdz09>

Meeting ID: 546 911 9353

Passcode: 912873

Dial In: 1-253-215-8782

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of potential conflicts of interest and confirm quorum.

B. Approve Agenda, confirm location of meeting and posting of meeting notice.

C. Discuss results of the cancelled May 2, 2023 Regular Election (enclosure).

D. Acknowledge the resignation of Peggy Ripko as Secretary to the Board.

E. Consider appointment of Officers:

President _____

Treasurer _____

Secretary _____

Asst. Secretaries _____

- F. Review and approve the Minutes of the November 16, 2022 Regular Meeting (enclosure).
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II. PUBLIC COMMENT

- A. _____
-

II. FINANCIAL MATTERS

- A. Review and ratify approval of the Project Fund Disbursement Request from the District’s Limited Tax General Obligation and Special Revenue Refunding and Improvement Bond, Series 2020 dated February 11, 2023, in the amount of \$16,339.09 (enclosure).
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- B. Review and ratify approval of Resolution No. 2023-05-01 Regarding Payment of Project Costs (enclosure).
-

- C. Report on valet services invoices.
-

- D. Review and ratify the approval of the payment of claims as follows (enclosures):

Fund	Period Ending Nov. 30, 2022	Period Ending Dec. 31, 2022	Period Ending Jan. 31, 2023	Period Ending Feb. 28, 2023
General	\$ 9,156.57	\$ 56,313.08	\$ 22,696.40	\$ 43,282.88
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 9,156.57	\$ 56,313.08	\$ 22,696.40	\$ 43,282.88

Fund	Period Ending Feb. 28, 2023 Special Payment	Period Ending March 31, 2023	Period Ending April 30, 2023	Period Ending May 31, 2023
General	\$ 27,348.14	\$ 15,505.60	\$ 12,674.96	\$ 21,825.19
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 27,348.14	\$ 15,505.60	\$ 12,674.96	\$ 21,825.19

- D. Review and accept unaudited financial statements through the period ending March 31, 2023 (enclosure).
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*As used herein, the term "Developer" means any and/or all of the following entities: Cherry Creek Lodging, LLC; Stonebridge Realty Advisors, Inc.; Sonley Lodging, LLC; Sonley Retail, LLC; Dimond Holdings LLC; and Group Four Holdings, LLC

- E. Conduct Public Hearing to Amend 2022 Budget and consider adoption of Resolution No. 2023-06-01 to Amend the 2022 Budget and Appropriate Expenditures (enclosure).
-

- F. Review and consider approval of 2022 Audit (enclosure) and authorize execution of Representations Letter.
-

III. LEGAL MATTERS

- A. Discuss the potential dissolution of CitySet Metropolitan District No. 1.
-

IV. PROJECTS – OPERATIONS/MAINTENANCE/CAPITAL REPAIRS

- A. Discuss landscape and maintenance matters.
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- B. Discuss and ratify approval of Service Agreement for Operator Services between the District and Ramey Environmental Compliance, Inc. (enclosure).
-

- C. Discuss and ratify approval of Change Order No. 1 and No. 2 under Service Agreement for Operator Services with Ramey Environmental Compliance, Inc. in the amounts of \$1,100 and \$688.72, respectively, for pump maintenance and pump meter (enclosures).
-

- D. Discuss and ratify approval of Service Agreement for 2023 Landscape Maintenance between the District and Powder Country LLC and Change Order No. 1 for Summer Annuals and Change Order No. 2 for tree replacement. (enclosures).
-

- E. Discuss and consider approval of proposal from Rose Paving LLC for asphalt repairs and restriping (enclosure).
-

V. OTHER MATTERS

- A. _____
-

VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 15, 2023.**

**RESOLUTION OF DESIGNATED ELECTION OFFICIAL
REGARDING CANCELLATION OF ELECTION AND
DECLARATION DEEMING CANDIDATES ELECTED**

CITYSET METROPOLITAN DISTRICT NO. 2
Arapahoe County, Colorado

A. The Designated Election Official of the Cityset Metropolitan District No. 2 (“**District**”) has been duly authorized by the Board of Directors of the District to cancel the election and declare candidates elected at the close of business on the sixty-third (63rd) day before the election to be conducted on May 2, 2023, pursuant to that certain Resolution Calling Election attached hereto as **Exhibit A**.

B. On the sixty-third (63rd) day before the election, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates.

NOW, THEREFORE, be it resolved by the Designated Election Official of the District that:


1. The regular election to be conducted on May 2, 2023, is hereby cancelled pursuant to Section 1-13.5-513, C.R.S.

2. The following candidates are declared elected for the following terms of office:

<u>Name</u>	<u>Term</u>
VACANT	Next Regular Election, May 2025
William Martinic	Second Regular Election, May 2027
Ashley Dimond	Second Regular Election, May 2027

DATED this 15th day of March, 2023.

CITYSET METROPOLITAN DISTRICT NO. 2

By: 

Peggy Ripko, Designated Election Official
Cityset Metropolitan District No. 2
141 Union Boulevard, Suite 150
Lakewood, Colorado 80228
Phone: (303) 987-0835

EXHIBIT A

Resolution Calling Election

RESOLUTION NO. 2022-11-05

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
CITYSET METROPOLITAN DISTRICT NO. 2
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 2, 2023**

A. The term of the office of Director Ashley Dimond shall expire upon the election of her successor at the regular election, to be held on May 2, 2023 (“**Election**”), and upon such successor taking office.

B. The term of the office to which Director William Martinic has previously been appointed expires upon his re-election, or the election of his successor at the Election, and upon such successor taking office.

C. A vacancy currently exists 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**”), a regular election, to be held on May 2, 2023 (“**Election**”) must be conducted to elect one (1) Director to serve until the next regular election, to occur May 6, 2025, and two (2) Directors to serve until the second regular election, to occur May 4, 2027.

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

1. Date and Time of Election. The Election shall be held on May 2, 2023, 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, one (1) Director shall be elected to serve until the next regular election, to occur May 6, 2025, and two (2) Directors shall be elected to serve until the second regular election, to occur May 4, 2027.

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. Peggy Ripko 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. Call for Nominations. The Designated Election Official shall provide Call for Nominations as required under Section 1-13.5-501, C.R.S., as applicable.

6. 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 Peggy Ripko, 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 25, 2023).

7. Self-Nomination and Acceptance Forms. Self-Nomination and Acceptance Forms are available and can be obtained from Peggy Ripko, the Designated Election Official of the District, c/o Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, CO 80228, (303) 987-0835 and on the District's website at <https://citysetmd2.colorado.gov>.

8. 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 February 28, 2023, the sixty-third day prior to the regular election, 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.

9. 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.

10. 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.

11. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of the District.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 2, 2023]**

RESOLUTION APPROVED AND ADOPTED on November 16, 2022.

**CITYSET METROPOLITAN DISTRICT
NO. 2**

By: Jason Gaede
President

Attest:



Secretary

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CITYSET METROPOLITAN DISTRICT NO. 2 HELD NOVEMBER 16, 2022

A Regular Meeting of the Board of Directors (hereinafter referred to as the “Board”) of CitySet Metropolitan District No. 2 (hereinafter referred to as the “District”) was held on Wednesday, November 16, 2022, at 9:30 a.m. This District Board Meeting was held by conference call without any individuals (neither district representatives nor the general public) attending in person. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Jason Gaede
Mark Hays
William G. Martinic

Following discussion, upon motion made by Director Gaede, seconded by Director Hays and, upon vote, unanimously carried, the absence of Director Ashley Dimond was excused.

Also In Attendance Were:

Peggy Ripko; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq.; McGeady Becher P.C.

Kimberly Johanns; Simmons & Wheeler, P.C.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State. Ms. Ripko noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. No new conflicts of interest were disclosed, and Attorney Williams reported that all Directors’ Disclosure Statements had been filed by the statutory deadline.

ADMINISTRATIVE MATTERS

Agenda: The Board reviewed the proposed Agenda for the District’s Regular Meeting.

RECORD OF PROCEEDINGS

Following discussion, upon motion made by Director Gaede, seconded by Director Hays and, upon vote, unanimously carried, the Board approved the Agenda, as amended.

Approval of Meeting Location: 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 Gaede, seconded by Director Hays and, upon vote, unanimously carried, the Board determined that the District Board meeting was held, and properly noticed to be held, via Zoom. The Board further noted that notice providing the Zoom information was duly posted and that it had not received any objections or any requests that the means of hosting the meeting be changed by tax paying electors within the District's boundaries.

Minutes: The Board reviewed Minutes of the June 15, 2022 Regular Meeting.

Following discussion, upon motion duly made by Director Gaede, seconded by Director Hays and, upon vote, unanimously carried, the Minutes of the June 15, 2022 Regular Meeting were approved, as presented.

Resignation and Appointment of Secretary to the Board: The Board considered the resignation of David Solin as Secretary to the Board and the appointment of Peggy Ripko as Secretary to the Board.

Following discussion, upon motion duly made by Director Gaede, seconded by Director Martinic and, upon vote, unanimously carried, the Board acknowledged the resignation of David Solin as Secretary to the Board and appointed Peggy Ripko as Secretary to the Board.

Resolution No. 2022-11-01; Establishing 2023 Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices: The Board discussed Resolution No. 2022-11-01; Establishing 2023 Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices.

Following discussion, upon motion duly made by Director Martinic, seconded by Director Hays and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-11-01; Establishing 2023 Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices. The Board scheduled regular meetings for June 12, 2023 and November 15, 2023 at 9:30 to be held via Zoom.

RECORD OF PROCEEDINGS

§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2023: The Board entered into discussion regarding §32-1-809, C.R.S. Transparency Notice reporting requirements and mode of eligible elector notification for 2023.

Following discussion, the Board directed staff to post the required information to the Special District Association website, and the District’s website, satisfying the statutory requirement.

District Website: Ms. Ripko reported that the District website, <https://citysetmd2.colorado.gov>, is operational.

PUBLIC COMMENT

There was no public comment.

FINANCIAL MATTERS

Claims: The Board reviewed and considered ratifying approval of payment of claims for the periods ending as follows:

Fund	Period Ending June 16, 2022	Period Ending July 12, 2022	Period Ending Aug. 11, 2022	Period Ending Sept. 13, 2022
General	\$ 42,915.46	\$ 6,936.78	\$ 16,193.24	\$ 12,360.88
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 42,915.46	\$ 6,936.78	\$ 16,193.24	\$ 12,360.88

Fund	Period Ending Oct. 13, 2022
General	\$ 7,207.81
Debt Service	\$ -0-
Capital Projects	\$ -0-
Total Claims	\$ 7,207.81

Following review, upon motion duly made by Director Gaede, seconded by Director Martinic and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as presented.

Unaudited Financial Statements: Ms. Johanns reviewed the unaudited financial statements through the period ending September 30, 2022. It was noted that the District has received invoices for valet services but there is no signed contract for these services with the District. The Board directed that these invoices not be paid. The developer will contact the hotel management regarding payment of these invoices.

Following review and discussion, upon motion duly made by Director Gaede, seconded by Director Hays and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending September 30, 2022.

RECORD OF PROCEEDINGS

2022 Audit: The Board discussed the proposal from Haynie & Company for 2022 audit services for an amount not to exceed \$8,300.

Following review and discussion, upon motion duly made by Director Gaede, seconded by Director Hays and, upon vote, unanimously carried, the Board approved the engagement of Haynie & Company to perform the 2022 audit for an amount not to exceed \$6,100 and directed Ms. Johanns to prepare the financials for a savings to the District.

2022 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2022 Budget.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2022 Budget and the date, time, and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. There were no comments from the public in attendance and the public hearing was closed.

Following review and discussion, Director Gaede moved to adopt the Resolution to Amend 2022 Budget, Director Hays seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-11-02 to Amend the 2022 Budget.

2023 Budget Hearing: The President opened the public hearing to consider the proposed 2023 Budget.

It was noted that publication of Notice stating that the Board would consider adoption of the 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Ms. Johanns reviewed the estimated 2022 expenditures and the proposed 2023 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2022-11-03 to Adopt the 2023 Budget and Appropriate Sums of Money. Upon motion duly made by Director Hays, seconded by Director Martinic and, upon vote, unanimously carried, Resolution No. 2022-11-03 to Adopt the 2023 Budget and Appropriate Sums of Money was adopted, as discussed, and execution of the Certification of Budget and Certification of Zero (0.000) Mill Levies was authorized, prior to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2022. Ms. Ripko was authorized to transmit the Certification of Budget to the Division of Local Government not later than January 31, 2023.

RECORD OF PROCEEDINGS

DLG-70 Mill Levy Certification Form: The Board considered 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.

Following discussion, upon motion duly made by Director Gaede, seconded by Director Hays and, upon vote, unanimously carried, the Board authorized 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.

2024 Budget Preparation: The Board entered into discussion regarding appointing the District Accountant to prepare the 2024 Budget and setting the date for a Public Hearing to adopt the 2024 Budget for November 15, 2023.

Following discussion, upon motion duly made by Director Martinic, seconded by Director Gaede and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2024 Budget; directed that the form of the 2024 draft budget be the same as the 2023 adopted budget unless a Board Member provides input to adjust those assumptions, and set the date for a Public Hearing to adopt the 2024 Budget for November 15, 2023.

LEGAL MATTERS

2023 Operation Funding Agreement between the District and Oxbridge Properties, Inc.: The Board reviewed the 2023 Operation Funding Agreement between the District and Oxbridge Properties, Inc.

Following review and discussion, upon motion duly made by Director Gaede, seconded by Director Martinic and, upon vote, unanimously carried, the Board ratified approval of the 2023 Operation Funding Agreement between the District and Oxbridge Properties, Inc.

Resolution Calling May 2, 2023 Regular Election: The Board discussed Resolution No. 2022-11-04; Resolution Calling a Regular Election for Directors on May 2, 2023, appointing the Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

Following discussion, upon motion duly made by Director Martinic, seconded by Director Hays and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-11-04; Resolution Calling a Regular Election for Directors on May 2, 2023, appointed Peggy Ripko as the DEO and authorized the DEO to perform all tasks required for the conduct of a mail ballot election.

PROJECTS OPERATIONS/ MAINTENANCE/ CAPITAL REPAIRS

Landscape Maintenance Matters: Ms. Ripko updated the Board on the status of landscape maintenance matters.

RECORD OF PROCEEDINGS

Service Agreement for Landscape Maintenance Services between the District and Brightview Landscape Services, Inc. (“Brightview”): Ms. Ripko reported that the account manager at Brightview has changed, and she is trying to obtain proposals. The Board deferred discussion of this item.

Service Agreement for Snow Removal Services between the District and Brightview: The Board reviewed the Service Agreement for Snow Removal Services between the District and Brightview.

Following review and discussion, upon motion duly made by Director Martinic seconded by Director Gaede and, upon vote, unanimously carried, the Board approved the Service Agreement for Snow Removal Services between the District and Brightview.

District Services for 2023: Ms. Ripko reported that no other services are needed for 2023 at this time.

OTHER MATTERS

There were no other matters for discussion.

ADJOURNMENT

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

Respectfully submitted,

By _____
Secretary for the Meeting

CITYSET METROPOLITAN DISTRICT NO. 2
PROJECT FUND DISBURSEMENT REQUEST

We, the undersigned duly qualified and acting Authorized Representative of CITYSET METROPOLITAN DISTRICT NO. 2 (the “**Issuer**”), and the Issuer’s Accountant (as defined in the Indenture) hereby request, on behalf of the Issuer, pursuant to Section 4.11 of the Trust Indenture dated as of October 1, 2020, (the “**Indenture**”) between the Issuer and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Trustee (the “**Trustee**”), pursuant to which the Issuer’s Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds, Series 2020 (the “**Bonds**”) were issued, that a disbursement or transfer from the Project Fund be made under the Indenture in the amount and for the payment of the Project Costs described herein. All capitalized terms not otherwise defined herein shall be defined as in the Indenture.

Amount of Requested Disbursement/Transfer: \$16,339.09

The name(s) and address(es) of the payee(s) is/are as follows*:

CitySet Metropolitan District #2

141 S. Union Blvd. #150

Lakewood, CO 80228

* All other disbursement requests shall indicate the Issuer as payee and provide the name and address of the Person paid or to be paid by the Issuer, indicating the Project Costs to which the disbursement relates and/or the work performed or to be performed in the space provided below:

Capital Projects

KONE Elevator - Drive for Garage Elevator, \$13,000

American Striping - Parking lot stripingc, \$5,384.24

The Project Costs and related Infrastructure Categories to which the disbursement, transfer or reimbursement relates and/or the work performed by the payee(s) are as follows:

Requested disbursement date: February 11, 2023

In connection with this request, I hereby certify as follows:

Each item of Project Costs for which disbursement, transfer or reimbursement is requested herein is, was or will be necessary in connection with the Authorized Projects, and none of such items

have formed or will form the basis for any previous disbursement from the Project Fund. The items of Project Costs for which disbursements/transfers are or will be requested are qualified items of Project Costs under the Indenture and relate or will relate to public improvements permitted to be funded with Bond proceeds pursuant to the Tax Certificate delivered by the Issuer in connection with the issuance of the Bonds, the election of the Issuer held on November 2, 2010 (the “Election”), and the Issuer’s Service Plan.

The Total Requested Disbursement Amount herein, together with all amounts disbursed under the Indenture, does not exceed the amount of Bond proceeds permitted to finance the Authorized Projects, as provided in the Election and the Service Plan of the Issuer.

Nothing has come to the attention of each of the Issuer and the Issuer’s Accountant that would cause it to conclude that the representations and warranties contained in Section 1.02 of the Indenture and the documents delivered to the Trustee and Bond Counsel in accordance with the Indenture (including the Tax Certificate delivered by the Issuer in connection with the issuance of the Bonds) are not true and correct as of the date hereof.

No event has occurred and is continuing which constitutes an Event of Default (as defined in the Indenture) or would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

Date: February 11, 2023

Jason Gaede
Authorized Representative of the Issuer

Kimberly Johanns
Issuer’s Accountant

RESOLUTION NO. 2023-05-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
CITYSET METROPOLITAN DISTRICT NO. 2 REGARDING PAYMENT OF
PROJECT COSTS**

A. CitySet Metropolitan District No. 2, Arapahoe County, Colorado (the “**District**”) issued its \$17,000,000 Limited Tax General Obligation and Special Revenue Refunding and Improvements Bonds, Series 2020, on October 1, 2020 (the “**2020 Bonds**”).

B. In conjunction with the 2020 Bonds, the District entered into a Trust Indenture with Zions Bancorporation, n.a. (the “**Trustee**”), dated October 1, 2020 (the “**Indenture**”).

C. Under section 4.11(d) of the Indenture, “[u]pon the receipt by the Trustee of a resolution of the District determining that all Project Costs have been paid, any balance remaining in the Project Fund shall be credited to the Bond Fund. The Project Fund shall terminate at such time as no further moneys remain therein.”

D. The Board of Directors of the District (the “**Board**”) desires to confirm that all Project Costs have been paid so that any balance remaining in the Project Fund can be credited to the Bond Fund and the Project Fund can be terminated.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CITYSET METROPOLITAN DISTRICT NO. 2, ARAPAHOE COUNTY, COLORADO:

1. All terms not specifically defined herein shall have the meaning set forth in the Indenture.
2. The District hereby confirms that all Project Costs under the 2020 Bonds have been paid.
3. As such, the District requests that any funds remaining in the Project Fund be credited to the Bond Fund.
4. The District further requests that the Project Fund be terminated.
5. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given circumstances, shall not affect the validity of the remainder of this Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

[Remainder of this page left blank intentionally.]

RESOLUTION APPROVED AND ADOPTED on May 16, 2023.

**CITYSET METROPOLITAN DISTRICT
NO. 2**

By: Jason Gaede
President

Attest:

By: 
Assistant Secretary

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1578 M 11/10/2022	Brightview Landscape Services	8144819	Repair and maintenance	1-805	1,291.00	1,291.00
Total 1578:						1,291.00 ✓
1579 M 11/10/2022	CNA Surety	#24843850 11/2022	Insurance/SDA Dues	1-670	255.00	255.00
11/10/2022	CNA Surety	24843853 11/2022	Insurance/SDA Dues	1-670	255.00	255.00
Total 1579:						510.00 ✓
1580 M 1/17/23 per Karen Steggs. 11/10/2022	CO Special Districts P & L Pool	23PL-61117-1183	Prepaid Expenses	1-143	410.00	410.00
Total 1580:						410.00 ✓
1581 M 11/10/2022	Hilton Garden Inn Denver Cherry	103122	Repair and maintenance	1-805	1,113.95	1,113.95
11/10/2022	Hilton Garden Inn Denver Cherry	93022	Repair and maintenance	1-805	1,113.95	1,113.95
Total 1581:						2,227.90 ✓
1582 M 11/10/2022	McGeedy Becher P.C.	1096W 09/2022	Legal	1-675	350.50	350.50
Total 1582:						350.50 ✓
1583 Hold 11/10/2022	VOID 2/16/23					
11/10/2022	Propark America West, LLC	INV5364	Repair and maintenance	1-805	12,758.20	12,758.20
11/10/2022	Propark America West, LLC	INV6246	Repair and maintenance	1-805	14,424.60	14,424.60
11/10/2022	Propark America West, LLC	INV6467	Repair and maintenance	1-805	8,780.02	8,780.02
11/10/2022	Propark America West, LLC	INV7805	Repair and maintenance	1-805	7,664.87	7,664.87
Total 1583:						43,627.69 ✓
1584 M 11/10/2022	Ramey Environmental, Inc	24620	Repair and maintenance	1-805	1,000.00	1,000.00
11/10/2022	Ramey Environmental, Inc	24652	Repair and maintenance	1-805	544.00	544.00
Total 1584:						1,544.00 ✓
1585 M 11/10/2022	Simmons & Wheeler, P.C.	34020	Management and Accoun	1-612	333.00	333.00
Total 1585:						333.00 ✓
1586 C 11/10/2022	Special Dist Management Srvs	10/2022	Miscellaneous	1-685	70.17	70.17
11/10/2022	Special Dist Management Srvs	10/2022	Management and Accoun	1-612	547.60	547.60
11/10/2022	Special Dist Management Srvs	10/2022	Management and Accoun	1-612	1,377.40	1,377.40
Total 1586:						1,995.17 ✓
1587 M 11/10/2022	T. Charles Wilson Insurance Serv	11483	Prepaid Expenses	1-143	495.00	495.00
Total 1587:						495.00 ✓

Cityset Metro District No.2
November-22

	General	Debt	Capital	Totals
Disbursements	\$ 9,156.57			\$ 9,156.57
	\$ -		\$ -	\$ -
Total Disbursements from Checking Acct	\$9,156.57	\$0.00	\$0.00	\$9,156.57

Released
 1/17/23
 (Signature)

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1588 <i>m</i> 12/15/2022	Ambius	014756DE291643	Miscellaneous	1-685	8,752.50	8,752.50 ✓
Total 1588:						8,752.50
1589 <i>m</i> 12/15/2022	Brightview Landscape Services	8194119	Repair and maintenance	1-805	7,212.00	7,212.00 ✓
Total 1589:						7,212.00
1590 <i>m</i> 12/15/2022	CO Special Districts P & L Pool	23PL-61118-2328	Prepaid Expenses	1-143	27,242.00	27,242.00 ✓
Total 1590:						27,242.00
1591 <i>m</i> 12/15/2022	Colorado Facility Management L	22-203	Repair and maintenance	1-805	1,323.72	1,323.72 ✓
Total 1591:						1,323.72
1592 <i>m</i> 12/15/2022	Hilton Garden Inn Denver Cherry	113022	Repair and maintenance	1-805	1,113.95	1,113.95 ✓
Total 1592:						1,113.95
1593 <i>m</i> 12/15/2022	KONE	1158423809	Repair and maintenance	1-805	6,500.00	6,500.00 ✓
Total 1593:						6,500.00
1594 <i>m</i> 12/15/2022	McGeady Becher P.C.	1096W 10/2022	Legal	1-675	682.50	682.50 ✓
Total 1594:						682.50
1595 <i>m</i> 12/15/2022	Ramey Environmental, Inc	24791	Repair and maintenance	1-805	544.00	544.00 ✓
Total 1595:						544.00
1596 <i>m</i> 12/15/2022	Simmons & Wheeler, P.C.	34236	Management and Accoun	1-612	909.50	909.50 ✓
Total 1596:						909.50
1597 <i>C</i> 12/15/2022	Special Dist Management Srvs	11/2022	Miscellaneous	1-685	63.07	63.07
12/15/2022	Special Dist Management Srvs	11/2022	Management and Accoun	1-612	562.40	562.40
12/15/2022	Special Dist Management Srvs	11/2022	Management and Accoun	1-612	1,362.60	1,362.60
Total 1597:						1,988.07 ✓
1598 <i>m</i> 12/15/2022	The Villager Legals	10918	Miscellaneous	1-685	44.84	44.84 ✓
Total 1598:						44.84

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1588						
12/15/2022	Ambius	014756DE291643	Miscellaneous	1-685	8,752.50	8,752.50
Total 1588:						8,752.50
1589						
12/15/2022	Brightview Landscape Services	8194119	Repair and maintenance	1-805	7,212.00	7,212.00
Total 1589:						7,212.00
1590						
12/15/2022	CO Special Districts P & L Pool	23PL-61118-2328	Prepaid Expenses	1-143	27,242.00	27,242.00
Total 1590:						27,242.00
1591						
12/15/2022	Colorado Facility Management L	22-203	Repair and maintenance	1-805	1,323.72	1,323.72
Total 1591:						1,323.72
1592						
12/15/2022	Hilton Garden Inn Denver Cherry	113022	Repair and maintenance	1-805	1,113.95	1,113.95
Total 1592:						1,113.95
1593						
12/15/2022	KONE	1158423809	Repair and maintenance	1-805	6,500.00	6,500.00
Total 1593:						6,500.00
1594						
12/15/2022	McGeady Becher P.C.	1096W 10/2022	Legal	1-675	682.50	682.50
Total 1594:						682.50
1595						
12/15/2022	Ramey Environmental, Inc	24791	Repair and maintenance	1-805	544.00	544.00
Total 1595:						544.00
1596						
12/15/2022	Simmons & Wheeler, P.C.	34236	Management and Accoun	1-612	909.50	909.50
Total 1596:						909.50
1597						
12/15/2022	Special Dist Management Srvs	11/2022	Miscellaneous	1-685	63.07	63.07
12/15/2022	Special Dist Management Srvs	11/2022	Management and Accoun	1-612	562.40	562.40
12/15/2022	Special Dist Management Srvs	11/2022	Management and Accoun	1-612	1,362.60	1,362.60
Total 1597:						1,988.07
1598						
12/15/2022	The Villager Legals	10918	Miscellaneous	1-685	44.84	44.84
Total 1598:						44.84

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
Grand Totals:						<u>56,313.08</u>

Cityset Metro District No.2
December-22

	General	Debt	Capital	Totals
Disbursements	\$ 56,313.08			\$ 56,313.08
	\$ -		\$ -	\$ -
Total Disbursements from Checking Acct	\$56,313.08	\$0.00	\$0.00	\$56,313.08

*Released
2/14/22*

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1599 <i>m</i>						
01/17/2023	Brightview Landscape Services	8239739	Repair and maintenance	1-805	9,703.00	9,703.00 ✓
Total 1599:						9,703.00
1600 <i>m</i>						
01/17/2023	Generator Source, LLC	148002041	Repair and maintenance	1-805	2,224.75	2,224.75 ✓
Total 1600:						2,224.75
1601 <i>m</i>						
01/17/2023	Hilton Garden Inn Denver Cherry	123122	Repair and maintenance	1-805	1,113.95	1,113.95 ✓
Total 1601:						1,113.95
1602 <i>m</i>						
01/17/2023	KONE	962399817	Repair and maintenance	1-805	550.80	550.80
01/17/2023	KONE	962399818	Repair and maintenance	1-805	550.80	550.80
01/17/2023	KONE	962416963	Repair and maintenance	1-805	550.80	550.80
Total 1602:						1,652.40 ✓
1603 <i>m</i>						
01/17/2023	McGeady Becher P.C.	1096W 11/2022	Legal	1-675	3,304.00	3,304.00 ✓
Total 1603:						3,304.00 ✓
1604 <i>m</i>						
01/17/2023	Omnisite	86938	Repair and maintenance	1-805	404.00	404.00 ✓
Total 1604:						404.00
1605 <i>m</i>						
01/17/2023	Ramey Environmental, Inc	24968	Repair and maintenance	1-805	544.00	544.00 ✓
Total 1605:						544.00
1606 <i>m</i>						
01/17/2023	Simmons & Wheeler, P.C.	34333	Management and Accoun	1-612	1,130.50	1,130.50
01/17/2023	Simmons & Wheeler, P.C.	34555	Management and Accoun	1-612	664.00	664.00
Total 1606:						1,794.50 ✓
1607						
01/17/2023	Special Dist Management Svcs	12/2022	Miscellaneous	1-685	30.80	30.80
01/17/2023	Special Dist Management Svcs	12/2022	Management and Accoun	1-612	855.20	855.20
01/17/2023	Special Dist Management Svcs	12/2022	Management and Accoun	1-612	1,040.20	1,040.20
01/17/2023	Special Dist Management Svcs	12/2022	Election	1-635	29.60	29.60
Total 1607:						1,955.80 ✓
Grand Totals:						<u>22,696.40</u>

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1599						
01/17/2023	Brightview Landscape Services	8239739	Repair and maintenance	1-805	9,703.00	9,703.00
Total 1599:						9,703.00
1600						
01/17/2023	Generator Source, LLC	148002041	Repair and maintenance	1-805	2,224.75	2,224.75
Total 1600:						2,224.75
1601						
01/17/2023	Hilton Garden Inn Denver Cherry	123122	Repair and maintenance	1-805	1,113.95	1,113.95
Total 1601:						1,113.95
1602						
01/17/2023	KONE	962399817	Repair and maintenance	1-805	550.80	550.80
01/17/2023	KONE	962399818	Repair and maintenance	1-805	550.80	550.80
01/17/2023	KONE	962416963	Repair and maintenance	1-805	550.80	550.80
Total 1602:						1,652.40
1603						
01/17/2023	McGeady Becher P.C.	1096W 11/2022	Legal	1-675	3,304.00	3,304.00
Total 1603:						3,304.00
1604						
01/17/2023	Omnisite	86938	Repair and maintenance	1-805	404.00	404.00
Total 1604:						404.00
1605						
01/17/2023	Ramey Environmental, Inc	24968	Repair and maintenance	1-805	544.00	544.00
Total 1605:						544.00
1606						
01/17/2023	Simmons & Wheeler, P.C.	34333	Management and Accoun	1-612	1,130.50	1,130.50
01/17/2023	Simmons & Wheeler, P.C.	34555	Management and Accoun	1-612	664.00	664.00
Total 1606:						1,794.50
1607						
01/17/2023	Special Dist Management Srvs	12/2022	Miscellaneous	1-685	30.80	30.80
01/17/2023	Special Dist Management Srvs	12/2022	Management and Accoun	1-612	855.20	855.20
01/17/2023	Special Dist Management Srvs	12/2022	Management and Accoun	1-612	1,040.20	1,040.20
01/17/2023	Special Dist Management Srvs	12/2022	Election	1-635	29.60	29.60
Total 1607:						1,955.80
Grand Totals:						22,696.40

Cityset Metro District No.2
January-23

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 22,696.40			\$ 22,696.40
	\$ -		\$ -	\$ -
Total Disbursements from Checking Acct	\$22,696.40	\$0.00	\$0.00	\$22,696.40

*Released
 3/9/23
 DG*

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1608 <i>M</i>						
02/14/2023	Advanced Mudjacking, Inc.	2020-600.1	Repair and maintenance	1-805	845.00	845.00
Total 1608:						845.00 ✓
1609 <i>M</i>						
02/14/2023	Brightview Landscape Services	8187427	Repair and maintenance	1-805	1,291.00	1,291.00
02/14/2023	Brightview Landscape Services	8246594	Repair and maintenance	1-805	16,231.00	16,231.00
02/14/2023	Brightview Landscape Services	8247181	Repair and maintenance	1-805	1,120.00	1,120.00
02/14/2023	Brightview Landscape Services	8274829	Repair and maintenance	1-805	16,617.00	16,617.00
Total 1609:						35,259.00 ✓
1610 <i>M</i>						
02/14/2023	Generator Source, LLC	INV2353	Repair and maintenance	1-805	538.98	538.98
Total 1610:						538.98 ✓
1611 <i>M</i>						
02/14/2023	Hilton Garden Inn Denver Cherry	13123	Repair and maintenance	1-805	1,800.00	1,800.00
Total 1611:						1,800.00 ✓
1612 <i>M</i>						
02/14/2023	KONE	962443326	Repair and maintenance	1-805	550.80	550.80
Total 1612:						550.80 ✓
1613 <i>M</i>						
02/14/2023	McGeady Becher P.C.	1096W 12/2022	Legal	1-675	687.66	687.66
Total 1613:						687.66 ✓
1614 <i>M</i>						
02/14/2023	Ramey Environmental, Inc	25102	Repair and maintenance	1-805	612.38	612.38
Total 1614:						612.38 ✓
1615 <i>C</i>						
02/14/2023	Special Dist Management Srvs	01/2023	Miscellaneous	1-685	39.75	39.75
02/14/2023	Special Dist Management Srvs	01/2023	Management and Accoun	1-612	800.00	800.00
02/14/2023	Special Dist Management Srvs	01/2023	Management and Accoun	1-612	1,125.00	1,125.00
Total 1615:						1,964.75 ✓
1616 <i>M</i>						
02/14/2023	Special District Association	SDA-2023	Insurance/SDA Dues	1-670	1,024.31	1,024.31
Total 1616:						1,024.31 ✓
Grand Totals:						<u>43,282.88</u>

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	
1608	02/14/2023	Advanced Mudjacking, Inc.	2020-600.1	Repair and maintenance	1-805	845.00	845.00
Total 1608:						845.00	
1609	02/14/2023	Brightview Landscape Services	8187427	Repair and maintenance	1-805	1,291.00	1,291.00
	02/14/2023	Brightview Landscape Services	8246594	Repair and maintenance	1-805	16,231.00	16,231.00
	02/14/2023	Brightview Landscape Services	8247181	Repair and maintenance	1-805	1,120.00	1,120.00
	02/14/2023	Brightview Landscape Services	8274829	Repair and maintenance	1-805	16,617.00	16,617.00
Total 1609:						35,259.00	
1610	02/14/2023	Generator Source, LLC	INV2353	Repair and maintenance	1-805	538.98	538.98
Total 1610:						538.98	
1611	02/14/2023	Hilton Garden Inn Denver Cherry	13123	Repair and maintenance	1-805	1,800.00	1,800.00
Total 1611:						1,800.00	
1612	02/14/2023	KONE	962443326	Repair and maintenance	1-805	550.80	550.80
Total 1612:						550.80	
1613	02/14/2023	McGeady Becher P.C.	1096W 12/2022	Legal	1-675	687.66	687.66
Total 1613:						687.66	
1614	02/14/2023	Ramey Environmental, Inc	25102	Repair and maintenance	1-805	612.38	612.38
Total 1614:						612.38	
1615	02/14/2023	Special Dist Management Srvs	01/2023	Miscellaneous	1-685	39.75	39.75
	02/14/2023	Special Dist Management Srvs	01/2023	Management and Accoun	1-612	800.00	800.00
	02/14/2023	Special Dist Management Srvs	01/2023	Management and Accoun	1-612	1,125.00	1,125.00
Total 1615:						1,964.75	
1616	02/14/2023	Special District Association	SDA-2023	Insurance/SDA Dues	1-670	1,024.31	1,024.31
Total 1616:						1,024.31	
Grand Totals:						43,282.88	

Total 2022 Exp \$ 19,054.66

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1608						
02/14/2023	Advanced Mudjacking, Inc.	2020-600.1	Repair and maintenance	1-805	845.00	845.00
Total 1608:						845.00
1609						
02/14/2023	Brightview Landscape Services	8187427	Repair and maintenance	1-805	1,291.00	1,291.00
02/14/2023	Brightview Landscape Services	8246594	Repair and maintenance	1-805	16,231.00	16,231.00
02/14/2023	Brightview Landscape Services	8247181	Repair and maintenance	1-805	1,120.00	1,120.00
02/14/2023	Brightview Landscape Services	8274829	Repair and maintenance	1-805	16,617.00	16,617.00
Total 1609:						35,259.00
1610						
02/14/2023	Generator Source, LLC	INV2353	Repair and maintenance	1-805	538.98	538.98
Total 1610:						538.98
1611						
02/14/2023	Hilton Garden Inn Denver Cherry	13123	Repair and maintenance	1-805	1,800.00	1,800.00
Total 1611:						1,800.00
1612						
02/14/2023	KONE	962443326	Repair and maintenance	1-805	550.80	550.80
Total 1612:						550.80
1613						
02/14/2023	McGeady Becher P.C.	1096W 12/2022	Legal	1-675	687.66	687.66
Total 1613:						687.66
1614						
02/14/2023	Ramey Environmental, Inc	25102	Repair and maintenance	1-805	612.38	612.38
Total 1614:						612.38
1615						
02/14/2023	Special Dist Management Srvs	01/2023	Miscellaneous	1-685	39.75	39.75
02/14/2023	Special Dist Management Srvs	01/2023	Management and Accoun	1-612	800.00	800.00
02/14/2023	Special Dist Management Srvs	01/2023	Management and Accoun	1-612	1,125.00	1,125.00
Total 1615:						1,964.75
1616						
02/14/2023	Special District Association	SDA-2023	Insurance/SDA Dues	1-670	1,024.31	1,024.31
Total 1616:						1,024.31
Grand Totals:						43,282.88

Cityset Metro District No.2
February-23

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 43,282.88			\$ 43,282.88
	\$ -		\$ -	\$ -
Total Disbursements from Checking Acct	\$43,282.88	\$0.00	\$0.00	\$43,282.88

Released
4/6/23
DG

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1617 <i>m</i>						
02/23/2023	Sonley Retail, LLC	100	Repair and maintenance	1-805	23,866.06	23,866.06
02/23/2023	Sonley Retail, LLC	101	Repair and maintenance	1-805	3,482.08	3,482.08
Total 1617:						<u>27,348.14</u>
Grand Totals:						<u><u>27,348.14</u></u>

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1617						
02/23/2023	Sonley Retail, LLC	100	Repair and maintenance	1-805	23,866.06	23,866.06
02/23/2023	Sonley Retail, LLC	101	Repair and maintenance	1-805	3,482.08	3,482.08
Total 1617:						<u>27,348.14</u>
Grand Totals:						<u><u>27,348.14</u></u>

Cityset Metro District No.2
February-23

	General	Debt	Capital	Totals
Disbursements	\$ 27,348.14			\$ 27,348.14
	\$ -		\$ -	\$ -
Total Disbursements from Checking Acct	\$27,348.14	\$0.00	\$0.00	\$27,348.14

Released
 3/27/23

DG

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	
1618 <i>m</i>							
03/13/2023	Brightview Landscape Services	8298998	Repair and maintenance	1-805	10,595.00	10,595.00	✓
Total 1618:						10,595.00	
1619 <i>m</i>							
03/13/2023	KONE	962469254	Repair and maintenance	1-805	550.80	550.80	✓
Total 1619:						550.80	
1620 <i>m</i>							
03/13/2023	McGeady Becher P.C.	1096W 01/2023	Legal	1-675	315.85	315.85	✓
Total 1620:						315.85	
1621 <i>m</i>							
03/13/2023	Ramey Environmental, Inc	25241	Repair and maintenance	1-805	632.89	632.89	✓
Total 1621:						632.89	
1622 <i>m</i>							
03/13/2023	Simmons & Wheeler, P.C.	34913	Management and Accoun	1-612	343.00	343.00	✓
Total 1622:						343.00	
1623 <i>C</i>							
03/13/2023	Special Dist Management Srvs	02/2023	Miscellaneous	1-685	43.06	43.06	
03/13/2023	Special Dist Management Srvs	02/2023	Management and Accoun	1-612	26.20	26.20	
03/13/2023	Special Dist Management Srvs	02/2023	Election	1-635	400.00	400.00	
03/13/2023	Special Dist Management Srvs	02/2023	Management and Accoun	1-612	1,498.80	1,498.80	
Total 1623:						1,968.06	✓
1624 <i>m</i>							
03/13/2023	Yesco LLC	INY-0415573	Repair and maintenance	1-805	1,100.00	1,100.00	✓
Total 1624:						1,100.00	
Grand Totals:						15,505.60	

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1618						
03/13/2023	Brightview Landscape Services	8298998	Repair and maintenance	1-805	10,595.00	10,595.00
Total 1618:						10,595.00
1619						
03/13/2023	KONE	962469254	Repair and maintenance	1-805	550.80	550.80
Total 1619:						550.80
1620						
03/13/2023	McGeady Becher P.C.	1096W 01/2023	Legal	1-675	315.85	315.85
Total 1620:						315.85
1621						
03/13/2023	Ramey Environmental, Inc	25241	Repair and maintenance	1-805	632.89	632.89
Total 1621:						632.89
1622						
03/13/2023	Simmons & Wheeler, P.C.	34913	Management and Accoun	1-612	343.00	343.00
Total 1622:						343.00
1623						
03/13/2023	Special Dist Management Srvs	02/2023	Miscellaneous	1-685	43.06	43.06
03/13/2023	Special Dist Management Srvs	02/2023	Management and Accoun	1-612	26.20	26.20
03/13/2023	Special Dist Management Srvs	02/2023	Election	1-635	400.00	400.00
03/13/2023	Special Dist Management Srvs	02/2023	Management and Accoun	1-612	1,498.80	1,498.80
Total 1623:						1,968.06
1624						
03/13/2023	Yesco LLC	INY-0415573	Repair and maintenance	1-805	1,100.00	1,100.00
Total 1624:						1,100.00
Grand Totals:						15,505.60

Cityset Metro District No.2
March-23

	General	Debt	Capital	Totals
Disbursements	\$ 15,505.60			\$ 15,505.60
	\$ -		\$ -	\$ -
Total Disbursements from Checking Acct	\$15,505.60	\$0.00	\$0.00	\$15,505.60

Released
 4/20/23 (D5)

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1625 <i>M</i>	04/12/2023 Hilton Garden Inn Denver Cherry	22823	Repair and maintenance	1-805	1,800.00	1,800.00
Total 1625:						1,800.00 ✓
1626 <i>M</i>	04/12/2023 KONE	871012332	Repair and maintenance	1-805	550.80	550.80
Total 1626:						550.80 ✓
1627 <i>M</i>	04/12/2023 McGeady Becher P.C.	1096W 02/2023	Legal	1-675	1,182.21	1,182.21
Total 1627:						1,182.21 ✓
1628 <i>M</i>	04/12/2023 Ramey Environmental, Inc	25398	Repair and maintenance	1-805	612.38	612.38
Total 1628:						612.38 ✓
1629 <i>M</i>	04/12/2023 Simmons & Wheeler, P.C.	35186	Management and Accoun	1-612	3,049.00	3,049.00
Total 1629:						3,049.00 ✓
1630 <i>C</i>	04/12/2023 Special Dist Management Svcs	03/2023	Miscellaneous	1-685	86.26	86.26
	04/12/2023 Special Dist Management Svcs	03/2023	Election	1-635	308.60	308.60
	04/12/2023 Special Dist Management Svcs	03/2023	Management and Accoun	1-612	459.00	459.00
	04/12/2023 Special Dist Management Svcs	03/2023	Management and Accoun	1-612	1,157.40	1,157.40
Total 1630:						2,011.26 ✓
1631 <i>M</i>	04/12/2023 Special District Association	34223	Insurance/SDA Dues	1-670	150.00	150.00
Total 1631:						150.00 ✓
1632 <i>M</i>	04/12/2023 Sonley Retail, LLC	102	Repair and maintenance	1-805	3,155.81	3,155.81
	04/12/2023 Stonebridge Realty Advisors Inc.	102	Repair and maintenance	1-805	3,155.81	3,155.81
	04/12/2023 Stonebridge Realty Advisors Inc.	102	Repair and maintenance	1-805	3,155.81-	3,155.81-
Total 1632:						3,155.81 ✓
1633 <i>M</i>	04/12/2023 The Villager Legals	11044	Election	1-635	60.94	60.94
	04/12/2023 The Villager Legals	11082	Election	1-635	50.82	50.82
	04/12/2023 The Villager Legals	11083	Election	1-635	51.74	51.74
Total 1633:						163.50 ✓
Grand Totals:						12,674.96

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1625						
04/12/2023	Hilton Garden Inn Denver Cherry	22823	Repair and maintenance	1-805	1,800.00	1,800.00
Total 1625:						1,800.00
1626						
04/12/2023	KONE	871012332	Repair and maintenance	1-805	550.80	550.80
Total 1626:						550.80
1627						
04/12/2023	McGeady Becher P.C.	1096W 02/2023	Legal	1-675	1,182.21	1,182.21
Total 1627:						1,182.21
1628						
04/12/2023	Ramey Environmental, Inc	25398	Repair and maintenance	1-805	612.38	612.38
Total 1628:						612.38
1629						
04/12/2023	Simmons & Wheeler, P.C.	35186	Management and Accoun	1-612	3,049.00	3,049.00
Total 1629:						3,049.00
1630						
04/12/2023	Special Dist Management Srvs	03/2023	Miscellaneous	1-685	86.26	86.26
04/12/2023	Special Dist Management Srvs	03/2023	Election	1-635	308.60	308.60
04/12/2023	Special Dist Management Srvs	03/2023	Management and Accoun	1-612	459.00	459.00
04/12/2023	Special Dist Management Srvs	03/2023	Management and Accoun	1-612	1,157.40	1,157.40
Total 1630:						2,011.26
1631						
04/12/2023	Special District Association	34223	Insurance/SDA Dues	1-670	150.00	150.00
Total 1631:						150.00
1632						
04/12/2023	Sonley Retail, LLC	102	Repair and maintenance	1-805	3,155.81	3,155.81
04/12/2023	Stonebridge Realty Advisors Inc.	102	Repair and maintenance	1-805	3,155.81	3,155.81
04/12/2023	Stonebridge Realty Advisors Inc.	102	Repair and maintenance	1-805	3,155.81-	3,155.81-
Total 1632:						3,155.81
1633						
04/12/2023	The Villager Legals	11044	Election	1-635	60.94	60.94
04/12/2023	The Villager Legals	11082	Election	1-635	50.82	50.82
04/12/2023	The Villager Legals	11083	Election	1-635	51.74	51.74
Total 1633:						163.50
Grand Totals:						12,674.96

Cityset Metro District No.2
April-23

	General	Debt	Capital	Totals
Disbursements	\$ 12,674.96			\$ 12,674.96
	\$ -		\$ -	\$ -
Total Disbursements from Checking Acct	\$12,674.96	\$0.00	\$0.00	\$12,674.96

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1634						
05/15/2023	Haynie and Company	C69413	Audit	1-615	1,800.00	1,800.00
Total 1634:						1,800.00
1635						
05/15/2023	Hilton Garden Inn Denver Cherry	33123	Repair and maintenance	1-805	1,800.00	1,800.00
05/15/2023	Hilton Garden Inn Denver Cherry	43023	Repair and maintenance	1-805	1,800.00	1,800.00
Total 1635:						3,600.00
1636						
05/15/2023	KONE	871037221	Repair and maintenance	1-805	550.80	550.80
Total 1636:						550.80
1637						
05/15/2023	McGeady Becher P.C.	1096W 03/2023	Legal	1-675	3,036.04	3,036.04
Total 1637:						3,036.04
1638						
05/15/2023	Ramey Environmental, Inc	25567	Repair and maintenance	1-805	612.38	612.38
05/15/2023	Ramey Environmental, Inc	25639	Repair and maintenance	1-805	688.75	688.75
Total 1638:						1,301.13
1639						
05/15/2023	Simmons & Wheeler, P.C.	35299	Management and Accoun	1-612	753.00	753.00
Total 1639:						753.00
1640						
05/15/2023	Sonley Retail, LLC	103	Repair and maintenance	1-805	3,418.53	3,418.53
05/15/2023	Sonley Retail, LLC	104	Repair and maintenance	1-805	3,322.64	3,322.64
Total 1640:						6,741.17
1641						
05/15/2023	Special Dist Management Srvs	04/2023	Miscellaneous	1-685	45.45	45.45
05/15/2023	Special Dist Management Srvs	04/2023	Election	1-635	217.20	217.20
05/15/2023	Special Dist Management Srvs	04/2023	Management and Accoun	1-612	676.80	676.80
05/15/2023	Special Dist Management Srvs	04/2023	Management and Accoun	1-612	3,103.60	3,103.60
Total 1641:						4,043.05
Grand Totals:						21,825.19

Cityset Metro District No.2
May-23

	General	Debt	Capital	Totals
Disbursements	\$ 21,825.19			\$ 21,825.19
	\$ -		\$ -	\$ -
Total Disbursements from Checking Acct	\$21,825.19	\$0.00	\$0.00	\$21,825.19

CitySet Metropolitan District No. 2
Financial Statements
December 31, 2022

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
CitySet Metropolitan District No. 2

Management is responsible for the accompanying financial statements of each major fund of CitySet Metropolitan District No. 2, as of and for the period December 31, 2022, 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 twelve 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 CitySet Metropolitan District No. 2 because we performed certain accounting services that impaired our independence.

Simmons & Wheeler P.C.

February 17, 2023
Englewood, Colorado

CitySet Metropolitan District No. 2
 Combined Balance Sheet
 December 31, 2022

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Account Groups</u>	<u>Total All Funds</u>
Assets					
Current assets					
Cash in Bank - BOK	\$ -	\$ -	\$ 82,067	\$ -	\$ 82,067
Colotrust	24,919	-	-	-	24,919
Zion's Bank	-	16,235	851,215	-	867,450
Prepaid Expense	450	-	-	-	450
Sales and Lodging Receivable	-	-	43,399	-	43,399
PIF Receivable	97,840	-	-	-	97,840
Developer advances receivable	101,985	-	-	-	101,985
	<u>225,194</u>	<u>16,235</u>	<u>976,681</u>	<u>-</u>	<u>1,218,110</u>
Other assets					
Land Easements	-	-	-	3,858,848	3,858,848
Phase I & II - Parking Garage	-	-	-	11,786,861	11,786,861
Lift Station	-	-	-	208,100	208,100
Accumulated Depreciation	-	-	-	(2,790,816)	(2,790,816)
Amount available in debt service fund	-	-	-	1,116,635	1,116,635
Amount to be provided for retirement of debt	-	-	-	16,077,398	16,077,398
	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,257,026</u>	<u>30,257,026</u>
	<u>\$ 225,194</u>	<u>\$ 16,235</u>	<u>\$ 976,681</u>	<u>\$ 30,257,026</u>	<u>\$ 31,475,136</u>
Liabilities and Equity					
Current liabilities					
Accounts payable	\$ 101,475	\$ -	\$ -	\$ -	\$ 101,475
Due to/from other funds	123,719	16,235	(139,954)	-	-
	<u>225,194</u>	<u>16,235</u>	<u>(139,954)</u>	<u>-</u>	<u>101,475</u>
2020 Bonds	-	-	-	17,165,000	17,165,000
Developer Advance	-	-	-	29,033	29,033
Total liabilities	<u>225,194</u>	<u>16,235</u>	<u>(139,954)</u>	<u>17,194,033</u>	<u>17,295,508</u>
Fund Equity					
Investment in improvements	-	-	-	13,062,993	13,062,993
Fund balance (deficit)	-	-	1,116,635	-	1,116,635
	<u>-</u>	<u>-</u>	<u>1,116,635</u>	<u>13,062,993</u>	<u>14,179,628</u>
	<u>\$ 225,194</u>	<u>\$ 16,235</u>	<u>\$ 976,681</u>	<u>\$ 30,257,026</u>	<u>\$ 31,475,136</u>

CitySet Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For Twelve Months Ended December 31, 2022
General Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
PIF Collections	\$ 770,000	\$ 717,506	\$ (52,494)
Developer advances	150,222	130,449	(19,773)
Transfer from other funds - waterfall	393,588	13,155	(380,433)
Other income and interest	<u>500</u>	<u>1,765</u>	<u>1,265</u>
	<u>1,314,310</u>	<u>862,875</u>	<u>(451,435)</u>
Expenditures			
Management	20,000	14,819	5,181
Accounting	25,000	16,685	8,315
Audit	6,300	6,000	300
Election Expense	15,000	1,783	13,217
Insurance/SDA Dues	30,000	26,778	3,222
Legal	25,000	18,987	6,013
PIF Collection Fee	15,400	14,350	1,050
Miscellaneous	4,000	3,367	633
Repairs & Maintenance	15,000	27,771	(12,771)
Security Systems Repair & Maintenance	3,000	-	3,000
Landscape Maintenance	18,000	21,343	(3,343)
Landscape Improvements	50,000	19,810	30,190
Holiday Lighting	9,250	8,753	497
Garage Repair & Maintenance	5,000	-	5,000
Elevator Repair & Maintenance	15,000	2,916	12,084
Surface Parking Repair & Maintenance	8,000	7,060	940
Lift Station Operations	8,000	17,463	(9,463)
Snow Removal	51,500	105,857	(54,357)
Furnishings	25,000	-	25,000
General Labor	13,500	13,367	133
Developer repayment - principal	150,222	249,915	(99,693)
Developer repayment - interest	-	13,427	(13,427)
Transfer to Capital Projects Fund	-	2,944	(2,944)
Transfer to Debt Service Fund	636,571	507,752	128,819
Contingency	232,912	-	232,912
Emergency reserve	<u>10,454</u>	<u>-</u>	<u>10,454</u>
	<u>1,392,109</u>	<u>1,101,147</u>	<u>290,962</u>
Excess (deficiency) of revenues over expenditures	(77,799)	(238,272)	(160,473)
Fund balance - beginning	<u>77,799</u>	<u>238,272</u>	<u>160,473</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CitySet Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For Twelve Months Ended December 31, 2022
Capital Projects Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Transfer from General Fund	\$ -	\$ 2,944	\$ 2,944
Interest income	-	167	167
	<u>-</u>	<u>3,111</u>	<u>3,111</u>
Expenditures			
Miscellaneous Improvements	<u>-</u>	<u>18,381</u>	<u>(18,381)</u>
	<u>-</u>	<u>18,381</u>	<u>(18,381)</u>
Excess (deficiency) of revenues over expenditures	-	(15,270)	(15,270)
Fund balance - beginning	<u>-</u>	<u>15,270</u>	<u>15,270</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CitySet Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For Twelve Months Ended December 31, 2022
Debt Service Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Sales and Lodging Tax - TIF Collection	\$ 360,000	\$ 305,026	\$ (54,974)
Property Tax Increment Rev	330,245	340,152	9,907
Transfer from General Fund	636,571	507,752	(128,819)
Interest income	500	13,137	12,637
	<u>1,327,316</u>	<u>1,166,067</u>	<u>(161,249)</u>
Expenditures			
Principal payment - 2020 Bonds	450,000	450,000	-
Interest Expense - 2020 Bonds	721,475	721,475	-
TIF Collection Fee	1,800	1,525	275
PropTax increment collection	1,651	1,700	(49)
Transfer to other funds	393,588	13,155	380,433
Paying agent fees	4,000	3,000	1,000
	<u>1,572,514</u>	<u>1,190,855</u>	<u>381,659</u>
Excess (deficiency) of revenues over expenditures	(245,198)	(24,788)	220,410
Fund balance - beginning	<u>994,467</u>	<u>1,141,423</u>	<u>146,956</u>
Fund balance - ending	<u>\$ 749,269</u>	<u>\$ 1,116,635</u>	<u>\$ 367,366</u>

CitySet Metropolitan District No. 2
Financial Statements
March 31, 2023

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
CitySet Metropolitan District No. 2

Management is responsible for the accompanying financial statements of each major fund of CitySet Metropolitan District No. 2, as of and for the period March 31, 2023, 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 three 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 CitySet Metropolitan District No. 2 because we performed certain accounting services that impaired our independence.

Simmons & Wheeler P.C.

May 22, 2023
Englewood, Colorado

CitySet Metropolitan District No. 2
 Combined Balance Sheet
 March 31, 2023

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Account Groups</u>	<u>Total All Funds</u>
Assets					
Current assets					
Cash in Bank - BOK	\$ -	\$ -	\$ 20,141	\$ -	\$ 20,141
Colotrust	189,133	-	-	-	189,133
Zion's Bank	-	-	1,000,639	-	1,000,639
Sales and Lodging Receivable	-	-	51,878	-	51,878
Prop Tax Increment Receivable	-	-	173,061	-	173,061
PIF Receivable	146,619	-	-	-	146,619
Developer advances receivable	23,356	-	-	-	23,356
	<u>359,108</u>	<u>-</u>	<u>1,245,719</u>	<u>-</u>	<u>1,604,827</u>
Other assets					
Land Easements	-	-	-	3,858,848	3,858,848
Phase I & II - Parking Garage	-	-	-	11,786,861	11,786,861
Lift Station	-	-	-	208,100	208,100
Accumulated Depreciation	-	-	-	(3,095,893)	(3,095,893)
Amount available in debt service fund	-	-	-	1,554,443	1,554,443
Amount to be provided for retirement of debt	-	-	-	15,719,082	15,719,082
	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,031,441</u>	<u>30,031,441</u>
	<u>\$ 359,108</u>	<u>\$ -</u>	<u>\$ 1,245,719</u>	<u>\$ 30,031,441</u>	<u>\$ 31,636,268</u>
Liabilities and Equity					
Current liabilities					
Accounts payable	\$ 50,280	\$ -	\$ -	\$ -	\$ 50,280
Due to/from other funds	308,828	(104)	(308,724)	-	-
	<u>359,108</u>	<u>(104)</u>	<u>(308,724)</u>	<u>-</u>	<u>50,280</u>
2020 Bonds	-	-	-	17,165,000	17,165,000
Developer Advance	-	-	-	108,525	108,525
Total liabilities	<u>359,108</u>	<u>(104)</u>	<u>(308,724)</u>	<u>17,273,525</u>	<u>17,323,805</u>
Fund Equity					
Investment in improvements	-	-	-	12,757,916	12,757,916
Fund balance (deficit)	-	104	1,554,443	-	1,554,547
	<u>-</u>	<u>104</u>	<u>1,554,443</u>	<u>12,757,916</u>	<u>14,312,463</u>
	<u>\$ 359,108</u>	<u>\$ -</u>	<u>\$ 1,245,719</u>	<u>\$ 30,031,441</u>	<u>\$ 31,636,268</u>

CitySet Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For Three Months Ended March 31, 2023
General Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
PIF Collections	\$ 820,000	\$ 198,725	\$ (621,275)
Developer advances	-	(510)	(510)
Transfer from other funds - waterfall	224,656	-	(224,656)
Other income and interest	<u>2,000</u>	<u>656</u>	<u>(1,344)</u>
	<u>1,046,656</u>	<u>198,871</u>	<u>(847,785)</u>
Expenditures			
Management	24,000	3,781	20,219
Accounting	25,000	5,430	19,570
Audit	6,500	1,800	4,700
Election Expense	3,000	1,066	1,934
Insurance/SDA Dues	29,000	29,771	(771)
Legal	32,000	4,340	27,660
PIF Collection Fee	16,400	3,975	12,425
Miscellaneous	4,000	603	3,397
Repairs & Maintenance	15,000	11,097	3,903
Security Systems Repair & Maintenance	5,000	-	5,000
Landscape Maintenance	30,000	-	30,000
Landscape Improvements	50,000	-	50,000
Holiday Lighting	10,000	-	10,000
Garage Repair & Maintenance	5,000	-	5,000
Elevator Repair & Maintenance	15,000	1,653	13,347
Surface Parking Repair & Maintenance	15,000	-	15,000
Lift Station Operations	20,000	2,397	17,603
Snow Removal	85,000	28,332	56,668
Furnishings	25,000	-	25,000
General Labor	13,500	5,400	8,100
Developer repayment - principal	44,750	-	44,750
Transfer to Debt Service Fund	686,062	99,226	586,836
Contingency	178,400	-	178,400
Emergency reserve	<u>12,447</u>	<u>-</u>	<u>12,447</u>
	<u>1,350,059</u>	<u>198,871</u>	<u>1,151,188</u>
Excess (deficiency) of revenues over expenditures	(303,403)	-	303,403
Fund balance - beginning	<u>303,403</u>	<u>-</u>	<u>(303,403)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CitySet Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For Three Months Ended March 31, 2023
Capital Projects Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Interest income	\$ <u>75</u>	\$ <u>104</u>	\$ <u>29</u>
	<u>75</u>	<u>104</u>	<u>29</u>
Expenditures			
Miscellaneous Improvements	<u>15,420</u>	<u>-</u>	<u>15,420</u>
	<u>15,420</u>	<u>-</u>	<u>15,420</u>
Excess (deficiency) of revenues over expenditures	(15,345)	104	15,449
Fund balance - beginning	<u>15,345</u>	<u>-</u>	<u>(15,345)</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ 104</u></u>	<u><u>\$ 104</u></u>

CitySet Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For Three Months Ended March 31, 2023
Debt Service Fund

See Accountant's Compilation Report

	Annual Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales and Lodging Tax - TIF Collection	\$ 395,000	\$ 74,301	\$ (320,699)
Property Tax Increment Rev	330,640	257,757	(72,883)
Transfer from General Fund	686,062	99,226	(586,836)
Interest income	5,000	8,184	3,184
	<u>1,416,702</u>	<u>439,468</u>	<u>(977,234)</u>
Expenditures			
Principal payment - 2020 Bonds	475,000	-	475,000
Interest Expense - 2020 Bonds	705,725	-	705,725
TIF Collection Fee	1,975	371	1,604
PropTax increment collection	1,653	1,289	364
Transfer to other funds	224,656	-	224,656
Paying agent fees	4,000	-	4,000
	<u>1,413,009</u>	<u>1,660</u>	<u>1,411,349</u>
Excess (deficiency) of revenues over expenditures	3,693	437,808	434,115
Fund balance - beginning	<u>749,269</u>	<u>1,116,635</u>	<u>367,366</u>
Fund balance - ending	<u>\$ 752,962</u>	<u>\$ 1,554,443</u>	<u>\$ 801,481</u>

RESOLUTION TO FURTHER AMEND 2022 BUDGET
CITYSET METROPOLITAN DISTRICT NO. 2

WHEREAS, the Board of Directors of the CitySet Metropolitan District No. 2 adopted a budget and appropriated funds for the fiscal year 2022 as follows:

General Fund	\$1,392,109
Debt Service Fund	\$1,572,514
Capital Projects Fund	\$ -0-

WHEREAS, the Board of Directors of the District previously amended the budget for fiscal year 2022 on November 16, 2022, as follows:

Debt Service Fund	\$1,800,000
-------------------	-------------

WHEREAS, the necessity has arisen for additional expenditures in the Capital Projects Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2022; and

WHEREAS, the source and amount of revenues for such expenditures, the purposes for which such revenues are being appropriated, and the fund(s) which shall make such supplemental expenditures are described on **Exhibit A**, attached hereto and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the CitySet Metropolitan District No. 2 shall and hereby does further amend the adopted Budget for the fiscal year 2022 and adopts a supplemental budget and appropriation for the Capital Projects Fund for the fiscal year 2022, as follows:

Capital Projects Fund	\$30,000
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BE IT FURTHER RESOLVED, that such sums are hereby appropriated from unexpected revenues available to the District to the proper funds for the purposes stated.

DATED this 28th day of June, 2022.

CITYSET METROPOLITAN DISTRICT NO. 2

By: _____
Secretary

EXHIBIT A

Original and Amended Budget Appropriations

CitySet Metropolitan District No. 2
Amended Budget
Capital Projects Fund
For the Year ended December 31, 2022

	Adopted Budget <u>2022</u>	Amended Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -
Revenues:		
Interest Income	-	150
Transfers from other funds	-	<u>29,850</u>
Total revenues	<u>-</u>	<u>30,000</u>
Total funds available	<u>-</u>	<u>30,000</u>
Expenditures:		
Miscellaneous improvements	-	<u>30,000</u>
Total expenditures	<u>-</u>	<u>30,000</u>
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CitySet Metropolitan District No. 2

June 28, 2023

Haynie & Company
1221 West Mineral Ave., Suite 202
Littleton, CO 80120

This representation letter is provided in connection with your audits of the financial statements of CitySet Metropolitan District No. 2, which comprise the respective financial position of the governmental activities and each major fund as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of June 28, 2023, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 11, 2022.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
- a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have disclosed to you all known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 18) We have made available to you all financial records and related data.
- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 23) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

- 24) We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 25) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 26) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 27) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 28) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 29) The financial statements properly classify all funds and activities.
- 30) Components of net assets (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- 31) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 32) Provisions for uncollectible receivables have been properly identified and recorded.
- 33) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 34) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 35) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 36) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 37) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 38) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
- 39) With respect to the Supplementary Information.
 - a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: _____

Title: _____

Draft 6/6/23 Pend Budget Amend

CITYSET METROPOLITAN DISTRICT NO. 2

Financial Statements

Year Ended December 31, 2022

with

Independent Auditor's Report

Draft 6/6/23 Pend Budget Amend

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CITYSET METROPOLITAN DISTRICT NO. 2

BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
Cash and cash equivalents	\$ 7,205	\$ -	\$ -	\$ 7,205	\$ -	\$ 7,205
Cash and cash equivalents - restricted	17,714	933,282	16,235	967,231	-	967,231
Due (to)/from other funds	(123,719)	139,954	(16,235)	-	-	-
Accounts receivable - developer	101,985	-	-	101,985	(101,985)	-
Accounts receivable	97,840	43,399	-	141,239	-	141,239
Prepaid expenses	450	-	-	450	-	450
Capital assets not being depreciated	-	-	-	-	<u>12,757,916</u>	<u>12,757,916</u>
Total Assets	<u>\$ 101,475</u>	<u>\$ 1,116,635</u>	<u>\$ -</u>	<u>\$ 1,218,110</u>	<u>12,655,931</u>	<u>13,874,041</u>
LIABILITIES						
Accounts payable	\$ 101,475	\$ -	\$ -	\$ 101,475	-	101,475
Accrued interest on bonds	-	-	-	-	58,810	58,810
Long-term liabilities:						
Due within one year	-	-	-	-	475,000	475,000
Due in more than one year	-	-	-	-	<u>16,719,032</u>	<u>16,719,032</u>
Total Liabilities	<u>101,475</u>	<u>-</u>	<u>-</u>	<u>101,475</u>	<u>17,252,842</u>	<u>17,354,317</u>
FUND BALANCES/NET POSITION						
Fund balances:						
Nonspendable:						
Prepays	450	-	-	450	(450)	-
Restricted:						
Emergencies	17,714	-	-	17,714	(17,714)	-
Debt service	-	1,116,635	-	1,116,635	(1,116,635)	-
Unassigned	<u>(18,164)</u>	<u>-</u>	<u>-</u>	<u>(18,164)</u>	<u>18,164</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>1,116,635</u>	<u>-</u>	<u>1,116,635</u>	<u>(1,116,635)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 101,475</u>	<u>\$ 1,116,635</u>	<u>\$ -</u>	<u>\$ 1,218,110</u>		
Net Position:						
Restricted for:						
Emergencies					17,714	17,714
Debt service					1,116,635	1,116,635
Unrestricted					<u>(4,614,625)</u>	<u>(4,614,625)</u>
Total Net Position					<u>\$ (3,480,276)</u>	<u>\$ (3,480,276)</u>

The notes to the financial statements are an integral part of these statements.

Draft 6/6/23 Pend Budget Amend

CITYSET METROPOLITAN DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES						
<u>Operating:</u>						
Management	\$ 14,819	\$ -	\$ -	\$ 14,819	\$ -	\$ 14,819
Accounting	16,685	-	-	16,685	-	16,685
Audit	6,000	-	-	6,000	-	6,000
Insurance	26,778	-	-	26,778	-	26,778
Election	1,783	-	-	1,783	-	1,783
Legal	18,987	-	-	18,987	-	18,987
PIF collection fees	14,350	-	-	14,350	-	14,350
Property tax increment/URA collection fees	-	1,700	-	1,700	-	1,700
Sales and lodger's tax collection fees	-	1,525	-	1,525	-	1,525
Paying Agent Fees	-	3,000	-	3,000	-	3,000
Miscellaneous	3,367	-	-	3,367	-	3,367
Repair and maintenance	27,771	-	-	27,771	-	27,771
Elevator repair and maintenance	2,916	-	-	2,916	-	2,916
Surface parking repair and maintenance	7,060	-	-	7,060	-	7,060
Snow removal	105,857	-	-	105,857	-	105,857
Holiday lighting	8,753	-	-	8,753	-	8,753
Landscape maintenance	21,343	-	-	21,343	-	21,343
Landscape improvements	19,810	-	-	19,810	-	19,810
Lift Station Operations	17,463	-	-	17,463	-	17,463
General Labor	13,367	-	-	13,367	-	13,367
Bond interest	-	721,475	-	721,475	(1,313)	720,162
Bond principal	-	450,000	-	450,000	(450,000)	-
Miscellaneous improvements	-	-	18,381	18,381	-	18,381
Depreciation	-	-	-	-	305,077	305,077
Interest on developer advances - operations	-	-	-	-	3,047	3,047
Developer repayment	263,342	-	-	263,342	(263,342)	-
Total Expenditures	590,451	1,177,700	18,381	1,786,532	(406,531)	1,380,001
GENERAL REVENUES						
Public improvement fees	717,506	-	-	717,506	-	717,506
Sales and lodger's tax increment	-	305,026	-	305,026	-	305,026
Property tax increment/URA	-	340,152	-	340,152	-	340,152
Interest income	1,765	13,137	167	15,069	-	15,069
Total General Revenues	719,271	658,315	167	1,377,753	-	1,377,753
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	128,820	(519,385)	(18,214)	(408,779)	406,531	(2,248)
OTHER FINANCING SOURCES (USES)						
Developer advances	130,449	-	-	130,449	(130,449)	-
Transfers (to)/from other funds	(497,541)	494,597	2,944	-	-	-
Total Other Financing Sources (Uses)	(367,092)	494,597	2,944	130,449	(130,449)	-
NET CHANGES IN FUND BALANCES						
	(238,272)	(24,788)	(15,270)	(278,330)	278,330	
CHANGES IN NET POSITION						
					(2,248)	(2,248)
FUND BALANCES/NET POSITION						
BEGINNING OF YEAR	238,272	1,141,423	15,270	1,394,965	(4,872,993)	(3,478,028)
END OF YEAR	\$ -	\$ 1,116,635	\$ -	\$ 1,116,635	\$ (4,596,911)	\$ (3,480,276)

The notes to the financial statements are an integral part of these statements.

Draft 6/6/23 Pend Budget Amend

CITYSET METROPOLITAN DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2022

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	Favorable <u>(Unfavorable)</u>
REVENUES			
Public improvement fees	\$ 770,000	\$ 717,506	\$ (52,494)
Interest income	500	1,765	1,265
Total Revenues	<u>770,500</u>	<u>719,271</u>	<u>(51,229)</u>
EXPENDITURES			
Management	20,000	14,819	5,181
Accounting	25,000	16,685	8,315
Audit	6,300	6,000	300
Insurance	30,000	26,778	3,222
Election	15,000	1,783	13,217
Legal	25,000	18,987	6,013
PIF collection fees	15,400	14,350	1,050
Miscellaneous	4,000	3,367	633
Repair and maintenance	15,000	27,771	(12,771)
Security systems repair and maintenance	3,000	-	3,000
Garage repair and maintenance	5,000	-	5,000
Elevator repair and maintenance	15,000	2,916	12,084
Surface parking repair and maintenance	8,000	7,060	940
Snow removal	51,500	105,857	(54,357)
Holiday lighting	9,250	8,753	497
Landscape maintenance	18,000	21,343	(3,343)
Landscape improvements	50,000	19,810	30,190
Furnishings	25,000	-	25,000
Lift Station Operations	8,000	17,463	(9,463)
General Labor	13,500	13,367	133
Developer repayment	150,222	263,342	(113,120)
Contingency	232,912	-	232,912
Emergency reserve	10,454	-	10,454
Total Expenditures	<u>755,538</u>	<u>590,451</u>	<u>165,087</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	14,962	128,820	113,858
OTHER FINANCING SOURCES			
Developer advances	150,222	130,449	(19,773)
Transfers from other funds	393,588	13,155	(380,433)
Transfers to other funds	<u>(636,571)</u>	<u>(510,696)</u>	<u>125,875</u>
Total Other Financing Sources	<u>(92,761)</u>	<u>(367,092)</u>	<u>(274,331)</u>
NET CHANGE IN FUND BALANCE			
	(77,799)	(238,272)	(160,473)
FUND BALANCE:			
BEGINNING OF YEAR	<u>77,799</u>	<u>238,272</u>	<u>160,473</u>
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of these statements.

Draft 6/6/23 Pend Budget Amend

CITYSET METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2022

Note 1: Summary of Significant Accounting Policies

The accounting policies of the CitySet Metropolitan District No. 2, located in Arapahoe County, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

CitySet Metropolitan District No. 2 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on March 3, 2011 and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District’s service area is located in the City of Glendale, Colorado. The District operates under a Service Plan to provide for the design, acquisition, construction, installation, financing, relocation and redevelopment, and operation and maintenance of certain water, sanitation, stormwater, street, traffic and safety control, park and recreation, TV and relay, fire protection, safety protection, transportation, and mosquito control improvements.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization’s elected governing body as the basic criterion for including a possible component governmental organization in a primary government’s legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization’s governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

The District has no employees and all operations and administrative functions are contracted.

Draft 6/6/23 Pend Budget Amend

CITYSET METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2022

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Expenditures for capital outlay are shown as increases in assets and redemption of long-term debts are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are public improvement fees and TIF collections. Nearly all revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

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CITYSET METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2022

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end.

In November of 2022, the District amended its total appropriations in the Debt Service Fund from \$1,572,514 to \$1,800,000 due to increased debt service expenses. Subsequent to year end, the District amended its total appropriations in the Capital Projects Fund from \$0 to \$30,000 primarily due to expected capital expenditures.

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2022, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

Draft 6/6/23 Pend Budget Amend

CITYSET METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2022

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has no items that qualify for reporting in this category.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method.

Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

Depreciable lives of capital assets are as follows:

Parking Garage	40 years
Lift Station	20 years

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Notes to Financial Statements December 31, 2022

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$450 represents prepaid expenditures.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$17,714 of the General Fund balance has been reserved in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$1,116,635 is restricted for the payment of the debt service costs (see Note 4).

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

The assigned fund balance in the General Fund represents the amount appropriated for use in the budget for the year ending December 31, 2023.

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Notes to Financial Statements December 31, 2022

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all funds can report negative amounts.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Note 2: Cash and Investments

As of December 31, 2022, cash and investments is classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 7,205
Cash and cash equivalents - restricted	<u>967,231</u>
Total	<u>\$ 974,436</u>

Cash and cash equivalents as of December 31, 2022, consist of the following:

Deposits with financial institutions	\$ 82,067
Investments - COLOTRUST	24,919
Investments – Morgan Stanley	<u>867,450</u>
	<u>\$ 974,436</u>

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Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District follows state statutes for deposits. None of the District’s deposits were exposed to custodial credit risk.

Investments

Credit Risk

The District has elected to follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District’s investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District’s investment is not required to be categorized within the fair value hierarchy. This investment’s value is calculated using the net asset value method (“NAV”) per share.

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Notes to Financial Statements December 31, 2022

As of December 31, 2022, the District had the following investments:

COLOTRUST

As of December 31, 2022, the District invested in the Colorado Local Governmental Liquid Asset Trust (“COLOTRUST”), a local governmental investment vehicle established for local governmental entities in Colorado to pool surplus funds. COLOTRUST offers three investment options, one of which is COLOTRUST PLUS+. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (“NAV”) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian’s internal records identify the investments owned by participating governments. COLOTRUST PLUS+ records its investment at fair value and the District records its investment in COLOTRUST PLUS+ using the net asset value. There are no unfunded commitments and there is no redemption notice period. The weighted average maturity is 60 days or less and is rated AAAM by Standard & Poor’s. At December 31, 2022, the District had \$24,919 invested in COLOTRUST PLUS+.

Morgan Stanley Liquidity Govt ADV MAYXX Fund

During 2019, the District’s funds that were included in the trust accounts at the UMB Bank were invested in Morgan Stanley Liquidity Govt Adv MAYXX Fund. This fund is a money market fund and each share is equal in value to \$1.00. The fund is rated AAAM by Standard & Poor’s with a weighted average maturity of under 60 days and invests exclusively in repurchase agreements collateralized by U.S. Treasury securities and U.S. Treasury debt. At December 31, 2022, the District had \$867,450 invested in this fund.

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Notes to Financial Statements December 31, 2022

Note 3: Capital Assets

An analysis of the changes in net capital assets for the year ended December 31, 2022, follows:

Governmental Type Activities:	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022
Capital assets not being depreciated:				
Land	\$ 3,858,848	\$ -	\$ -	\$ 3,858,848
Capital assets, depreciable:				
Lift Station	208,100	-	-	208,100
Parking Garage	11,786,861	-	-	11,786,861
Accumulated depreciation	<u>(2,790,816)</u>	<u>(305,077)</u>	<u>-</u>	<u>(3,095,893)</u>
	<u>9,204,145</u>	<u>(305,077)</u>	<u>-</u>	<u>8,899,068</u>
	<u>\$ 13,062,993</u>	<u>\$ (305,077)</u>	<u>\$ -</u>	<u>\$ 12,757,916</u>

Depreciation expense charged in 2022 to the governmental functions of the District was \$305,077.

Note 4: Long-Term Debt

The following is an analysis of changes in long-term debt for the year ending December 31, 2022:

	Balance 1/1/2022	Additions	Reductions	Balance 12/31/2022	Current Portion
<u>General Obligation Bonds:</u>					
Series 2020 Bonds	\$ 17,615,000	\$ -	\$ 450,000	\$ 17,165,000	\$475,000
Total General Obligation Bonds	<u>17,615,000</u>	<u>-</u>	<u>450,000</u>	<u>17,165,000</u>	<u>475,000</u>
<u>Other:</u>					
Developer Advances	227,324	51,055	249,915	28,464	-
	<u>227,324</u>	<u>51,055</u>	<u>249,915</u>	<u>28,464</u>	<u>-</u>
Accrued Interest - Developer Advances	10,948	3,047	13,427	568	-
	<u>10,948</u>	<u>3,047</u>	<u>13,427</u>	<u>568</u>	<u>-</u>
Total Developer Advances and Accrued Interest	<u>238,272</u>	<u>54,102</u>	<u>263,342</u>	<u>29,032</u>	<u>-</u>
Total	<u>\$ 17,853,272</u>	<u>\$ 54,102</u>	<u>\$ 713,342</u>	<u>\$ 17,194,032</u>	<u>\$475,000</u>

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Notes to Financial Statements December 31, 2022

A description of the long-term obligations as of December 31, 2022, is as follows:

Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds, Series 2020

On October 1, 2020, the District issued \$17,615,000 of Limited Tax General Obligation and Special Revenue Refunding and Improvement bonds (“Series 2020 Bonds”). The Series 2020 Bonds were issued to repay the Series 2015 loan with CoBiz Public Finances, Inc., accrued interest on developer advances, certain project and bond issuance costs, and to fund the initial deposit of the Surplus Fund as defined in the Series 2020 Bond indenture.

The Series 2020 Bonds are limited tax and special revenue obligations of the District secured by and payable from the Pledged Revenue, including (i) the property tax increment revenue, the pledged sales tax increment revenue, and the pledged lodger’s tax revenue, (ii) the PIF pledged revenue, (iii) the property tax revenue, (iv) specific ownership tax revenue, which are collected by the District, (v) any other legally available amounts that the District may designate by resolution of the Board, to be paid to the trustee for deposit into the Revenue Fund, or otherwise held under the indenture, and (vi) all income or other gain, if any, from any investment of the foregoing. PIF pledged revenue is defined as the amount received by the District from the Public Improvement Fees (see Note 9), less an amount equal to the operations and maintenance costs, which is limited to \$130,000 in calendar year 2020 and, thereafter, to increase one and one-half percent annually.

The Series 2020 Bonds include interest at rates ranging from 3.500% to 4.500% payable semiannually on each June 1 and December 1, commencing on June 1, 2021, and mature on 2045. The Series 2020 Bonds are subject to both optional and mandatory redemption, in whole or in part, upon payment of par, accrued interest, and a redemption premium. The optional redemption begins December 1, 2025 and the mandatory redemption begins December 1, 2022, December 1, 2031, and December 1, 2041.

Events of default for the Series 2020 Bonds include: (i) failure by the District to impose the required mill levy or to apply the pledged revenue as required by the indenture; (ii) default by the District in the performance of any other of the covenants, agreements, or conditions in the indenture and failure by the District to remedy; or (iii) the District files a petition under federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2020 Bonds.

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Notes to Financial Statements December 31, 2022

The following is a summary of the annual long-term debt principal and interest requirements on the Series 2020 Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 475,000	\$ 705,725	\$ 1,180,725
2024	580,000	689,100	1,269,100
2025	605,000	668,800	1,273,800
2026	715,000	647,625	1,362,625
2027	750,000	622,600	1,372,600
2028 - 2032	4,390,000	2,682,019	7,072,019
2033 - 2037	4,935,000	1,655,031	6,590,031
2038 - 2042	2,705,000	826,569	3,531,569
2043 - 2045	2,010,000	184,050	2,194,050
	<u>\$ 17,165,000</u>	<u>\$ 8,681,519</u>	<u>\$ 25,846,519</u>

Developer Advances

The District assumed rights and obligations of that certain Facilities Funding and Acquisition Agreement, as amended, and an Operation Funding Agreement, as amended, (the Funding Agreements) with the Cherry Creek Lodging, LLC; Stonebridge Realty Advisors, Inc.; Sonley Lodging, LLC; Sonley Retail, LLC; Dimond Holdings, LLC; and Group Four Holdings, LLC (collectively, the “Developer”) from CitySet Metropolitan District No. 1 by virtue of that certain Termination, Assignment and Assumption of Facilities Funding, Construction and Operations Agreement dated October 16, 2015 where the Developer is to provide for the advancement of certain monies to the District for capital improvement costs and operation and maintenance costs. The District agrees to repay the Developer, along with accrued interest, at a rate of 12% compounded interest. As of December 31, 2022, \$28,464 of developer advances and \$568 of related interest are payable.

Debt Authorization

On November 2, 2010, qualified electors of the District approved the District to issue debt of up to \$540,000,000 for the purposes of financing construction or acquisition of capital improvements. As of December 31, 2022, the District had \$507,385,000 in authorized but unissued debt. Pursuant to the Intergovernmental Agreement with the City of Glendale, Colorado, the District will not issue more than \$60,000,000 in indebtedness. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District’s service area; however, as of December 31, 2022, the amount and timing of any debt issuance is not determinable. The District did not budget to issue debt in 2023.

As of December 31, 2022, the District has no lines of credit.

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Notes to Financial Statements December 31, 2022

Note 5: Agreements

City of Glendale Intergovernmental Agreement

On April 15, 2011, the District entered into an intergovernmental agreement (the “City IGA”) with the City of Glendale, Colorado (the “City”). The City IGA describes the rights and responsibilities of the District regarding operation and ownership of public facilities, agreements relative to certain regional improvements and continued oversight by the City. The District is to finance such activities through fees and levies imposed by the District. The mill levy of the District is limited to 50 mills and total debt issued may not exceed \$60,000,000.

Declaration of Covenants Imposing and Implementing the Public Improvement Fees (“PIF Covenant”)

On December 23, 2009, Cherry Creek Lodging, LLC executed the PIF Covenant and caused the same to be recorded in the real property records of Arapahoe County against the real property located in the boundaries of the District (the “PIF Covenant Area”). The PIF Covenant obligates all Retailers located within the PIF Covenant Area to collect a public improvement fee in the amount of: (i) two percent (2%) of all PIF Sales (defined below) that occur within the PIF Covenant Area; and (ii) an additional one percent (1%) (for a total of three percent (3%)) on all Lodging PIF Sales (as defined below) that occur within the PIF Covenant Area (collectively, the “PIF Revenues”). PIF Sales means any exchange of goods or services for money or other media of exchange initiated, consummated, conducted or otherwise occurring from or within the PIF Covenant Area upon which a Sales Tax would be payable pursuant to Sales Tax Ordinances. Lodging PIF Sales means an exchange of services for money or other media of exchange relating to overnight lodging for one or more nights, which is initiated, consummated, conducted, transacted or otherwise occurring from or within the PIF Covenant Area, and that is subject to sales taxation by the City of Glendale pursuant to its Sales Tax Ordinances. Under the PIF Covenant, the PIF Revenues are intended to pay for eligible costs of public improvements.

PIF Collection Agreement

Cherry Creek Lodging, LLC, Cherry Creek-Sonley Public Improvement Corporation and the City of Glendale entered into that certain PIF Collection Agreement dated March 1, 2010 (the “PIF Collection Agreement”). Cherry Creek-Sonley Public Improvement Corporation subsequently assigned its rights and obligations under the PIF Collection Agreement to CitySet Metropolitan District No. 1 by virtue of that certain Assignment of PIF Collection Agreement dated June 18, 2012. CitySet Metropolitan District No. 1 assigned its rights and obligations under the PIF Collection Agreement to the District by virtue of that certain Assignment of PIF Collection Agreement dated October 16, 2015. Under the PIF Collection Agreement the Retailers are to collect and remit the PIF to the PIF Collection Agent. The City of Glendale (the “City”) has agreed to act as the PIF Collection Agent.

Under the PIF Collection Agreement, the City receives the PIF Revenues and after deduction of the City’s reimbursable expenses, remits the PIF Revenues to the District for payment of eligible costs of public improvements.

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Cooperation Agreement

The property within the District is located within the CitySet Urban Renewal Area (the “Plan Area”). The City and the Glendale Economic Redevelopment Authority (the “Authority”) entered into that certain Cooperation Agreement dated August 30, 2011 with respect to the Plan Area. Under the Cooperation Agreement, the City agreed to remit to the Authority the Pledged Sales Tax Increment Revenues and the Pledged Lodger’s Tax Increment Revenues. The Pledged Lodger’s Tax Increment Revenue is 35% of the Lodger’s Tax Increment Revenues and the Pledged Sales Tax Increment Revenues is 35% of the Sales Tax Increment Revenues. The Lodger’s Tax Increment Revenues is the total amount of revenues actually produced from the levy of a Lodger’s Tax within Parcel B in the Plan Area following the Lodger’s Tax Base year. The Sales Tax Increment Revenues is all of that portion of the municipal sales tax revenue above the Sales Base produced by a levy of 3.75% imposed by the City upon all sales transactions subject to the municipal sales tax after deducted from such revenue the actual cost of collection and enforcement of such sales tax revenue. The Sales Tax Base is the amount of revenues actually produced from the levy of the Sales Taxes within Parcel B in the Sales Tax Base Year which amount is zero.

Reimbursement Agreement

The Authority and the CitySet Metropolitan District No. 1 entered into that certain Reimbursement Agreement dated as of August 30, 2011. On October 16, 2015 CitySet Metropolitan District No. 1 assigned its rights and obligations under the Reimbursement Agreement to the District by virtue of that certain Assignment of Reimbursement Agreement.

Pursuant to the Reimbursement Agreement, the Authority has pledged certain revenues to the District for the District’s repayment of bonds issued in connection with the District’s construction of eligible public improvements. Under the Reimbursement Agreement, the Authority agrees to remit to the District: (i) 35% of the incremental revenues collected by the City and received by the Authority from the imposition of the City’s 6.5% Lodger’s Tax on the private improvements on Parcel B within the District’s service area; (ii) 35% of that portion of the municipal sales tax revenue received by the City from a levy of three and three quarters percent (3.75%) imposed by the City upon all transactions subject to municipal sales tax within the private improvements or otherwise on Parcel B within the District’s service area after deducted from such revenue the actual cost of collection and enforcement of such sales tax revenue; (iii) Property Tax Increment Revenue which is equal to the annual ad valorem property tax revenue received by the Authority from the Arapahoe County Treasurer in excess of the amount produced by the levy of those taxing bodies that levy property taxes against the base assessed value of the taxable property in the Urban Renewal Area; (iv) any portion of the Districts’ Debt Service Mill Levy (if imposed) and (v) any funds obtained or actually recovered by the Developer or the Districts as reimbursement for any and all expenditures for eligible public improvements, including amounts recovered from public utility companies, other metropolitan districts and other developers or property owners.

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Notes to Financial Statements December 31, 2022

Facilities Funding, Construction and Operations Agreement

The District and CitySet Metropolitan District No. 1 (“District No. 1” and collectively, with the District, the “Districts”) entered into that certain Facilities Funding, Construction and Operations Agreement (the “FFCO”) on November 30, 2011 to coordinate the financing, construction, operation and maintenance of the public improvements within the service area of the Districts and to establish the relationship between the respective responsibilities of the Districts. The FFCO provides a framework for the equitable allocation over time among the Districts of the costs of administration of the Districts and the costs of financing, constructing, operating and maintaining the public improvements contemplated therein. Pursuant to the FFCO, District No. 1 is the “Operating District” and is generally responsible for providing the financing, construction, operations and maintenance of the public infrastructure to serve the service area. The District is the Taxing District and is generally responsible for cooperating with the Operating District to effectuate the financing of the public improvements.

The FFCO is intended to constitute a multiple fiscal year financial obligation of the Districts, and as such, it was submitted to and approved by the electorates of each of the Districts prior to being executed. The FFCO Agreement terminated October 16, 2015, by virtue of that certain Termination, Assignment, and Assumption of FCCO Agreement.

2011-2012 Operation Funding Agreement

On March 3, 2011, CitySet Metropolitan District No. 1, Cherry Creek Lodging, LLC and Stonebridge Realty Advisors, Inc., entered into that certain 2011-2012 Operation Funding Agreement (the “OFA”). The OFA was amended by that certain First Amendment dated effective November 11, 2011 and that certain Second Amendment dated effective November 30, 2011 which added the following parties as the Developer: Sonley Retail, LLC, Sonley Lodging, LLC, Dimond Holdings, LLC and Group Four Holdings, LLC (collectively, with Cherry Creek Lodging, LLC and Stonebridge Realty Advisors, Inc., the “Developer”). CitySet Metropolitan District No. 1 assigned its rights and obligations under the OFA to the District by virtue of that certain Termination, Assignment and Assumption of Facilities Funding, Construction and Operations Agreement dated October 16, 2015.

2021 Operation Funding Agreement

The District and Stonebridge Realty Advisors, Inc. (“Stonebridge”) entered into a 2021 Operation Funding Agreement dated and effective January 1, 2021, (the “2021 OFA”). Pursuant to the 2021 OFA, Stonebridge agreed to advance funds to the District for operation and maintenance expenses for fiscal year 2021 up to the Shortfall Amount of \$200,000. The District agrees to reimburse Stonebridge for the amounts advanced under the 2021 OFA together with accrued interest of 8% per annum. The 2021 OFA does not constitute a debt, but is an annual appropriation intended to be repaid to the extent the District has funds available. The obligation of the District to reimburse Stonebridge for advances made under the 2021 OFA expires on December 31, 2061, and any amounts of principal or interest outstanding on such date are deemed to be forever discharged and satisfied.

As of December 31, 2022, no amounts were due under this agreement.

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Notes to Financial Statements December 31, 2022

2022 Operation Funding Agreement

The District and Oxbridge Properties, Inc. (“Oxbridge”) entered into a 2022 Operation Funding Agreement dated November 17, 2021, and effective January 1, 2022, (the “2022 OFA”). Pursuant to the 2022 OFA, Oxbridge agreed to advance funds to the District for operation and maintenance expenses for fiscal year 2022 up to the Shortfall Amount of \$155,000. The District agrees to reimburse Oxbridge for the amounts advanced under the 2022 OFA together with accrued interest of 8% per annum. The 2022 OFA does not constitute a debt, but is an annual appropriation intended to be repaid to the extent the District has funds available. The obligation of the District to reimburse Oxbridge for advances made under the 2022 OFA expires on December 31, 2062, and any amounts of principal or interest outstanding on such date are deemed to be forever discharged and satisfied.

As of December 31, 2022, a total of \$29,032 was due under this agreement, consisting of \$28,464 of principal and \$568 of accrued interest.

2023 Operation Funding Agreement

The District and Oxbridge entered into a 2023 Operation Funding Agreement dated November 16, 2022, and effective January 1, 2023 (the “2023 OFA”). Pursuant to the 2023 OFA, Oxbridge agreed to advance funds to the District for operation and maintenance expenses for fiscal year 2023 up to the Shortfall Amount of \$15,000. The District agrees to reimburse Oxbridge for the amounts advanced under the 2023 OFA together with accrued interest of 8% per annum. The 2023 OFA does not constitute a debt, but is an annual appropriation intended to be repaid to the extent the District has funds available. The obligation of the District to reimburse Oxbridge for advances made under the 2023 OFA expires on December 31, 2063, and any amounts of principal or interest outstanding on such date are deemed to be forever discharged and satisfied.

As of December 31, 2022, no amounts were due under this agreement.

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Notes to Financial Statements December 31, 2022

Facilities Funding and Acquisition Agreement

CitySet Metropolitan District No. 1 and Cherry Creek Lodging, LLC and Stonebridge Realty Advisors, Inc., entered into a Facilities Funding and Acquisition Agreement dated October 11, 2011 (the “FFAA”). The FFAA was amended by a First Amendment dated November 11, 2011 to add the following parties as the Developer: Sonley Retail, LLC, Sonley Lodging, LLC, Dimond Holdings, LLC and Group Four Holdings, LLC (collectively, with Cherry Creek Lodging, LLC and Stonebridge Realty Advisors, Inc., the “Developer”). Pursuant to the FFAA, District No. 1 acknowledged that the Developer expended certain funds for Organizational Expenses. In addition, District No. 1 and the Developer agreed that the Developer would design, construct and complete certain public improvements. The FFAA provided for District No. 1’s acquisition of the public improvements from the Developer and repayment of the Organizational Expenses. The interest rate on such amounts is established at 12% per annum on the amounts outstanding commencing from the date(s) set forth in the FFAA. The agreement was further amended on December 2, 2013, to set the priority of payments as being first applied to principal and second to accrued and unpaid interest. CitySet Metropolitan District No. 1 assigned its rights and obligations under the FFAA to the District by virtue of that certain Termination, Assignment and Assumption Agreement as to Facilities Funding, Construction and Operations Agreement dated October 16, 2015.

Note 6: Related Parties

One of the Developers of the property which constitutes the District is Stonebridge Realty Advisors, Inc. The members of the Board of Directors of the District are officers, employees or otherwise associated with the Developer and may have conflicts of interest in dealing with the District.

Note 7: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (“Pool”) which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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Notes to Financial Statements December 31, 2022

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 8: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights ("TABOR"), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

Note 9: Transfers

The transfer of \$507,752 from the General Fund to the Debt Service Fund was transferred for the purpose of transferring the excess PIF revenues during 2022. The transfer of \$2,944 from the General Fund to the Capital Projects Fund was transferred to fund capital expenditures during 2022. The transfer of \$13,155 from the Debt Service Fund to the General Fund was transferred as the result of the excess waterfall as determined by the Bond Trustee.

Draft 6/6/23 Pend Budget Amend

CITYSET METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2022

Note 10: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 2) long-term liabilities such as bonds and developer advances payable and accrued interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;
- 3) governmental funds report developer advances and/or bond proceeds as revenue; and,
- 4) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

Draft 6/6/23 Pend Budget Amend

SUPPLEMENTAL INFORMATION

Draft 6/6/23 Pend Budget Amend

CITYSET METROPOLITAN DISTRICT NO. 2

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2022

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES				
Sales and lodger's tax increment	\$ 360,000	\$ 360,000	\$ 305,026	\$ (54,974)
Property tax increment/URA	330,245	341,000	340,152	(848)
Interest income	<u>500</u>	<u>5,000</u>	<u>13,137</u>	<u>8,137</u>
Total Revenues	<u>690,745</u>	<u>706,000</u>	<u>658,315</u>	<u>(47,685)</u>
EXPENDITURES				
Property tax increment/URA collection fees	1,800	1,705	1,700	5
Sales and lodger's tax collection fees	1,651	1,800	1,525	275
Paying Agent Fees	4,000	4,000	3,000	1,000
Bond interest	721,475	721,475	721,475	-
Bond principal	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>
Total Expenditures	<u>1,178,926</u>	<u>1,178,980</u>	<u>1,177,700</u>	<u>1,280</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(488,181)	(472,980)	(519,385)	(46,405)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	636,571	701,846	507,752	(194,094)
Transfers to other funds	<u>(393,588)</u>	<u>(621,020)</u>	<u>(13,155)</u>	<u>607,865</u>
Total Other Financing Sources (Uses)	<u>242,983</u>	<u>80,826</u>	<u>494,597</u>	<u>413,771</u>
NET CHANGE IN FUND BALANCE	(245,198)	(392,154)	(24,788)	367,366
FUND BALANCE:				
BEGINNING OF YEAR	<u>994,467</u>	<u>1,141,423</u>	<u>1,141,423</u>	<u>-</u>
END OF YEAR	<u>\$ 749,269</u>	<u>\$ 749,269</u>	<u>\$ 1,116,635</u>	<u>\$ 367,366</u>

The notes to the financial statements are an integral part of these statements.

Draft 6/6/23 Pend Budget Amend

CITYSET METROPOLITAN DISTRICT NO. 2

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND

For the Year Ended December 31, 2022

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES				
Interest income	\$ -	\$ 150	\$ 167	\$ 17
Total Revenues	<u>-</u>	<u>150</u>	<u>167</u>	<u>17</u>
EXPENDITURES				
Miscellaneous improvements	<u>-</u>	<u>30,000</u>	<u>18,381</u>	<u>11,619</u>
Total Expenditures	<u>-</u>	<u>30,000</u>	<u>18,381</u>	<u>11,619</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(29,850)	(18,214)	11,636
OTHER FINANCING SOURCES (USES)				
Transfers (to)/from other funds	<u>-</u>	<u>29,850</u>	<u>2,944</u>	<u>(26,906)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>29,850</u>	<u>2,944</u>	<u>(26,906)</u>
NET CHANGE IN FUND BALANCE	-	-	(15,270)	(15,270)
FUND BALANCE:				
BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>15,270</u>	<u>15,270</u>
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of these statements.

SERVICE AGREEMENT FOR OPERATOR SERVICES

THIS SERVICE AGREEMENT FOR OPERATOR SERVICES (“Agreement”) is entered into and effective as of the 1st day of January, 2023, by and between **CITYSET METROPOLITAN DISTRICT NO. 2**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and **RAMEY ENVIRONMENTAL COMPLIANCE, INC.**, a Colorado Corporation (the “Consultant”) (each a “Party” and, collectively, the “Parties”).

RECITALS

A. The District was organized pursuant to the laws of the State of Colorado in order to construct, operate and maintain certain public facilities and improvements in accordance with its service plan.

B. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District.

C. The Consultant has experience in providing the services, as set forth in **Exhibit A** hereto, attached and incorporated herein (the “Services”), and is willing to provide such Services to the District for reasonable consideration.

D. The Parties desire to enter into this Agreement to establish the terms by which the Consultant will provide the Services to the District.

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

I. CONSULTANT DUTIES AND AUTHORITY

1.1 Duties of Consultant. The Consultant shall:

(a) Perform the Services, safely and in accordance with the highest standard of care, skill, and diligence provided by a professional consultant in performance of work similar to the Services.

(b) Be properly qualified to perform the Services. The Consultant does hereby warrant that the quality of the Services shall be as specified in this Agreement, shall conform in all respects to the requirements of this Agreement and shall be free of defects and deficiencies.

(c) Take all precautions necessary for safely and prudently conducting the Services required by this Agreement, including maintaining insurance as required under Section 4.2 hereof.

(d) Advise the District of the status of the Services required by this Agreement on a regular basis and work in coordination with the District's consultants to assure that the District has the most complete information available for the exercise of the District's powers and discretionary authority.

(e) Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by the Consultant shall be obligations of the Consultant and the Consultant shall hold the District harmless therefrom.

1.2 Limitations on Authority.

(a) The Consultant shall have no right or authority, expressed or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District board meetings. The Consultant shall at all times conform to the stated policies established and approved by the District.

(b) Independent Contractor Status. The Consultant is an independent contractor, as provided in Section 8-40-202(2)(b)(I)-(IV), C.R.S., as amended, and nothing herein contained shall constitute or designate the Consultant or any of its employees, agents, subcontractors or suppliers as employees of the District. The Services to be performed by the Consultant shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, except the payments to be made by the District to the Consultant for the Services performed as provided herein. The District shall not be responsible for the Consultant's means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto. **The Consultant is not entitled to workers' compensation benefits and the Consultant is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

1.3 Compliance with Applicable Law. The Consultant shall provide the Services set forth herein in full compliance with all applicable laws, rules, and regulations of any federal, state, county, or municipal body or agency thereof having jurisdiction over the activities of the District.

1.4 No Right or Interest in District Assets. The Consultant shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein.

1.5 Work Product. "**Work Product**" shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain reproducible copies of any test results and logs which it obtains and shall make them available for the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Consultant agrees all right, title and interest in the Work Product is

and shall remain the property of the District. If requested by the District, Consultant shall execute and deliver such documents as shall be necessary in the District's sole discretion, to assign, transfer and convey all rights in the Work Product to the District or its assignee. If Consultant fails to execute any documents required under this Section 1.5, then Consultant hereby irrevocably appoints the District its attorney-in-fact for the purpose of executing any required transfers of ownership or interests and any other documents necessary to effectuate this Section 1.5. Further, all Work Product, whether in paper or electronic form, reproductions thereof, or any information or instruments derived therefrom, shall be provided to the District immediately upon termination of this Agreement.

II. COMPENSATION

2.1 Compensation. The Consultant shall be paid as set forth in **Exhibit A** attached hereto with a total amount not to exceed \$612.38 per month, unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as **Exhibit B** ("Change Order").

2.2 Monthly Invoices and Payments. The Consultant shall submit to the District a monthly invoice, in a form acceptable to the District. Invoices shall be submitted and paid no more frequently than once a month.

2.3 Expenses. The Consultant is responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as set forth in **Exhibit A**, unless otherwise approved in advance by the District in writing.

2.4 Subject to Annual Budget and Appropriation; District Debt. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds is subject to annual budgeting and appropriation. Nothing herein constitutes or creates an indebtedness or debt of the District within the meaning of any Colorado constitutional provision or statutory limitation.

III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on the date set forth above, and shall expire on date satisfactory completion of the Services. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination.

(a) The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Consultant at least Thirty (30) days prior to the effective date of such termination. The Consultant may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least Thirty (30) days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

(b) Notwithstanding any provision herein to the contrary, the Agreement shall terminate automatically and be of no further force or effect upon the occurrence of (a) the Consultant's voluntary dissolution, liquidation, winding up, or cessation to carry on business activities as a going concern; or (b) administrative dissolution (or other legal process not initiated by the Consultant dissolving the Consultant as a legal entity) that is not remedied or cured within sixty (60) days of the effective date of such dissolution or other process.

The District shall pay the Consultant for all Services satisfactorily performed through the termination date.

IV. INDEMNIFICATION AND INSURANCE

4.1 Indemnification. The Consultant hereby agrees to indemnify, defend and hold the District and its affiliated entities or other persons or entities designated by the District, and their respective directors, trustees, officers, members, managers, agents and employees (collectively, the "**Indemnitees**"), harmless from any and all liability for damage, including, but not limited to, the reimbursement of attorneys' fees and costs, arising out of death or bodily injury to persons or damage to property, in such amount that is represented by the degree or percentage of negligence or fault attributable to the Consultant and/or its agents, representatives, subcontractors, or suppliers.

4.2 Insurance Requirements. The Consultant shall procure, at its sole cost and expense, the insurance coverages set forth below, which insurance shall be placed with insurance companies rated at least "A:XIII" by A.M. Best Company. The Consultant shall give notice to the District at least thirty (30) days prior to the cancellation or nonrenewal of such policies. The Consultant shall give notice to the District within five (5) business days, or as soon as practicable, of any modification of any such policies. Consultant's cost of maintaining the insurances required hereunder shall not be considered a reimbursable expense of the Consultant. The Consultant shall, upon request, promptly furnish the District with copies of policies obtained pursuant to this Section 4.2. Prior to commencing the Services, the Consultant shall furnish the District with certificates evidencing such insurance and provided further, however, with respect to the Workers' Compensation Insurance required below, the Consultant must furnish to the District, prior to the commencement of any Services, duly executed and validated forms as prescribed by the state authority having jurisdiction evidencing that such insurance is in full force and effect. The District shall not pay any invoices until Consultant provides the certificates evidencing such insurance and Workers' Compensation coverage.

(a) Liability Insurance Coverage.

(i) Workers' Compensation Insurance. A Workers' Compensation Insurance Policy in form and substance reasonably acceptable to the District and in an amount not less than the statutory benefits, including Employer's Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident; (ii) \$500,000 for bodily injury by disease, each employee; and (iii) \$500,000 aggregate liability for disease. The Workers' Compensation Insurance Policy, or an endorsement to such policy, must include a waiver of subrogation in favor of the District.

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the insurance policy or policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property Damage Liability; Contractual Liability supporting the Consultant's indemnification agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

(iii) Automobile Liability Insurance. An Automobile Liability Insurance Policy written on a per accident basis, in form and substance reasonably acceptable to the District. The Automobile Liability Insurance Policy must provide coverage for all owned, hired, rented and nonowned automobiles, and must include uninsured motorist coverages. The Automobile Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each accident for bodily injury and/or property damage.

(iv) Excess Liability Insurance. An Excess Liability Insurance Policy written in excess of the coverages provided by the insurance policies described in the preceding Subsections 4.2(a)(i) - (iii), in form and substance reasonably acceptable to the District, which policy will include the District as additional insured. The Excess Liability Insurance Policy must be written with a combined single limit of not less than \$1,000,000 for each occurrence of bodily injury/or property damage and annual aggregate.

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Consultant fails to furnish and maintain insurance as required by this Section 4.2, the District may purchase such insurance on behalf of the Consultant and deduct the cost of such insurance premium(s) from the compensation otherwise owed to the Consultant, and the Consultant shall furnish to the District any information needed to obtain such insurance. Except as otherwise expressly provided herein, all insurance policies required by the terms of this section shall be kept in full force and effect until the date of final payment to the Consultant for the Services specified in this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the foregoing insurance requirements are in no way intended to, and will not in any manner, limit or qualify the liabilities and/or indemnities assumed by the Consultant under or pursuant to this Agreement.

(c) Effect of Approval or Acceptance of Insurance. District acceptance and/or approval of any or all of the insurances required hereunder does not and shall not be construed to relieve Consultant from any obligations, responsibilities or liabilities under this Agreement.

V. MISCELLANEOUS

5.1 Assignment. The Consultant shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and of no effect.

5.2 Modification; Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto; provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the District or the Consultant unless the same is in writing and duly executed by the Parties.

5.3 Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

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

5.5 Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the State District Court in and for the County of Arapahoe, Colorado.

5.6 Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

5.7 Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the Consultant any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the Consultant shall be for the sole and exclusive benefit of the District and the Consultant.

5.8 Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via FedEx or other nationally recognized overnight air courier service, by electronically-confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To District: CitySet Metropolitan District No. 2
141 S. Union Blvd., #150
Lakewood, CO 80228
Phone: 303.987.0835
Email: dsolin@sdmsi.com
Attn: David Solin

With a Copy To: McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203
Phone: 303 592.4380
Email: legalnotices@specialdistrictlaw.com

To Consultant: Ramey Environmental Compliance, Inc.
P.O. Box 99
Firestone, CO 80520
Phone: 303.833.5505
Email: lindar@recinc.net
Attn: Linda Ramey

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with FedEx or other nationally recognized overnight air courier service, upon electronic confirmation of email transmission, or three (3) business days after deposit in the United States mail. By giving the other Party hereto at least ten (10) days' written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

5.9 Default/Remedies. If either Party fails to perform any of its responsibilities, obligations or agreements to be performed in accordance with the provisions of this Agreement, and if such failure of performance continues for a period of thirty (30) days following written notice of default from the other Party (or such additional period of time as may reasonably be required to cure such default; provided that the curative action is commenced within such thirty (30) day period and is diligently and continuously pursued to completion), then the non-defaulting Party, at its option, may elect (i) to treat this Agreement as remaining in full force and effect; or (ii) terminate this Agreement as of any specified date. The non-defaulting Party shall additionally be entitled to exercise all remedies available at law or in equity. In the event of any litigation or other proceeding to enforce the terms, covenants or conditions hereof, the non-defaulting Party in any such litigation or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

5.10 Instruments of Further Assurance. Each Party covenants it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

5.11 Compliance with Law. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and regulations of the jurisdiction in which the Agreement is performed. The Consultant declares it has complied and will comply with all federal, state and local laws regarding business permits, certificates and licenses required to perform the Services.

5.12 Non-Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed to be a waiver of any subsequent default hereunder. Notwithstanding any provision to the contrary in this Agreement, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of any of the immunities, rights, benefits or protection provided to the District under the Colorado Governmental Immunity Act.

5.13 Inurement. This Agreement shall inure to and be binding on the heirs, executors, administrator, successors, and permitted assigns of the Parties hereto.

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

5.15 Conflicts. If any term or provision(s) in any Exhibit attached as part of this Agreement conflicts with any term or provision(s) in the body of this Agreement, the term or provision(s) contained in the body of this Agreement shall control.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO SERVICE AGREEMENT]

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

MARISOL HERMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20224041415
MY COMMISSION EXPIRES OCTOBER 27, 2026

Consultant:
RAMEY ENVIRONMENTAL
COMPLIANCE, INC.

By: [Signature]
Its: [Signature]

STATE OF COLORADO)
) ss.
COUNTY OF Weld)

The foregoing instrument was acknowledged before me this 15 day of March, 2023, by Linda Ramey, as Sec/Treas of Ramey Environmental.

Witness my hand and official seal.

My commission expires: October 27 2026

[Signature]
Notary Public

District:
CITYSET METROPOLITAN DISTRICT
NO. 2

By: _____
President

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2023, by _____, as _____ of CitySet Metropolitan District No.2.

Witness my hand and official seal.

My commission expires: _____

Notary Public

[SIGNATURE PAGE TO SERVICE AGREEMENT]

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

Consultant:
RAMEY ENVIRONMENTAL
COMPLIANCE, INC.

By: _____
Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

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

Witness my hand and official seal.

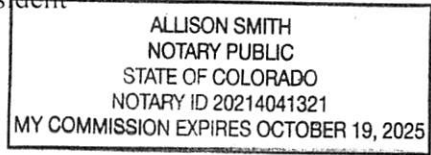
My commission expires: _____

Notary Public

District:
CITYSET METROPOLITAN DISTRICT
NO. 2

By: [Signature]
President

STATE OF COLORADO)
) ss.
COUNTY OF Denver)



The foregoing instrument was acknowledged before me this 17 day of March, 2023, by Jason Gaede, as President of CitySet Metropolitan District No.2.

Witness my hand and official seal.

My commission expires: Oct. 19, 2025

[Signature]
Notary Public

EXHIBIT A
SCOPE OF SERVICES/COMPENSATION

CITY SET

SCOPE OF SERVICES AND COMPENSATION

Basic Costs will be billed at \$612.38 per month. Services shall include:

- A. Provide ORC (operator in responsible charge) services for the lift station.
- B. Provide a site visit every four (4) weeks (13 annually) to check for proper operation of the lift station. Visual checks of the pumping equipment, recording of pump run time hours, etc. that would indicate problems with the pumping system.
- C. Report issues to Owner for informational purposes. If follow-up is required by REC, Inc. additional time will be billed at regular rates.
- D. Provide for emergency coverage of the lift station through on-site alarm dialer and City of Glendale SCADA system. Response time would be 2 hours for all emergencies that need immediately attention. Ramey Environmental Compliance, Inc. utilizes a 24-hour, 7-day per week, 365-day per year answering service that will collect data such as time of alarm; all vehicles have GPS, which will provide start time and ending time for all emergencies. **All emergencies will be invoiced in addition to Basic Costs and according to pricing sheet. Emergency services are billed at a minimum of two (2) hours.**
- E. Arrange for standby generator exercising and testing.
- F. Arrange for annual and/or semi-annual maintenance quote by Equipment Services (ESD).

Additional Services Pricing Sheet:

No.	Description	Units	Sub Total
1	Jet/Vac Truck Services with 2 men – If additional men are needed each one will be billed separately.	Hourly	\$289/hr. plus mileage
2	Camera Van Services	Hourly	\$272/hr. plus

No.	Description	Units	Sub Total
3	Non-Scheduled repair and maintenance hourly Rates during normal business hours. <u>Consulting</u> <u>Lift Station Tech</u> <u>Administration</u>	Hourly	<u>\$169.00</u> <u>\$ 97.00</u> <u>\$ 72.00</u>
4	Emergency Call-Out – Hrly+ Mileage+ Any additional services required	Hourly	\$184.00
5	Overtime increase (After Hours)	%	150%
6	Mark-up on operator provided, sub-contractor work, lab testing costs, parts and equipment. **All Equipment Services parts and equipment**	%	20% Quoted
7	Mileage charge portal to portal for meetings, additional visits etc.	Per mile	Current IRS Prevailing Rate
8	Equipment Services - <u>All major repairs will be quoted for services</u>	Hourly/or Per Project	Quoted

EXHIBIT B
FORM OF CHANGE ORDER

Change Order No:	Date Issued:
Name of Agreement:	
Date of Agreement:	District(s):
Other Party/Parties:	

CHANGE IN SCOPE OF SERVICES (describe):

CHANGE IN AGREEMENT PRICE:	CHANGE IN TERM OF AGREEMENT:
Original Price: \$ _____	Original Term: Expires _____, 20__
Increase of this Change Order: \$ _____	New Term: Expires _____, 20__
Price with all Approved Change Orders: \$ _____	Agreement Time with all Approved Change Orders:

APPROVED:

By: _____

District

APPROVED:

By: _____

Consultant

CHANGE ORDER

Change Order No: 2	Date Issued: March 15, 2023
Name of Agreement: Service Agreement for Operator Services	
Date of Agreement: January 1, 2023	District(s): CitySet Metropolitan District No. 2
Other Party/Parties: Ramey Environmental Compliance, Inc.	

<p>CHANGE IN SCOPE OF SERVICES (describe):</p> <p style="text-align: center; margin-top: 20px;">As Per Attached Proposal (ESD-6769) Dated January 25, 2023.</p>
--

CHANGE IN AGREEMENT PRICE:	CHANGE IN TERM OF AGREEMENT:
Original Price: \$ 7,348.56	Original Term: Expires _____, 20__
Increase of this Change Order: \$688.75	New Term: Expires _____, 20__
Price with all Approved Change Orders: \$ 9,137.31	Agreement Time with all Approved Change Orders:

APPROVED:
By: <i>Jason Gaede</i>
District

APPROVED:
By: <i>Linda Ramey</i>
Consultant



Ramey Environmental Compliance, Inc.
 PO Box 99, Firestone, CO 80520
 Office: 303-833-5505
 Fax: 303-833-5535

Estimate: ESD-6769

DATE: 1/25/2023

****ESTIMATE IS VALID FOR 30 DAYS****

NAME / ADDRESS
City Set Metropolitan District #1 & 2 c/oSpecial District Management Services, 141 Union Blvd, Suite 150 Lakewood,CO 80228

Estimated Delivery Time: 2 Weeks
(Subject to prior sales per manufacturer) Estimated delivery times may vary. There is no way to guarantee actual delivery dates.

Customer PO No.:	
------------------	--

***Note: All applicable Freight Charges, Taxes and Permit Fees will be added.**

<i>EQUIPMENT SERVICES DIVISION (ESD) PROJECT</i>			
DESCRIPTION	QTY	COST	TOTAL
Replace hour meter on Pump #2 at City Set.			
Hour Meter	1	165.00	165.00
Field Labor	4	120.00	480.00
Mileage (One round trip)	70	0.625	43.75

Limited to Manufacturer Warranty on parts **Limited 90 day Warranty on Labor - REC Equipment Services Only** **All Labor Warranty is void if serviced by another vendor** **Due to supply chain issues, material and shipping charges are subject to change at the time of delivery. This is unfortunately out of our control**	TOTAL: \$688.75
--	------------------------

(If this estimate is acceptable, please sign and return via email or fax)

_____ Authorized Signature	_____ Date
--------------------------------------	----------------------

CHANGE ORDER

Change Order No: 1	Date Issued: March 15, 2023
Name of Agreement: Service Agreement for Operator Services	
Date of Agreement: January 1, 2023	District(s): CitySet Metropolitan District No. 2
Other Party/Parties: Ramey Environmental Compliance, Inc.	

CHANGE IN SCOPE OF SERVICES (describe):

As Per Attached Proposal (ESD-6810) Dated January 12, 2023.

CHANGE IN AGREEMENT PRICE:	CHANGE IN TERM OF AGREEMENT:
Original Price: \$ 7,348.56	Original Term: Expires _____, 20__
Increase of this Change Order: \$1,100.00	New Term: Expires _____, 20__
Price with all Approved Change Orders: \$ 8,448.56	Agreement Time with all Approved Change Orders:

APPROVED:

By: *Jason Gaede*
District

APPROVED:

By: *Linda Ramey*
Consultant



Ramey Environmental Compliance, Inc.
 PO Box 99, Firestone, CO 80520
 Office: 303-833-5505
 Fax: 303-833-5535

Estimate: ESD-6810

DATE: 1/12/2023

****ESTIMATE IS VALID FOR 30 DAYS****

NAME / ADDRESS
City Set Metropolitan District #1 & 2 c/oSpecial District Management Services, 141 Union Blvd, Suite 150 Lakewood,CO 80228

Estimated Delivery Time: TBD

(Subject to prior sales per manufacturer) Estimated delivery times may vary. There is no way to guarantee actual delivery dates.

Customer PO No.:	
------------------	--

***Note: All applicable Freight Charges, Taxes and Permit Fees will be added.**

EQUIPMENT SERVICES DIVISION (ESD) PROJECT			
DESCRIPTION	QTY	COST	TOTAL
City Set Lift Station - Gorman Rupp PM 2023			
Pump #1 Pump #2 Gorman Rupp Gorman Rupp Model: T6A3S-B/F Model: T6A3S-B/F S/N: 1525812N S/N: 1525811N			
This PM will consist of one visit to perform the following for each pump listed above:			
*Check motor insulation values to ground using megger *Check voltage supply (pumps off) *Check voltage supply (pumps on) *Check for correct rotation of equipment *Check condition of volute face in respect to discharge connection *Check amperage draw on all three phases for proper balance *Check winding resistance of motors through pump cables *Check condition of level sensing equipment *Check condition of oil in each pump & change oil in each pump *O-Rings	1	931.00	931.00
Confined Space Entry to check floats.	0.5	338.00	169.00

Limited to Manufacturer Warranty on parts
 Limited 90 day Warranty on Labor - REC Equipment Services Only
 All Labor Warranty is void if serviced by another vendor
 Due to supply chain issues, material and shipping charges are subject to change at the time of delivery. This is unfortunately out of our control







TOTAL: \$1,100.00

(If this estimate is acceptable, please sign and return via email or fax)

_____ Authorized Signature	_____ Date
--------------------------------------	----------------------

Title	Ramey Environmental - CitySet Change Orders 1 & 2
File name	CO#2 from 2... Meter).pdf and 1 other
Document ID	9eac7c9654e5a5d8d702783405fc3821e9554227
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document History

 SENT	03 / 15 / 2023 20:23:20 UTC	Sent for signature to Jason Gaede (jgaede@copfordcm.com) and Linda Ramey (lindar@recinc.net) from dsolin@sdmsi.com IP: 50.78.200.153
 VIEWED	03 / 15 / 2023 21:00:18 UTC	Viewed by Linda Ramey (lindar@recinc.net) IP: 50.234.217.82
 VIEWED	03 / 15 / 2023 22:15:38 UTC	Viewed by Jason Gaede (jgaede@copfordcm.com) IP: 136.29.56.204
 SIGNED	03 / 15 / 2023 22:28:28 UTC	Signed by Jason Gaede (jgaede@copfordcm.com) IP: 136.29.56.204
 SIGNED	03 / 16 / 2023 19:59:18 UTC	Signed by Linda Ramey (lindar@recinc.net) IP: 50.234.217.82
 COMPLETED	03 / 16 / 2023 19:59:18 UTC	The document has been completed.

SERVICE AGREEMENT FOR LANDSCAPE MAINTENANCE

THIS SERVICE AGREEMENT FOR LANDSCAPE MAINTENANCE (“**Agreement**”) is entered into and effective as of the 1st day of January, 2023, by and between **CITYSET METROPOLITAN DISTRICT NO. 2**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **POWDER COUNTRY, LLC**, a Colorado Corporation (the “**Consultant**”) (each a “**Party**” and, collectively, the “**Parties**”).

RECITALS

A. The District was organized pursuant to the laws of the State of Colorado in order to construct, operate and maintain certain public facilities and improvements in accordance with its service plan.

B. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District.

C. The Consultant has experience in providing the services, as set forth in **Exhibit A** hereto, attached and incorporated herein (the “**Services**”), and is willing to provide such Services to the District for reasonable consideration.

D. The Parties desire to enter into this Agreement to establish the terms by which the Consultant will provide the Services to the District.

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

I. CONSULTANT DUTIES AND AUTHORITY

1.1 Duties of Consultant. The Consultant shall:

(a) Perform the Services, safely and in accordance with the highest standard of care, skill, and diligence provided by a professional consultant in performance of work similar to the Services.

(b) Be properly qualified to perform the Services. The Consultant does hereby warrant that the quality of the Services shall be as specified in this Agreement, shall conform in all respects to the requirements of this Agreement and shall be free of defects and deficiencies.

(c) Take all precautions necessary for safely and prudently conducting the Services required by this Agreement, including maintaining insurance as required under Section 4.2 hereof.

(d) Advise the District of the status of the Services required by this Agreement on a regular basis and work in coordination with the District’s consultants to

assure that the District has the most complete information available for the exercise of the District's powers and discretionary authority.

(e) Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by the Consultant shall be obligations of the Consultant and the Consultant shall hold the District harmless therefrom.

1.2 Limitations on Authority.

(a) The Consultant shall have no right or authority, expressed or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District board meetings. The Consultant shall at all times conform to the stated policies established and approved by the District.

(b) Independent Contractor Status. The Consultant is an independent contractor, as provided in Section 8-40-202(2)(b)(1)-(IV), C.R.S., as amended, and nothing herein contained shall constitute or designate the Consultant or any of its employees, agents, subcontractors or suppliers as employees of the District. The Services to be performed by the Consultant shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, except the payments to be made by the District to the Consultant for the Services performed as provided herein. The District shall not be responsible for the Consultant's means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto. **The Consultant is not entitled to workers' compensation benefits and the Consultant is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

1.3 Compliance with Applicable Law. The Consultant shall provide the Services set forth herein in full compliance with all applicable laws, rules, and regulations of any federal, state, county, or municipal body or agency thereof having jurisdiction over the activities of the District.

1.4 No Right or Interest in District Assets. The Consultant shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein.

1.5 Work Product. "**Work Product**" shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain reproducible copies of any test results and logs which it obtains and shall make them available for the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Consultant agrees all right, title and interest in the Work Product is and shall remain the property of the District. If requested by the District, Consultant shall execute and deliver such documents as shall be necessary in the District's sole discretion, to

assign, transfer and convey all rights in the Work Product to the District or its assignee. If Consultant fails to execute any documents required under this Section 1.5, then Consultant hereby irrevocably appoints the District its attorney-in-fact for the purpose of executing any required transfers of ownership or interests and any other documents necessary to effectuate this Section 1.5. Further, all Work Product, whether in paper or electronic form, reproductions thereof, or any information or instruments derived therefrom, shall be provided to the District immediately upon termination of this Agreement.

II. COMPENSATION

2.1 Compensation. The Consultant shall be paid as set forth in Exhibit A attached hereto with a total amount not to exceed \$14,680.00, unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as Exhibit B ("Change Order").

2.2 Monthly Invoices and Payments. The Consultant shall submit to the District a monthly invoice, in a form acceptable to the District. Invoices shall be submitted and paid no more frequently than once a month.

2.3 Expenses. The Consultant is responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as set forth in Exhibit A, unless otherwise approved in advance by the District in writing.

2.4 Subject to Annual Budget and Appropriation; District Debt. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds is subject to annual budgeting and appropriation. Nothing herein constitutes or creates an indebtedness or debt of the District within the meaning of any Colorado constitutional provision or statutory limitation.

III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on the date set forth above, and shall expire on date satisfactory completion of the Services. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination.

(a) The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Consultant at least Thirty (30) days prior to the effective date of such termination. The Consultant may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least Thirty (30) days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

(b) Notwithstanding any provision herein to the contrary, the Agreement shall terminate automatically and be of no further force or effect upon the occurrence of (a) the

Consultant's voluntary dissolution, liquidation, winding up, or cessation to carry on business activities as a going concern; or (b) administrative dissolution (or other legal process not initiated by the Consultant dissolving the Consultant as a legal entity) that is not remedied or cured within sixty (60) days of the effective date of such dissolution or other process.

The District shall pay the Consultant for all Services satisfactorily performed through the termination date.

IV. INDEMNIFICATION AND INSURANCE

4.1 Indemnification. The Consultant hereby agrees to indemnify, defend and hold the District and its affiliated entities or other persons or entities designated by the District, and their respective directors, trustees, officers, members, managers, agents and employees (collectively, the "**Indemnitees**"), harmless from any and all liability for damage, including, but not limited to, the reimbursement of attorneys' fees and costs, arising out of death or bodily injury to persons or damage to property, in such amount that is represented by the degree or percentage of negligence or fault attributable to the Consultant and/or its agents, representatives, subcontractors, or suppliers.

4.2 Insurance Requirements. The Consultant shall procure, at its sole cost and expense, the insurance coverages set forth below, which insurance shall be placed with insurance companies rated at least "A:XIII" by A.M. Best Company. The Consultant shall give notice to the District at least thirty (30) days prior to the cancellation or nonrenewal of such policies. The Consultant shall give notice to the District within five (5) business days, or as soon as practicable, of any modification of any such policies. Consultant's cost of maintaining the insurances required hereunder shall not be considered a reimbursable expense of the Consultant. The Consultant shall, upon request, promptly furnish the District with copies of policies obtained pursuant to this Section 4.2. Prior to commencing the Services, the Consultant shall furnish the District with certificates evidencing such insurance and provided further, however, with respect to the Workers' Compensation Insurance required below, the Consultant must furnish to the District, prior to the commencement of any Services, duly executed and validated forms as prescribed by the state authority having jurisdiction evidencing that such insurance is in full force and effect. The District shall not pay any invoices until Consultant provides the certificates evidencing such insurance and Workers' Compensation coverage.

(a) Liability Insurance Coverage.

(i) Workers' Compensation Insurance. A Workers' Compensation Insurance Policy in form and substance reasonably acceptable to the District and in an amount not less than the statutory benefits, including Employer's Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident; (ii) \$500,000 for bodily injury by disease, each employee; and (iii) \$500,000 aggregate liability for disease. The Workers' Compensation Insurance Policy, or an endorsement to such policy, must include a waiver of subrogation in favor of the District.

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the insurance policy or policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property Damage Liability; Contractual Liability supporting the Consultant's indemnification agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

(iii) Automobile Liability Insurance. An Automobile Liability Insurance Policy written on a per accident basis, in form and substance reasonably acceptable to the District. The Automobile Liability Insurance Policy must provide coverage for all owned, hired, rented and nonowned automobiles, and must include uninsured motorist coverages. The Automobile Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each accident for bodily injury and/or property damage.

(iv) Excess Liability Insurance. An Excess Liability Insurance Policy written in excess of the coverages provided by the insurance policies described in the preceding Subsections 4.2(a)(i) - (iii), in form and substance reasonably acceptable to the District, which policy will include the District as additional insured. The Excess Liability Insurance Policy must be written with a combined single limit of not less than \$1,000,000 for each occurrence of bodily injury/or property damage and annual aggregate.

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Consultant fails to furnish and maintain insurance as required by this Section 4.2, the District may purchase such insurance on behalf of the Consultant and deduct the cost of such insurance premium(s) from the compensation otherwise owed to the Consultant, and the Consultant shall furnish to the District any information needed to obtain such insurance. Except as otherwise expressly provided herein, all insurance policies required by the terms of this section shall be kept in full force and effect until the date of final payment to the Consultant for the Services specified in this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the foregoing insurance requirements are in no way intended to, and will not in any manner, limit or qualify the liabilities and/or indemnities assumed by the Consultant under or pursuant to this Agreement.

(c) Effect of Approval or Acceptance of Insurance. District acceptance and/or approval of any or all of the insurances required hereunder does not and shall not be construed to relieve Consultant from any obligations, responsibilities or liabilities under this Agreement.

V. MISCELLANEOUS

5.1 Assignment. The Consultant shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and of no effect.

5.2 Modification; Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto; provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the District or the Consultant unless the same is in writing and duly executed by the Parties.

5.3 Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

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

5.5 Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the State District Court in and for the County of Arapahoe, Colorado.

5.6 Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

5.7 Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the Consultant any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the Consultant shall be for the sole and exclusive benefit of the District and the Consultant.

5.8 Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via FedEx or other nationally recognized overnight air courier service, by electronically-confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To District: CitySet Metropolitan District No. 2
141 S. Union Blvd., #150
Lakewood, CO 80228
Phone: 303.987.0835
Email: dsolin@sdmsi.com
Attn: David Solin

With a Copy To: McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203
Phone: 303 592.4380
Email: legalnotices@specialdistrictlaw.com

To Consultant: Powder Country, L.L.C.
9778 Mayfair Street, Suite B
Englewood, CO 80112
Phone: 303.447.0090
Email: Shane@powdercountry.net
Attn: Shane Landenberger

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with FedEx or other nationally recognized overnight air courier service, upon electronic confirmation of email transmission, or three (3) business days after deposit in the United States mail. By giving the other Party hereto at least ten (10) days' written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

5.9 Default/Remedies. If either Party fails to perform any of its responsibilities, obligations or agreements to be performed in accordance with the provisions of this Agreement, and if such failure of performance continues for a period of thirty (30) days following written notice of default from the other Party (or such additional period of time as may reasonably be required to cure such default: provided that the curative action is commenced within such thirty (30) day period and is diligently and continuously pursued to completion), then the non-defaulting Party, at its option, may elect (i) to treat this Agreement as remaining in full force and effect; or (ii) terminate this Agreement as of any specified date. The non-defaulting Party shall additionally be entitled to exercise all remedies available at law or in equity. In the event of any litigation or other proceeding to enforce the terms, covenants or conditions hereof, the non-defaulting Party in any such litigation or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

5.10 Instruments of Further Assurance. Each Party covenants it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

5.11 Compliance with Law. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and regulations of the jurisdiction in which the Agreement is performed. The Consultant declares it has complied and will comply with all federal, state and local laws regarding business permits, certificates and licenses required to perform the Services.

5.12 Non-Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed to be a waiver of any subsequent default hereunder. Notwithstanding any provision to the contrary in this Agreement, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of any of the immunities, rights, benefits or protection provided to the District under the Colorado Governmental Immunity Act.

5.13 Inurement. This Agreement shall inure to and be binding on the heirs, executors, administrator, successors, and permitted assigns of the Parties hereto.

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

5.15 Conflicts. If any term or provision(s) in any Exhibit attached as part of this Agreement conflicts with any term or provision(s) in the body of this Agreement, the term or provision(s) contained in the body of this Agreement shall control.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO SERVICE AGREEMENT]

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

Consultant:
POWDER COUNTRY LLC

By: _____
Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

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

Witness my hand and official seal.

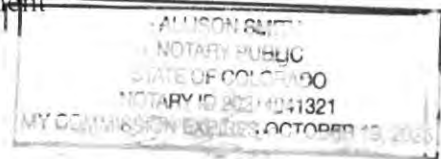
My commission expires: _____

Notary Public

District:
**CITYSET METROPOLITAN DISTRICT
NO. 2**

By: _____
President

STATE OF COLORADO)
) ss.
COUNTY OF Denver)



The foregoing instrument was acknowledged before me this 28 day of April, 2023, by Jason Gaede, as President of CitySet Metropolitan District No. 2.

Witness my hand and official seal.

My commission expires: October 19, 2025

Notary Public

[SIGNATURE PAGE TO SERVICE AGREEMENT]

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

Consultant:
POWDER COUNTRY LLC
By: Kathleen Bronson
Its: Vice President of Operations

STATE OF COLORADO)
) ss.
COUNTY OF Douglas)

The foregoing instrument was acknowledged before me this 16 day of May, 2023, by Kathleen Bronson as VP of OPS of Powder Country.

Witness my hand and official seal.

My commission expires: 10/27/2025

Stacy Becroft
Notary Public

STACY BEECROFT
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174044338
MY COMMISSION EXPIRES OCTOBER 27, 2025

District:
CITYSET METROPOLITAN DISTRICT
NO. 2

By: _____
President

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

ALLISON SMITH
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20170413321
MY COMMISSION EXPIRES OCTOBER 15, 2025

The foregoing instrument was acknowledged before me this 28 day of April, 2023, by Jason Gaede, as President of CitySet Metropolitan District No. 2.

Witness my hand and official seal.

My commission expires: October 19, 2025

Jason Gaede
Notary Public

EXHIBIT A
SCOPE OF SERVICES/COMPENSATION



2023 LANDSCAPE MAINTENANCE CONTRACT

For

City Set Metro District

THIS AGREEMENT is between City Set Metropolitan District No. 2 _____, hereinafter called "owner," whose address is: 141 Union Blvd. Suite 150 Lakewood, Co. 80228 and **POWDER COUNTRY, LLC.** hereinafter called "Contractor," whose address is 9778 Mayfair st. Suite B, Englewood CO. 80112

1. **DESCRIPTION OF THE WORK:** Contractor will furnish all labor, tools, specialized equipment, supervision and transportation required to maintain the landscape in an attractive condition throughout the year (hereinafter call "The Service") upon the following described real property:

600 S. Colorado Blvd, Glendale, Co. 80246.

2. Work will be separated into two categories: Base or scheduled services and extras. Scheduled services include: 1) Lawn Care Service (Mowing, trimming & edging), 2) Fertilization, 3) Aeration, 4) Shrub Care/Seasonal Clean-ups, and 5) Irrigation Activation/De-Activation. Extras might include, but are not limited to, mulch, thatch removal, irrigation repairs, spraying to control insects and disease, additional landscaping or colorscaping (annual plantings) and snow removal. The project will be maintained according to technical specifications and addenda prepared by Powder Country, L.L.C. the Professional Grounds Management Society and generally accepted industry practices as described herein and known as the "Technical Specifications".
3. **PAYMENT:** Owner will pay Contractor the sum of **\$14680.00** in 8 equal installments of **\$1835.00** This will constitute the base contract price. Any invoices which become past due arising out of or relating to this contract will be charged a **SERVICE CHARGE** of the greater of \$10 or 2% per month on the past due balance.
4. **TERM:** The term of this agreement shall be for 12 months beginning April 1st 2023
5. **DELAY:** The contractor shall not be held liable for delays in completion of contracted items, due to, but not limited to: acts of God; acts of owners; weather conditions, acts of public utilities; or any other unforeseen items beyond the reasonable control of the contractor.
6. **EXTRA WORK:** Should the owner, construction lender, or any public body or inspector direct any modification or addition to the base services under section 1 covered by this contract, the contract price shall be adjusted accordingly. Modifications or additions to the work shall be executed only when authorized by the owner or owner's representative. Where there is a dispute in regard to changes in contract price, then said changes in contract price shall be the Contractor's actual cost for all labor, equipment, subcontractors and materials plus 25%. In the event that gasoline prices should rise above \$3.50 a gallon, a fuel surcharge will be applied.
7. **INSURANCE:** Contractor shall carry and pay for (1) Worker's Compensation Insurance, and (2) Comprehensive General and Automobile Liability Insurance providing bodily injury and property damage coverage including contractual liability coverage. The Contractor shall furnish Owner with copies of said policies and expiration dates, upon request.
8. **RIGHT TO STOP WORK:** Contractor shall have the right to stop work if any payment shall not be made timely to Contractor under this agreement. Contractor may keep the job idle until all payments due are received.
9. **CLEAN UP:** Upon completion of the work, Contractor will remove debris and surplus material created by its operation from Owner's property and leaves it in a neat and clean condition.
10. **ASSIGNMENT:** Neither party may assign this contract without written consent of the other party.

11. **ATTORNEY FEES:** In the event the parties hereto become involved in litigation, the court in such litigation, or in separate suit, shall award reasonable costs, expenses and attorney's fees to the prevailing party. The court shall not be bound by any court fee schedule, and may, in the interest of justice, award the full amount of costs, expenses and attorney's fees incurred in good faith. Should it become necessary to refer this account for collection, owner hereby agrees to pay all reasonable attorney fees, court costs, and any other expenses of collection incurred by the contractor.
12. **TERMINATION:** Either party may terminate this agreement without cause, by sending written notice to the other party at the respective address herein stated. Notice is to be given at least 30 days prior to effective date of termination. Full payment for services performed or material provided becomes due and payable on, or before, date of termination.
13. **ARBITRATION:** Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration in accordance with the procedures of the Arbitration Committee of the Associated Landscape Contractors of Colorado, and judgment upon the award rendered by the Arbitrator(s) may be entered in any Court having jurisdiction thereof.
14. **NOTICES:** All notices required hereunder shall be in writing and shall be sent by United States certified return-receipt requested mail.
15. **SUBSTITUTE WORK:** The parties acknowledge the possibility that drought conditions may make impossible, imprudent or unnecessary for Contractor to provide certain of the Service described in Section 1 above, from time-to-time or during the entire year. By way of example and not limitation, drought may prevent operation of irrigation system as anticipated, or may make turf mowing and/or aeration unnecessary or imprudent. In that event, and upon request of the owner, Contractor agrees to consult with the owner and jointly identify Substitute Service to be accomplished by Contractor, of a nature that can be reasonably accomplished with the labor that Contractor would have used to accomplish the Service, or a substitute labor reasonably available to Contractor. In such event, the parties will enter to a Temporary Substitute Schedule A. By way of example and not limitation, such Substitute Service may involve hand watering of trees and/or shrubs, waterway maintenance and improvements, work toward creation of Xeriscape areas and removal of turf overlying greenbelt pathways. The dollar value of the Substitute Service agreed upon shall be roughly equivalent to, but not greater than, the dollar value of the Service. The owner shall be given a credit for materials scheduled for but not used in any Service, and/or offset against the cost of materials actually used in Substitute Service.

DATE: 03/14/2023__

DATE: _____

OWNER: POWDER COUNTRY, LLC

OWNER: _____

BY: Shane Landenberger

BY: _____

TECHNICAL SPECIFICATIONS

MOWING: Mow all turf areas weekly, or as needed, during the growing season. The contractor will determine mowing height. Frequency of mowing will vary in the spring and fall, due to seasonal weather conditions and growth rate of turf. Grass catches will be used only if there is a specific need and will be used at the discretion of the contractor. Excessive clippings will always be removed from the turf. Contractor reserves the right to leave unmowed any areas that would be unsafe to mow due to but not limited to the following: Areas in use at the time of mowing by large groups, areas excessively wet due to improper drainage not caused by the contractor, areas under construction or areas with large concentrations of pet droppings.

TRIMMING: Trim all turf areas inaccessible to mowing equipment as needed to maintain a neat, well-groomed appearance. Where practical, contractor may use an approved herbicide and/or growth regulator around fences, trees and other obstacles that may be damaged by the repeat use of string trimmers. After mowing operations are completed, all grass clippings will be blown and/or removed from the walks, drives and other common areas.

EDGING: Edging of walks, curbs, swimming pool decks, will be done through the use of a steel blade edger. Edging is limited to concrete areas, in order to avoid damage to irregular asphalt, flagstone, brick, wood walks and decks. Concrete drainage pans/spillways will not be edged, unless otherwise specified.

DEBRIS REMOVAL: Normal debris and trash will be removed as part of the contracted services. This, however, does not include the clean up of drives unless otherwise directed as an addition to this contract. The clean up of debris due to vandalism, dumping, improperly contained dumpsters, pet droppings, and acts of God will be extra to this contract.

TURF FERTILIZATION: Fertilize all turf areas four times during the mowing season. Provide a quality-balanced fertilizer. In the event iron is used in the fertilizer formulation, clean fertilizer off all sidewalks, patios, pool decks, etc. to minimize the possibility of iron stains. However, even the utmost care some staining may still occur and is not the responsibility of the contractor. Weeds in the grass areas will be spot sprayed as needed.

AERATION: Every attempt shall be made by the contractor to avoid obstacles such as but not limited to sprinkler heads, piping, valve boxes, electrical lines and invisible dog fences. Therefore, the contractor shall not be held accountable for damage to obstacles in the landscape except where there is gross negligence on the part of the contractor. Contractor shall use core type aerification equipment that shall provide at least 1" of penetration; cores shall be left on site to be re-incorporated in the landscape.

SHRUB CARE: Contractor shall prune shrubs on the property, with the exception of plant material over eight feet in height. Plant material over eight feet will be handled on a time and materials basis unless otherwise specified. Prune plants in accordance with regularly accepted industry standards for pruning. Pruning is done to promote healthy growth; to prevent weak or abnormal limb structure; to control unwanted leggy growth and to maintain the natural growth habit of plants. In order to prevent damage by mowers and trimmers to trees and shrubs planted in turf areas, provide and maintain a grass free area around all trees and shrubs. Contractor assumes no liability for damage to trees and shrubs not properly protected. Due to the variable and unpredictable nature of insect and disease problems, trees and shrubs will be sprayed on a time and materials basis as directed by owner.

SEASONAL CLEAN-UPS: Contractor will provide the following two seasonal services: a spring clean up which includes perennial care, raking and light adjustments needed within the beds. A fall clean up to include perennial care, shrub shaping, weeding, debris removal and leaf raking.

IRRIGATION ACTIVATION: Contractor will activate the irrigation system at the appropriate time when irrigation is required. Activation occurs usually between April and May depending on weather conditions. At the time of activation, all necessary repairs will be made to make the system operational. Repairs will be done on a time and materials basis.

IRRIGATION DE-ACTIVATION: Winterize the system at the appropriate time as determined by the contractor, usually between October 15 and December 1. Winterize water lines by use of compressed air and will be performed on a time and materials basis.

Initials _____

SERVICE FREQUENCY SUMMARY:

Services	Frequency
Lawn Mowing, Trimming, Blowing	26
Edging – Steel Edge Along Walks & Curbs	13
Lawn Aeration	2
Native Mowing	0
Native Beauty Band Mowing	0
Lawn Fertilization	3
Lawn Pre-Emergent Weed Control	1
Lawn Post-Emergent Weed Control	1
Bed Pre-Emergent Weed Control	1
Bed Management (Manual & Post-Emergent Chemical Weed Control, Perennial Maint.)	26
Sidewalk & Driveway Weed Control	26
Tree/Shrub Fertilization	0
Pest/Disease Control	0
Site Visitation/Inspections	6
Shrub Pruning (Aesthetic, Shaping)	2
Tree Pruning Under 8' (Clearance, Suckers)	1
Sprinkler Activation	1
Sprinkler-Certified Backflow Testing	0
Sprinkler Monitoring	6
Sprinkler-Meter Reading, Usage Tracking	0
Sprinkler Winterization	1
Sprinkler-Winter Backflow Wrapping	0
Growing Season Debris Removal (Landscaped Areas)	26
Dormant Season Debris Removal (Landscaped Areas)	12
Dumpster Enclosure Debris Removal	0
Pet Waste Station Maintenance (Restock Pet Waste Stations)	0
Pet Waste Trash Can Maintenance (Remove Pet Waste from Designated Trash Cans)	0
Spring Cleanup (Landscaped Areas – Includes Cutting Back Perennial Grasses)	1
Fall Cleanup (Landscaped Areas – Includes Cutting Back Perennial Flowers)	1
Water Feature Spring Start-up and Clean-out	0
Water Feature Maintenance (Inspection for Proper Operation and Chemical Application)	0
Water Feature Shut Down/ Winterization	0
Winter Tree Wrapping	Optional
Winter Tree Watering	Optional

Itemized Services

QUANTITY	SERVICE DESCRIPTION	UNIT PRICE	PACKAGE PRICE
26	Lawn Maintenance: Weekly mowing, trimming, and blowing	\$235.00	\$6,110.00
13	Edging – Steel Edge Along Walks & Curbs (Included)	\$0.00	\$0.00
3	Fertilization: Three professional grade applications per year	\$300.00	\$900.00
2	Aeration: Spring & Fall (refer to addendum for details)	\$250.00	\$500.00
1	Sprinkler Activation: Labor only	\$180.00	\$180.00
1	Sprinkler De-activation: Labor Only	\$350.00	\$350.00
6	Sprinkler Monitoring & Check: Labor Only	\$90.00	\$540.00
12	Dormant Season Debris Removal (Landscaped Areas)	\$150.00	\$1,800.00
2	Clean-ups: Spring & Fall: remove fallen leaf material	\$2,150.00	\$4,300.00
		Subtotal	\$14,680.00
ADDITIONAL AVAILABLE SERVICES NOT INCLUDED IN ABOVE PACKAGE:			
	Services listed below will be billed after work is performed.		
	Field Mowing: mow native areas of property	\$0.00	\$0.00
	Fungicide and Insectide Turf Applications: please call	\$0.00	\$0.00
	Sod Removal & Replacement: (200 SF minimum)	\$0.00	\$0.00
	Overseeding: Perennial Rye / Kentucky Blue Mix	\$0.00	\$0.00
	Hand Weeding: \$45.00 / hour (2 hour minimum)	\$0.00	\$0.00
	Irrigation Repairs: \$75/hour (does not include materials)	\$0.00	\$0.00
	Rototilling: \$65 / hour (2 hour minimum)	\$0.00	\$0.00
	Additional cleanups (2 hr min.) - Equipment & Dump Fees Extra	\$0.00	\$0.00
	Landscape Lighting Maint.: \$75/hr (does not include materials)	\$0.00	\$0.00
	Annuals: 100 Flats: Includes soil amendment, fertilizer, winter removal	\$0.00	\$12,713.75
	Fall Bulbs & Winter Pansies (call for quote)	\$0.00	\$0.00
	Retention pond clean up	\$350.00	\$0.00
		Subtotal	\$12,713.75
COMMENTS OR SPECIAL INSTRUCTIONS:		TOTAL	\$27,393.75

Hourly Rates and fees

General Labor	<u>\$45.00</u>
Mowing / Trimming Including Equipment	<u>\$65.00</u>
Landscape Lighting Maintenance	<u>\$75.00</u>
Supervisor with Truck	<u>\$75.00</u>
Water Feature / Certified Technician	<u>\$75.00</u>
Irrigation Technician	<u>\$75.00</u>
After Hours Emergency Calls – 2 Hour Minimum	<u>\$75.00</u>
Winter Watering	<u>\$55.00</u>
Chemical Application	<u>\$85.00</u>
Certified Backflow Testing (Per Backflow)	<u>\$85.00</u>
Holiday Lighting	<u>Ask for Pricing</u>
Parking Lot Sweeping	<u>Ask for Pricing</u>

Powder Country LLC. hours of operation are Monday through Friday 8:00a.m. – 5:00p.m. Services performed on Holidays will be billed at 2 times the normal rate. A one-hour minimum charge per person applies.

EXHIBIT B
FORM OF CHANGE ORDER

Change Order No:	Date Issued:
Name of Agreement:	
Date of Agreement:	District(s):
Other Party/Parties:	

CHANGE IN SCOPE OF SERVICES (describe):
--

CHANGE IN AGREEMENT PRICE:	CHANGE IN TERM OF AGREEMENT:
Original Price: \$ _____	Original Term: Expires _____, 20____
Increase of this Change Order: \$ _____	New Term: Expires _____, 20____
Price with all Approved Change Orders: \$ _____	Agreement Time with all Approved Change Orders: _____

APPROVED:	APPROVED:
By: _____	By: _____
District	Consultant


CHANGE ORDER

Change Order No: 1	Date Issued: March 28, 2022
Name of Agreement: Service Agreement for Landscape Maintenance	
Date of Agreement: January 1, 2023	District(s): CitySet Metropolitan District No. 2
Other Party/Parties: Powder Country LLC	

<p>CHANGE IN SCOPE OF SERVICES (describe):</p> <p style="text-align: center; margin-top: 20px;">Planting and Maintenance of 2023 Summer Annuals - 100 flats, soil amendment, fertilizer and winter removal</p>

CHANGE IN AGREEMENT PRICE:	CHANGE IN TERM OF AGREEMENT:
Original Price: \$14,680.00_	Original Term: Expires _____, 20__
Increase of this Change Order: \$ 12,713.75	New Term: Expires _____, 20__
Price with all Approved Change Orders: \$27,393.75	Agreement Time with all Approved Change Orders:

APPROVED:
By: <i>Jason Gaede</i>
District

APPROVED:
By: 
Consultant

Title	CitySet 2023 Summer Annuals Planting
File name	CO# 1 (Annuals) 2...ICE AGREEMENT.pdf
Document ID	dc9ee2ef7aefb1e0f630a688a30ea8a5775c90ed
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document History



SENT

03 / 28 / 2023

21:07:56 UTC

Sent for signature to Jason Gaede (jgaede@sbcos.com) and Katie Bronson (katie@powdercountry.net) from dsolin@sdmsi.com
IP: 50.78.200.153



VIEWED

03 / 28 / 2023

21:19:52 UTC

Viewed by Katie Bronson (katie@powdercountry.net)
IP: 172.58.62.145



SIGNED

03 / 28 / 2023

21:20:52 UTC

Signed by Katie Bronson (katie@powdercountry.net)
IP: 172.58.62.145



VIEWED

04 / 24 / 2023

19:44:16 UTC

Viewed by Jason Gaede (jgaede@sbcos.com)
IP: 184.74.247.67



SIGNED

04 / 27 / 2023

04:10:03 UTC

Signed by Jason Gaede (jgaede@sbcos.com)
IP: 12.26.31.140



COMPLETED

04 / 27 / 2023

04:10:03 UTC

The document has been completed.

CHANGE ORDER

Change Order No: 2	Date Issued: May 22, 2022
Name of Agreement: Service Agreement for Landscape Maintenance	
Date of Agreement: January 1, 2023	District(s): CitySet Metropolitan District No. 2
Other Party/Parties: Powder Country LLC	

CHANGE IN SCOPE OF SERVICES (describe):


Planting and maintenance of two replacement trees, per attached estimate #1126, dated May 19, 2023, and revised to \$1,000 by Katie Bronson on May 22, 2023.

CHANGE IN AGREEMENT PRICE:	CHANGE IN TERM OF AGREEMENT:
Original Price: \$14,680.00	Original Term: Expires _____, 20__
Increase of this Change Order: \$ 1,000.00	New Term: Expires _____, 20__
Price with all Approved Change Orders: \$28,393.75	Agreement Time with all Approved Change Orders: _____

APPROVED:

By: *Jason Gaede*
District

APPROVED:

By: 
Consultant



Powder Country LLC
 9778 Mayfair Street Suite B
 Englewood Co, 80112
 720-307-7799

Estimate

Date	Estimate #
5/19/2023	1126

Name / Address
City Set Metropolitan District c/o David Solin dsolin@sdmsi.com

Description	Qty	Rate	Total
<p>Repair and replacement of trees in grates on north side of building C including stump removal, soil amendment, delivery and installation of two Chanticleer Pear trees of 2"-3" caliper size and disposal.</p> <p>Irrigation will be billed as time and material as the condition of irrigation to the tree locations is unknown.</p>		1,400.00	1,400.00
		Total	\$1,400.00

Title	CitySet Replacement Trees near Dunkin'
File name	CO# 2 (Replacemen...ICE AGREEMENT.pdf
Document ID	812d3238cb2c5c6c199c40940a82dff9220d7bbd
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document History



SENT

05 / 22 / 2023

18:50:14 UTC

Sent for signature to Jason Gaede (jgaede@copfordcm.com) and Katie Bronson (katie@powdercountry.net) from dsolin@sdmsi.com
IP: 50.78.200.153



VIEWED

05 / 22 / 2023

19:12:13 UTC

Viewed by Katie Bronson (katie@powdercountry.net)
IP: 172.58.59.212



SIGNED

05 / 22 / 2023

19:12:44 UTC

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IP: 172.58.59.212



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05 / 22 / 2023

21:20:57 UTC

Viewed by Jason Gaede (jgaede@copfordcm.com)
IP: 208.45.237.226



SIGNED

05 / 23 / 2023

04:03:14 UTC

Signed by Jason Gaede (jgaede@copfordcm.com)
IP: 136.29.56.204



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05 / 23 / 2023

04:03:14 UTC

The document has been completed.



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PROPOSAL

OPP-23-013747

06 / 20 / 2023

Account Information
Account Name: Special District Mangement
Street Address: 600 S Colorado Blvd
City State Zip: DenverCO80246-1503

Contact Information
Contact Name: John Haubert
Contact Email: jhaubert@sdmsi.com
Contact Phone:

Rose Paving Information
Account Executive: Eric Leet
Email: eleet@rosepaving.com
Cell: 708-724-2614

Notes/Exclusions

This work could all be completed in 1 phase but given the amount of traffic and how busy this location is we will do this over 2 phases so we can be sure to keep tenants and customers less impacted by closures of areas for work. Crackseal and lot marking to be completed at night after hours.

PRICING TABLE

Service Line Name	QTY	U of M	Depth	Subtotal
Asphalt - Remove and Replace @ 6	1250	SF	6.00	\$13,539.53
Crackseal - Non-Routing	3498	LF		\$3,491.33
Lot Marking Restripe - Single Bays	273	Bays		\$2,351.00
Wheel Stops 6' Car Stop - Concrete	21	EA		\$2,499.95

Total

\$21,881.81



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PROPOSAL

CUSTOMER APPROVAL

Total Dollars Approved: **\$21,881.81**

Name:

Authorized Signature:

BILLING INSTRUCTIONS:

Scope Detail

Service Line Name	Service Description
Asphalt - Remove and Replace @ 6	<ul style="list-style-type: none"> -Saw-cut and excavate damaged asphalt to specified depth. -Remove debris to an approved facility. -Compact base material to unyielding condition. -Apply tack coat material to edges to help adhesion. -Install Hot Mix Asphalt to a specific depth. **Notes and Exclusions: -If asphalt depth is more than estimated, additional charges may apply. -If undercut is required because of unsuitable base, additional charges may apply. -If new covers or valves are needed, additional charges may apply. -If Petromat is found, additional charges may apply. -These repairs will not fix drainage issues. -See Terms and Conditions for warranty details.
Crackseal - Non-Routing	<ul style="list-style-type: none"> -Clean voids of all dirt and debris. -Install hot-pour, rubberized crackseal in cracks .25-1.0 inch wide. -Quantities are estimates based on SF and condition of lot. -Material will be ordered based on quoted quantity. -Does not include alligatored areas of pavement. -Does not include hair line cracking/surface cracking. -Note that crack fill leaves a black band on the asphalt -Sealcoat does not hide the black band and they will show over time. **Notes and Exclusions: -Our crackseal will be applied using the overband method to ensure proper coverage. -This is a preventative maintenance repair and should be budgeted on a recurring basis. -With time, the crackseal material will settle and cracks will re-open. -This repair carries no warranty.
Lot Marking Restripe - Single Bays	<ul style="list-style-type: none"> -Supply and install commercial-grade marking paint per manufacturer's specifications. **Notes and Exclusions: -Unless otherwise noted, crew will re-stripe parking lot per the existing layout. -Striping does not ensure ADA compliance. -This is a preventative maintenance repair and should be budgeted on a recurring basis. -Paint will fade over time – longevity depends on traffic, weather and condition of asphalt. -Warranty claims will be reviewed by the manufacturer, Rose Paving and the customer.



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PROPOSAL

Wheel Stops 6' Car Stop - Concrete	Install 21 concrete bumper blocks
---------------------------------------	-----------------------------------

Rose Paving Contract Terms & Conditions

- 1. ESCALATION:** This proposal is based on material costs at current market rates. Due to the current volatile market conditions for liquid asphalt that are beyond Rose Paving's control and in the event of future material price increases the responsible party agrees to pay for the escalation of material costs without a change order. This paragraph applies only to materials.
- 2. TIMING:** Due to fluctuation in the cost of raw materials, including but not limited to liquid asphalt, if the current date is past 15 days from the proposal date, customer should clarify that pricing is still valid.
- 3. CONTRACT DOCUMENTS:** Specification sheets, drawings and other documentation presented in this proposal shall be part of the contract. It is the responsibility of the customer's authorized representative to be aware of the terms and conditions stated herein and of the other contract documentation.
- 4. PAYMENT TERMS:** NET BALANCE DUE 30 DAYS AFTER COMPLETION OF WORK. Unpaid balances will accrue a late fee of 1% per month until paid in full. In the event of your failure to conform to the terms and conditions of this agreement, you hereby agree to pay Rose Paving LLC. all sums earned to date. Price reflects a 4% (four percent) discount for payments by cash or check.
- 5. DEPOSIT:** If contracted amount exceeds \$15,000.00, a deposit of 1/3 of the project price is required to schedule work unless noted otherwise in this agreement.
- 6. PERMITS AND FEES:** Owner is responsible for obtaining and paying for any required PERMITS, BONDS, and LICENSES, or plans required to obtain the aforementioned.
- 7. UNMARKED / UNDOCUMENTED UTILITIES:** The client shall be responsible for repairing any private utility lines damaged by Rose Paving during the course of this project which were unmarked, undocumented or non-conforming to prevailing codes. While Rose Paving shall be responsible for repairing utilities in situations where Rose Paving damaged marked, conforming private utility lines, Rose Paving shall not be held liable for additional costs associated with utility interruption regardless of whether the lines were marked and / or documented properly or not. The customer is responsible to call the utility company.
- 8. WORK ACCESSIBILITY:** The price(s) quoted herein is contingent upon the work area being free of any obstructions (vehicles, dumpsters, etc.) at the scheduled project start date and time. Rose Paving, reserves the right to adjust the agreed upon project price if the job conditions prevent Rose Paving work crews from starting on time and proceeding without interruption
- 9. SOIL CONDITIONS:** The proposed price is contingent on the existing subsoil or base being adequate to support the pavement work. Rose Paving shall not be held liable for failure due to poor subgrade, moisture or other unforeseen circumstances such as underground water springs, contaminated soil, etc. If failure does occur, Rose Paving will notify agent or owner for inspection.
- 10. WATER DRAINAGE:** On projects where the natural fall of the land is less than 2%, Rose Paving cannot guarantee that there will be total water drainage on pavements. After repair and Rose Paving shall not be held liable for ponding or retention in surrounding areas. On projects where the scope of work includes an overlay, the overlay will follow the contour of the existing base surface and Rose Paving cannot guarantee and will not be liable for drainage issues in the work area or surrounding areas.
- 11. CLEANING EXPENSES:** The owner understands that the work called for in this agreement is a messy process. The parties agree that Rose Paving is not responsible for cleaning, repairing, or replacing any concrete, carpet, floor, passageway, etc., that is soiled or stained by anyone other than Rose Paving employees.

12. INDEMNITY: Rose Paving agrees to complete its work in a safe and workmanlike manner, and to take appropriate safety precautions. However, once installation is complete and customer takes possession of the work area, Owner/Customer understands and agrees that Rose Paving cannot be responsible for materials, area maintenance and safety, and therefore Owner/Customer assumes all responsibility in this regard, including but not limited to any and all personal injuries, deaths, property damage, losses, or expenses related to or in any way connected with the materials or services provided. To the fullest extent allowed by law, Owner/Customer agrees to indemnify, defend and hold Rose Paving and its agents harmless from any and all loss, expense, liability, or attorneys' fees in connection with any such damages or injuries occurring thereafter. Nothing contained within this paragraph means, or should be construed to mean that Rose Paving or others shall be indemnified for their own negligence.

13. CHOICE OF LAW & VENUE: To the fullest extent permitted by law, each provision of this contract shall be interpreted in such manner as to be effective and valid under the laws of the State of Project and corresponding Choice of Law indicated below without regard to that state's conflict of laws principles, and venue and jurisdiction for any dispute under this agreement shall rest in the Venue and Jurisdiction identified:

	State of Project	Choice of Law	Venue and Jurisdiction
A.	Arizona	Arizona	Superior Court of Maricopa County or the United States District Court District of Arizona-Phoenix
B.	California	California	Superior Court of California County of Los Angeles or the United States District Court Central District of California
C.	Florida	Florida	Circuit Court of Hillsborough County Florida or the United States District Court Middle District of Florida
D.	Illinois	Illinois	Circuit Court of Cook County or Northern District of Illinois
E.	Tennessee	Tennessee	Davidson County Circuit Court or the U.S. District Court Middle District of Tennessee Nashville Division
F.	All other states	Illinois	Circuit Court of Cook County or Northern District of Illinois

14. ATTORNEY FEES & COSTS: In the event Rose Paving places any amounts owed under this proposal for collection with either a collection firm or attorney, Rose Paving shall be entitled to reasonable collection fees, attorneys fees and costs.

15. TAXES: All taxes are included in proposal price unless otherwise specified.

16. MATERIAL & WORKMANSHIP: All material is guaranteed to be as specified. Unless otherwise specified within this Proposal, Rose Paving warrants workmanship and materials for a period of 1 year from the date of completion. All work shall be completed in a workmanlike manner according to standard practices. Any alteration or deviation from the above specifications involving extra cost will be executed only upon written orders, and will become an extra charge over and above the amount set forth above. We shall not be responsible for delays caused by strikes, accidents, weather or other contingencies beyond our control. Our workers are fully insured.



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PROPOSAL

17. CONSENT TO USE OF PHOTOGRAPHS, IMAGES AND VIDEOS: Customer consents to Rose Paving using images and videos of jobsite as a described in proposal or any work order, for use in Rose Paving promotional, marketing and training materials. Rose Paving shall have right to use the name, logos, trademarks, trade names, service marks or other marks of customer to the extent any of the foregoing appear in photographs, images and videos of the jobsite.

18. NON-DISCLOSURE: Customer acknowledges that information in this Proposal, including but not limited to pricing, determination of scope of work, method for evaluating parking lots, and methods of repair, constitute and include Rose Paving's Confidential Information. This Proposal shall not be shared, distributed or disseminated to any other contractor and Customer acknowledges that should it violate this provision monetary damages will not be an adequate remedy and Rose Paving shall be entitled to injunctive relief in addition to any other remedy available in law or equity.

19. ALTERATIONS TO THIS PROPOSAL: Alterations or notations on or to this Proposal will not be valid unless accepted in writing by an authorized representative of Rose Paving.

20. SEVERABILITY OF TERMS: Should any part of this agreement be deemed unenforceable, the remaining terms shall be severable and separately enforceable and shall remain in full force

**As a duly authorized representative of Special District
Mangement, I agree to these Terms & Conditions**