



Lone Tree City Council Agenda Tuesday, June 17, 2014

Meeting Location: City Council Meeting Room, Lone Tree Civic Center, 8527 Lone Tree Parkway.

Meeting Procedure: The Lone Tree City Council and staff will meet in a public Study Session at 4:30 p.m. At 6:00 p.m. and following the meeting, if necessary, the Council Meeting will adjourn and convene in Executive Session. If an Executive Session is not necessary, Council will recess for dinner. The Regular Session will be convened at 7:00 p.m. Study Sessions and Regular Sessions are open to the public, Executive Sessions are not. Comments from the public are welcome at these occasions: 1. Public Comment (brief comments on items not scheduled for a public hearing) 2. Public Hearings. Contact the City Clerk if special arrangements are needed to attend (at least 24 hours in advance).

4:30 pm Study Session Agenda

1. Schweiger Ranch Funding Request
 2. LTAC Merchandise Commissions
 3. Resolution 14-XX, ADOPTING THE AMENDED CITY OF LONE TREE ADMINISTRATIVE FEE SCHEDULE
 4. Approval of Change Order #1 for Noraa Concrete Construction Corp Contract for Lincoln Bridge Repair
-

6:00pm Executive Session Agenda

1. Roll Call
 2. Executive Session
-

7:00pm Regular Session Agenda

3. Opening of Regular Meeting/Pledge of Allegiance
 4. Amendments to the Agenda and Adoption of the Agenda
 5. Conflict of Interest Inquiry
 6. Public Comment
 7. Announcements
 8. Consent Agenda
 - a. Minutes of the June 3, 2014 Regular Meeting
 - b. Claims for the Period of May 26 – June 9, 2014
 - c. Treasurer's Report for April 2014
 9. Community Development
 - a. Sky Ridge Medical Center SIP 10th Amendment (MOB3) #SP14-05R
 10. Public Works
 - a. Approval of Fehr and Peers Consultant Contract for the Community Wide Complete Streets Plan
 - b. Approval of Change Order #1 for Noraa Concrete Construction Corp Contract for Lincoln Bridge Repair
 11. Administrative Matters
 - a. **PUBLIC HEARING:** Hotel & Restaurant Liquor License for Perry's Steakhouse of Colorado, LLC d/b/a Perry's Steakhouse & Grille (8433 Park Meadows Center Drive, Suite D154)
 - b. Acceptance of 2013 Comprehensive Annual Financial Report
 12. Council Comments
 13. Adjournment
-

**MINUTES OF A REGULAR MEETING
OF THE COUNCIL OF THE
CITY OF LONE TREE
HELD
June 3, 2014**

A regular meeting of the Council of the City of Lone Tree was held on Tuesday, June 3, 2014, at 6:00 p.m., at the Lone Tree City Council Chambers located at 8527 Lone Tree Parkway, Lone Tree, Colorado 80124.

Attendance

In attendance were:

James D. Gunning, Mayor
Jacqueline Millet, Mayor Pro Tem
Harold Anderson, Council Member
Kim Monson, Council Member
Susan Squyer, Council Member

Also in attendance were:

Seth Hoffman, City Manager
Jennifer Pettinger, City Clerk
Steve Hebert, Deputy City Manager
Jeff Holwell, Economic Development Director
Chief Jeffery Streeter, Lone Tree Police Department
Kristin Baumgartner, Finance Director
Kelly First, Community Development Director
Lisa Rigsby Peterson, Lone Tree Arts Center Director
Neil Rutledge, Assistant City Attorney, White, Bear and Ankele, P.C.
John Cotten, Public Works Director, TST, Inc.

Call to Order

Mayor Gunning called the meeting to order at 6:13 p.m., and observed that a quorum was present.

Executive Session

Mayor Gunning announced City Council intends to convene in Executive Session. Neil Rutledge, Assistant City Attorney, stated the Executive Session is for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategies for negotiations, personnel matters, and/or instructing negotiators, concerning issues related to the light rail extension under C.R.S. Section 24-6-402 (4)(e). Council Member Anderson moved, seconded by

Council Member Squyer for City Council to recess and convene in Executive Session for the reasons stated. The motion passed with a vote of 5-0.

Council adjourned to an Executive Session at 6:14 p.m.

The Executive Session was adjourned at 6:21 p.m.

Mayor Gunning reconvened the meeting in Regular Session at 7:00 p.m., following a short recess.

Pledge of Allegiance

Mayor Gunning led those assembled in reciting the Pledge of Allegiance.

Amendments to the Agenda

Mayor Pro Tem Millet moved, Council Member Anderson seconded, to amend the agenda to add **Resolution 14-12, A RESOLUTION AUTHORIZING CITY STAFF TO NEGOTIATE THE PURCHASE OF LAND TO CONSTRUCT A PEDESTRIAN BRIDGE OVER LINCOLN AVENUE.** The motion passed with a vote of 5-0.

Conflict of Interest

There was no conflict of interest.

Public Comment

Bill Robertson, 9278 E. Aspen Hill Circle, reported Doug MacGregor is feeling better and hopes to return to Council meetings soon.

Announcements

Lindsay Nikolaeff, Youth Commissioner, gave Council an update on the Youth Commission.

Public Comment cont.

Tom Linn, 9481 Green Island Place, spoke to Council about his concerns regarding coyotes. He encouraged Council and management to see what they can do about eradicating the problem. Mayor Gunning offered to have staff and representatives from Department of Wildlife meet with Mr. Linn to explain the constraints of eradication.

Announcements cont.

Mayor Gunning announced upcoming events.

Consent Agenda

Mayor Gunning noted the following items on the Consent Agenda, which consisted of:

- § *Minutes of the May 20, 2014 Regular Meeting*
- § *Claims for the period of May 12-26, 2014*

Mayor Pro Tem Millet moved, Council Member Squyer seconded, to approve the Consent Agenda. The motion passed with a vote of 5-0.

Administrative Matters

RESOLUTION 14-12, A RESOLUTION AUTHORIZING CITY STAFF TO NEGOTIATE THE PURCHASE OF LAND TO CONSTRUCT A PEDESTRIAN BRIDGE OVER LINCOLN AVENUE

Neil Rutledge, Assistant City Attorney, introduced the item.

Council Member Anderson moved, Council Member Squyer seconded, to approve **Resolution 14-12, A RESOLUTION AUTHORIZING CITY STAFF TO NEGOTIATE THE PURCHASE OF LAND TO CONSTRUCT A PEDESTRIAN BRIDGE OVER LINCOLN AVENUE**. The motion passed with a vote of 5-0.

Adjournment

There being no further business, Mayor Gunning adjourned the meeting at 7:20 p.m.

Respectfully submitted,

Jennifer Pettinger, CMC, City Clerk



CITY OF LONE TREE
STAFF REPORT

Project Summary

Date: June 11, 2014

Project Name: Sky Ridge Medical Center, SIP 10th Amendment

Location: South of Lincoln Avenue and west of I-25

Project Type / #: Site Improvement Plan Amendment #SP14-05R, amending #SP00-40 to add a third medical office building.

Staff Contacts: Kelly First, Community Development Director

Meeting Type: Regular meeting

Summary of Request:

Amendment to the Site Improvement Plan (SIP) for Sky Ridge Medical Center for addition of a new medical office building.

Planning Commission Recommendation:

Unanimous approval, with two conditions recommended by staff.

Suggested Action:

Approval, subject to two conditions noted in staff report.



CITY OF LONE TREE
STAFF REPORT

TO: Mayor Gunning and City Council
FROM: Kelly First, Community Development Director
DATE: June 11, 2014
FOR: June 17, 2014 City Council Meeting
SUBJECT: Sky Ridge Medical Center, SIP 10th Amendment #SP14-05R

Owner:
HCA – HealthONE, LLC
d/b/a Sky Ridge Medical Center
10101 RidgeGate Parkway
Lone Tree, CO 80124

Representative:
Kevin Pasewalk
Davis Partnership Architects
2301 Blake Street Suite 100
Denver, CO 80205

Planning Commission Meeting Date: May 27, 2014
City Council Hearing Date: June 17, 2014

A. REQUEST:

Amendment to the Site Improvement Plan (SIP) for Sky Ridge Medical Center for construction of a third medical office building (MOB).

B. LOCATION:

Sky Ridge Medical Center is located west of I-25 in the RidgeGate Planned Development. The proposed medical office building is on the north side of the site near the parking structure, which is currently under construction.

C. BACKGROUND:

The original Sky Ridge Medical Center SIP was approved by the City in 2000 and included the hospital and two MOBs. The master plan for the campus anticipated future expansion of the hospital, additional MOBs and structured parking, subject to

approval of amendments to the SIP. Several amendments to the campus have been approved over the years, including hospital expansions in 2004 and 2007; a surface parking lot south of the campus in 2005; and, the Denver Air Life hangar and crew quarters building on the east side of the hospital in 2010. In 2013, the City approved a major SIP amendment at the campus that included expansion of the hospital, relocation of the detention pond and construction of a parking structure. The footprint of the proposed MOB was included on that SIP for purposes of site planning, landscape coordination and drainage and parking calculation, but details were deferred to a later SIP amendment.

D. DESCRIPTION:

The proposed medical office building is 128,000 square feet and four stories. It will include a pediatric emergency department, ambulatory surgery center and various women's and pediatric services. The building will be physically connected to the surgery expansion area of the hospital, providing an integration of services and interconnected system of circulation.

Zoning:

The site is zoned Planned Development (PD), and is located in the Commercial Mixed Use (C-MU) zone of RidgeGate. The proposed uses are permitted in that zone.

Subdivision:

The proposed MOB will be located on Lot 5 of the plat known as RidgeGate Filing 2, 2nd Amendment. As designed, a small portion of the building encroaches onto an adjacent lot. As a result, it is necessary to adjust the lot lines so that the MOB is located entirely on one lot. This is a separate application that is being processed administratively to adjust the lot line. There are no concerns with the adjustment, although it must be completed prior to final approval of this SIP. This is recommended in a condition of approval for tracking purposes.

Access:

A sublevel building entrance with adjacent vehicular drop off is provided on the north side of the building and is located across from the parking structure. The north entry will primarily be used by the MOB tenants. First floor building entrances on the south and west sides of the building serve different functions related to the Women's Center and Pediatric Emergency Department.

Pedestrians accessing the site from the north can enter the building at the north MOB entrance, or hospital entrance – both located across from the parking garage. A sidewalk system on the west side of the loop road provides access from outlying parking areas into the project entries. A traffic/circulation exhibit is attached for informational purposes.

The parking lot serving this MOB is accessed from the loop road on the project's west side. A one-way circular vehicular drop off is provided at the Women's Center entrance and crosswalks are demarked at other pedestrian crossings throughout the lot.

Parking:

The project is compliant with the City's parking standards. Although 75 parking spaces will be removed due to the new construction, there will be a total of 99 new parking spaces added. A new parking garage is currently under construction just north of this MOB. Bike racks are located within the parking garage. Overall, the campus is compliant with requirements, providing a total of 2,612 spaces.

A future light rail stop will be located immediately north of the campus, although the timing for completion is not yet confirmed. In the interim, the hospital is a key partner in the City's Circulator Shuttle Program, which will be operational this fall, and will provide transportation between the hospital and Lincoln Station. Similarly, Sky Ridge operates its own shuttle service that will continue to offer on-campus related services.

Grading:

Significant grade changes on this site are addressed through the building design and a large retaining wall that is needed to bring parking and utilities to grade with the main level building. The main retaining wall wraps along the loop road, with its highest point of about 15 feet located at the north side of the parking lot, tapering down in height toward the parking lot entry for the MOB. A portion of the wall also screens trash dumpsters and utility equipment located in the parking lot. This wall will be highly visible to those entering the campus from Sky Ridge Avenue and, as such, was the subject of much discussion at the RidgeGate Design Review Committee (DRC) meetings (minutes included). Efforts were made to reduce the height of the wall as much as possible and make it an attractive focal point. The highest point of the wall will be faced with natural Colorado stone in the same color and pattern used elsewhere throughout the campus and will contain signage for the campus. The remainder of the wall is predominantly brick, with pilasters, fencing and lighting details that also tie in with design elements used elsewhere on the campus.

A second retaining wall is needed on the northeast side of the building and will screen the building's generator. The wall is brick with a precast cap. At the request of the DRC, a steel screen cover will be added to the top of that well for safety and to reduce visual impacts of the generator from building occupants.

Building Design:

The proposed building design complies with RidgeGate and City Design Guidelines. The materials and colors are complementary to the overall context of the campus, and yet the building design is distinctive. The massing of the building is reduced through a base, middle, top and various articulations. Pilasters and window patterns

create a strong vertical rhythm and depth. Building entryways are accentuated with cantilevered canopies. Building materials are brick and curtain wall glazing. Rooftop mechanical units will be screened behind the building parapet.

Landscaping:

New landscaping and irrigation is compliant with City requirements. The RidgeGate DRC worked closely with the applicant to ensure that plant selection was well-suited to this particular climate and slope conditions. Vegetation has also been designed to accentuate architectural features including entryways and to soften the retaining wall.

As with any SIP amendment application, staff has inspected the existing site for landscaping violations and has worked with the applicant to identify and correct areas where trees must be replaced or added. Of note is that the “healing garden” located just east of the existing medical office building has been removed to accommodate construction equipment. The healing garden will be replaced in its entirety upon completion of this project. As is standard practice, all site landscaping will be inspected prior to issuance of final occupancy permits by the City.

Lighting:

Project lighting is compliant with City standards. The design of light fixtures matches those of the existing campus.

Trash:

Four trash dumpsters are located at the north end of the parking lot. Dumpsters will be screened from view by masonry walls and a metal gate system. The location of the dumpsters was the subject of considerable discussion at the RidgeGate DRC meetings, as the site presents limited options for a location that is both functional and reduces visual impacts. In the proposed location, the enclosure will be out of the drive aisle view corridor. Additionally, the applicant has coordinated with the trash service provider to ensure that the size and location is acceptable and to schedule service to occur prior to regular MOB hours to minimize conflict with MOB visitor traffic. A man door has been provided on the west side of the enclosure to allow access for daily trash drops without using the gates that would block traffic lanes.

E. SERVICE PROVIDERS:

Water:	Southgate Water District
Sanitation:	Southgate Sanitation District
Police:	Lone Tree Police
Fire:	South Metro Fire Rescue Authority
Metro District:	Rampart Range Metro District

F. PLANNING COMMISSION REVIEW:

Meeting Minutes:

The following has been taken directly from the minutes of the Planning Commission meeting held on May 27, 2014.

Sky Ridge Medical Center SIP, 10th amendment. Project SP14-05R.

Ms. Kelly First introduced the project, describing the nature of the application, project location, review process and staff recommendation, which is that the Planning Commission recommend approval of SP#14-05R with two conditions:

1. The SIP is subject to final approval by the City of Lone Tree Public Works Department.
2. Prior to final approval, the corresponding lot line adjustment for RidgeGate Section 15 Filing 2, 2nd amendment, shall be approved by the City and recorded.

Mr. Kevin Pasewalk, Davis Partnership Architects, provided an overview of the proposed medical office building, describing the site within the overall context of the medical campus, the access points, grade, building architecture and materials. He explained that the building will consist of the same brick as used elsewhere in the campus, although a darker color and added architectural detailing with brick have been introduced.

Commissioner Kirchner noted the various drop-off locations on the plan and asked for clarification on the routes to those areas. It was clarified that the route taken by the ambulances would be different than that of the other general traffic. He asked about the potential for traffic congestion. Mr. Pasewalk described how the majority of the traffic for the building will be separated based on the nature of the user. He described how the site will be signed appropriately to direct users. Commissioner Kirchner asked whether there were any thoughts about additional parking on the campus. Ms. Diane Cookson, VP of Business Development for Sky Ridge, responded that, although the site meets the City's minimum parking requirements, they are looking at several other scenarios to provide additional parking over time, and as they have the capital to construct.

Commissioner Godden pointed out a labeling error on the elevation sheet and clarified that the rooftop screening material will be metal. He also suggested that in cases like this where there is elevated parking adjacent to a roadway, it is important to consider how to reduce the potential for headlight glare from vehicles. He suggested that raising the height of the retaining wall may help with that. Mr. Matt Lackey, Gresham Smith Architects, stated that the wall had already

been raised another 6" to account for that issue. (This will be reflected on revised plans).

Commissioner Mikolajczak asked whether Sky Ridge was unique in providing so many different services at one location. The applicant replied that this is a fairly typical situation at major hospitals. The applicant responded to a question regarding the nature of the ambulatory service and said it was for transport. Commissioner Mikolajczak asked staff about the condition of approval regarding the corresponding lot line adjustment. Ms. First stated that it involves a minor adjustment of a lot line to ensure that the building is wholly within a single lot. Commissioner Mikolajczak inquired about the snow storage area being designated in the same area as the switch box location. Mr. Lackey responded that the unit is below grade and is completely encased so that no moisture will get in. Commissioner Mikolajczak inquired whether the healing garden would be installed back to the way it was or if there were other improvements planned. Mr. Lackey said it will be replaced more or less the way it was previously, with the exception of some changes associated with a new Linear Accelerator unit planned along the side of the second medical office building. Commissioner Mikolajczak said he was confused by the way some of the sections were labeled in the plans, and also asked why the site couldn't be sloped instead of using retaining walls. Mr. Lackey described the geometry and design of the walls in more detail and said there is approximately 11 feet of grade change on the site, which is too steep to get the parking to work otherwise. Commissioner Mikolajczak asked whether there would be special paving to help direct pedestrians where to go. Mr. Lackey responded there will be signage to direct people.

Commissioner Kline noted that most people approaching the site will notice the wall first rather than the building. He said he was initially concerned about the appearance of the wall but feels it has good detailing. He asked for clarification regarding the detail and drainage of the glass canopies on the building, to which Mr. Pasewalk provided clarification.

Commissioner Steele commented that the project is an asset to the Community and is very attractive. He said he wanted to inquire further about the drop off issue that had been raised earlier. He asked how much of the building would be a pediatric focus. Mr. Pasewalk responded that it will be all for women and children's services, with the pediatric emergency use taking up about half of the first floor. Commissioner Steele commented that there is often anxiety associated with a hospital visit and wondered if the design could be more children-friendly to soften it and make it a more friendly experience. Mr. Pasewalk noted that they are aware of the user-base but wanted the exterior of the building to tie in with the rest of the campus. He said the interior of the building will have curvilinear forms and shapes and colors that are friendly. Commissioner Steele asked if children would be dropped off at this location rather than the existing emergency drop off at the hospital. The applicant confirmed that is the case. Commissioner

Steele said that the circulation diagram was useful on paper but people will take the shortest route. He expressed concern that signage was not included in the packet for Planning Commission review. Ms. First noted that signage is reviewed and approved by the City separately on an administrative basis. Commissioner Steele asked about the flow of water on the site. Mr. Lackey described how the sheet flow and routing to the detention pond maintains the existing drainage pattern.

Chair Sippel said it was difficult to get oriented at the site because of all the construction. She said the video clip was helpful but asked that the renderings in the packet be labeled with the direction they are taken from. She asked Darryl Jones, Coventry Development, whether the DRC was satisfied with applicant's responses to the issues raised in the DRC approval. Mr. Jones responded yes. She noted that the landscape plan calls for Cologreen junipers and questioned how well they can be established in the area near the retaining wall. She suggested that a landscape architect be consulted on that matter. Ms. Julie Eck, of David Partnership Architects, responded that they have used this landscape treatment elsewhere with success.

Commissioner Mikolajczak said he was curious why the dumpsters needed to be outside in the parking lot area at all and whether there was a more central location on the campus. Mr. Pasewalk responded that the surgery center would be producing a lot of waste and the location was convenient for the users of the building. He said that each medical office building has its own dumpsters. He clarified that hazardous waste is handled according to strict requirements and has a special pick up. Commissioner Mikolajczak said he likes the distinctiveness of the architecture and the spatial relationships of the windows and pilasters. He thinks the glass canopies are a nice feature.

Commissioner Steele asked where the circulator shuttle would pick up and drop off. Ms. Cookson said that would occur at the main entrance to the hospital.

Chair Sippel asked staff about the overall condition of the landscaping throughout the campus. Ms. First said there would be a final check of landscaping to ensure there are no violations outstanding prior to final certificates of occupancy.

Commissioner Kirchner motioned to approve SP#14-05R with the following two conditions:

1. The SIP is subject to final approval by the City of Lone Tree Public Works Department.
2. Prior to final approval, the corresponding lot line adjustment for RidgeGate Section 15 Filing 2, 2nd amendment, shall be approved by the City and recorded.

Commissioner Kline seconded the motion, which passed unanimously.

Staff note: Since the Planning Commission meeting, plans have been revised to address Planning Commission comments.

G. REFERRALS:

Referrals were provided to all Lone Tree Homeowners Associations and key review agencies. There were no significant concerns raised as part of the referral process. Comments of a general and instructional nature were provided by the City Engineer, Fire District and Tri-County Health.

The RidgeGate Design Review Committee met on several occasions to review this project and work with the applicant to resolve issues related primarily to site and landscape design. The DRC conditionally approved the project on April 8th. Minutes from the meetings and applicant responses are included in the packet for reference. The DRC is satisfied with the application as presented.

H. STAFF FINDINGS AND RECOMMENDATIONS:

Staff finds that the SIP amendment, project # SP14-05R, meets the intent of the Site Improvement Plan section of the code, including conformance with the Comprehensive Plan, Zoning Code, Subdivision Code and the City's Design Guidelines.

Recommended Motion:

Staff recommends approval of #SP14-05R with the following conditions:

1. The SIP is subject to final approval by the City of Lone Tree Public Works Department.
2. Prior to final approval, the corresponding lot line adjustment for RidgeGate Section 15 Filing 2, 2nd amendment, shall be approved by the City and recorded.

END

City of Lone Tree

Department of Community Development
2220 Kimmer Drive Suite 100
Lone Tree, CO 80124
Ph: 303-708-1818 Fax 303-225-4949

DEVELOPMENT APPLICATION FORM

◆ OFFICE USE ONLY ◆

PROJECT NAME: SkyRidge Medical Center, 10th amend

PROJECT FILE # SP14-05R

REQUEST: SIP Mayor Amelt MOB3

SITE LOCATION:

(Nearest Intersections)

OWNER:

Name: MEDICAL OFFICE BUILDINGS OF COLORADO III, LLC

Address: CORPORATION SERVICE COMPANY 2711 CENTERVILLE ROAD SUITE 400

Phone:

FAX:

DATE SUBMITTED: 4-8-14

accepted (incomplete)

FEES: \$2000

(Engineering fees are not included)

AUTHORIZED REPRESENTATIVE:

Name: KEVIN PASEWALK

Fax: 303-861-3027

Address: 2301 BLAKE ST. SUITE 100

Email: KEVIN.PASEWALK@DAVISPARTNERSHIP.COM

Phone: 303-861-8555

Business/Project Name: DAVIS PARTNERSHIP ARCHITECTS

LEGAL DESCRIPTION (site address):

PROJECT INFORMATION:

Subdivision Name: RIDGEGATE

Filing #: 15 FILING 2 2ND AMENDMENT Lot # (if appropriate), LOT 3-A1 TRACTE-1A

Block #:

Planning Area # (if PD) C/M-U#2

PRESENT ZONING: PLANNED DEVELOPMENT (When rezoning) - PROPOSED ZONING NA

GROSS ACREAGE: 42.55 # of units (residential) NA

Unit type: NA

FIRE DISTRICT: SOUTH METRO FIRE RESCUE

METRO DIST: RAMPART RANGE

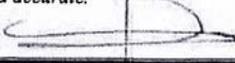
WATER: SOUTHGATE WATER

ELEC: XCEL

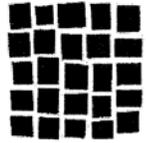
SEWER: SOUTHGATE SANITATION

GAS: XCEL

Further submissions pursuant to this application may include any and all development proposals, submissions, applications and procedures that may be made or initiated under the City of Lone Tree Charter, ordinances, rules, regulations, guidelines or policies including, without limitation, those for any of the following: (i) annexation; (ii) zoning or re-zoning, including any development plan for zoning within the Planned Development (PD) District; (iii) preliminary PD or PUD site plan, or related design guidelines or development standards; (iv) final PD or PUD site plan; (v) Site Improvement Plan; (vi) any master or general development plan, sub-area plan, site plan or similar development plan, however denominated, which may be provided for under any PD development plan or any other zoning; (vii) Sketch Plan, Preliminary Plat or Final Plat; or (viii) any amendment made to any of the foregoing, as applied for or as approved. To the best of my knowledge, the information contained on this application is true and accurate.

APPLICANT SIGNATURE: 

Date: 04/04/14



DAVIS
PARTNERSHIP
ARCHITECTS

April 25, 2014

City of Lone Tree
Sky Ridge Medical Center

- I. Project Representative:**
Kevin Pasewalk
Davis Partnership Architects
2301 Blake Street
Denver, CO 80205
303-861-8555

- II. Project Location:**
10107 Ridgeway Parkway
Lone Tree, Colorado 80124

- III. Project Zoning:**
Planning Area C/M-U Zone 4

IV. Project Narrative:

Sky Ridge Medical Center is an existing full service hospital situated in the City of Lone Tree. It is located on a 42.55 acre parcel just south of Sky Ridge Avenue and west of I-25 and currently includes approximately 425,650 SF of hospital and 234,000 SF of existing medical office buildings (MOB). The proposed MOB is situated at the northwest corner of the Sky Ridge campus on a 99,898 SF (2.293 acres) lot adjacent to the Surgery Expansion. This medical office building will add an additional 128,000SF of new Type I construction to ensure the ability to accommodate any tenant type now and in the future. The building consist of four levels with 31,000SF floor plates and a 4,000SF sub level entrance lobby that is accessed from the north portion of the existing loop road encompassing the campus. The sublevel entrance is provided to accommodate large elevation changes that exist across the proposed site and allows for the main entry of the building to front patients utilizing the specialty services of the campus entering from Sky Ridge Avenue. This north entry is to be utilized by primary MOB tenants. The south side of the building will have a second entrance that primarily serves the proposed hospital tenants. This allows for a safer less congested traffic flow around the building and provides for the urgent services of the proposed Women’s Center and Pediatric Emergency Department to be separate from the traffic and patient flow for all other MOB tenants. The main level and 3rd level of the MOB match the floor elevations of the main hospital and surgery expansion; this ensures integration and connectivity to the hospital

DENVER OFFICE
2301 Blake Street, Suite 100
Denver, CO 80205-2108
T 303.861.8555
F 303.861.3027

VAIL OFFICE
0225 Main Street, Unit C101
Edwards, CO 81632-8113
T 970.926.8960
F 970.926.8961

www.davispartnership.com

allowing streamline patient and employee access between facilities as necessary. This connectivity will maximize programmatic flexibility for all current and future hospital functions.

The Sky Ridge Medical Center is located within the RidgeGate master planned community. This and the surrounding sites are zoned Planned Development. Uses include commercial, future office, mixed-use, residential, and open space. The proposed medical office building will complement the architectural character of the Planned Development while blending with the existing hospital campus. The primary exterior materials for the MOB will be brick and storefront glazing matching the materials used on the surgery expansion at the Spine and Joint Center; a component of the campus that will be closest in proximity to the proposed MOB. Brick detailing will incorporate banding and brick cornices that are found throughout the campus. Glazing proportions vary at the base mid-section and top of the building in a similar manner to the proportions applied to the main hospital. The relationship of the brick and glazing is derived from both the main hospital and the newer additions. The design strategy is to make the MOB a cohesive campus element that ties all of the architectural components together and reinforces the campus atmosphere. The composition of the building massing and materials reflect the importance of longevity and quality applied to the design which enhances the campus as well as the surrounding community.

The facilities use of high quality durable materials is a reflection of the commitment to sustainability by the owner and the design team. The building enclosure includes fluid applied air barrier and 3" of continuous cavity insulation. The air barrier will provide a dynamic and flexible layer within the wall assembly to control air infiltration and maximize energy performance of the building. The continuous insulation is fastened to the exterior using brick ties to minimize penetrations and maximize this thermal layer. The brick support angles are offset from the building structure to allow the insulation to run behind the angle uninterrupted further enhancing the thermal performance of the building.

The owner of has engaged Group 14 to assist with the implementation of the Xcel Energy's Energy Design Assistance program. We have holistically reviewed the building MEP systems and exterior enclosure to maximize the energy performance of the building. Lighting controls and automated building systems have been integrated into the mechanical and electrical design to enhance the buildings overall energy performance. LED lighting is the primary lighting source for scope of the core shell spaces e.g. elevator lobbies, building entries and circulation corridors. Low flow water fixtures have been implemented to minimize water consumption within the building and native landscape species have been selected to minimize the need for site irrigation.

The location of the MOB stretches the campus towards the proposed light rail station at Sky Ridge. The proximity to the station makes the proposed MOB a convenient destination for employees and patients traveling to the new facility and allows ease of utilization of public transit.

The overall building height is approximately 82'-6" from the main entry access point on the north side of the building to the top of the highest building

parapet. The proposed facility will stand as the tallest building on the northern portion of the campus, two to three stories taller than the adjacent campus facilities. This enhances the visibility of the campus from the adjacent I-25 highway and Light Rail corridor. The building height will improve patient navigation to the campus and encourage light rail usage by extending a substantial addition of the campus towards the Lincoln Light Rail Station.

Enhanced landscape is planned on all three side of the building. Large swaths of frontage are to be preserved between the loop road, the building and the associated surface parking. Landscape composition and species will be similar to landscape design submitted in the Women's Center and Surgery Additions SIP. All site and building features are planned to enhance the important view from the loop road and future light rail transit stop both for pedestrians and vehicles, staff and visitors alike.

It should be noted that this project has modified the scope of work to the SIP 9th amendment as it relates to the accessible ramp on the north side of the surgery expansion. The MOB plan now included an entrance from the loop road that necessitates an elevator. It has been determined that the ADA path from the garage can be routed through the MOB via the elevator to reach the hospital. The total path length is comparable and the overall travel way is preferable since it is covered and conditioned space. As such we are able to eliminate the serpentine ramp. The new rout improves the ease of access for anyone with a physical limitation that will be using the expansion facilities.

With an anticipated opening of 10/01/2015 the proposed medical office building will facilitate the hospital's ability to serve the public health requirements of the expanding population in the City of Lone Tree. This addition to the campus will further expand the services offered by Sky Ridge to its growing community and surrounding regions.



City of Lone Tree Design Guidelines

Statement of Design Intent

Using this form, or a separate page, please describe how the project meets the intent of the City of Lone Tree Design Guidelines, including the City's Core Design Principles. (If the project is located within a Planned Development that is governed by additional design standards or guidelines, please address how the project satisfies the intent of those standards and guidelines as well).

Please use the outline below as a guide in formulating your response. You may also use this opportunity to describe particular strengths, unique features, sustainable practices, or innovations that distinguish the design of the project, as well as any particular opportunities or challenges that should be considered. This Statement of Design Intent is intended to encourage thoughtful consideration of design guidelines and to give project reviewers and decision makers a more thorough understanding of the project.

Project Name: Sky Ridge MOB III

Location: 10107 Ridge Gate Parkway, Lone Tree, CO 80124

1. Overall Design Concept:

Briefly describe the use and overall concept for the project as a whole.

The proposed medical office building will house a pediatric emergency department, ambulatory surgery center, and various women's and pediatric services. The project will allow Sky Ridge Medical Center to expand specialty services focused on serving women and children in Lone Tree and the surrounding communities. The facility will add approximately 130,000 square feet 4 stories of premium office space. MOB III will attract high quality specialty physicians to the campus, insuring the highest quality of care for patients served by these new services.

2. Context and Site:

Describe how the project relates functionally and visually to the context of the surrounding area (consider issues of form and character; the natural environment; vehicular and pedestrian access and circulation systems, etc.).

Site features have been laid out to provide logical, efficient pedestrian and vehicular circulation sympathetic to the adjacent existing built environment. Planting and hardscape materials were selected to be consistent with in-place campus elements and to provide visual interest. Parking areas are included to provide the maximum number of spaces possible within close proximity to the proposed building improvements. Finally, significant elevation changes within the construction area have been handled by the inclusion of a significant retaining wall. This wall has been designed to with numerous architectural elements that are accompanied by extensive complementary plantings in order to appear as a design feature rather than a simple utilitarian component.

3. Public Realm

Describe how the project contributes to an inviting, safe and functional public realm (consider public spaces, street/sidewalk – level experience, lighting, landscaping and signage).

The building features entrances on both the north and south sides of the building. This design strategy is intended to separate the traffic flows, both vehicular and pedestrian for visitors using the critical services of the Pediatric ED and the Hospital's Women's Center from the traffic flows for the rest of the MOB. Providing separate entrances allows more streamlined, safe and efficient use of the site. The project has added sidewalks providing connectivity between the new and existing facilities surrounding the MOB as well as the surrounding lots, parking structures and future light rail station. Landscaping has been maximized around the building and throughout the parking lot. Landscaping and site design are laid out to provide a safe and visually stimulating approach to the building. The building and site are well lit to insure safety to visitors and employees on site in the evening. Lighting strategies on the building highlight the architectural features and detailing on the building adding visual transitions to the façade of the building throughout the day.

4. Architectural Design

Describe how the architectural design contributes to the unique qualities of the area and how design concepts result in a unified, functional and high quality design (consider building form and composition, façade composition and articulation, materials and colors and lighting).

The primary objective of the architectural design is to enhance the image of the campus while remaining sensitive to language and style of the existing facilities. The exterior materials for the facility are modular brick and curtain wall glazing similar to existing materials on the campus. The primary field brick color will match the brick used on the existing campus and will be a running bond pattern. The accent color is used strategically to provide variation in the building façade. The accent brick is used at the base of the building to break up large sections of brick wall particularly on the north side of the building, thus providing more pedestrian scale detailing while reinforcing the base of the building. The accent brick is used to highlight the structure of the building at columns; the strong vertical pilasters create rhythm across the façade and add depth to the masonry detailing. The façade is further broken down into a top middle and base proportions through the use of varying glazing sizes and brick accent banding. These strategies complement the architectural character of the Planned Development while blending with the existing hospital campus.



April 8, 2014

Mr. Kevin Pasewalk
Davis Partnership Architects
2301 Blake Street, Suite 100
Denver, CO 80205-2108

RE: Sky Ridge MOB III DRC Review

Mr. Pasewalk:

The RidgeGate DRC has reviewed the Design Development (DD) submittal package. The DRC approves the submittal subject to addressing the DRC's comments (as noted on the attached graphics) regarding the absence of trees and with your submittal to the City of Lone Tree for your Site Improvement Plan. Also, additional consideration should be given to the following DRC comments:

1. The stone retaining wall material should extend around the exterior of the trash enclosure at the upper area.
2. Will there be uplighting on the site wall pilasters, or only on the building pilasters?
3. Provide louver or visual cover to the equipment well as discussed.
4. Stone wall entry signage - what size sign and illumination is proposed.
5. Is the sloped grade at the retaining wall excessive for landscaping?
6. Landscaping is not addressed in the newly created beds on the upper level on either side of the transformer/trash zone and needs to be shown. It seems odd that one parking space remains to the west.

The DRC will confirm incorporation of these design elements in the Construction Document (CD) stage of the DRC approval process. Please advise the RidgeGate DRC should you have any questions or need to request additional modifications to this application.

Regards,


Darryl Jones
RidgeGate DRC Administrator

May 20, 2014



Ridge Gate Comment Responses

1. Plans have been revised to show stone on the wall that has stone on the front face (the back wall of the trash enclosure). The sidewalls are brick and match the rest of the site wall that is extended above grade.
2. No up-lighting will be provided on the wall.
3. Louver gate has been added to the plans.
4. There is no illumination of the sign. Dimensions are as provided on Sheet G2.01
5. The sloped grade is fine for landscaping.
6. Landscaping is addressed in the landscaping sheets. We assume you are referencing the 3D rendering that does not show all of the landscaping.

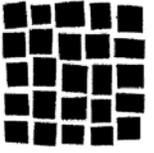
DENVER OFFICE

2301 Blake Street, Suite 100
Denver, CO 80205-2108
T 303.861.8555
F 303.861.3027

VAIL OFFICE

0225 Main Street, Unit C101
Edwards, CO 81632-8113
T 970.926.8960
F 970.926.8961

www.davispartnership.com



SD Review Comment Responses:

DRC Comments:

Site Plan and Landscape Plan

1. Consider terracing the landscape area along the north retaining wall west end to help with grade.
 - o Grading has been revised to reduce the wall height.
2. Retaining wall is focal point. Develop and present materials and wall details. Consider using the stone used at the retail building across from Target. The DRC does not support using formed concrete for the retaining wall.
 - o The wall has been revised to incorporate brick and rock veneers that match the hospital's existing materials. Most of the wall will be brick.
3. If using columns to break up retaining wall, do not hide them with plants.
 - o Pilasters have been accented with the climbing roses placed to the side. Regimenting the planting configuration strictly to the pilaster spacing will reinforce the geometry of the retaining wall, thus defeating the softening intent of the naturalistic landscape design.
4. Explore a stairway through retaining wall for pedestrian connection.
 - o The sidewalk has been removed and the stairway would not be utilized. It would also change the geometry of the parking greatly reducing the number of available spaces.
5. Consider deleting the sidewalk along the north side of the retaining wall and adding landscaping.
 - o Sidewalk is deleted.
6. Consider revising or deleting the serpentine ADA ramp at the women's entrance.
 - o The ramp has been removed and the accessible path will utilize the elevators in the MOB.
7. Up-light the retaining wall to increase interest and security.
 - o The owner's preference is to utilize sconces for down-lighting, which have been incorporated into the design. Details are included in the re-submittal.
8. Add lighting details to plans.

DENVER OFFICE
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- Lighting details added.

Architecture

1. Consider accent lighting along the north building wall.
 - Accent lights have been added at entry doors. Pilasters are to be accented with up lighting
2. Identify mechanical equipment locations on plans and provide details
 - Generator and transformer locations have been located on the site drawings. The generators are planned to be located in a yard on the North East corner of the building where the surgery center ramp was previously located. The enclosure for the generators is a brick wall with stone cap that is burned and generously planted to reduce the scale and impact of its placement. The site transformer will be located adjacent to the trash enclosure on the North West corner of the building.
3. Check plans for consistency in glazing specs.
 - The maximum reflectance factor of .20 is within the specifications for the glazing that has been selected for the project. The glazing color is Viracon VE2-2M. The reflectance factors are as follows: interior .11, exterior .09.
4. Provide glazing material sample.
 - Glazing material Sample will be provided with material board. Material board will be presented at DD presentation meeting.
5. Provide materials and color board sample.
 - Material board will be presented at DD presentation meeting.
6. The Design Review Committee approves the direction of the architecture as presented.
 - Further architectural detail development will be presented at DD presentation.

**RidgeGate Commercial Design Review Committee
Sky Ridge Medical Center - Medical Office Building III
Schematic Design
January 30, 2014**

In attendance for the Design Review Committee:

Al Colussy, Klipp/gkkWorks
Marc Applebaum, Applebaum Architects
Craig Karn, Consilium Design

In attendance for the City of Lone Tree:

Kelly First

In attendance for Sky Ridge:

Maureen Tarrant, Sky Ridge Medical Center
Diane Cookson, Sky Ridge Medical Center
Julie Eck, Davis Partnership
Wendi Eckborg, Davis Partnership
Kevin Pasewalk, Davis Partnership
Matt Lackey, Gresham Smith Partners
Brennon Clayton, Gresham Smith Partners
Jeff Johnson, Calcon

Project Overview:

The applicant reviewed the site plan and way finding signage program. The retaining wall concept at the north side of the site was introduced. Materials are initially conceptualized to be a formed concrete to be stained in order to look like stone and the wall is broken up with pilasters which are conceptualized to be brick. A sidewalk along the wall was added for pedestrian connection. Architecturally, the garden level was opened up to allow for pass through pedestrian connection. Glazing proportions were scaled back. Lower level glazing now appears as wainscot with store front glazing at the entrance. Additional pedestrian connections were added at the north, west and east of the building.

DRC Comments:

Site Plan and Landscape Plan

- Consider terracing the landscape area along the north retaining wall west end to help with grade.
- Retaining wall is focal point. Develop and present materials and wall details. Consider using the stone used at the retail building across from Target. The DRC does not support using formed concrete for the retaining wall.
- If using columns to break up retaining wall, do not hide them with plants.
- Explore a stairway through retaining wall for pedestrian connection.
- Consider deleting the sidewalk along the north side of the retaining wall and adding landscaping.
- Consider revising or deleting the serpentine ADA ramp at the women's entrance.
- Up-light the retaining wall to increase interest and security.
- Add lighting details to plans.

Architecture

- Consider accent lighting along the north building wall.
- Identify mechanical equipment locations on plans and provide details
- Check plans for consistency in glazing specs.
- Provide glazing material sample.
- Provide materials and color board sample.
- The Design Review Committee approves the direction of the architecture as presented.

Next Submittal:

- Schematic Design plans developed to appropriate detail in Design Development submittal.
- Architectural details and lighting treatments including landscape and irrigation plans.
- Perspective rendering and/or 3D computer model and/or photo simulation.
- Building materials and color board, including glass material.
- Retaining wall details, including materials.

The meeting ended at 4:45pm. The applicant was conditionally approved to the Design Development phase of the Design Review process.

**RidgeGate Commercial Design Review Committee
Sky Ridge Medical Center - Medical Office Building III
Pre-Submittal
December 10, 2013**

In attendance for the Design Review Committee:

Al Colussy, Klipp/gkkWorks
Marc Applebaum, Applebaum Architects
Craig Karn, Consilium Design
Dick Marshall, NV5

In attendance for Sky Ridge:

Julie Eck, Davis Partnership
Wendi Eckborg, Davis Partnership
Kevin Pasewalk, Davis Partnership
David Rhyne, Davis Partnership
Jeff Johnson, Calcon

Project Overview:

- 4 story building, with 30,000 square foot floor plates.
- Building is visible from I-25.
- Separate north and south sides. North side is for general care physician and lobby access.
- 13-14 feet of grade separation for loop road and upper parking on the west and south side of building.
- There will be a connection between the Medical Office Building and surgery center on the 3rd floor. Additional connections are on the garden level connecting the surgery center to the east and pediatrics on the west side. To discharge on the south side and to the women's center on the 3rd floor.
- Main building entry will be on the north side with a drive under porte cochere canopy.
- Changed window patterning and materials. New building will consist of brick and not pre-cast, corbeling, soldier courses and vertical pilasters.
- Parking structure pedestrian access will release into the existing and new buildings.

DRC Comments:

- No trees on the east end of the building facade changes the character.
- The DRC likes the terraced wall approach. Be creative to break up wall.

- Consider using precast for the upper portion, above the band, or consider stucco up top (above band) with precast detailing. Also consider using a monolithic brick with lighter color to match precast.
- Address continuity between the old buildings and new.
- Emulate glass proportions.
- Rich detailing and good departure from the existing hospital architecture.
- Additional issues to address:
 - Northwest corner wall
 - Southwest connection
 - Circulation confusion
 - ADA entry from garage – can it be cleaned up and combined?
- It is important to clearly design circulation.
- Clarify pediatric and women’s center vehicular circulation and access points.
- Screen mechanical equipment on roof and jog in roof parapet.

Next Submittal:

- Schematic Design submittal requirements
- Landscape and irrigation plan
- Grading plan
- Develop architecture
- Signage plan
- Lighting plan

The meeting ended at 2:35am.



CITY OF LONE TREE
Community Development Department

REFERRAL REQUEST

Today's date: April 30, 2014

Project Name and File Number: Sky Ridge Medical Center, 10thAmdt #SP14-05R (MOB3)

Project Type: Site Improvement Plan Major Amendment

Comments Due By: May 20, 2014

If you are unable to respond by the due date, please contact the project planner

Dear Referral Organization:

Information on the above referenced proposal in the City of Lone Tree is provided for your review and comment. Please submit your response no later than the due date to ensure adequate time to consider comments and enter them into the public record.

If you have difficulty viewing or understanding any of the information or have questions, please contact me at 303-708-1818. Printed materials and extra sets of materials are available upon request. Plans may also be viewed at the City offices from 8am-5pm.

~~_____~~ We have no comments regarding this proposal

Please note the following concerns this organization has:

PROVIDE AN AUTOTURN EXHIBIT

See attached letter for comments regarding this proposal

Organization Name: SMFR

Your name: CHIP KERKHOVE

Your signature: Date: 5/12/14

This project may be subject to public meetings. Please check the City's web site (www.cityoflonetree.com) for posted agendas or contact this office. Thank you for your consideration.

Kelly First

Community Development
Director

PLEASE RETURN THIS PAGE AND ANY COMMENTS TO:

City of Lone Tree Community Development Dept.
9220 Kimmer Drive Suite 100
Lone Tree, CO 80124
Ph: 303-708-1818
Fx: 303-225-4949
kelly.first@cityoflonetree.com

RECEIVED APR 30 2014

Attn: Greg Weeks



CITY OF LONE TREE
Community Development Department

REFERRAL REQUEST

Today's date: April 30, 2014

Project Name and File Number: Sky Ridge Medical Center, 10thAmdt #SP14-05R (MOB3)

Project Type: Site Improvement Plan Major Amendment

Comments Due By: May 20, 2014

If you are unable to respond by the due date, please contact the project planner

Dear Referral Organization:

Information on the above referenced proposal in the City of Lone Tree is provided for your review and comment. Please submit your response no later than the due date to ensure adequate time to consider comments and enter them into the public record.

If you have difficulty viewing or understanding any of the information or have questions, please contact me at 303-708-1818. Printed materials and extra sets of materials are available upon request. Plans may also be viewed at the City offices from 8am-5pm.

We have no comments regarding this proposal

Please note the following concerns this organization has:

See attached letter for comments regarding this proposal

Organization Name: CO.L.T. Public Works / Engineering

Your name: GREGORY WEEKS

Your signature: Greg Weeks Date: 5-19-14

This project may be subject to public meetings. Please check the City's web site (www.cityoflonetree.com) for posted agendas or contact this office. Thank you for your consideration.

Kelly First

Community Development
Director

PLEASE RETURN THIS PAGE AND ANY COMMENTS TO:

City of Lone Tree Community Development Dept.
9220 Kimmer Drive Suite 100
Lone Tree, CO 80124
Ph: 303-708-1818
Fx: 303-225-4949
kelly.first@cityoflonetree.com

9222 Teddy Lane
Lone Tree, Colorado 80124



Ph: 303-662-8112
Fax: 303-792-9489
www.cityoflonetree.com

CITY OF LONE TREE

Department of Public Works

May 19, 2013

City of Lone Tree
Kelly First, Planning Manager
9220 Kimmer, Suite 100
Lone Tree, CO 80124

Re: SP14-05R (MOB #3)
RidgeGate Sec 15, Fil. 2, Amd. 2
Sky Ridge Medical Center - MOB #3
Project No. 061-364

Dear Kelly:

We have reviewed the SIP referral for the above referenced Project.

The package submitted and reviewed consists of the following documents:

- Site Improvement Plan (12 sheets), dated 4/25/14, by Davis Partnership Architects
- Narrative letter & application

Our comments on the SIP are provided below.

General Comments

1. Only those sheets within the SIP set for which we have specifically identified comments are listed below. **Comments provided also may apply to other sheets/locations in the Project documents.** The applicant's professional(s) should verify that the item(s) are addressed throughout the documents consistently, as applicable.
2. The Public Works/Engineering SIP Review fee for this Project, per the adopted standard review fee schedule (re: SIP – Major Amendment) is \$3,000.00. The payment was submitted on 5/9/14.
3. A Site Improvement Plan Improvements Agreement (SIPIA) will not be needed for the proposed Project, as none of the included improvements fall within existing City ROW.
4. A new Grading, Erosion and Sedimentation Control (GESC) Permit was not required for this Project. Rather, the existing GESC Permit(s) for the ongoing Sky Ridge Campus expansion work was modified (will be modified) to incorporate the MOB #3 related construction work.

5. The proposed MOB #3 Project appears to result in minor impacts to the hard surface and drainage addressed within the Phase III drainage report submitted for the ongoing SRMC expansion project(s). Accordingly, a new Phase III drainage report or major revision to the current applicable Phase III drainage report will not be required for this addition. Rather, we had requested that Gresham Smith and Partners (GS&P), the site Civil Engineer for the hospital on this Project, submit a “Drainage Conformance Letter” noting what, if any, overall site imperviousness revision this Project will result in, and documenting that the existing drainage system and detention pond are adequately sized to address those impacts. We have received, and placed on file, that requested Drainage Letter, and are satisfied that the overall campus, including the proposed MOB #3 Project, remains in conformance with approved campus wide drainage system design. Specifics of the immediate MOB #3 site drainage design remain under review.
6. Detailed Civil Construction Drawings (CD’s) have not yet been submitted for the site. The CD’s will need to be submitted, and approved, prior to final City Engineering approval of the SIP.

Specific Comments

7. Sheet C201 – Site Layout Plan:
 - a. While we have no objections, we are curious why some of the drive and on-site parking spaces are shown constructed in concrete, while other areas of the drive and parking are indicated as asphalt surfaced. We would appreciate clarification of the reasoning/design considerations of this aspect.
 - b. The apparent transition between asphalt and concrete in the southwest row of parking (north-west and south-east of 16” space number) is unclear. The asphalt/concrete hatching does not show a clear demarcation between concrete and asphalt in this area.
 - c. The indicated (striped) 5’foot wide concrete walk area between the two rows of parking NW of the building is “at grade” with the adjacent concrete parking. With likely vehicle overhang from the parking on either/both sides of the walk, this indicated walk may be of limited usefulness as a walkway.
8. Sheet C300 – Site Grading and Drainage Plan:
 - a. What appear to be Type C inlets are shown in twelve (12) locations on the site. They are not specifically labeled on/in the SIP sheet(s).
 - b. The rim spot elevation(s) for the each of the inlets should be provided. The spot elevations are provided on two, but not on the other ten.
 - c. We are unclear what is being shown/proposed at the south-west corner of the MOB (at the corner between the MOB #3 and the Women’s Center). It appears to be a decorative walk feature (roughly at grade), possibly some form of bench/seating areas at the ends of each arched walk section. However, this is unclear. Appropriate note(s) and possibly even an additional cross-section cut view through this area, may be appropriate to provide clarification.
 - d. The grading in the area between the sidewalk and building face, near the southwest corner of the MOB building, needs further clarification (perhaps in an appropriate blow-up detail of this area). Additional details, including rim elevation(s) of the indicated 24” nyoplast inlets, should be provided to clearly document drainage away from the face of the building and adequate drainage collection in this area.
9. Sheet C605 – Retaining Wall Cross Sections:
 - a. The provided cross-sections show/indicate retaining walls greater than 4’ in height. A full structural wall design submittal, signed/sealed by a Colorado Structural PE, must be submitted for review/approval prior to construction of the retaining walls.

10. Sheet L200 – Landscape Plan:

- a. We have no comments on the specifics of the landscape plan, as pertains to type and locations of plantings.
- b. We do note that there are various sizes of rectangle and square boxes/shapes scattered throughout this plan which are not labeled, and which do not appear to be part of the landscaping. We suspect these are a CADD anomaly – perhaps from a drawing file layer that did not get appropriately “turned off” when this sheet was plotted. These shapes either should be labeled/explained, or removed from the landscape plan sheet.

11. We have no comments on the other sheets within the SIP Plan set, as they address details/items typically not part of the Engineering reviews.

CONCLUSION

The general concept of the proposed MOB #3 site, as presented in SIP SP14-05R appears acceptable to Engineering/Public Works. We have no objection to recommendation of SIP approval, subject to the above noted issues being appropriately addressed.

Please feel free to call me with any questions or comments at 303-662-8112.

Sincerely,



Gregory A. Weeks, PE, LEED ® AP
City Engineer



May 12, 2014

Kelly A. First
City of Lone Tree
9220 Kimmer Drive, Suite 100
Lone Tree, CO 80124

RE: RidgeGate, Section 15, Filing 2, 2nd Amendment, Sky Ridge Medical Center
TCHD Case No. 3148

Dear Ms. First:

Thank you for the opportunity to review and comment on the Site Improvement Plan for the proposed Medical Office Building at Sky Ridge Medical. Tri-County Health Department (TCHD) staff has reviewed the application for compliance with applicable environmental health regulations and potential recommendations for site improvements to encourage safe pedestrian and bicycle use, and has the following comments.

Food Service Plan Review

The site plan did not indicate whether a retail food establishment is planned for the building. Since medical buildings often include small retail food establishments, we have included information about the plan review process.

Plans for all new and remodeled retail food establishments must be reviewed by TCHD for compliance with Colorado Retail Food Establishment Rules and Regulations and approved by the Department before start of construction. We recommend that the City of Lone Tree require the plan review and approval be completed before issuing the restaurant a building permit. The applicant shall call TCHD's Plan Review Hotline, at our Administrative Office at (303) 846-6230, regarding requirements for and scheduling a plan review. Instructions for opening a retail food establishment can be found on line at TCHD's web site at http://www.tchd.org/pdfs/how_to_open_food_est.pdf.

Community Planning for Healthy Behaviors

Because chronic diseases related to physical inactivity and obesity now rank among the country's greatest public health risks, TCHD encourages community designs that make it easy for people to include regular physical activity, such as walking and bicycling, in their daily routines. At the project site level, TCHD encourages applicants to incorporate pedestrian and bicycle amenities that support the use of a broader pedestrian and bicycle network. To further encourage active transportation to the site, TCHD encourages the applicant to include bicycle parking facilities for employees and visitors.

Sky Ridge MOB
TCHD Case No. 3148
May 12, 2014
Page 2 of 2

TCHD would like to commend the applicant for locating the project near an existing light rail stop.

Solid and Hazardous Waste Assessment and Management

Federal and state regulations require management of potentially hazardous wastes to prevent environmental contamination and worker exposure to toxic materials.

TCHD has consulted with Colorado Department of Public Health and Environment (CDPHE) Hazardous Materials and Waste Management Division and recommends that medication disposal should be combined with hazardous waste to limit liabilities and training.

1. Inventory containers on the property that have been used to store solid or liquid hazardous materials or waste, or that are proposed for continued use. Dispose all empty containers that are damaged (e.g., rusted, cracked, etc.) or that are otherwise unsuitable for future use in compliance with applicable federal, state and local regulations.
2. Properly dispose or recycle any residual liquid or solid wastes that are in the inventoried containers.

Please contact CDPHE Hazardous Materials and Waste Management Division at 303-692-3320 for more information.

Please feel free to contact me at (720) 200-1575 or kboyer@tchd.org if you have any questions on TCHD's comments.

Sincerely,

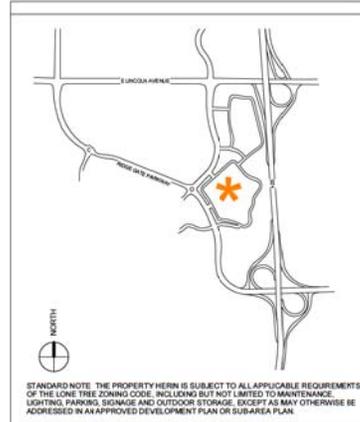


Kathy Boyer, REHS
Environmental Health Specialist
Tri-County Health Department

CC: Sheila Lynch, Keith Homersham, TCHD

SIP SHEET INDEX		
NUMBER	Sheet Name	Sheet Issue Date
01 C - Civil		
1 of 13	SITE LAYOUT	06/11/14
2 of 13	SITE GRADING AND DRAINAGE	06/11/14
3 of 13	RETAINING WALL CROSS SECTION	06/11/14
02 L - Landscape		
4 of 13	LANDSCAPING PLAN	06/11/14
5 of 13	IRRIGATION PLAN	06/11/14
02.1 ES - Site Lighting		
6 of 13	SITE PHOTOMETRICS	06/11/14
7 of 13	SITE LIGHTING AND FIXTURES	06/11/14
04 A - Architectural		
8 of 13	WALL ELEVATIONS	06/11/14
9 of 13	WALL ELEVATIONS	06/11/14
10 of 13	WALL SECTIONS AND DETAILS	06/11/14
07 A - Architectural		
11 of 13	BUILDING ELEVATIONS	06/11/14
12 of 13	BUILDING ELEVATIONS	06/11/14
13 of 13	ROOF LEVEL CROSS SECTIONS	06/11/14

RIDGEGATE - SEC. 15 FILING 2, 2ND AMENDMENT
 LOT 3-A1 AND TRACT E-1A
 PLANNING AREA CM-U #2
 SKY RIDGE MEDICAL CENTER, 10TH AMENDMENT RELATED MEDICAL OFFICE BUILDING III
 PROJECT # SP14-05R, AMENDING SP00-40



STANDARD NOTE: THE PROPERTY HEREIN IS SUBJECT TO ALL APPLICABLE REQUIREMENTS OF THE LONE TREE ZONING CODE, INCLUDING BUT NOT LIMITED TO MAINTENANCE, LIGHTING, PARKING, SIGNAGE AND OUTDOOR STORAGE, EXCEPT AS MAY OTHERWISE BE ADDRESSED IN AN APPROVED DEVELOPMENT PLAN OR SUB-AREA PLAN.

Vicinity Map

OWNER
 MEDICAL OFFICE BUILDINGS OF COLORADO II, LLC
 CORPORATION SERVICE COMPANY
 2711 CENTERVILLE ROAD, SUITE 400
 WILMINGTON, DE 19808

ARCHITECT
 DAVIS PARTNERSHIP ARCHITECTS
 2301 BLAKE STREET SUITE 100
 DENVER, CO 80209
 P. 303.961.8555
 CONTACT: WENDI ENGBORG

LANDSCAPE DESIGN
 GRESHAM SMITH AND PARTNERS
 1400 NASHVILLE CITY CENTER
 511 LINCOLN STREET
 NASHVILLE, TN 37219
 P. 615.770.8100
 CONTACT: TERRY McLANEY

CIVIL ENGINEER
 GRESHAM SMITH AND PARTNERS
 1400 NASHVILLE CITY CENTER
 511 LINCOLN STREET
 NASHVILLE, TN 37219
 P. 615.770.8100
 CONTACT: MATT LADKEY

OTHER ENGINEERING
 STRUCTURAL CONSULTANTS INC.
 2400 E. BAYLARD AVENUE, SUITE 300
 DENVER, CO 80209
 P. 303.388.5154
 CONTACT: CHRIS TAYLOR

CATOR PLUM & ASSOCIATES, CO.
 656 PARK STREET
 LAKEWOOD, CO 80401
 P. 303.252.6500
 CONTACT: JIM LAZZERI

APPROVAL CERTIFICATE

THIS SIP HAS BEEN REVIEWED AND FOUND TO BE COMPLETE AND IN ACCORD WITH CITY REGULATIONS AS APPROVED BY THE CITY ON (DATE) _____.

BY: _____
 NAME: Community Development Director
 TITLE: _____
 DATE: _____

BY: _____
 NAME: City Engineer
 TITLE: _____
 DATE: _____

BY: _____
 NAME: Mayor
 TITLE: _____
 DATE: _____

THE OWNER(S) OF THE LAND DESCRIBED HEREIN, HEREBY AGREE(S) (1) TO DEVELOP AND MAINTAIN THE PROPERTY DESCRIBED HEREON IN ACCORDANCE WITH THIS APPROVED SITE IMPROVEMENT PLAN AND IN COMPLIANCE WITH CHAPTER 15 OF THE LONE TREE MUNICIPAL CODE AND THAT (2) THE HEIR, SUCCESSORS AND ASSIGNS OF THE OWNER (S) SHALL ALSO BE BOUND. THE SIGNATURES OF THE OWNER(S) BELOW INDICATE THAT ANY REQUIRED AUTHORIZATION TO ENTER THIS AGREEMENT, INCLUDING ANY CORPORATE AUTHORIZATIONS, HAVE BEEN OBTAINED.

(NAME OF OWNER) _____
 (SIGNATURE OF OWNER) _____
 (PRINTED NAME AND TITLE) _____

STATE OF _____) ss
 COUNTY OF _____)
 SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____, 20____ BY _____

WITNESS MY HAND AND OFFICIAL SEAL.
 MY COMMISSION EXPIRES: _____

(NOTARY PUBLIC)
 APPROVAL BY THE CITY OF LONE TREE DOES NOT SIGNIFY THAT THE REQUIREMENTS OF THE AMERICANS WITH DISABILITIES ACT (ADA) HAS BEEN SATISFIED. THE APPLICATION IS RESPONSIBLE TO ENSURE THAT SAID ADA REQUIREMENTS HAVE BEEN MET.



GRESHAM SMITH AND PARTNERS
 1400 Nashville City Center
 511 Lincoln Street
 Nashville, TN 37219
 615.770.8100
 www.gsmnet.com

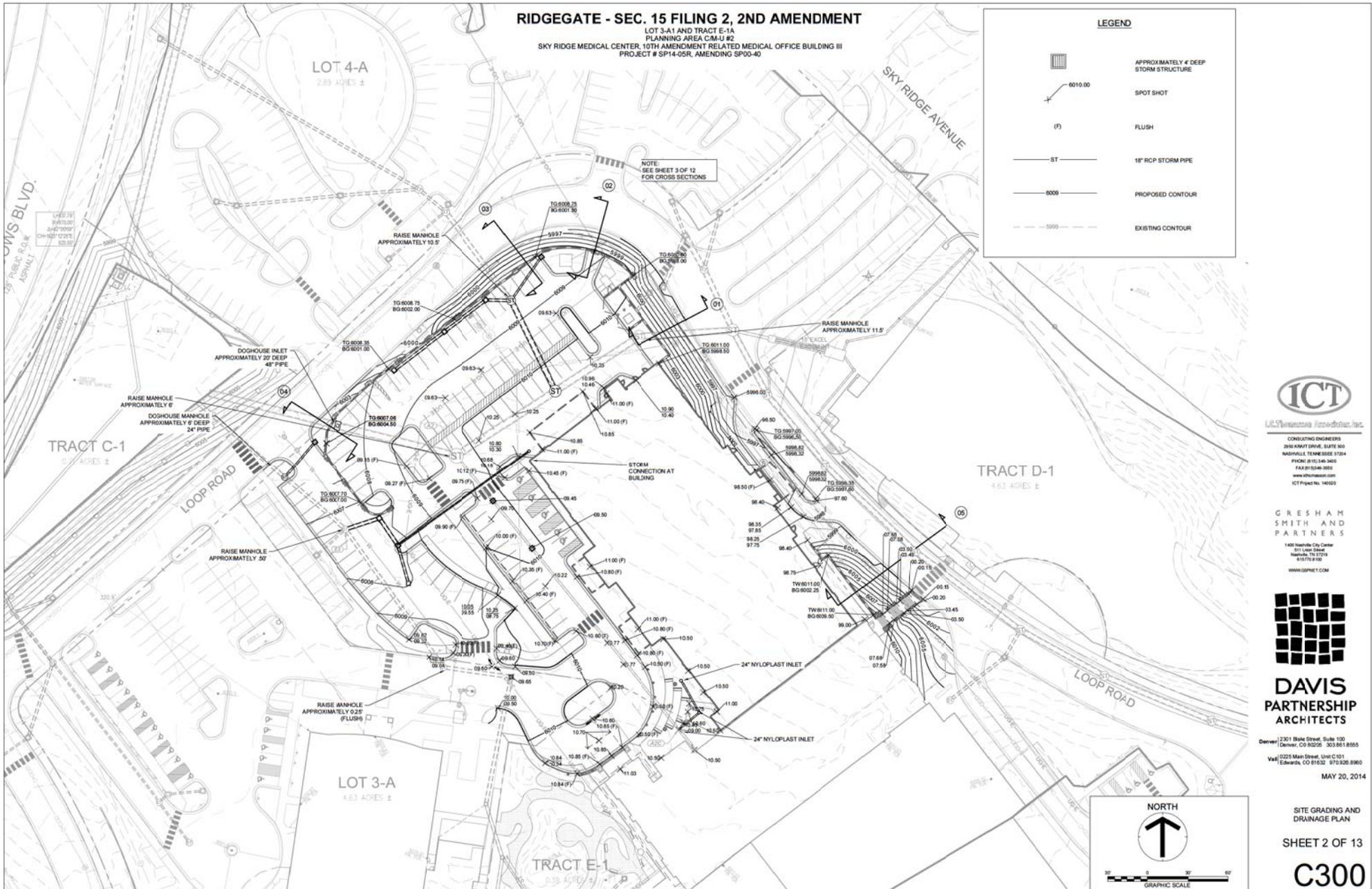


Denver: 1201 Blake Street, Suite 100
 Denver, CO 80202 303.961.8555
 Vail: 1025 Main Street, Unit C101
 Edwards, CO 81622 970.526.8990

June, 11 2014
 COVER

RIDGEGATE - SEC. 15 FILING 2, 2ND AMENDMENT
 LOT 3-A1 AND TRACT E-1A
 PLANNING AREA CAM-U #2
 SKY RIDGE MEDICAL CENTER, 10TH AMENDMENT RELATED MEDICAL OFFICE BUILDING III
 PROJECT # SP14-05R, AMENDING SP00-40

LEGEND	
	APPROXIMATELY 4' DEEP STORM STRUCTURE
	SPOT SHOT
	FLUSH
	18" RCP STORM PIPE
	PROPOSED CONTOUR
	EXISTING CONTOUR



ICT
 CONSULTING ENGINEERS
 2910 KRAFT DRIVE, SUITE 500
 BASKERVILLE, TENNESSEE 37024
 PHONE: (615) 346-3400
 FAX: (615) 346-3900
 www.ictinc.com
 ICT Project No. 140003

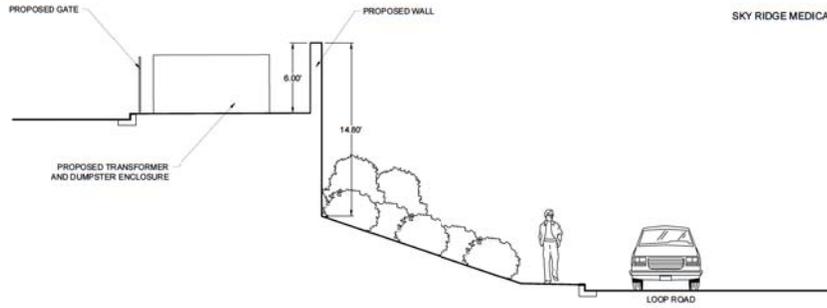
GRESHAM SMITH AND PARTNERS
 1400 North City Center
 3111 East Street
 Nashville, TN 37203
 615 719 8100
 WWW.GSPNET.COM

DAVIS PARTNERSHIP ARCHITECTS
 2201 Blake Street, Suite 100
 Denver, CO 80202 303.861.8555
 Val 3025 Main Street, Unit C101
 Edwards, CO 81632 970.926.8960
 MAY 20, 2014

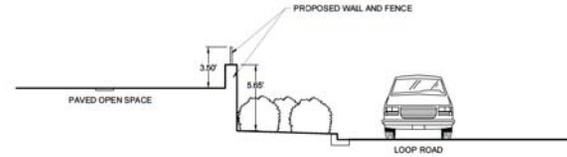
SITE GRADING AND DRAINAGE PLAN
 SHEET 2 OF 13
C300

RIDGEGATE - SEC. 15 FILING 2, 2ND AMENDMENT

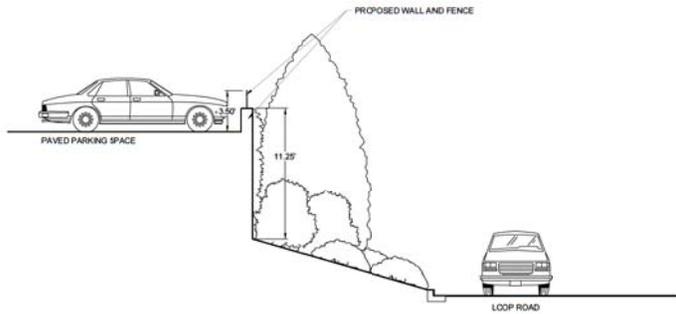
LOT 3-A1 AND TRACT E-1A
 PLANNING AREA C&M-U #2
 SKY RIDGE MEDICAL CENTER, 10TH AMENDMENT RELATED MEDICAL OFFICE BUILDING III
 PROJECT # SP14-05R, AMENDING SP00-40



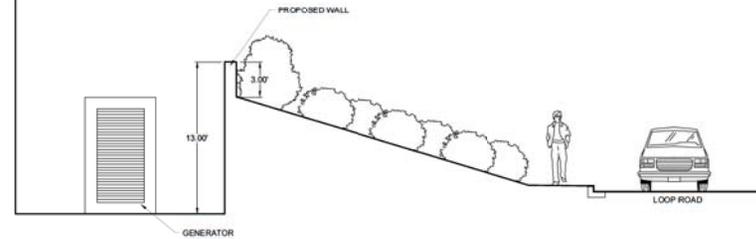
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NOT TO SCALE



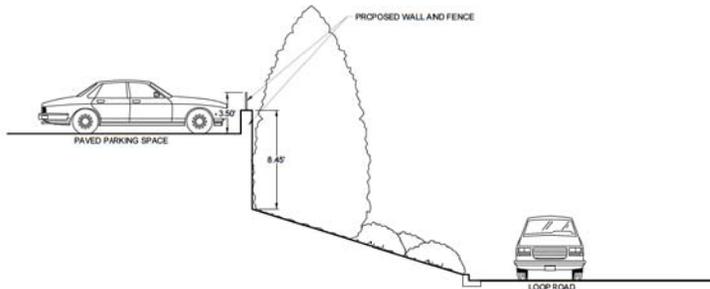
4 WALL SECTION - LOCATION 4
NOT TO SCALE



2 WALL SECTION - LOCATION 2
NOT TO SCALE



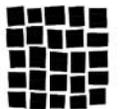
5 WALL SECTION - LOCATION 5
NOT TO SCALE



3 WALL SECTION - LOCATION 3
NOT TO SCALE

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 CONSULTING ENGINEERS
 2810 KRAFT DRIVE, SUITE 500
 BROADVIEW, COLORADO 80501
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 FAX (303) 446-3900
 www.ict-engineer.com
 ICT Project No. 140203

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 1400 North City Center
 3111 East Street
 Northglenn, CO 80551
 303.779.8100
 www.gspnet.com



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MAY 20, 2014

RETAINING WALL
 CROSS SECTIONS

SHEET 3 OF 13
C605

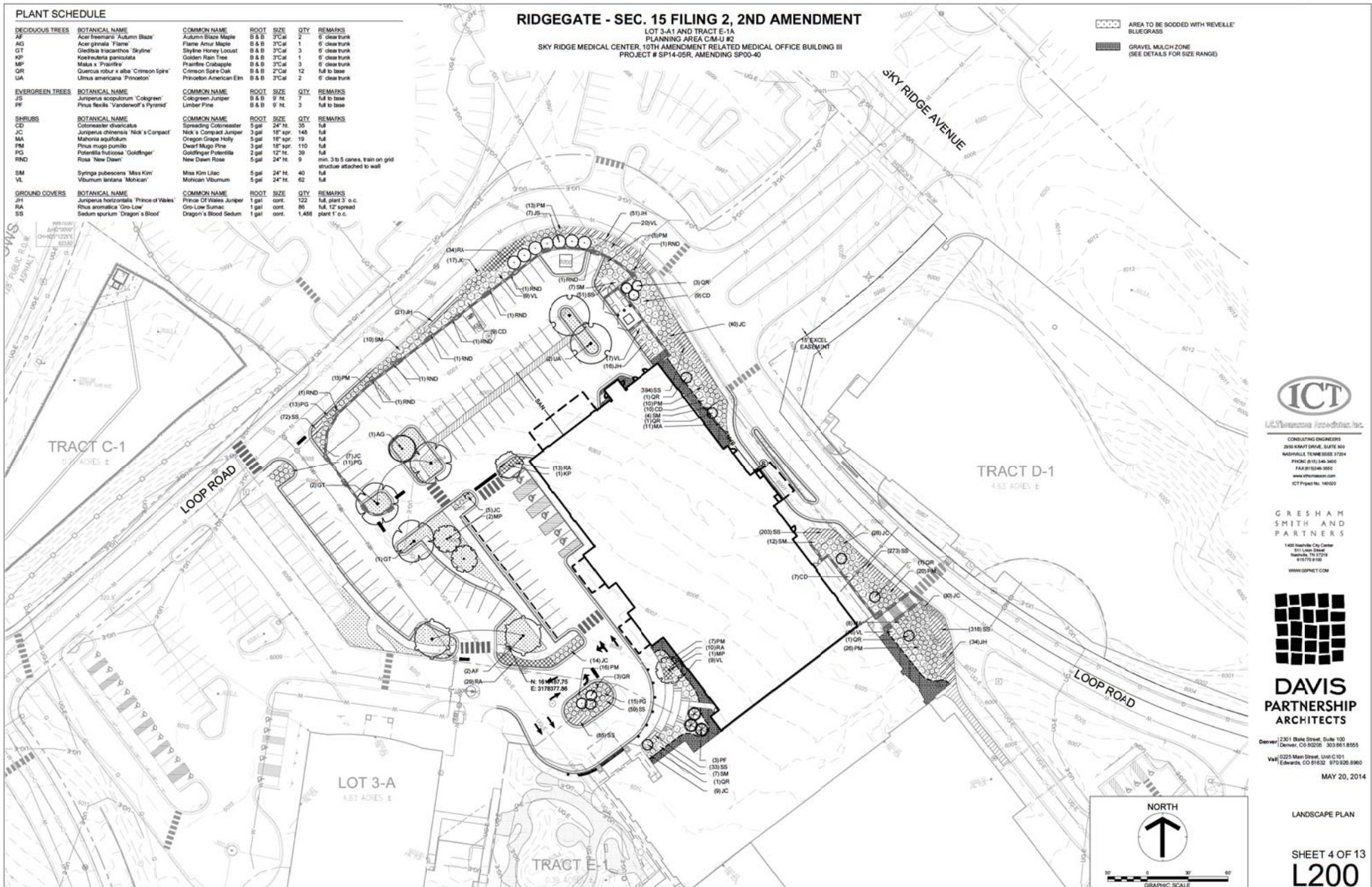
Sky Ridge Medical Center Medical Office Building III

PLANT SCHEDULE

DECIDUOUS TREES	BOTANICAL NAME	COMMON NAME	ROOT	SIZE	QTY	REMARKS
AF	<i>Acer fraxinifolium</i> 'Autumn Blaze'	Autumn Blaze Maple	B & B	3" Cal	2	6' clear trunk
AG	<i>Acer glabrum</i> 'Flame'	Flame Arctur Maple	B & B	3" Cal	1	6' clear trunk
GT	<i>Gleditsia triacanthos</i> 'Skyline'	Skyline Honey Locust	B & B	3" Cal	3	6' clear trunk
KP	<i>Koeleria paniculata</i>	Golden Rain Tree	B & B	3" Cal	1	6' clear trunk
MP	<i>Malva x 'Prairie'</i>	Prairie Crabapple	B & B	3" Cal	3	6' clear trunk
DR	<i>Quercus robur x alba</i> 'Crimson Spire'	Crimson Spire Oak	B & B	3" Cal	12	full to base
UA	<i>Ulmus americana</i> 'Princeton'	Princeton American Elm	B & B	3" Cal	2	6' clear trunk
EVERGREEN TREES	BOTANICAL NAME	COMMON NAME	ROOT	SIZE	QTY	REMARKS
JS	<i>Juniperus scopulorum</i> 'ColoGreen'	ColoGreen Juniper	B & B	9" Ht.	7	full to base
PF	<i>Pinus flexilis</i> 'Vanderwolf's Pyramid'	Limber Pine	B & B	9" Ht.	3	full to base
SHRUBS	BOTANICAL NAME	COMMON NAME	ROOT	SIZE	QTY	REMARKS
CD	<i>Cotoneaster diversicaulis</i>	Spreading Cotoneaster	5 gal	24" Ht.	35	full plant 3' s.c.
JC	<i>Juniperus chinensis</i> 'Nick's Compact'	Nick's Compact Juniper	3 gal	18" spr.	145	full
MA	<i>Mahonia aquifolium</i>	Oregon Grape Holly	5 gal	18" spr.	19	full
PM	<i>Pinus mugo</i> 'pumilio'	Dwarf Mugo Pine	3 gal	18" spr.	110	full
PG	<i>Potentilla fruticosa</i> 'Goldfinger'	Goldfinger Potentilla	2 gal	12" Ht.	39	full
RND	<i>Rosa 'New Dawn'</i>	New Dawn Rose	5 gal	24" Ht.	9	min. 3 to 5 canes, train on grid structure attached to wall
SM	<i>Syringa pubescens</i> 'Miss Kim'	Miss Kim Lilac	5 gal	24" Ht.	40	full
VL	<i>Viburnum lentiana</i> 'Mohican'	Mohican Viburnum	5 gal	24" Ht.	62	full
GROUND COVERS	BOTANICAL NAME	COMMON NAME	ROOT	SIZE	QTY	REMARKS
JIT	<i>Juncus horowitzii</i> 'Prince of Wales'	Prince of Wales Juniper	1 gal	cont.	122	full plant 3' s.c.
RA	<i>Rhus aromatica</i> 'Gro-Low'	Gro-Low Sumac	1 gal	cont.	85	full, 12' spread
SS	<i>Sedum spurium</i> 'Dragon's Blood'	Dragon's Blood Sedum	1 gal	cont.	1,488	plant 1' o.c.

RIDGEGATE - SEC. 15 FILING 2, 2ND AMENDMENT
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AREA TO BE SOODED WITH 'REVELLE' BLUEGRASS
 GRAVEL MULCH ZONE (SEE DETAILS FOR SIZE RANGE)



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 BASKING RIDGE, TENNESSEE 37024
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 www.ictinc.com
 ICT Project No. 140203

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 1400 Daniels City Center
 3111 East Street
 Nashville, TN 37203
 615 719 8100
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 2201 Blake Street, Suite 100
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 2225 Main Street, Unit C101
 Edwards, CO 81632 970.926.8960

MAY 20, 2014
 LANDSCAPE PLAN
 SHEET 4 OF 13
L200

Sky Ridge Medical Center Medical Office Building III

RIDGEGATE - SEC. 15 FILING 2, 2ND AMENDMENT

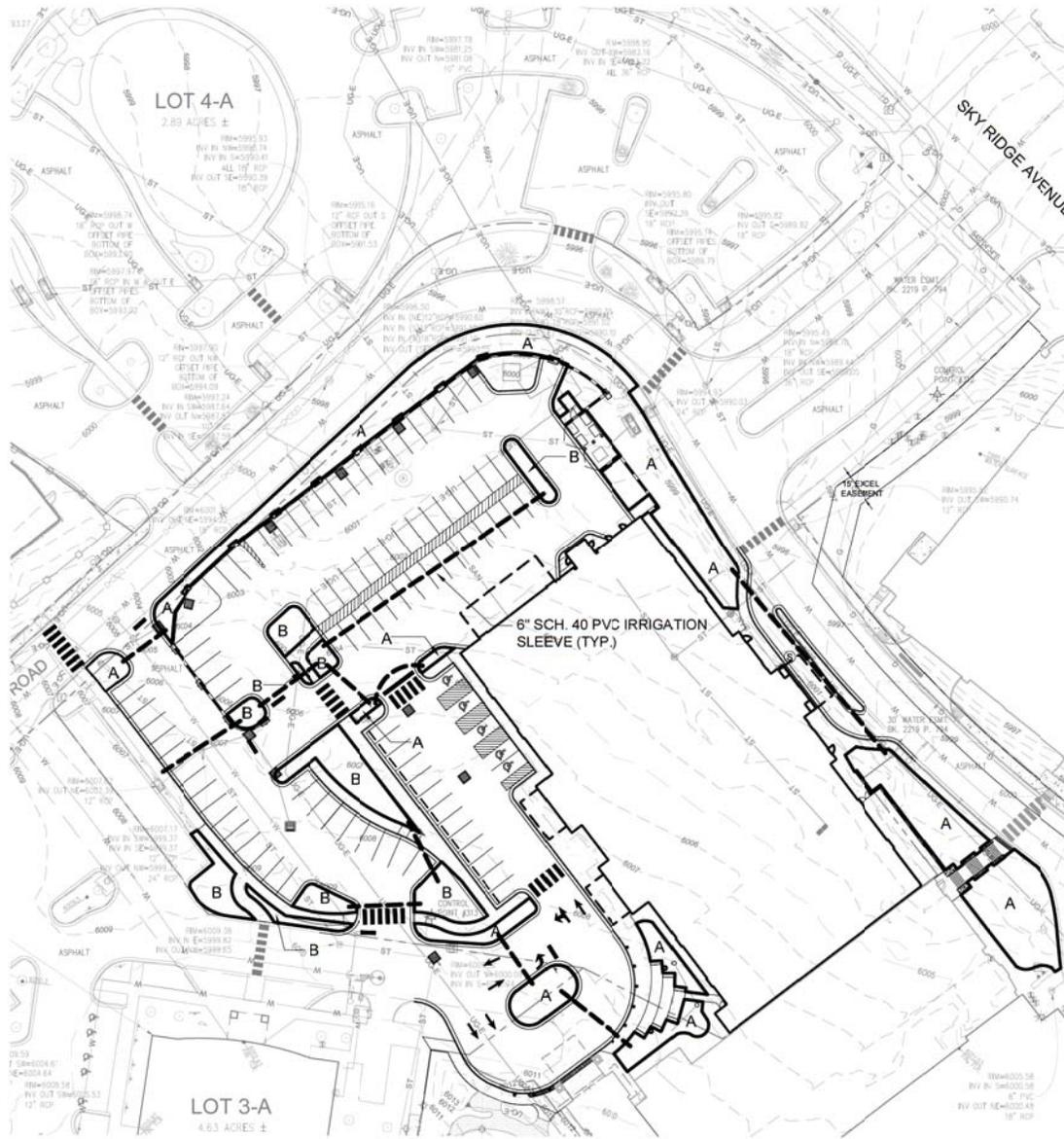
LOT 3-A1 AND TRACT E-1A
 PLANNING AREA CAM-U #2
 SKY RIDGE MEDICAL CENTER 10TH AMENDMENT RELATED MEDICAL OFFICE BUILDING III
 PROJECT # SP14-05R, AMENDING SP00-40

KEY

- A - SUBSURFACE DRIP SYSTEM
- B - TURF SPRAY HEADS

NOTES

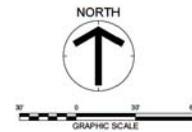
1. DRIP AND SPRAY ZONES SHALL BE PLACED ON SEPARATE CONTROL VALVES.
2. PROPOSED IRRIGATION AREAS SHOWN CONSIST OF A MODIFICATION TO THE EXISTING IRRIGATION SYSTEM AND SHALL UTILIZE THE EXISTING BACKFLOW PREVENTER, SYSTEM CONTROLLER, WEATHER/RAIN SENSOR AND MASTER VALVE.
3. ACCEPTABLE EQUIPMENT MANUFACTURERS:
 A. SUBSURFACE DRIP TUBING/EMITTERS: NETAFIM, USA
 B. ZONE CONTROL/QUICK COUPLING VALVES: TORO, RAIN BIRD
 C. SPRINKLER HEADS: TORO, HUNTER, RAIN BIRD



MAY 20, 2014

IRRIGATION PLAN

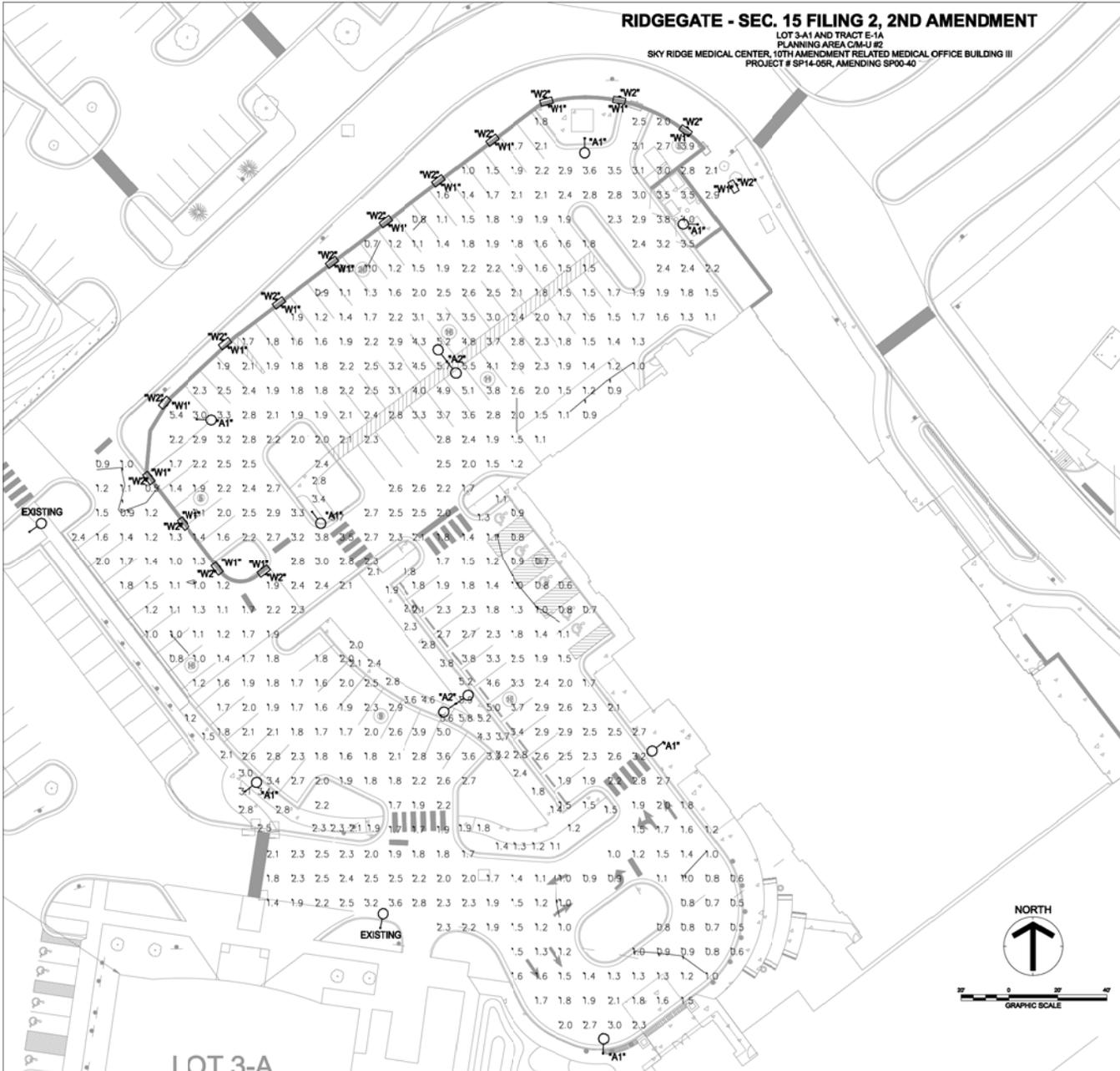
SHEET 5 OF 13
1200



Sky Ridge Medical Center Medical Office Building III

RIDGEGATE - SEC. 15 FILING 2, 2ND AMENDMENT

LOT 3-A1 AND TRACT E-1A
 PLANNING AREA CSM-U #2
 SKY RIDGE MEDICAL CENTER, 10TH AMENDMENT RELATED MEDICAL OFFICE BUILDING III
 PROJECT # SP14-05R, AMENDING SP00-40



Symbol	Label	Qty	Calling Number	Description	Size	Lumens	LF	Watts
○	"A1"	7		HERITAGE STYLE LUMINAIRE DIE CAST ALUM. HORIZONTAL POSITION, SYSTEM MP14 HIGH SPECULAR FINISH DIE CAST ALUM. HOUSING AND LENS FRAME CLEAR FLAT GLASS LENS	36 WATT COATED MH 100W LAMP, HORIZONTAL POSITION, RATED AT 3000 INT'L. LUMENS	3000	0.75	300
○	"W"	2		HERITAGE STYLE LUMINAIRE DIE CAST ALUM. HORIZONTAL POSITION, SYSTEM MP14 HIGH SPECULAR FINISH DIE CAST ALUM. HOUSING AND LENS FRAME CLEAR FLAT GLASS LENS	36 WATT COATED MH 100W LAMP, HORIZONTAL POSITION, RATED AT 3000 INT'L. LUMENS	3000	0.75	300
□	"W1"	15		BRITCALOUD B2700-EL	850 T810-EL LED 3000K	292	0.75	7.0
□	"W2"	15		BRITCALOUD B2841	WRAP 90 R LED	862	0.75	16.5

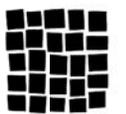
Description	Symbol	Avg	Max	Min	Max/Min	Avg/Min
Parking	+	2.1%	0.9%	0.9%	11.8:1	4.2:1
Street	+	2.7%	0.9%	1.1%	8.4:1	2.8:1

TRACT D-1
 4.63 ACRES ±



ICT
 CONSULTING ENGINEERS
 3800 SHAW DRIVE, SUITE 600
 NASHVILLE, TENNESSEE 37204
 PHONE (615) 345-3400
 FAX (615) 345-3000
 www.ictinc.com
 ICT Project No. 140205

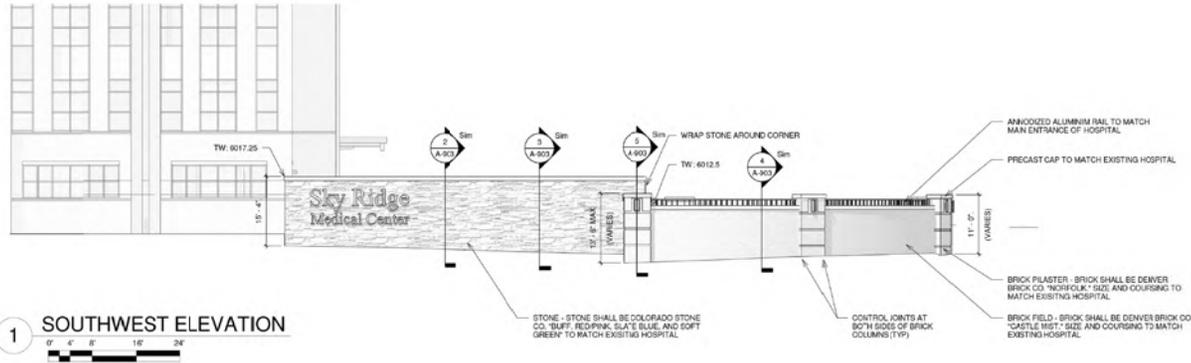
CRESHAM SMITH AND PARTNERS
 1405 Henthorn City Center
 111 Union Street
 Nashville, TN 37203
 www.csmnet.com



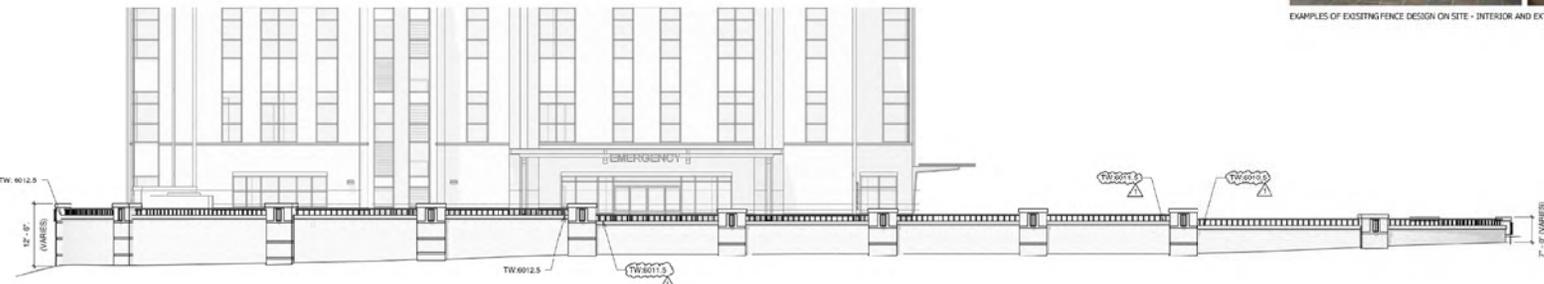
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 2201 Blake Street, Suite 100
 Denver, CO 80202 303.961.8888
 10225 Main Street, Unit C101
 Edwards, CO 81632 970.808.8800

April, 04 2014
SITE PHOTOMETRICS
ESP.01
 6 OF 13

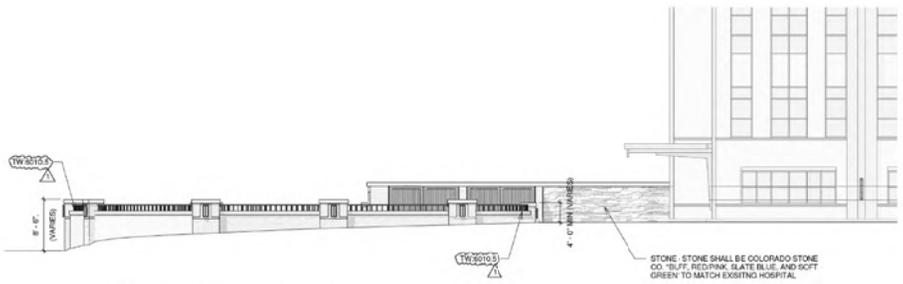
Sky Ridge Medical Center Medical Office Building III



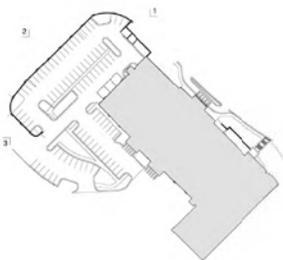
1 SOUTHWEST ELEVATION



2 SOUTHEAST ELEVATION



3 NORTHEAST ELEVATION



EXAMPLES OF EXISTING FENCE DESIGN ON SITE - INTERIOR AND EXTERIOR



EXAMPLES OF EXISTING BRICK AND STONE MATERIALS

MATERIAL MANUFACTURERS:
 ACME BRICK COMPANY
 3024 ACME BRICK PLAZA
 FORT WORTH, TX 76105-4104
 "NORFOLK"
 SIZE AND COURSING TO MATCH EXISTING HOSPITAL
 COLORADO STONE COMPANY
 1635 NORTH MAIN STREET
 LONGMONT, CO 80502
 "BLUFF, RED/PINK, SLATE BLUE, AND SOFT GREEN"
 SIZE AND TEXTURE TO MATCH EXISTING HOSPITAL

ICT
 I.C. Thompson Associates, Inc.
 CONSULTING ENGINEERS
 2026 WINDY DRIVE, SUITE 300
 NASHVILLE, TENNESSEE 37204
 PHONE: (615) 248-3400
 FAX: (615)248-3850
 www.ictfirm.com
 ICT Project No. 140202

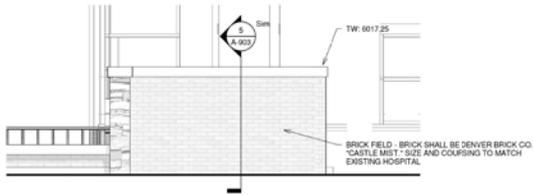
GRESHAM SMITH AND PARTNERS
 1400 Nashville City Center
 811 Spring Street
 Nashville, TN 37219
 615.776.6100
 WWW.GSPNET.COM

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 2301 Blake Street, Suite 100
 Denver, CO 80205 303.861.8556
 1405 Main Street, Unit C101
 Colorado, CO 81602 970.828.9990

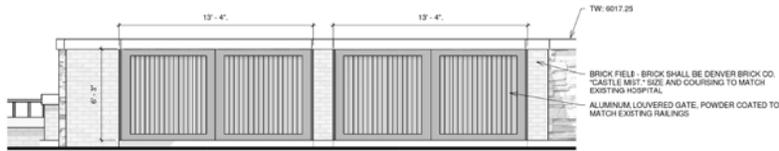
June 10, 2014
 WALL ELEVATIONS

SHEET 8 OF 13
A101

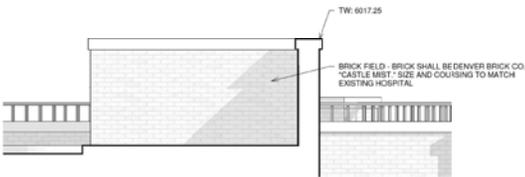
Sky Ridge Medical Center Medical Office Building III



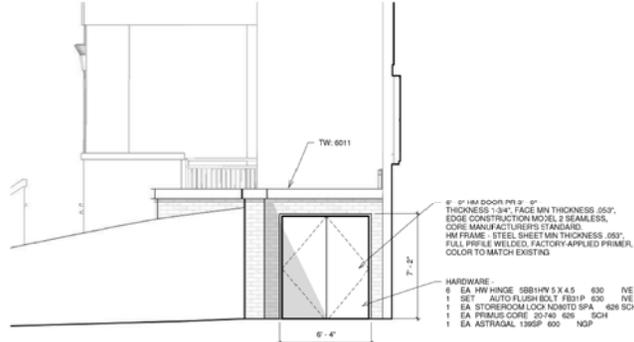
1 PARTIAL ELEVATION 1 DUMPSTER ENCLOSURE



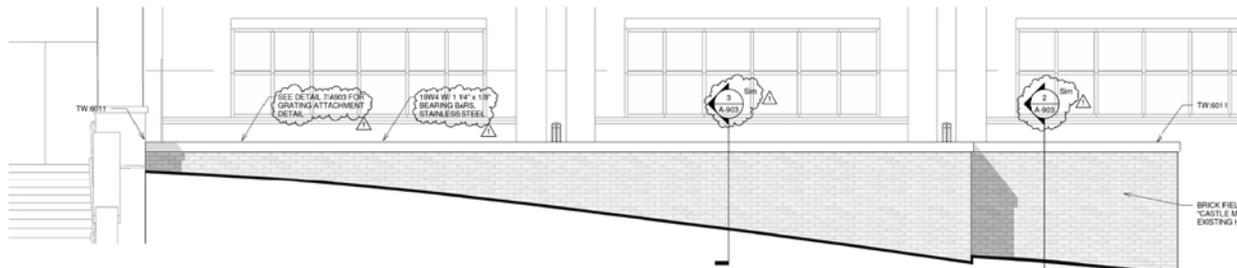
2 PARTIAL ELEVATION 2 DUMPSTER ENCLOSURE



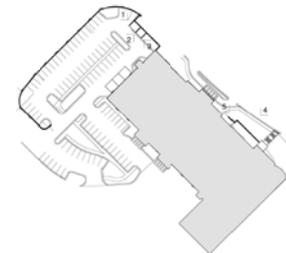
3 PARTIAL ELEVATION 3 DUMPSTER ENCLOSURE



5 PARTIAL ELEVATION 5 TRANSFORMER ENCLOSURE



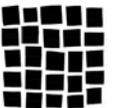
4 PARTIAL ELEVATION 4 TRANSFORMER ENCLOSURE



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 2950 HOWE DRIVE, SUITE 500
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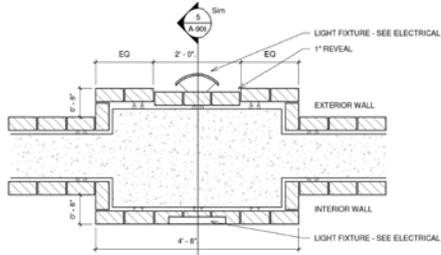
Denver | 2301 Blake Street, Suite 100
 Denver, CO 80205 303.661.6555
 Wall | 2225 Main Street, Unit C01
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June 10, 2014

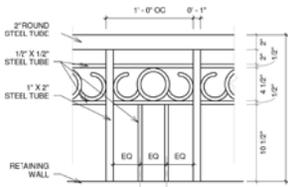
WALL ELEVATIONS

SHEET 9 OF 13
A102

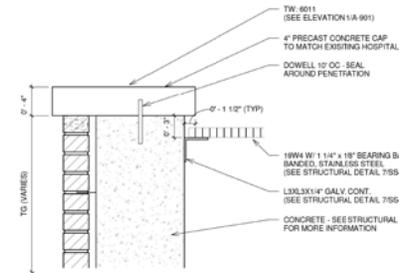
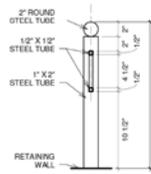
Sky Ridge Medical Center Medical Office Building III



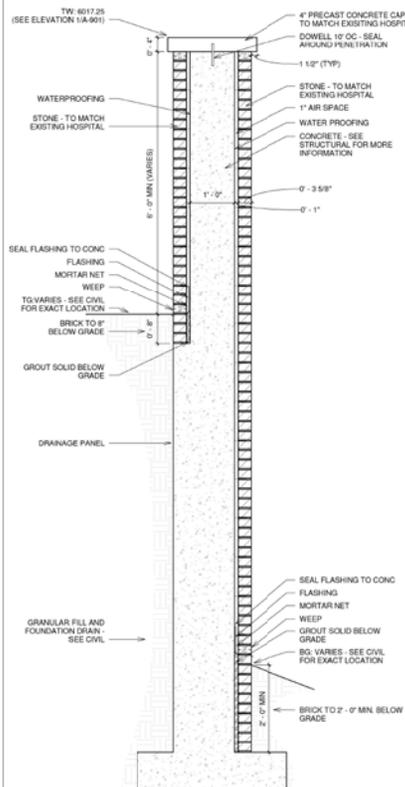
1 PLAN DETAIL AT COLUMN (TYP)



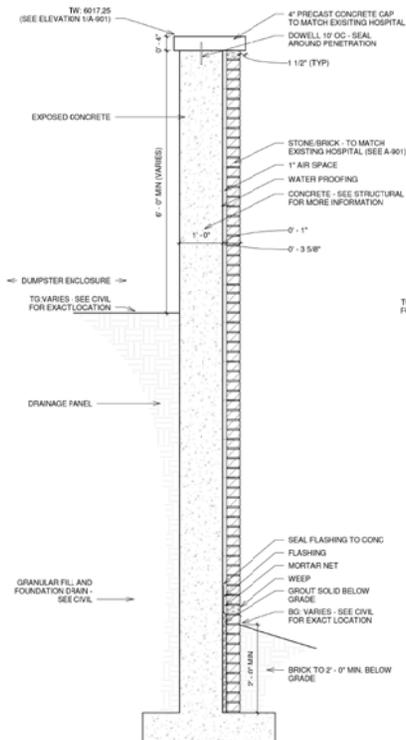
6 DETAIL FENCE DETAIL



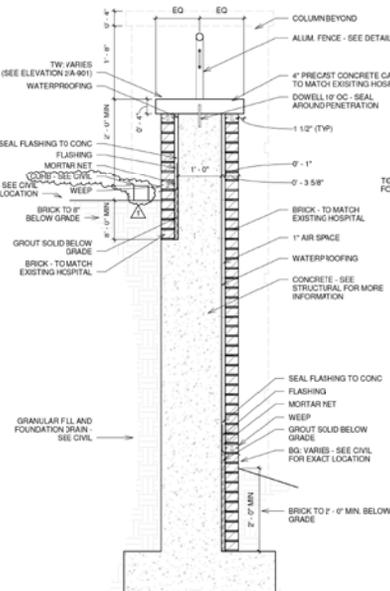
7 GRATE DETAIL



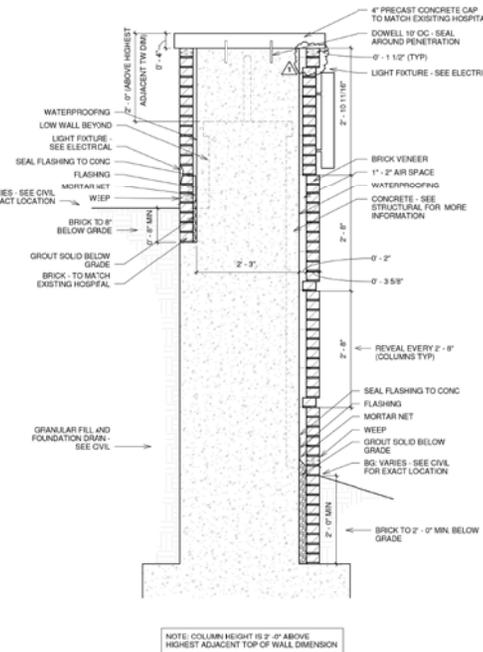
2 WALL SECTION THROUGH STONE WALL



3 WALL SECTION THROUGH DUMPSTER ENCLOSURE



4 WALL SECTION THROUGH LOW WALL (TYP)



5 WALL SECTION THROUGH COLUMN (TYP)



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1400 Nashville City Center
815 Union Street
Nashville, TN 37119
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WWW.GSPNET.COM



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Denver, CO 80205 303.861.8555
2225 Main Street, Unit C01
Edward, CO 81632 970.828.8960

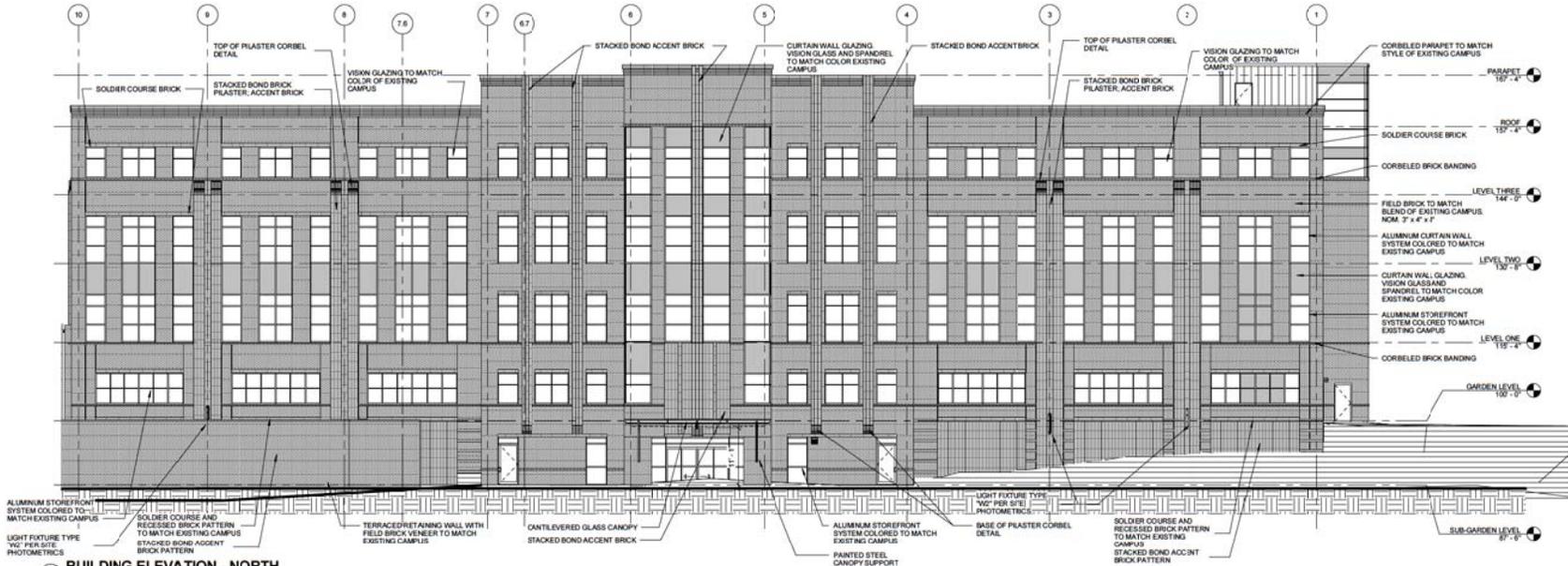
June 10, 2014
WALL SECTIONS

SHEET 10 OF 13
A103

Sky Ridge Medical Center Medical Office Building III

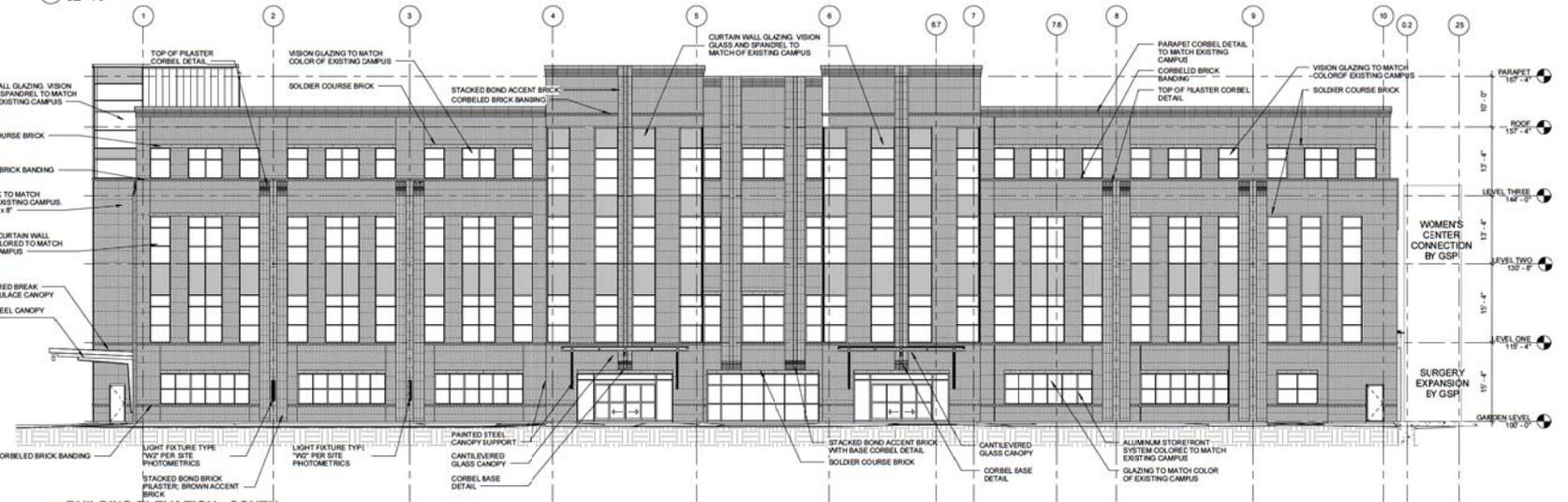
RIDGEGATE - SEC. 15 FILING 2, 2ND AMENDMENT

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 PLANNING AREA CAM-U #2
 SKY RIDGE MEDICAL CENTER, 10TH AMENDMENT RELATED MEDICAL OFFICE BUILDING III
 PROJECT # SP14-05R, AMENDING SP00-40



1 BUILDING ELEVATION - NORTH

3/32" = 1'-0"



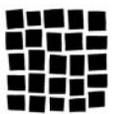
2 BUILDING ELEVATION - SOUTH

3/32" = 1'-0"



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 2300 BEATTY DRIVE, SUITE 600
 NASHVILLE, TENNESSEE 37204
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 FAX (615) 245-3500
 WWW.ICTENGINEERS.COM
 ICT Project No. 148220

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 ARCHITECTS
 1405 Nashville City Center
 811 Union Street
 Nashville, TN 37203
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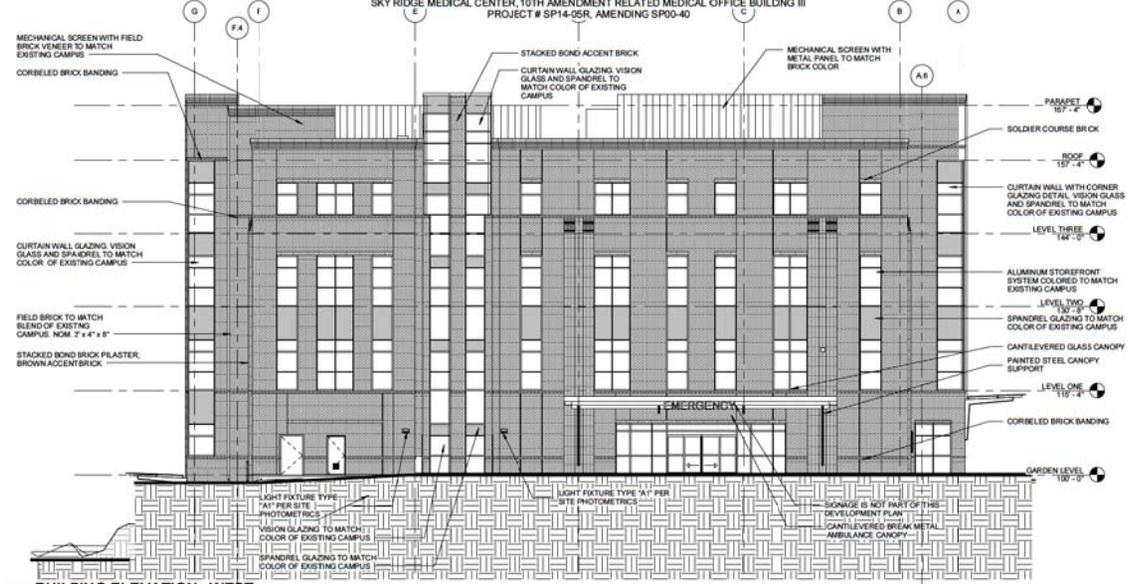
DAVIS PARTNERSHIP ARCHITECTS

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 Denver, CO 80202 | 303.961.8555
 Salt Lake City | 2025 Main Street, Unit C101
 Edwards, CO 81622 | 970.526.8990

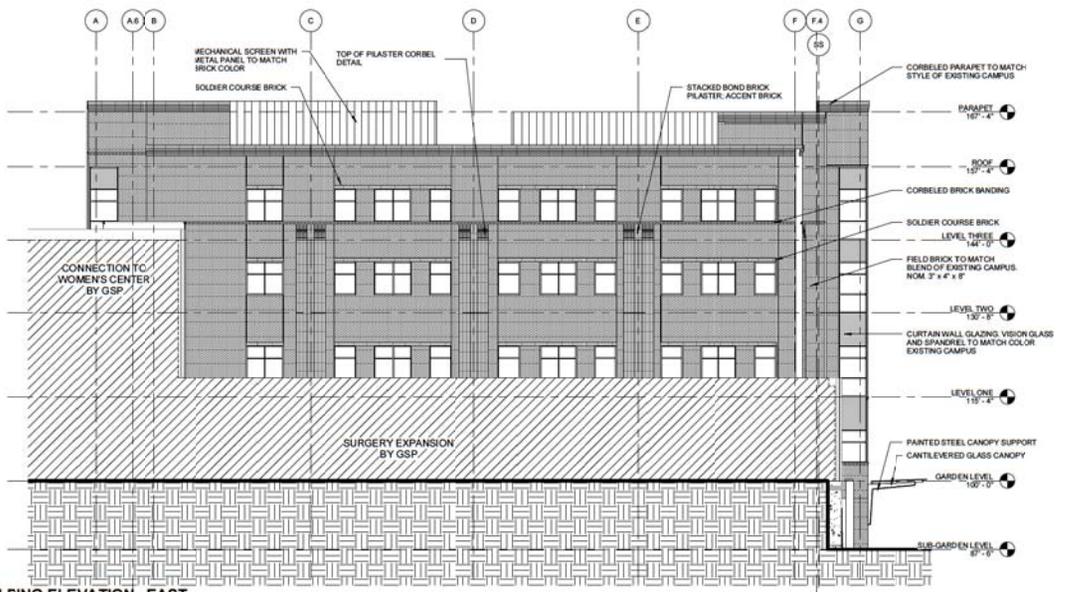
June, 11 2014
BUILDING ELEVATIONS

RIDGEGATE - SEC. 15 FILING 2, 2ND AMENDMENT

LOT 3-A1 AND TRACT E-1A
 PLANNING AREA CAM-U #2
 SKY RIDGE MEDICAL CENTER, 10TH AMENDMENT RELATED MEDICAL OFFICE BUILDING III
 PROJECT # SP14-05R, AMENDING SP00-40



1 BUILDING ELEVATION - WEST
 352' x 1'-0"

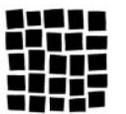


2 BUILDING ELEVATION - EAST
 352' x 1'-0"



ICT
 I.C.T. Engineers Association, Inc.
 CONSULTING ENGINEERS
 2000 GREAT OAKS, SUITE 600
 NASHVILLE, TENNESSEE 37204
 PHONE (615) 245-3400
 FAX (615) 245-3500
 www.ict-engineers.com
 ICT Project No. 148220

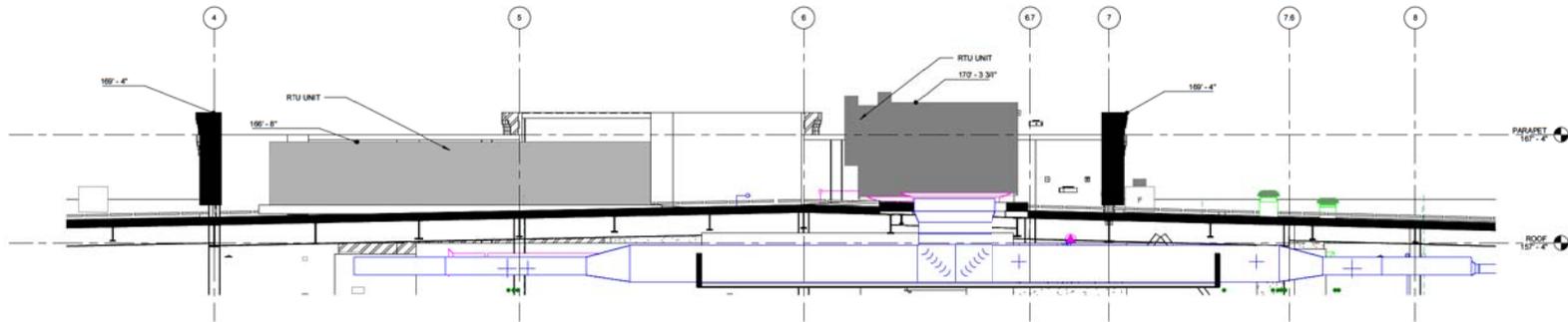
GRESHAM SMITH AND PARTNERS
 1405 Nashville City Center
 811 Union Street
 Nashville, TN 37218
 615.775.8100
 www.gspnet.com



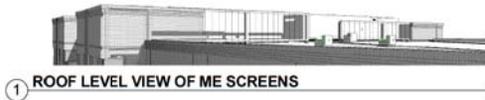
DAVIS PARTNERSHIP ARCHITECTS
 Denver: 1201 Blake Street, Suite 100
 Denver, CO 80202 303.961.8555
 Vail: 1025 Main Street, Unit C101
 Edwards, CO 81632 970.526.8990

June, 11 2014
 BUILDING ELEVATIONS

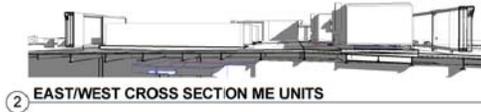
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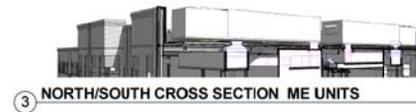
④ EAST/WEST CROSS SECTION
 3/16" = 1'-0"



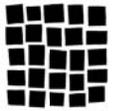
① ROOF LEVEL VIEW OF ME SCREENS



② EAST/WEST CROSS SECT ON ME UNITS



③ NORTH/SOUTH CROSS SECTION ME UNITS



DAVIS PARTNERSHIP ARCHITECTS

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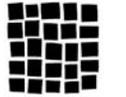
June, 11 2014
 ROOF LEVEL CROSS SECTIONS

RIDGEGATE - SEC. 15 FILING 2, 2ND AMENDMENT
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 PROJECT # SP14-05R, AMENDING SP00-40



ICT
 CONSULTING ENGINEERS
 300 ARMY DRIVE, SUITE 500
 MEMPHIS, TENNESSEE 37514
 PHONE: 901.546.4400
 FAX: 901.546.4500
 WWW.ICTENGINEERS.COM
 ICT@MEMPHIS.TN.US

GRESHAM SMITH AND PARTNERS
 1401 Republic City Center
 311 Center Street
 Nashville, TN 37214
 615.259.8100
 WWW.GSPARTNERS.COM



DAVIS PARTNERSHIP ARCHITECTS
 Denver | 2201 Blake Street, Suite 100
 Denver, CO 80202 | 303.561.8805
 Vail | 10225 Main Street, Unit C 101
 Vail, Colorado, CO 81652 | 970.530.8860

April, 25 2014
 SOUTH EAST VIEW
 1 of 4

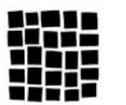
Sky Ridge Medical Center Medical Office Building III

RIDGEGATE - SEC. 15 FILING 2, 2ND AMENDMENT
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ICT
 I.C.T. ENGINEERS ASSOCIATES, INC.
 CONSULTING ENGINEERS
 2000 ARMY DRIVE, SUITE 200
 MEMPHIS, TENNESSEE 37514
 PHONE: 901.346.4400
 FAX: 901.346.4800
 WWW.ICTENGINEERS.COM
 ICTFLORIDA 14000

GRESHAM SMITH AND PARTNERS
 1401 Republic City Center
 811 Center Street
 Memphis, TN 37103
 WWW.GSPNET.COM



DAVIS PARTNERSHIP ARCHITECTS
 Denver: 2201 Blake Street, Suite 100
 Denver, CO 80202 303.981.8805
 Vail: 10225 Main Street, Unit C 101
 Edwards, CO 81632 970.330.8800

April, 25 2014
 SOUTH WEST VIEW
 2 of 4

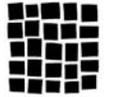
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ICT
 CONSULTING ENGINEERS
 2800 ARMY DRIVE, SUITE 500
 MEMPHIS, TENNESSEE 37514
 PHONE: 901.348.4400
 FAX: 901.348.3500
 WWW.ICTENGINEERS.COM
 ICT#MEMPHIS 14000

GRESHAM SMITH AND PARTNERS
 1401 REPUBLIC CITY CENTER
 311 COLONY STREET
 MEMPHIS, TN 37119
 901.527.8100
 WWW.GSPARTNERS.COM



DAVIS PARTNERSHIP ARCHITECTS

DENVER: 2201 16th Street, Suite 100
 DENVER, CO 80202 303.581.8800
 VAIL: 10225 Main Street, Unit C 120
 VAIL, EDWARDS, CO 81657 970.530.8800

April, 25 2014
 NORTH WEST VIEW
 3 of 4

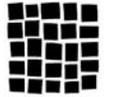
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 I.C.T. ENGINEERS & ARCHITECTS, INC.
 CONSULTING ENGINEERS
 2800 ARMY DRIVE, SUITE 400
 MEMPHIS, TENNESSEE 37124
 PHONE: 901.546.4400
 FAX: 901.546.4800
 WWW.ICTENGINEERS.COM
 ECTP@MKTN14.COM

GRESHAM SMITH AND PARTNERS
 1401 Republic City Center
 311 Center Street
 Nashville, TN 37214
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 WWW.GSPARTN.COM



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 Denver | 2201 Blake Street, Suite 100
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 Vail | 10225 Main Street, Unit C110
 Edwards, CO 81632 | 970.538.8860

April, 25 2014
 NORTH EAST VIEW
 4 of 4

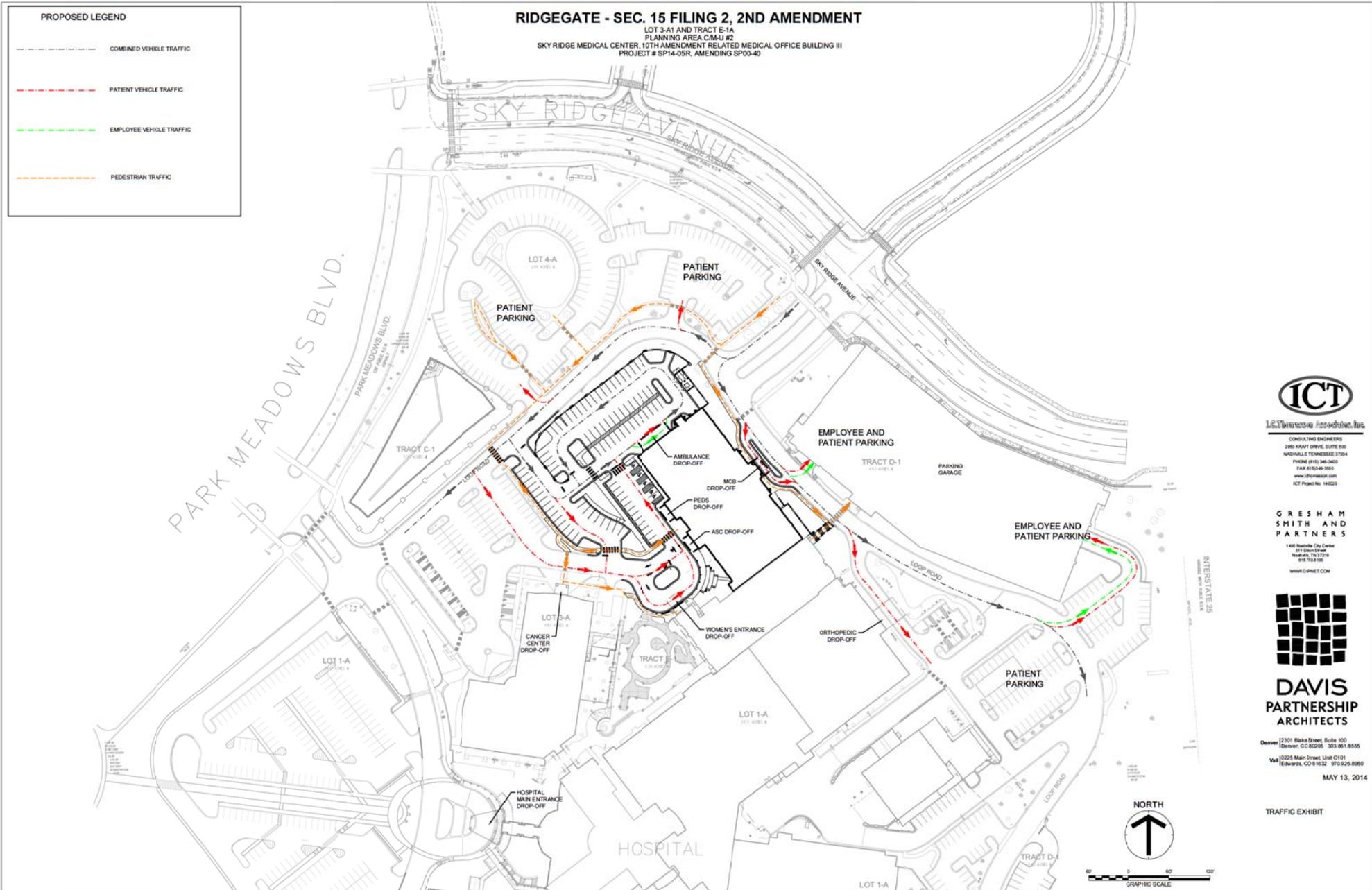
Sky Ridge Medical Center Medical Office Building III

PROPOSED LEGEND

- COMBINED VEHICLE TRAFFIC
- PATIENT VEHICLE TRAFFIC
- EMPLOYEE VEHICLE TRAFFIC
- PEDESTRIAN TRAFFIC

RIDGEGATE - SEC. 15 FILING 2, 2ND AMENDMENT

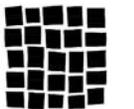
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ICT
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 2360 KRAFT DRIVE, SUITE 500
 NASHVILLE, TENNESSEE 37204
 PHONE (615) 346-3400
 FAX (615) 346-3850
 www.ict-engineers.com
 ICT Project No. 140202

GRESHAM SMITH AND PARTNERS

1400 Nashville City Center
 411 Union Street
 Nashville, TN 37219
 615 259 1000
 WWW.GSPNET.COM



DAVIS PARTNERSHIP ARCHITECTS

Denver: 2301 Blake Street, Suite 100
 Denver, CO 80205 303.851.8555
 Vail: 10225 Main Street, Unit C101
 Edwards, CO 81632 970.926.8960

MAY 13, 2014

TRAFFIC EXHIBIT



Sky Ridge Medical Center Medical Office Building III



CITY OF LONE TREE
STAFF REPORT

TO: Mayor Gunning and City Council

FROM: John P. Cotten, P.E.

DATE: June 10, 2014

FOR: June 17, 2014 Council meeting

SUBJECT: Approval of Fehr and Peers Consultant Contract for the Community Wide Complete Streets Plan

Summary

Staff recommends that Council approve the consultant Contract (attached) with Fehr and Peers in the amount of \$89,954.00 for the City of Lone Community Wide Complete Streets Plan and authorize the Public Works Director to execute the Contract.

Cost

The total Contract cost is \$89,954.00.

Suggested Motion or Recommended Action

I move to approve the Contract with Fehr and Peers in the amount of \$89,954.00 for the City of Lone Tree Community Wide Complete Streets Plan and authorize the Public Works Director to execute the Contract documents.

Background

This proposal was prompted by the walk and wheel grant awarded to the City by Kaiser Permanente. The cost of this study is within the funding authorized under the grant.

Proposals were received and reviewed (John Cotten, Jennifer Drybread, Darryl Jones, Taylor Goertz, and staff from Bicycle Colorado) for the Community Wide Complete Streets Plan during the week of May 12, 2014. A total of seven (7) proposals were submitted by engineer/planning consultants of which three (3) were short listed for interviews, including Fehr and Peers, OV Consultants, and Toole Design Group.

Upon completion of interviews, the selection committee (less Bicycle Colorado staff) unanimously selected Fehr and Peers as the consultant of choice based on their proposed project team, the experience each of the team members provided,

the project management style proposed, as well as other key elements to the request for proposal.

Agreement between Service Provider and the City of Lone Tree

This agreement is made between the City of Lone Tree, Colorado, 9220 Kimmer Drive, Suite 100, Lone Tree, Colorado 80124 (City) and the Service Provider: Fehr and Peers, 621 17th Street, #2301, Denver, CO 80293

For the following Project described as: Planning and design services for the City of Lone Tree's Community Wide Complete Streets Plan.

The Project Manager is: Taylor C. Goertz, P.E.

The City and the Service Provider agree as follows:

ARTICLE 1 THE CONTRACT DOCUMENTS

The Service Provider shall complete the Work described in the Contract Documents for the project. The Contract Documents consist of:

- 1.1 This Agreement signed by the City and Service Provider, includes Addendum 1. General Conditions and Addendum 2. Insurance.
- 1.2 Written change orders or orders for minor changes in the services issued after execution of this Agreement; and Service Provider's proposal.
- 1.4 Request for Proposal (or Scope of Work) associated with this project (Addendum 3).
- 1.3 The Service Provider's proposal for the services defined in the Request for Proposal associated with this project (Addendum 4).

ARTICLE 2 COMPLETION DATE

The Service Provider shall complete the Services proposed herein no later than December 31, 2014, subject to adjustment by Change Order.

ARTICLE 3 CONTRACT SUM

3.1 Subject to additions and deductions by Change Order, the Contract Sum is:

\$ 89,954.00

3.2 The price quoted in the contract shall be final price paid for service rendered by the Service Provider, unless a change order is executed by both the City and the Service Provider. This contract shall not be subject to any price increase due to raw materials or increased labor costs.

3.3 The Contract Sum shall include all items and services necessary for the proper execution and completion of the Work. This includes all material, equipment and labor used in connection with the performance of this contract.

ARTICLE 4 PAYMENT

Based on Service Provider's Applications for Payment certified by the Project Manager, the City shall pay the Service Provider within thirty (30) working days from receipt of a complete and accurate pay request.

ARTICLE 5 FINAL PAYMENT

The City shall make final payment to Service Provider in accordance with the Contract Documents and Section 38-26-107, C.R.S.

ARTICLE 6 INSURANCE REQUIREMENTS

Prior to commencement of the Work, the Service Provider shall provide the City with certificates of insurance as specifically described in Addendum 2.

ARTICLE 7 OTHER TERMS AND CONDITIONS

7.1 Failure to complete services defined in this agreement within the described time period, without a time extension being agreed to by the Service Provider through an executed change order, shall result in immediate termination of the agreement.

This Agreement entered into as of the day and year first written below.

City of Lone Tree (Signature) Date

Fehr and Peers (Signature) Date

Name (Printed)

Name (Printed)

Title

Title

ADDENDUM 1. GENERAL CONDITIONS

1. MODIFICATION

No modification of the Agreement shall be binding upon the City unless made in writing and signed by an authorized agent of the City.

2. AGREEMENT TERM

The Agreement Term shall begin upon execution of this agreement and end upon the completion of all services included in the Provider's proposal for the services. The Agreement shall be in effect for the duration of the project schedule.

3. TERMINATION

The Agreement may be terminated by either party upon ten (10) calendar days prior written notice to the other party in the event of a substantial failure by the other party to fulfill its obligations under the Agreement through no fault of the terminating party. The terminating party shall consult in good faith with the other party prior to termination.

The Agreement may be terminated by the City for convenience upon ten (10) calendar days prior written notice to the Service Provider. The City shall consult in good faith with the Service Provider prior to termination.

In the event of termination as provided in this section, the City shall pay the Service Provider for services performed prior to the date of notice of termination plus any services the City requests during the notice period. Service Provider shall be paid upon delivering to the City all data, drawings, specifications, reports, estimates, summaries and any other information, documents and materials applicable to the Agreement, whether completed or in progress.

4. ASSIGNMENT

The Service Provider shall not assign the Agreement in whole or in part, including the Service Provider's right to receive compensation hereunder, without the prior written consent of the City. However, consent shall not be unreasonably withheld if the assignment is to the Service Provider's affiliated or subsidiary companies. Any such assignment shall not relieve the Service Provider of any of its obligations under the Agreement. This restriction on assignment includes, without limitation, assignment of the Service Provider's right to payment to its surety or lender.

5. EQUAL OPPORTUNITY

The selected Service Provider shall not discriminate against any employee or applicant for employment because of race, religion, color, gender, national origin, disability, or sexual orientation.

6. PROPRIETARY INFORMATION

Any information submitted by Service Provider to the City that is of a proprietary nature must be clearly labeled as such. The City shall be indemnified and held harmless by the Service Provider from any

claims arising from the release of proprietary information not clearly labeled as such by the Service Provider.

7. INDEPENDENT SERVICE PROVIDER

The Service Provider is an independent Service Provider and not an agent or employee of the City unless the Service Provider is expressly authorized in writing to act as an agent of the City.

8. BOOKS AND RECORDS

The Service Provider's books and records in connection with the Agreement shall be kept in accordance with nationally recognized and accepted accounting principles and practices, and will be made available for the City's inspection at all reasonable times at the places where the books and records are normally kept. The Service Provider shall not be required to retain such books and records for more than three (3) years after termination of the Agreement.

9. RESPONSIBILITY; LIABILITY

a. Professional Liability. In its performance of all obligations under this Agreement, the Service Provider shall exercise the standard of care customarily and typically exercised by Service Providers performing comparable.

b. Indemnification. The Service Provider shall indemnify, defend, and hold harmless the City from and against any damages, claims, causes of action, lawsuits, demands, or judgments arising out of the negligent errors or omissions of the Service Provider, its agents, employees, or representatives, in connection with Service Provider's obligations under the Agreement.

10. COMMUNICATIONS

Day-to-day, routine, or non-written communication pursuant to the Agreement shall be between the Project representatives of the City and the Service Provider as designated by each respective party upon commencement of the services.

All written notices and communication shall be delivered personally to the respective representatives of the City and the Service Provider or shall be mailed by certified mail, postage prepaid, return receipt requested to the parties at their place of business. Notices hereunder shall be effective three (3) days after mailing.

ADDENDUM 2. INSURANCE REQUIREMENTS

1. Workers' Compensation:

- (1) State Statutory
- (2) Applicable Federal Statutory
- (3) Employer's Liability \$100/100/500 (in thousands)

2. Liability Insurance: SERVICE PROVIDER's Liability Insurance shall include completed operations and product liability coverages and shall not have any exclusion with respect to property under the care, custody and control of SERVICE PROVIDER. The insurance minimum limits are:

- (1) General Aggregate \$500,000
- (2) Products-Completed Operations Aggregate \$500,000
- (3) Personal/Advertising Injury \$500,000
- (4) Bodily Injury and Property Damage \$500,000
(Each Occurrence)
- (5) Medical Expense (Limit per person) \$ 10,000
- (6) Personal Injury Liability Coverage will include Claims arising out of Employment.
- (7) Exclusion of Property in SERVICE PROVIDER's Care, Custody or Control will be eliminated.
- (8) The City of Lone Tree shall be listed as an additional insured and a certificate of insurance shall be provided to the City prior to commencing work.

3. Automobile Liability minimum limits are:

- (1) Bodily Injury (Combined Single Limit) \$500,000
- (2) Property Damage (Combined Single Limit) \$500,000

4. Professional Liability/Errors and Omissions (E & O Limits)

- (1) Each Occurrence \$1,000,000
- (2) Aggregate \$2,000,000

Every policy required above shall be primary insurance, and any insurance carried by the City shall be excess and not contributory insurance to that provide by SERVICE PROVIDER. The additional insured endorsement for the Comprehensive General Liability insurance required above shall not contain any exclusions for bodily injury or property damage arising from completed operations. The SERVICE PROVIDER shall be solely responsible for any deductible losses under each of the policies required above.

Certificates of insurance shall be completed by the SERVICE PROVIDER'S insurance agent as evidence that policies providing the required coverages, conditions and minimum limits are in full force and effect, and shall be subject to review and approval by the City. Each certificate shall identify the project and shall provide that the coverages afforded under the policies shall not be cancelled, terminated or materially changed until at least 30 days prior written notice has been given to the City. The City reserves the right to request and receive a certified copy of any policy and any endorsement thereto.

Failure on the part of the SERVICE PROVIDER to procure or maintain policies providing the required coverages, conditions, and minimum limits shall constitute a material breach of the contract upon which the City may immediately terminate the contract.

ADDENDUM 3. REQUEST FOR PROPOSAL OR SCOPE OF WORK

(Attached)

ADDENDUM 4. SERVICE PROVIDER PROPOSAL

(Attached)



CITY OF LONE TREE
STAFF REPORT

TO: Mayor Gunning and City Council

FROM: John P. Cotten, P.E.

DATE: June 10, 2014

FOR: June 17, 2014 Council meeting

SUBJECT: Approval of Change Order #1 to the Contract for the Lincoln Bridge Repair Contract

Summary

Staff recommends that Council approve Change Order #1 (attached) with Noraa Concrete Construction Corporation in the amount of \$133,517.30 for the City of Lone Tree Lincoln Avenue (Westbound) Over I-25 Improvements and authorize the Public Works Director to execute Change Order #1.

Cost

The total Change Order cost is \$133,517.30.

Suggested Motion or Recommended Action

I move to approve Change Order #1 with Noraa Concrete Construction Corporation in the amount of \$133,517.30 for the City of Lone Tree Lincoln Avenue (Westbound) Over I-25 Improvements and authorize the Public Works Director to execute the Change Order documents.

Background

Bids were received and opened for the Lincoln Avenue Over I-25 Improvements on April 29, 2014 and Noraa Concrete Construction Corporation was the apparent low bidder. Staff initially recommended award of only Schedule A of the Contract (less painting of the bridge rail barriers) due to budget constraints for this project.

During Council discussion of this project, staff was directed to add Schedule B and painting of bridge rail barriers. The scope of work for Schedule B includes milling and overlay of the asphalt portion of the roadway on the bridge structure.

CHANGE ORDER NO. 1

Dated 6/17/14

CONTRACT FOR: Lincoln Avenue Westbound over I-25 Improvements Agreement Date: June 5, 2014

OWNER: City of Lone Tree, Colorado Owner's Proj. No. _____

CONTRACTOR: Noraa Concrete Construction Corporation Engineer's Proj. No. 061393.00

The following changes are hereby made to the Contract Documents:

Description: Add Schedule B (mill and overlay) and painting to concrete bridge rail barriers including sandblasting and structural coating.

Purpose: At the request of City Council, staff has added the scope of work under Change Order #1.

Attachments: Bid Tabulation from 4/29/14.

ADJUSTMENT TO CONTRACT PRICE:

Original contract price	\$ <u>319,466.50</u>
Net change previous Change Orders No. <u>0</u> to <u>0</u>	\$ <u>0.00</u>
Contract price prior to this Change Order	\$ <u>0.00</u>
Net adjustment resulting from this Change Order (+/-)	\$ <u>133,517.30</u>
Current contract price including this Change Order	\$ <u>452,983.80</u>

ADJUSTMENT TO CONTRACT TIME:

Original contract time (days or date)	<u>50</u> days
Net change previous Change Orders No. <u>0</u> to <u>0</u> (days)	<u>0</u> days
Contract time prior to this Change Order (days or date)	<u>50</u> days
Net Adjustment Resulting from this Change Order (days)	<u>0</u> days
Current contract time including this Change Order (days or date)	<u>50</u> days

Recommended:

TST Inc. of Denver
(ENGINEER)

By: _____

Date: _____

Approved:

City of Lone Tree, Colorado
(OWNER)

By: _____

Date: _____

Approved:

(CONTRACTOR)

By: _____

Date: _____



COST ESTIMATE

Client: City of Lone Tree
Project: Lincoln Avenue Over I-25 Improvements (WB)

Job No: 061-393

Date: 04/29/14

<i>Bid Schedule A - Bridge Improvements</i>				Engineer's Opinion		Noraa Concrete Construction Corp.		Concrete Express, Inc.		KECI Colorado, Inc.	
No.	Item	Quantity	Unit	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
202	Removal of Sidewalk	43	SY	\$33.08	\$1,422.23	\$60.00	\$2,580.00	\$42.00	\$1,806.00	\$27.00	\$1,161.00
202	Removal of Curb and Gutter	62	LF	\$14.70	\$911.40	\$28.00	\$1,736.00	\$22.00	\$1,364.00	\$14.00	\$868.00
202	Removal of Concrete Pavement	221	SY	\$27.04	\$5,975.29	\$86.00	\$19,006.00	\$52.00	\$11,492.00	\$50.00	\$11,050.00
202	Removal of Asphalt Mat (Planing)	140	SY	\$19.43	\$2,719.50	\$19.25	\$2,695.00	\$50.00	\$7,000.00	\$22.00	\$3,080.00
202	Removal of Bridge Railing	118	LF	\$27.83	\$3,283.35	\$60.00	\$7,080.00	\$48.00	\$5,664.00	\$64.00	\$7,552.00
202	Removal of Portions of Present Structure	1	LS	\$13,125.00	\$13,125.00	\$8,057.00	\$8,057.00	\$10,000.00	\$10,000.00	\$9,600.00	\$9,600.00
202	Sandblasting	3,942	SF	\$0.53	\$2,069.55	\$2.40	\$9,460.80	\$1.30	\$5,124.60	\$6.00	\$23,652.00
208	Erosion Control	1	LS	\$2,310.00	\$2,310.00	\$8,465.00	\$8,465.00	\$15,000.00	\$15,000.00	\$6,000.00	\$6,000.00
304	Aggregate Base Course (Class 6)	76	CY	\$57.75	\$4,389.00	\$46.00	\$3,496.00	\$120.00	\$9,120.00	\$164.00	\$12,464.00
403	Hot Bituminous Pavement (Grading SX) (100) (PG 64-22)	15	TON	\$204.75	\$3,071.25	\$443.00	\$6,645.00	\$730.00	\$10,950.00	\$341.00	\$5,115.00
412	Concrete Pavement (10 Inch) (Fast Track)	221	SY	\$144.90	\$32,022.90	\$220.00	\$48,620.00	\$225.00	\$49,725.00	\$128.00	\$28,288.00
515	Concrete Sealer	10	SY	\$44.10	\$441.00	\$59.00	\$590.00	\$20.00	\$200.00	\$72.00	\$720.00
518	Bridge Expansion Device (0-2 Inch)	82	LF	\$85.05	\$6,974.10	\$154.00	\$12,628.00	\$133.00	\$10,906.00	\$136.00	\$11,152.00
601	Class E Concrete	3	CY	\$2,310.00	\$6,930.00	\$2,150.00	\$6,450.00	\$2,400.00	\$7,200.00	\$1,700.00	\$5,100.00
601	Structural Concrete Coating	4,727	SF	\$1.58	\$7,445.03	\$2.50	\$11,817.50	\$2.20	\$10,399.40	\$11.00	\$51,997.00
602	Reinforcing Steel (Epoxy Coated)	731	LB	\$1.84	\$1,343.21	\$2.50	\$1,827.50	\$5.00	\$3,655.00	\$4.00	\$2,924.00
606	Bridge Rail Type 4	118	LF	\$120.75	\$14,248.50	\$225.00	\$26,550.00	\$198.00	\$23,364.00	\$243.00	\$28,674.00
608	Concrete Sidewalk (6 Inch)	43	SY	\$81.90	\$3,521.70	\$97.00	\$4,171.00	\$100.00	\$4,300.00	\$84.00	\$3,612.00
609	Curb and Gutter Type 2 (I-B)	43	LF	\$28.35	\$1,219.05	\$45.00	\$1,935.00	\$48.00	\$2,064.00	\$34.00	\$1,462.00
609	Curb and Gutter Type 2 (II-B)	19	LF	\$39.90	\$758.10	\$45.00	\$855.00	\$69.00	\$1,311.00	\$44.00	\$836.00
620	Sanitary Facility	1	EA	\$525.00	\$525.00	\$1,450.00	\$1,450.00	\$410.00	\$410.00	\$450.00	\$450.00
625	Construction Surveying	1	LS	\$4,462.50	\$4,462.50	\$5,450.00	\$5,450.00	\$5,200.00	\$5,200.00	\$3,300.00	\$3,300.00
626	Mobilization	1	LS	\$21,000.00	\$21,000.00	\$17,000.00	\$17,000.00	\$17,800.00	\$17,800.00	\$18,000.00	\$18,000.00
630	Traffic Control	1	LS	\$106,260.00	\$106,260.00	\$115,550.00	\$115,550.00	\$122,000.00	\$122,000.00	\$153,000.00	\$153,000.00
700	F/A Minor Contract Revisions	1	F A	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
TOTAL					\$266,427.65		\$344,114.80		\$356,055.00		\$410,057.00

<i>Bid Schedule B - Resurface</i>				Engineer's Opinion							
No.	Item	Quantity	Unit	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
202	Removal of Asphalt Mat (Planing)	3,072	SY	\$19.43	\$59,688.96	\$5.50	\$16,896.00	\$5.00	\$15,360.00	\$5.00	\$15,360.00
403	Hot Mix Asphalt (Grading SX) (100) (PG 64-22)	338	TON	\$131.25	\$44,362.50	\$166.00	\$56,108.00	\$136.00	\$45,968.00	\$115.00	\$38,870.00
626	Mobilization	1	LS	\$5,250.00	\$5,250.00	\$5,150.00	\$5,150.00	\$5,450.00	\$5,450.00	\$3,000.00	\$3,000.00
630	Traffic Control	1	LS	\$5,985.00	\$5,985.00	\$30,715.00	\$30,715.00	\$43,000.00	\$43,000.00	\$20,000.00	\$20,000.00
TOTAL					\$115,286.46		\$108,869.00		\$109,778.00		\$77,230.00

GRAND TOTAL				\$381,714.11		\$452,983.80		\$465,833.00		\$487,287.00
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CITY OF LONE TREE PRELIMINARY FINDINGS

- AGENDA ITEM:** Hotel and Restaurant Liquor License for Perry's Steakhouse of Colorado, LLC d/b/a Perry's Steakhouse & Grille
- MEETING DATE:** June 17, 2014
- STAFF PERSON RESPONSIBLE:** Jennifer Pettinger, CMC, City Clerk
- DESCRIPTION:** Hotel and Restaurant Liquor License for Perry's Steakhouse of Colorado, LLC d/b/a Perry's Steakhouse & Grille, 8433 Park Meadows Center Drive, Suite D154, Lone Tree, Colorado.
- SUMMARY:** The application for a new Hotel and Restaurant Liquor License at the above location was submitted and complete in all material respects. The necessary fees accompanied the application.
- This establishment is located at 8433 Park Meadows Center Drive, Suite D154. A Lease was entered into between Park Meadows Mall, LLC, Landlord, and Perry's Steakhouse of Colorado, LLC, Tenant on April 19, 2013 and a First Amendment of Lease was executed on March 20, 2014. The lease expires 120 months (10 years) after the Opening Date.
- Documents reviewed include the License Application, Individual History Record for Christopher Perry, Lone Tree Business License, Certificate of Good Standing issued by the Colorado Secretary of State, Articles of Organization, Operating Agreement, Certificate of Limited Partnership, Articles of Limited Partnership for Leasing Enterprises, LTD, including Amendments and Restated Articles, Red-lined Drawing of the Premises, Legal Notice #925530, Affidavit of Posting, and Petitions.
- All posting and publication requirements were met and the petition results reviewed. Staff recommends approval of the application conditional upon the applicant obtaining all necessary department approvals.
- A Hotel and Restaurant licensee must have full meals available until 8:00 p.m. everyday, and snacks and sandwiches after 8:00 p.m. Food sales must provide at least 25% of the gross income from the sale of food and drink of the license premises over any period of time of at least one year.
- RECOMMENDED COUNCIL ACTION:** Convene the Public Hearing for a new Hotel and Restaurant Liquor License and consider a motion to approve the application for a Hotel and Restaurant Liquor License conditional upon the applicant obtaining all necessary approvals.

**COLORADO LIQUOR
 RETAIL LICENSE APPLICATION**

<input checked="" type="checkbox"/> NEW LICENSE <input type="checkbox"/> TRANSFER OF OWNERSHIP <input type="checkbox"/> LICENSE RENEWAL			
• ALL ANSWERS MUST BE PRINTED IN BLACK INK OR TYPEWRITTEN • APPLICANT MUST CHECK THE APPROPRIATE BOX(ES) • LOCAL LICENSE FEE \$ _____ • APPLICANT SHOULD OBTAIN A COPY OF THE COLORADO LIQUOR AND BEER CODE (Call 303-370-2165)			
1. Applicant is applying as a <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership (includes Limited Liability and Husband and Wife Partnerships)		<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Association or Other	
2. Applicant If an LLC, name of LLC; if partnership, at least 2 partner's names; if corporation, name of corporation Perry's Steakhouse of Colorado, LLC			Fein Number
2a. Trade Name of Establishment (DBA) Perry's Steakhouse & Grille		State Sales Tax No. 27865666	Business Telephone Pending
3. Address of Premises (specify exact location of premises) 8433 Park Meadows Center Dr., Suite D154			
City Lone Tree	County Douglas	State CO	ZIP Code 80124
4. Mailing Address (Number and Street) 9821 Katy Freeway, Ste. 500		City or Town Houston	State TX ZIP Code 77024
5. If the premises currently have a liquor or beer license, you MUST answer the following questions:			
Present Trade Name of Establishment (DBA) N/A		Present State License No.	Present Class of License Present Expiration Date
LIAB SECTION A NONREFUNDABLE APPLICATION FEES		LIAB SECTION B (CONT.) LIQUOR LICENSE FEES	
2300 <input type="checkbox"/> Application Fee for New License \$1,025.00 2302 <input checked="" type="checkbox"/> Application Fee for New License - w/Concurrent Review \$1,125.00 2310 <input type="checkbox"/> Application Fee for Transfer \$1,025.00		1985 <input type="checkbox"/> Resort Complex License (City) \$500.00 1986 <input type="checkbox"/> Resort Complex License (County) \$500.00 1988 <input type="checkbox"/> Add Related Facility to Resort Complex ... \$ 75.00 X ____ Total ____ 1990 <input type="checkbox"/> Club License (City) \$308.75 1991 <input type="checkbox"/> Club License (County) \$308.75 2010 <input type="checkbox"/> Tavern License (City) \$500.00 2011 <input type="checkbox"/> Tavern License (County) \$500.00 2012 <input type="checkbox"/> Manager Registration - Tavern \$ 75.00 2020 <input type="checkbox"/> Arts License (City) \$308.75 2021 <input type="checkbox"/> Arts License (County) \$308.75 2030 <input type="checkbox"/> Racetrack License (City) \$500.00 2031 <input type="checkbox"/> Racetrack License (County) \$500.00 2040 <input type="checkbox"/> Optional Premises License (City) \$500.00 2041 <input type="checkbox"/> Optional Premises License (County) \$500.00 2045 <input type="checkbox"/> Vintners Restaurant License (City) \$750.00 2046 <input type="checkbox"/> Vintners Restaurant License (County) \$750.00 2220 <input type="checkbox"/> Add Optional Premises to H & R \$100.00 X ____ Total ____ 2370 <input type="checkbox"/> Master File Location Fee \$ 25.00 X ____ Total ____ 2375 <input type="checkbox"/> Master File Background \$250.00 X ____ Total ____	
LIAB SECTION B LIQUOR LICENSE FEES			
1905 <input type="checkbox"/> Retail Gaming Tavern License (City) \$500.00 1906 <input type="checkbox"/> Retail Gaming Tavern License (County) \$500.00 1940 <input type="checkbox"/> Retail Liquor Store License (City) \$227.50 1941 <input type="checkbox"/> Retail Liquor Store License (County) \$312.50 1950 <input type="checkbox"/> Liquor Licensed Drugstore (City) \$227.50 1951 <input type="checkbox"/> Liquor Licensed Drugstore (County) \$312.50 1960 <input type="checkbox"/> Beer and Wine License (City) \$351.25 1961 <input type="checkbox"/> Beer and Wine License (County) \$436.25 1970 <input checked="" type="checkbox"/> Hotel and Restaurant License (City) \$500.00 1971 <input type="checkbox"/> Hotel and Restaurant License (County) \$500.00 1975 <input type="checkbox"/> Brew Pub License (City) \$750.00 1976 <input type="checkbox"/> Brew Pub License (County) \$750.00 1980 <input type="checkbox"/> Hotel and Restaurant License w/opt premises (City) \$500.00 1981 <input type="checkbox"/> Hotel and Restaurant License w/opt premises (County) \$500.00 1983 <input checked="" type="checkbox"/> Manager Registration - H & R \$ 75.00			
DO NOT WRITE IN THIS SPACE - FOR DEPARTMENT OF REVENUE USE ONLY			
LIABILITY INFORMATION			
County	City	Industry Type	License Account Number
State ____-750 (999)	City 2180-100 (999)	County 2190-100 (999)	Managers Reg ____-750 (999)
Cash Fund New License 2300-100 (999)		Cash Fund Transfer License 2310-100 (999)	
		TOTAL	
		\$.	

6. Is the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation) or manager under the age of twenty-one years? Yes No

7. Has the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation) or manager ever (in Colorado or any other state);
 (a) been denied an alcohol beverage license?
 (b) had an alcohol beverage license suspended or revoked?
 (c) had interest in another entity that had an alcohol beverage license suspended or revoked?
 If you answered yes to 7a, b or c, explain in detail on a separate sheet.

8. Has a liquor license application (same license class), that was located within 500 feet of the proposed premises, been denied within the preceding two years? If "yes," explain in detail.

9. Are the premises to be licensed within 500 feet of any public or private school that meets compulsory education requirements of Colorado law, or the principal campus of any college, university or seminary?

10. Has a liquor or beer license ever been issued to the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation)? If yes, identify the name of the business and list any current or former financial interest in said business including any loans to or from a licensee. See attached.

11. Does the Applicant, as listed on line 2 of this application, have legal possession of the premises by virtue of ownership, lease or other arrangement?
 Ownership Lease Other (Explain in Detail) _____

a. If leased, list name of landlord and tenant, and date of expiration, EXACTLY as they appear on the lease:

Landlord Park Meadows Mall, LLC	Tenant Perry's Steakhouse of Colorado, LLC	Expires 120 Months
------------------------------------	---	-----------------------

Attach a diagram and outline or designate the area to be licensed (including dimensions) which shows the bars, brewery, walls, partitions, entrances, exits and what each room shall be utilized for in this business. This diagram should be no larger than 8 1/2" X 11". (Doesn't have to be to scale)

12. Who, besides the owners listed in this application (including persons, firms, partnerships, corporations, limited liability companies), will loan or give money, inventory, furniture or equipment to or for use in this business; or who will receive money from this business. Attach a separate sheet if necessary.

NAME	DATE OF BIRTH	FEIN OR SSN	INTEREST
Park Meadows Mall, LLC	N/A		Landlord - % rent per Article 4 of lease & section 1.18.
Woodforest National Bank	N/A	N/A	Bank via Loan

Attach copies of all notes and security instruments, and any written agreement, or details of any oral agreement, by which any person (including partnerships, corporations, limited liability companies, etc.) will share in the profit or gross proceeds of this establishment, and any agreement relating to the business which is contingent or conditional in any way by volume, profit, sales, giving of advice or consultation.

13. Optional Premises or Hotel and Restaurant Licenses with Optional Premises
 Has a local ordinance or resolution authorizing optional premises been adopted? Yes No

 Number of separate Optional Premises areas requested. _____ (See License Fee Chart) N/A

14. Liquor Licensed Drug Store applicants, answer the following:
 (a) Does the applicant for a Liquor Licensed Drug Store have a license issued by the Colorado Board of Pharmacy? COPY MUST BE ATTACHED. Yes No
 N/A

15. Club Liquor License applicants answer the following and attach:
 (a) Is the applicant organization operated solely for a national, social, fraternal, patriotic, political or athletic purpose and not for pecuniary gain? Yes No
 N/A
 (b) Is the applicant organization a regularly chartered branch, lodge or chapter of a national organization which is operated solely for the object of a patriotic or fraternal organization or society, but not for pecuniary gain?
 (c) How long has the club been incorporated? (Three years required) _____ (d) Has applicant occupied an establishment for three years that was operated solely for the reasons stated above?

16. Brew-Pub License or Vintner Restaurant Applicants answer the following:
 (a) Has the applicant received or applied for a Federal Permit? Yes No
 N/A
 (Copy of permit or application must be attached)

17a. Name of Manager (for all on-premises applicants) Christopher Perry (If this is an application for a Hotel, Restaurant or Tavern License, the manager must also submit an Individual History Record (DR 8404-I). Date of Birth _____)

17b. Does this manager act as the manager of, or have a financial interest in, any other liquor licensed establishment in the State of Colorado? If yes, provide name, type of license and account number. Yes No

18. Tax Distraint Information. Does the applicant or any other person listed on this application and including its partners, officers, directors, stockholders, members (LLC) or managing members (LLC) and any other persons with a 10% or greater financial interest in the applicant currently have an outstanding tax distraint issued to them by the Colorado Department of Revenue? If yes, provide an explanation and include copies of any payment agreements. Yes No

19. If applicant is a corporation, partnership, association or limited liability company, applicant must list ALL OFFICERS, DIRECTORS, GENERAL PARTNERS, AND MANAGING MEMBERS. In addition applicant must list any stockholders, partners, or members with OWNERSHIP OF 10% OR MORE IN THE APPLICANT. ALL PERSONS LISTED BELOW must also attach form DR 8404-1 (Individual History record), and submit finger print cards to their local licensing authority.

NAME	HOME ADDRESS, CITY & STATE	DOB	POSITION	% OWNED*
Perry's Restaurants, LTD	9821 Katy Freeway, Suite 500 Houston, TX 77024	N/A	Member	100%
Christopher Perry	4429 Mirador Drive Austin, TX, 78733		Manager	0%
See attached.				

*If total ownership percentage disclosed here does not total 100% applicant must check this box
 Applicant affirms that individual other than those disclosed herein, owns 10% or more of the applicant

Additional Documents to be submitted by type of entity

CORPORATION Cert. of Incorp. Cert. of Good Standing (if more than 2 yrs. old) Cert. of Auth. (if a foreign corp.)
 PARTNERSHIP Partnership Agreement (General or Limited) Husband and Wife partnership (no written agreement)
 LIMITED LIABILITY COMPANY Articles of Organization Cert. of Authority (if foreign company) Operating Agrmt.
 ASSOCIATION OR OTHER Attach copy of agreements creating association or relationship between the parties

Registered Agent (if applicable) **Capitol Corporate Services, Inc.** Address for Service **36 S. 18th Ave., Ste. D, Brighton, CO 80601**

OATH OF APPLICANT
 I declare under penalty of perjury in the second degree that this application and all attachments are true, correct, and complete to the best of my knowledge. I also acknowledge that it is my responsibility and the responsibility of my agents and employees to comply with the provisions of the Colorado Liquor or Beer Code which affect my license.

Signature:  Title: **LLC Manager** Date: **4-1-14**

REPORT AND APPROVAL OF LOCAL LICENSING AUTHORITY (CITY/COUNTY)

Date application filed with local authority: **4-21-14** Date of local authority hearing (for new license applicants; cannot be less than 30 days from date of application 12-47-311 (1) C.R.S.):

THE LOCAL LICENSING AUTHORITY HEREBY AFFIRMS:

That each person required file DR 8404-1 (Individual History Record) has: Yes No

Been fingerprinted □ □
 Been subject to background investigation, including NCIC/CCIC check for outstanding warrants □ □

That the local authority has conducted, or intends to conduct, an inspection of the proposed premises to ensure that the applicant is in compliance with, and aware of, liquor code provisions affecting their class of license □ □

(Check One)

Date of inspection or completed Date _____
 Upon approval of state licensing authority.

The foregoing application has been examined; and the premises, business to be conducted, and character of the applicant are satisfactory. We do report that such license, if granted, will meet the reasonable requirements of the neighborhood and the desires of the adult inhabitants, and will comply with the provisions of Title 12, Article 46 or 47, C.R.S. THEREFORE, THIS APPLICATION IS APPROVED.

Local Licensing Authority	Telephone Number	<input type="checkbox"/> TOWN, CITY <input type="checkbox"/> COUNTY
Signature	Title	Date
Signature (attest)	Title	Date

List of Locations with Liquor Licenses
(Supplemental Response to DR 8404 Question #10)

Perry's Steakhouse & Grille

Illinois

5 Oakbrook Ctr ., Oak Brook, IL 605

Texas

114 West 7th Street, Austin, TX 78701

2000 McKinney Ave., Suite 100, Dallas, TX 75201

9730 Cypresswood Dr., Houston, TX 77070

487 Bay Area Blvd., Houston, TX 77058

23501 Cinco Ranch Blvd., Suite Q100, Katy, TX 77494

9827 Katy Freeway, Houston, TX 77024

2115 Town Square Place, Sugar Land, TX 77479

6700 Woodlands Pkwy., The Woodlands, TX 77382

15900 La Cantera Parkway, Suite 22200, San Antonio, TX 78256

Perry & Sons Market & Grille

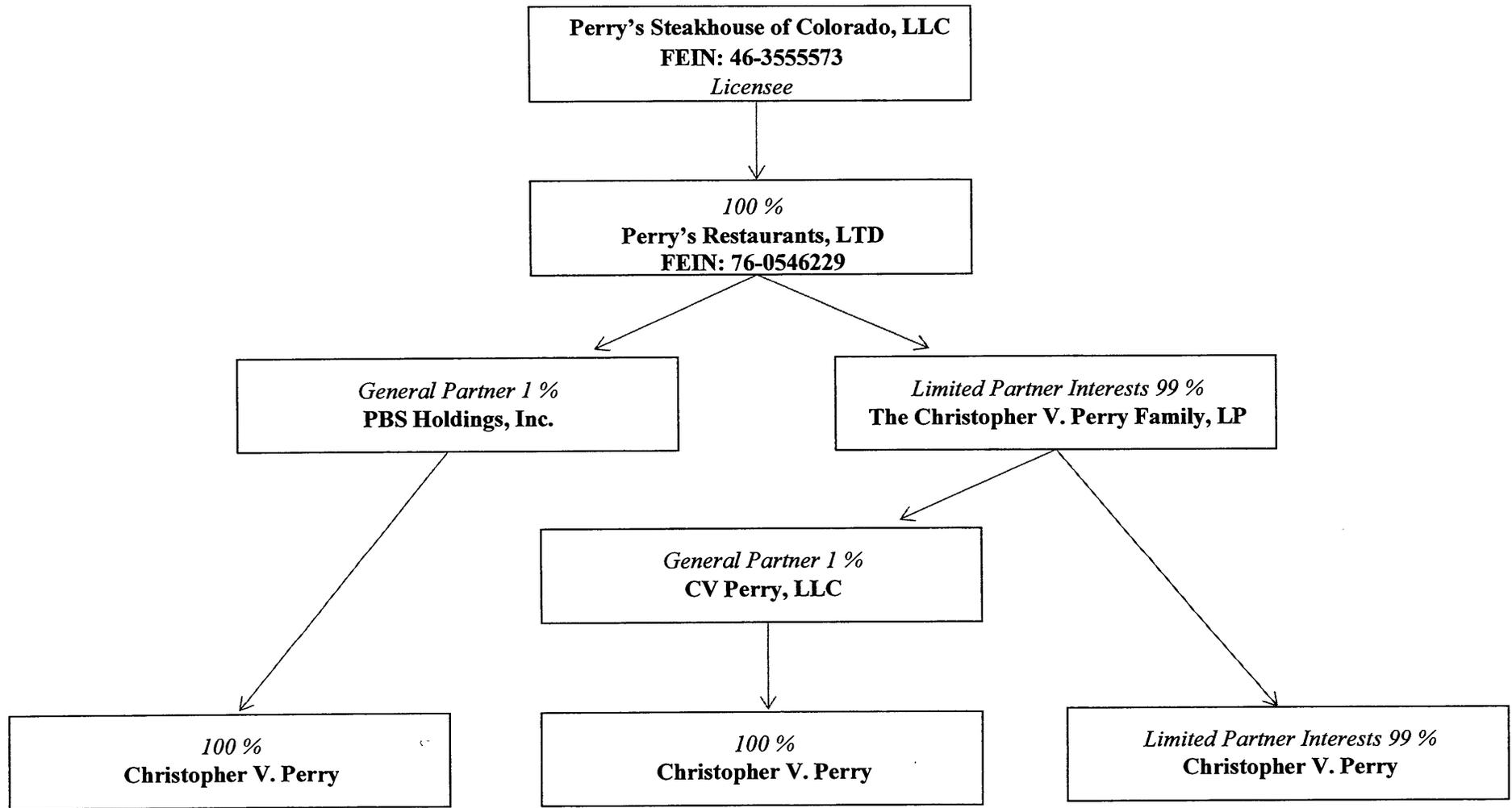
Texas

614 S. Friendswood Dr., Friendswood, TX 77546

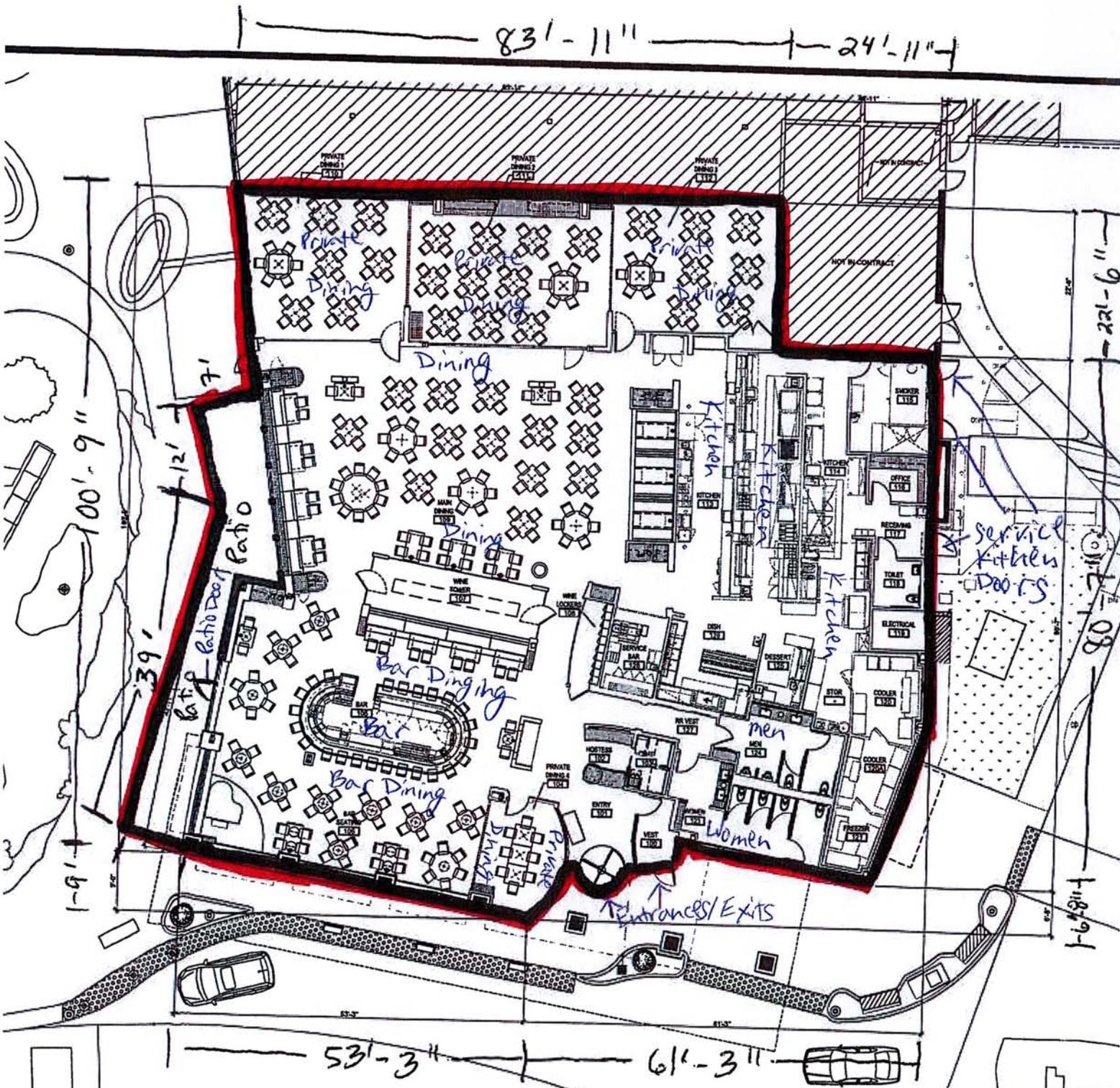
12830 Scarsdale Blvd., Houston, TX 77089

**Perry's Steakhouse of Colorado, LLC
Ownership Chart**

Supplemental Response to DR 8404 Question #19



A-3



83'-11" 24'-11"

100'-9"

39'

80'-7"

1-6'-8"

53'-3"

61'-3"

Perry's Steakhouse
The Vistas at Park Meadows Mall



8433 PARK MEADOWS CENTER DRIVE
BUILDING D SUITE #154
LONE TREE, CO 80124
10,400 SF GROSS APPROXIMATE

February 26, 2014



IdentityARCHITECTS
111 Travis St., Houston, TX 77002
V. 713.595.2150 - F. 713.595.2198

FLOOR PLAN
SCALE 1/8" = 1'-0"

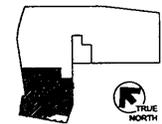
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Perry's Steakhouse
The Vistas at Park Meadows Mall

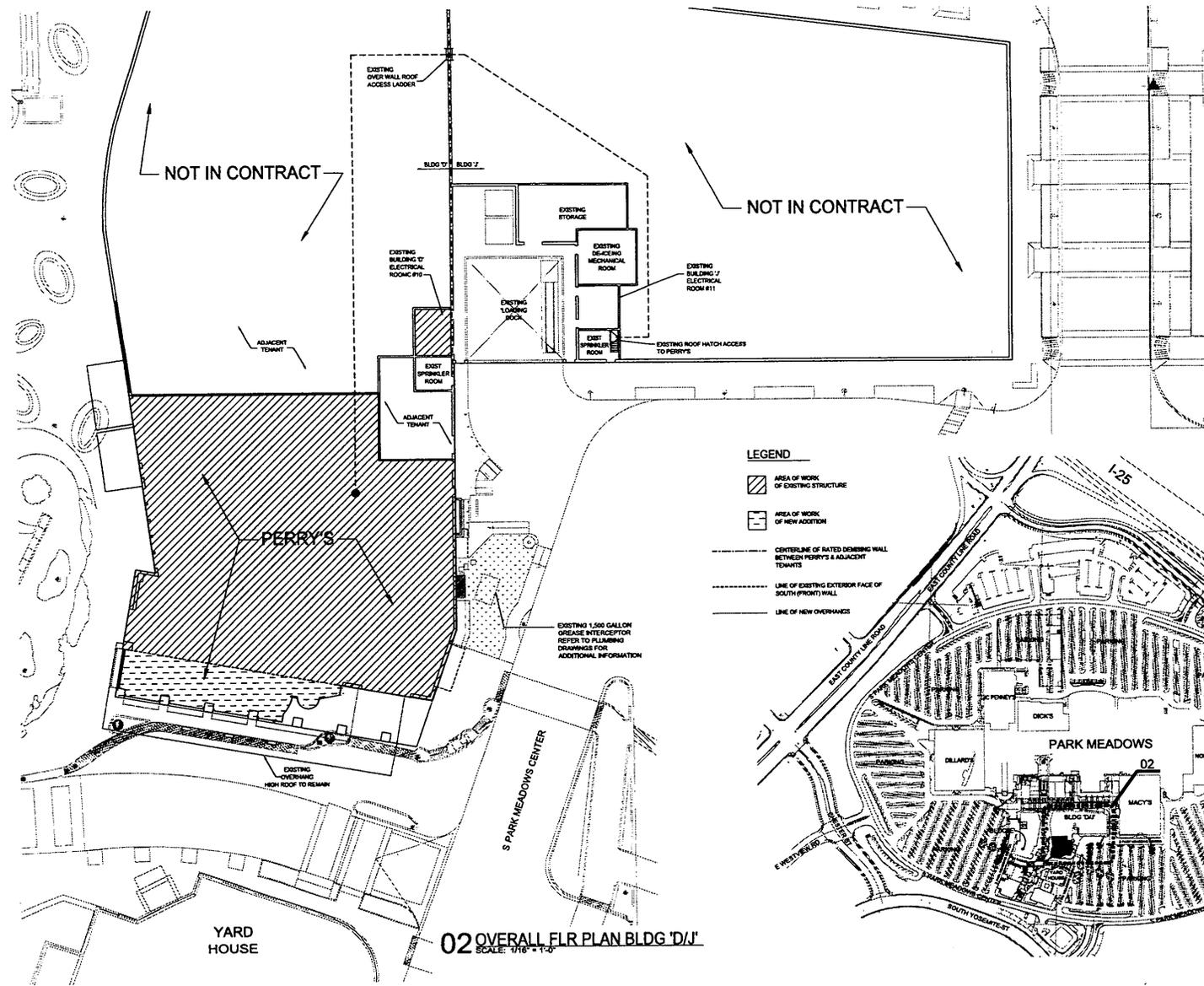
Perry's
STEAKHOUSE & GRILLE
Since 1979

8433 PARK MEADOWS CENTER DRIVE
BUILDING D SUITE #154
LONE TREE, CO 80124
10,400 SF GROSS APPROXIMATE

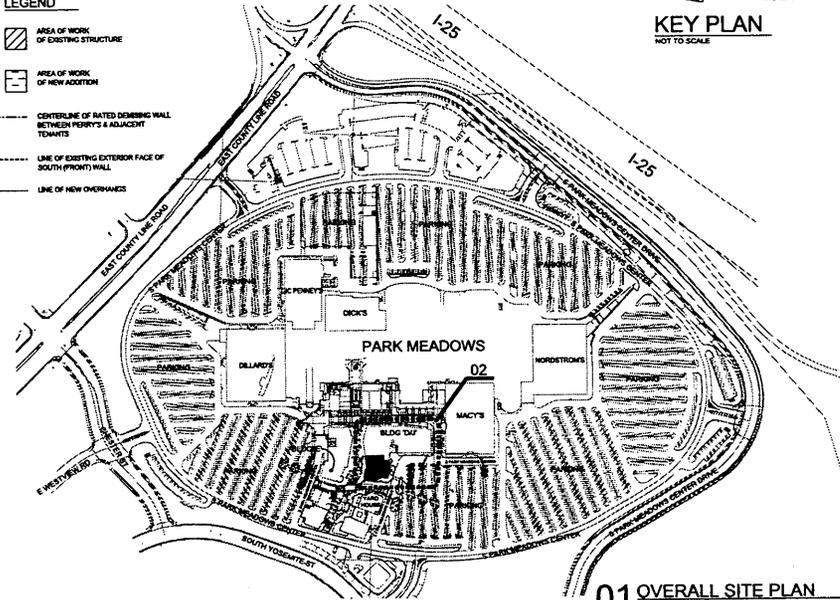
February 26, 2014



KEY PLAN
NOT TO SCALE



- LEGEND**
- AREA OF WORK OF EXISTING STRUCTURE
 - AREA OF WORK OF NEW ADDITION
 - CENTERLINE OF RATED SEPARING WALL BETWEEN PERRY'S & ADJACENT TENANTS
 - LINE OF EXISTING EXTERIOR FACE OF SOUTH (FRONT) WALL
 - LINE OF NEW OVERHANGES



01 OVERALL SITE PLAN
NOT TO SCALE

02 OVERALL FLR PLAN BLDG 'D/J'
SCALE: 1/16" = 1'-0"

F-1

IdentityARCHITECTS
111 Travis St., Houston, TX 77002
V. 713.595.2150 • F. 713.595.2198

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PARK MEADOWS MALL

THIS LEASE is between PARK MEADOWS MALL, LLC a Delaware limited liability company ("Landlord"), and PERRY'S STEAKHOUSE OF COLORADO, LLC, a Colorado limited liability company ("Tenant"). The date of this Lease is April 14, 2013 ("Effective Date"). The Leased Premises are located in the PARK MEADOWS MALL ("Shopping Center") in the City of Lone Tree, County of Douglas, and State of Colorado.

REFERENCE PROVISIONS

The following references define terms used in the specified Articles and elsewhere in this Lease and shall be construed in accordance with the provisions and conditions in this Lease:

- 1.01 Leased Premises: D154 PARK MEADOWS MALL containing approximately 9,352 square feet of floor area Tenant may expand the Leased Premises into the Expansion Area shown on Exhibit E. The square footage of the building constructed by Tenant in the Expansion Area shall not be included for purposes of calculating the Minimum Annual Rental or the Construction Allowance, but such square footage shall be included in calculating Tenant's proportionate share of real estate taxes.
- [ARTICLE 1(a)]
- 1.02 Expiration Date: 120 months after the Opening Date
- Option to Extend: Tenant will have the right and option (the "Option"), if Tenant is not in default and is open and operating in the Leased Premises as of the date of exercise of the Option, to extend the Term of the Lease for 1 period of 5 years by notifying Landlord in writing at least 365 days prior to the expiration of the preceding Term of the Lease. If the Option is duly exercised, the Term of this Lease will be extended to, and will expire on the date 5 years after the Expiration Date, upon all of the same terms, provisions and conditions set forth in this Lease. If Tenant does not exercise the Option, Tenant will surrender the Leased Premises on the Expiration Date, in accordance with ARTICLE 24.
- [ARTICLE 1(b)]
- 1.03 Permitted Use: Tenant shall use the Leased Premises for the operation of a premium steakhouse restaurant selling items substantially in accordance with the menu attached hereto as EXHIBIT M and for no other use or purpose whatsoever, provided however, nothing set forth herein shall be construed as limiting Tenant's right to change the menu provided that it remains a premium restaurant offering substantially the same menu as other Perry's Steakhouse and Grille restaurants and is offering primarily grilled steaks, pork chops, veal chops and seafood and for incidental office use and for no other use or purpose whatsoever.
- [ARTICLE 1(c)]
- 1.04 Submittal date for preliminary plans: August 1, 2013
- Submittal date for final plans and specifications: September 1, 2013
- Landlord shall use reasonable efforts to provide Tenant and Tenant representatives with access to the spaces that make up the Leased Premises. Tenant acknowledges that all or a portion of the Leased Premises is in the possession of other tenants or occupants and, as such, access may be limited.
- [ARTICLE 2(d)]
- 1.05 Beginning Work Date: January 1, 2014
- [ARTICLE 2(e)]
- 1.06 Opening Date: The date 180 days after the later of the date that (i) Tenant's building permit is ready to be picked up [this (i) only applies if Tenant meets the dates in Reference Provision 1.04 and Tenant applies for its building permit on or before September 1, 2013, unless a plan approval letter from Landlord is required by the City for submittal, in which event such date shall be October 1, 2013]; or (ii) the date Landlord tenders possession of the Leased Premises to Tenant.
- [ARTICLE 3]
- 1.07 Minimum Annual Rental:
- [ARTICLE 4(a)]
- Opening Date - the 60th month after the Opening Date
61st month after the Opening Date - Expiration Date

R-1

Landlord reserves the right to allocate amounts received as Minimum Annual Rental to any charges outlined in ARTICLE 17 of this Lease in such amounts and at such times as Landlord shall elect in its sole discretion as long as there is no increase in the amount of Minimum Annual Rental due from Tenant.

OPTION PERIOD (if exercised):
 121st month after the Opening Date - the 180th month after the Opening Date

- 1.08 Percentage Rate: 6% over the Annual Sales Base [ARTICLE 4(b)]
- 1.09 Annual Sales Base: [ARTICLE 4(b)]

Opening Date - the 60th month after the Opening Date
 61st month after the Opening Date - Expiration Date

OPTION PERIOD (if exercised):
 121st month after the Opening Date - the 180th month after the Opening Date

- 1.10 Address of Landlord: [ARTICLES 4 and 30]

Landlord's Notice Address
PARK MEADOWS MALL, LLC
 c/o PARK MEADOWS MALL
 110 N. Wacker Dr.
 Chicago, IL 60606
 Attn: Law/Lease Administration
 Department

Landlord's Payment Address:
PARK MEADOWS MALL, LLC
 SDS-12-3096
 PO Box 86
 Minneapolis, MN 55486-3096

With a copy to:
PARK MEADOWS MALL
 8401 Park Meadows Drive
 Lone Tree, CO 80124
 Attn: General Manager

- 1.11 Address of Tenant: [ARTICLE 30]

Notice:
PERRY'S STEAKHOUSE OF
COLORADO, LLC
 9821 Katy Freeway, Suite 500
 Houston, TX 77024

Billing:
PERRY'S STEAKHOUSE OF
COLORADO, LLC
 9821 Katy Freeway Suite 500
 Houston, TX 77024

- 1.12 Additional Gross Leasable Area Annual Rental Increase: Not Applicable [ARTICLE 4(c)]
- 1.13 Anchor Minimum Annual Rental Increase: Not Applicable [ARTICLE 4(d)]
- 1.14 Trade Name: "Perry's Steakhouse and Grille" [ARTICLE 25]
- 1.15 Intentionally Omitted [ARTICLE 37]
- 1.16 Initial Assessment: Not Applicable [ARTICLE 37]
- 1.17 Preliminary Rent: Not Applicable
- 1.18 Construction Allowance: \$

(a) Landlord agrees to pay to Tenant, if Tenant is not then in material default beyond any notice and applicable cure period, the cost of Tenant's Work up to the aggregate sum of \$1,000,000.00, but not more than that amount, within thirty (30) days of Tenant's receipt of a request for payment and the fulfillment of all of the following requirements:

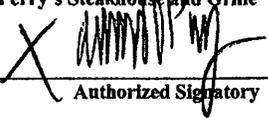
- 1. The amount of _____ upon receiving delivery of certification in writing

The exhibits are incorporated by reference into this Lease.

If Tenant is a CORPORATION, the authorized signatory shall sign on behalf of the corporation and indicate the capacity in which they are signing. The Lease must be executed by the president or vice president and attested by the secretary or assistant secretary, unless the bylaws or a resolution of the board of directors provides otherwise. In that case, the bylaws or a certified copy of the resolution shall be attached to this Lease. The appropriate corporate seal must be affixed to the Lease.

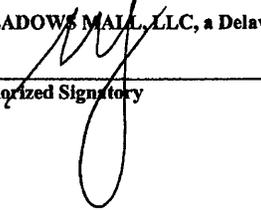
TENANT:

PERRY'S STEAKHOUSE OF COLORADO, LLC,, a Colorado limited liability company
dba "Perry's Steakhouse and Grille"

By:  _____
Authorized Signatory

LANDLORD:

PARK MEADOWS MALL, LLC, a Delaware limited liability company

By:  _____
Authorized Signatory

FIRST AMENDMENT OF LEASE

THIS FIRST AMENDMENT OF LEASE ("Amendment") is made and dated March 20, 2014 (the "Effective Date"), between Park Meadows Mall, LLC, a Delaware limited liability company ("Landlord") and PERRY'S STEAKHOUSE OF COLORADO, LLC, a Colorado limited liability company, d/b/a "Perry's Steakhouse and Grille" ("Tenant").

Under the lease dated April 19, 2013 (which with any and all amendments is the "Lease"), Landlord leased to Tenant premises numbered D154 containing a total area of approximately 9,352 square feet in the Park Meadows Shopping Center (the "Leased Premises").

In consideration of the mutual benefits and covenants contained in this Amendment, the sum of \$10.00 paid by each party to the other, the consideration Landlord may be entitled to under the Lease payable to Landlord upon demand and for other good and valuable consideration (the receipt and sufficiency of which is acknowledged), it is agreed that effective the Effective Date:

- 1. Landlord and Tenant agree that the address of the Leased Premises is:

8433 Park Meadows Center Drive
Suite D154
Lone Tree, CO 80124

- 2. The Lease is not otherwise modified and remains ratified and confirmed.

3. This Amendment and the Lease shall be considered, for all intents and purposes, one instrument. In the event of any conflict between the terms and provisions of this Amendment and the terms and provisions of the Lease, the terms and provisions of this Amendment shall, in all instances, prevail. If any provision of this Amendment or the application thereof to any person or circumstance is or becomes illegal, invalid or unenforceable, the remaining provisions hereof shall remain in full force and effect and this Amendment shall be interpreted as if such illegal, invalid or unenforceable provision did not exist herein.

4. Each provision of the Lease and this Amendment shall extend to and shall bind and inure to the benefit of Landlord and Tenant, their respective heirs, legal representatives, successors and assigns. Tenant hereby warrants and certifies to Landlord that: (i) Tenant is a limited liability company duly organized and in good standing under the laws of the State of Colorado; (ii) Tenant is authorized to do business in the State of Colorado and to execute and deliver this Amendment; and (iii) the person executing this Amendment is authorized and empowered to bind the corporation to the terms of this Amendment by his or her signature hereto.

TENANT:

PERRY'S STEAKHOUSE OF COLORADO, LLC, a Colorado limited liability company

d/b/a "Perry's Steakhouse and Grille"

By: [Signature]
President

LANDLORD:

PARK MEADOWS MALL, LLC, a Delaware limited liability company

By: [Signature]
Authorized Signatory

T.K.H

DR 8404-1 (07/25/11)
 COLORADO DEPARTMENT OF REVENUE
 LIQUOR ENFORCEMENT DIVISION
 1881 PIERCE STREET RM 108A
 DENVER CO 80261

INDIVIDUAL HISTORY RECORD

To be completed by the following persons, as applicable: sole proprietors; general partners regardless of percentage ownership, and limited partners owning 10% or more of the partnership; all principal officers of a corporation, all directors of a corporation, and any stockholder of a corporation owning 10% or more of the outstanding stock; managing members or officers of a limited liability company, and members owning 10% or more of the company; and any intended registered manager of Hotel and Restaurant or Tavern class of retail license.

NOTICE: This individual history record requires information that is necessary for the licensing investigation or inquiry. All questions must be answered in their entirety or the license application may be delayed or denied. If a question is not applicable, please indicate so by "N/A". Any deliberate misrepresentation or material omission may jeopardize the license application.

1. Name of Business
 Perry's Steakhouse of Colorado, LLC d/b/a Perry's Steakhouse & Grille

2. Your Full Name (last, first, middle)
 Perry, Christopher, Vernon

3. List any other names you have used.
 Chris

4. Mailing address (if different from residence)
 Same

5. List current residence address. Include any previous addresses within the last five years (attach separate sheet if necessary).

STREET AND NUMBER	CITY, STATE, ZIP	FROM	TO
Current See attached.			
Previous			

6. List all employment within the last five years. Include any self employment. (Attach separate sheet if necessary)

NAME OF EMPLOYER OR BUSINESS	ADDRESS (STREET, NUMBER, CITY, STATE, ZIP)	POSITION HELD	FROM	TO
Perry's Restaurants, Ltd.	9821 Katy Freeway, Ste. 500 Houston, TX, 77024	President & CEO	5/93	Present

7. List the name(s) of relatives working in or holding a financial interest in the Colorado alcohol beverage industry.

NAME OF RELATIVE	RELATIONSHIP TO YOU	POSITION HELD	NAME OF LICENSEE
None			

8. Have you ever applied for, held, or had an interest in a Colorado Liquor or Beer License, or loaned money, furniture, fixtures, equipment or inventory to any licensee? If yes, answer in detail. Yes No

9. Have you ever received a violation notice, suspension, or revocation for a liquor law violation, or have you applied for or been denied a liquor or beer license anywhere in the United States? If yes, explain in detail. Yes No

10. Have you ever been convicted of a crime or received a suspended sentence, deferred sentence, or forfeited bail for any offense in criminal or military court or do you have any charges pending? (If yes, explain in detail.)

Yes No
 I received a DWI in Harris County, TX in February of 2004. I was sentenced to sentenced to 9 months of probation, paid a fine and did community service.

11. Are you currently under probation (supervised or unsupervised), parole, or completing the requirements of a deferred sentence? (If yes, explain in detail.)

Yes No

12. Have you ever had any professional license suspended, revoked, or denied? (If yes, explain in detail.)

Yes No Yes, my driver's license was suspended for approx. 1 month as a result of the DWI mentioned above in question #10.

PERSONAL AND FINANCIAL INFORMATION
 Unless otherwise provided by law, the personal information required in question #13 will be treated as confidential.
 The personal information required in question #13 is solely for identification purposes.

13a. Date of Birth		b. Social Security Number SSN		c. Place of Birth Houston, TX		d. U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
e. If Naturalized, State where N/A				f. When N/A		g. Name of District Court N/A	
h. Naturalization Certificate Number N/A		i. Date of Certification N/A		j. If an Alien, Give Alien's Registration Card Number N/A		k. Permanent Residence Card Number N/A	
l. Height 5'10"	m. Weight 183	n. Hair Color Brown	o. Eye Color Green	p. Sex Male	q. Race Cauc.	r. Do you have a current Driver's License? If so, give number and state <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No TX	

14. Financial Information.

a. Total purchase price \$ None (if buying an existing business) or investment being made by the applying entity, corporation, partnership, limited liability company, other \$ 4,000,000.00

b. List the total amount of your investment in this business (including any notes, loans, cash, services or equipment, operating capital, stock purchases or fees paid \$ 4,000,000.00

c. Provide details of the investment described in 14.b. You must account for all of the sources of this investment. Attach a separate sheet if needed.

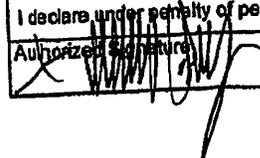
Type: Cash, Services or Equipment	Source	Amount
Cash investment	Perry's Steakhouse of Colorado, LLC	\$825,000.00
	from Woodforest National Bank checking account.	

d. Loan Information (attach copies of all notes or loans)

Name of Lender	Address	Term	Security	Amount
Woodforest National Bank	1330 Lake Robbins Dr., #100 The Woodlands, TX 77380	5 Years	FF & E & Leasehold improvements for all Perry's locations.	\$3,175,000.00

Oath of Applicant

I declare under penalty of perjury that this application and all attachments are true, correct, and complete to the best of my knowledge.

Authorized Signature:  Title: LLC Manager Date: 4-1-14

Attachment to DR 8404-I for Chris Perry

Question #5:

Street & Number	City, State , Zip	From	To
4429 Mirador Drive	Austin, TX, 78733	1/2013	Present
9101 Camelback Drive	Austin, TX, 78738	8/2009	12/2012
301 Timbergrove Place	Friendswood, TX 77546	8/2001	8/2009



Colorado Secretary of State
 Date and Time: 03/13/2013 02:18 PM
 ID Number: 20131164387
 Document number: 20131164387
 Amount Paid: \$50.00

Document must be filed electronically.
 Paper documents are not accepted.
 Fees & forms are subject to change.
 For more information or to print copies
 of filed documents, visit www.sos.state.co.us.

ABOVE SPACE FOR OFFICE USE ONLY

Articles of Organization

filed pursuant to § 7-80-203 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name of the limited liability company is

Perry's Steakhouse of Colorado, LLC

(The name of a limited liability company must contain the term or abbreviation "limited liability company", "Ltd. liability company", "limited liability co.", "Ltd. liability co.", "limited", "l.l.c.", "llc", or "Ltd.". See §7-90-601, C.R.S.)

(Caution: The use of certain terms or abbreviations are restricted by law. Read instructions for more information.)

2. The principal office address of the limited liability company's initial principal office is

Street address

9821 Katy Freeway

(Street number and name)

Suite 500

Houston

(City)

TX

(State)

77024

(ZIP/Postal Code)

Harris

(Province - if applicable)

United States

(Country)

Mailing address

(leave blank if same as street address)

(Street number and name or Post Office Box information)

(City)

(State)

(ZIP/Postal Code)

(Province - if applicable)

(Country)

3. The registered agent name and registered agent address of the limited liability company's initial registered agent are

Name

(if an individual)

(Last)

(First)

(Middle)

(Suffix)

or

(if an entity)

Capitol Corporate Services, Inc.

(Caution: Do not provide both an individual and an entity name.)

Street address

36 South 18th Ave.

(Street number and name)

Ste. D

Brighton

(City)

CO

(State)

80601

(ZIP Code)

Mailing address

(leave blank if same as street address)

(Street number and name or Post Office Box information)

(City) CO _____
(State) (ZIP Code)

(The following statement is adopted by marking the box.)

The person appointed as registered agent has consented to being so appointed.

4. The true name and mailing address of the person forming the limited liability company are

Name
(if an individual) Workin Peter
(Last) (First) (Middle) (Suffix)
or
(if an entity)
(Caution: Do not provide both an individual and an entity name.)
Mailing address One Riverway
(Street number and name or Post Office Box information)
Suite 1700
Houston TX 77056-1997
(City) (State) (ZIP/Postal Code)
Harris United States
(Province - if applicable) (Country)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

The limited liability company has one or more additional persons forming the limited liability company and the name and mailing address of each such person are stated in an attachment.

5. The management of the limited liability company is vested in

(Mark the applicable box.)

one or more managers.

or

the members.

6. (The following statement is adopted by marking the box.)

There is at least one member of the limited liability company.

7. (If the following statement applies, adopt the statement by marking the box and include an attachment.)

This document contains additional information as provided by law.

8. (Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document is/are _____
(mm/dd/yyyy hour:minute am/pm)

Notice:

Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is named in the document as one who has caused it to be delivered.

9. The true name and mailing address of the individual causing the document to be delivered for filing are

<u>Workin</u>	<u>Peter</u>		
<i>(Last)</i>	<i>(First)</i>	<i>(Middle)</i>	<i>(Suffix)</i>
<u>One Riverway</u>			
<i>(Street number and name or Post Office Box information)</i>			
<u>Suite 1700</u>			
<u>Houston</u>	<u>TX</u>	<u>77056-1997</u>	
<i>(City)</i>	<i>(State)</i>	<i>(ZIP/Postal Code)</i>	
<u>Harris</u>	<u>United States</u>		
<i>(Province – if applicable)</i>	<i>(Country)</i>		

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

- This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

Disclaimer:

This form/cover sheet, and any related instructions, are not intended to provide legal, business or tax advice, and are furnished without representation or warranty. While this form/cover sheet is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form/cover sheet. Questions should be addressed to the user's legal, business or tax advisor(s).

**OPERATING AGREEMENT
OF
PERRY'S STEAKHOUSE OF COLORADO, LLC**

This Operating Agreement of PERRY'S STEAKHOUSE OF COLORADO, LLC (the "Agreement") dated effective as of the 13th day of March, 2013 (the "Effective Date") are (a) adopted by the initial Manager (as defined below) and (b) executed and agreed to, for good and valuable consideration, by the initial Member (as defined below).

**ARTICLE I
DEFINITIONS**

1.01 DEFINITIONS. As used in this Agreement, the following terms have the following meanings:

A. "Bankrupt Member" means a Member (a) that (i) makes a general assignment for the benefit of creditors; (ii) files a voluntary bankruptcy petition; (iii) becomes the subject of an order for relief or is declared insolvent in any federal or state bankruptcy or insolvency proceedings; (iv) files a petition or answer seeking for the Member a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in a proceeding of the type described in subclauses (i) through (iv) of this clause (a); or (vi) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Member's or of all or any substantial part of the Member's properties; or (b) against which, a proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law has been commenced and 120 days have expired without dismissal thereof or with respect to which, without the Member's consent or acquiescence, a trustee, receiver, or liquidator of the Member or of all or any substantial part of the Member's properties has been appointed and 90 days have expired without the appointment's having been vacated or stayed, or 90 days have expired after the date of expiration of a stay, if the appointment has not previously been vacated.

B. "Business Day" means any day other than a Saturday, a Sunday, or a holiday on which national banking associations in the State of Colorado are closed.

C. "Capital Contribution" means any contribution by a Member to the capital of the Company.

D. **"Certificate"** means the Articles of Organization filed with the Secretary of State of Colorado by which PERRY'S STEAKHOUSE OF COLORADO, LLC was organized as a Colorado limited liability company under and pursuant to the CLLCA.

E. **"CLLCA"** means the Colorado Limited Liability Company Act and any successor statute, as amended from time to time.

F. **"Code"** means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

G. **"Company"** means PERRY'S STEAKHOUSE OF COLORADO, LLC, a Colorado Limited Liability Company.

H. **"Default Interest Rate"** means a rate per annum equal to the lesser of (a) **one percent (1.0%)** plus a varying rate per annum that is equal to the Wall Street Journal prime rate as quoted in the money rates section of the Wall Street Journal which is also the base rate on corporate loans at large United States money center commercial banks, from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate, or (b) the maximum rate permitted by applicable law.

I. **"Dispose," "Disposing," or "Disposition"** means a sale, assignment, transfer, exchange, mortgage, pledge, grant of a security interest, or other disposition or encumbrance (including, without limitation, by operation of law), or the acts thereof.

J. **"General Interest Rate"** means a rate per annum equal to the lesser of (a) the Wall Street Journal prime rate as quoted in the money rates section of the Wall Street Journal which is also the base rate on corporate loans at large United States money center commercial banks, from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate, or (b) the maximum rate permitted by applicable law.

K. **"Manager"** means any Person named in the Certificate as an initial manager of the Company and any Person hereafter elected as a manager of the Company as provided in this Agreement, but does not include any Person who has ceased to be a manager of the Company. Initially, the Manager of the Company shall be Christopher V. Perry.

L. **"Member"** means any Person executing this Agreement as of the date of this Agreement as a member or hereafter admitted to the Company as a member as provided in this Agreement, but does not include any Person who has ceased to be a member in the Company. Initially, the sole Member of the Company shall be Perry's Restaurants, Ltd.

M. "Membership Interest" means the interest of a Member in the Company which shall include, without limitation, rights to distributions (liquidating or otherwise), allocations, information, and to consent or approve to the extent provided herein.

N. "Person" includes an individual, partnership, limited partnership, limited liability company, foreign limited liability company, trust, estate, corporation, custodian, trustee, executor, administrator, nominee or entity in a representative capacity (as defined in the CLLCA).

O. "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative.

P. "Sharing Ratio" with respect to the Member the percentage of Membership Interests owned by said Member in the Company.

Other terms defined herein have the meanings so given them.

1.02 CONSTRUCTION. Whenever the context requires, the gender of all words used in this Agreement includes the masculine, feminine, and neuter. All references to Articles and Sections refer to articles and sections of this Agreement, and all references to Exhibits, if any, are to Exhibits attached hereto, if any, each of which is made a part hereof for all purposes.

ARTICLE II ORGANIZATION

2.01 FORMATION OF A SINGLE MEMBER COMPANY. The Company has been organized as a single member Colorado limited Liability company by the filing of Articles of Organization under and pursuant to the CLLCA with the Secretary of State of Colorado.

2.02 NAME. The name of the Company is PERRY'S STEAKHOUSE OF COLORADO, LLC and all Company business must be conducted in that name or such other names that comply with applicable law as the Managers may select from time to time.

2.03 REGISTERED OFFICE; REGISTERED AGENT; PRINCIPAL OFFICE IN THE UNITED STATES; OTHER OFFICES. The registered office of the Company required by the CLLCA to be maintained in the State of Colorado shall be the office of the initial registered agent named in the Certificate or such other office (which need not be a place of business of the Company) as the Managers may designate from time to time in the manner provided by law. The registered agent of the Company in the State of Colorado shall be the initial registered agent named in the Certificate or such other Person or Persons as the

Managers may designate from time to time in the manner provided by law. The principal office of the Company in the United States shall be at such place as the Managers may designate from time to time, which need not be in the State of Colorado, and the Company shall maintain records there as required by the CLLCA and shall keep the street address of such principal office at the registered office of the Company in the State of Colorado. The Company may have such other offices as the Managers may designate from time to time.

2.04 PURPOSES. The purpose of the Company is to operate one or more restaurants in the State of Colorado, and to take such further actions as related thereto.

2.05 FOREIGN QUALIFICATION. Prior to the Company's conducting business in any jurisdiction other than Colorado, the Managers shall cause the Company to comply, to the extent procedures are available and those matters are reasonably within the control of the Managers with all requirements necessary to qualify the Company as a foreign limited liability company in that jurisdiction. At the request of the Managers, each Member shall execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Agreement that are necessary or appropriate to qualify, continue, and terminate the Company as a foreign limited liability company in all such jurisdictions in which the Company may conduct business.

2.06 TERM. The Company commenced on the date of the first proper filing of the Articles of Organization as provided in the CLLCA with the Secretary of State of Colorado and shall continue in existence for the period fixed in the Certificate for the duration of the Company, or such earlier time as this Agreement may specify.

2.07 MERGERS AND EXCHANGES. The Company may be a party to (a) a merger, or (b) an exchange or acquisition of the type described in the CLLCA, subject to the requirements of this Agreement.

2.08 FEDERAL INCOME TAX MATTERS. It is acknowledged that since the Company is a single member owned entity that it shall, pursuant to Regulation Section 301.7701-3(c)(1)(i), be classified for Federal income purposes as a disregarded entity. Notwithstanding that the Company for Federal income tax purposes shall be treated as a disregarded entity, for purposes of Colorado law the Company shall be entitled to receive the full benefits of the CLLCA.

ARTICLE III MEMBERS

3.01 ADMISSION OF SOLE MEMBER.

A. The initial Member of the Company is the Person executing this Agreement as of the date of this Agreement as member, which is admitted to the Company as a member effective contemporaneously with the execution by such Person of this Agreement.

B. After the formation of this Company, a person becomes a new member:

(1) in the case of a person acquiring a Membership Interest directly from this Company, on compliance with the provisions of this Agreement governing admission of new members or, if this Agreement contain no relevant admission provisions, on the written consent of the Member; and

(2) in the case of an assignee of a Membership Interest as provided in this Agreement and by the CLLCA.

C. Any person may be a member unless the person lacks capacity apart from the CLLCA.

3.02 REPRESENTATIONS AND WARRANTIES. The Member hereby represents and warrants to the Company (a) that the Member has duly executed and delivered this Agreement; and (b) that the Member's authorization, execution, delivery, and performance of this Agreement do not conflict with any other agreement or arrangement to which the Member is a party or by which it is bound.

3.03 ADDITIONAL MEMBERS. In the event the Company shall cease to be a single member company, additional Persons may be admitted to the Company as Members and Membership Interests may be created and issued to those Persons and to existing Member at the direction of the Member. The Managers shall reflect the creation of any new class or group in an amendment to this Agreement indicating the different rights, powers, and duties, and such an amendment need be executed only by the Managers. Any such admission also must comply with the requirements described elsewhere in this Agreement and is effective only after the new Member has executed and delivered to the Managers, a document including the new Member's notice address, its agreement to be bound by this Agreement, and its representation and warranty that the representation and warranties required of new members are true and correct with respect to the new Member. The provisions of this section shall not apply to Dispositions of Membership Interests.

3.04 INFORMATION.

A. In addition to the other rights specifically set forth in this Agreement, each Member is entitled to all information to which the Member is entitled to have access pursuant to Article 2.22 of the CLLCA under the circumstances and subject to the conditions therein

stated. The Member agrees, however, that the Managers from time to time may determine, due to contractual obligations, business concerns, or other considerations, that certain information regarding the business, affairs, properties, and financial condition of the Company should be kept confidential.

B. The Member acknowledges that from time to time, such Member may receive information from or regarding the Company in the nature of trade secrets or that otherwise is confidential, the release of which may be damaging to the Company or Persons with which it does business. The Member shall hold in strict confidence any information it receives regarding the Company that is identified as being confidential (and if that information is provided in writing, that is so marked) and may not disclose it to any Person other than a Manager, except for disclosures (i) compelled by law (but the Member must notify the Managers promptly of any request for that information, before disclosing it, if practicable), (ii) to advisers or representatives of the Member or Persons to which the Member's Membership Interest may be Disposed as permitted by this Agreement, but only if the recipients have agreed to be bound by the provisions of this section or (iii) of information the Member also has received from a source independent of the Company that the Member reasonably believes obtained that information without breach of any obligation of confidentiality. The Member acknowledges that breach of the provisions of this section may cause irreparable injury to the Company for which monetary damages are inadequate, difficult to compute, or both. Accordingly, the Member agrees that the provisions of this Section may be enforced by specific performance.

3.05 LIABILITIES TO THIRD PARTIES. Except as otherwise expressly agreed in writing, no Member or Managers shall be liable for the debts, obligations or liabilities of the Company, including under a judgment decree or order of a court.

3.06 WITHDRAWAL. A Member does not have the right or power to withdraw from the Company as a Member.

3.07 LACK OF AUTHORITY. No Member (other than a Manager or an officer acting in such capacity) has the authority or power to act for or on behalf of the Company, to do any act that would be binding on the Company, or to incur any expenditures on behalf of the Company.

3.08 CLASSES AND VOTING. Unless the Certificates state to the contrary or as provided by this Agreement two or more classes or groups of one or more members is established, there shall be one class of members. The Certificate or any amendments thereof or by a majority vote of the Members of this Company at a duly authorized annual or special meeting may elect to establish two or more classes or groups of one or more Members. In the

event of the establishment of two or more classes or groups of one or more Members, then the following provisions shall apply:

A. The rights, powers, or duties of a class or group may be senior to those of one or more existing classes or groups of members.

B. If two or more classes or groups of one or more Members are established, then each class or group of Members, as far as waiver of notices, action by consent without a meeting, establishment of a record date, quorum requirements, voting in person or by proxy, or any other matter relating to the exercise of the right to vote, shall be governed by the same provisions of this Agreement as pertain to one class or group of members.

C. Prompt notice of the taking of an action under this Agreement that require less than unanimous written consent of the Members and that may be taken without a meeting shall be given to the Members who have not consented in writing to the taking of the action.

D. For the purposes of this section, the taking of an action includes amending this Agreement or creating, under provisions of this Agreement, a class of membership interests that was not previously outstanding.

3.09 PLACE AND MANNER OF MEETING. The meeting of the Member shall be held at such time and place, within or without the State of Colorado, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. The Member may participate in such meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting as provided herein shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3.10 CONDUCT OF MEETINGS. All meetings of the Member shall be presided over by the chairman of the meeting, who shall be designated by a majority of the Managers.

The chairman of any meeting of the Member shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him in order.

3.11 ANNUAL MEETING. The annual meeting of the Member for the election of Managers and for the transaction of all other business which may come before the meeting shall be held only if called by a Manager or a Member at the hour specified in the notice of the meeting. If the annual meeting is not called or held on the date above specified, or if the election of managers shall not be held on that date, the Managers may, but shall not be

obligated to, cause a special meeting of the Members in lieu thereof to be held, and any business transacted or election held at that meeting shall be as valid as if held at the annual meeting. Failure to hold the annual meeting at the designated time shall not work a dissolution of the Company.

3.12 VOTING LISTS. The manager, officer, or agent having charge of the records reflecting the Membership Interest of each member of each class, if more than one class, shall make, at least ten (10) days before each meeting of Members, a complete list of the Members, entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order with the address of and percentage of Membership Interest of each member of each class, if more than one class, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Company and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting. The original records reflecting the Membership Interest of each member of each class, if more than one class, shall be prima-facie evidence as to who are the Members entitled to examine such list or records or to vote at any meeting of Members.

Failure to comply with the requirements of this Article shall not affect the validity of any action taken at such meeting.

3.13 SPECIAL MEETINGS. Special meetings of the Members may be called at any time by the President, the Managers or by the holders of at least ten percent (10%) of the Membership Interests entitled to be voted at such meeting. Such request shall state the purpose or purposes of such meeting and the matters proposed to be acted on thereat.

3.14 NOTICE. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting either personally or by mail, by or at the direction of the president, the secretary or the officer or person calling the meeting, to each Member entitled to vote at the meeting, provided that such notice may be waived as provided in this Agreement. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Company, with postage thereon prepaid. Any notice required to be given to any Member hereunder or under the Articles of Organization need not be given to the Member if (A) notice of two consecutive annual meetings of the Company and all notices of meetings held during the period between those annual meetings, if any, or (B) all (but in no event less than two) payments (if sent by first class mail) of distributions or interest on securities during a twelve-month period have been mailed to that person, addressed at his address as shown on the records of the Company, and

have been returned undeliverable. Any action or meeting taken or held without notice to such person shall have the same force and effect as if the notice had been duly given.

3.15 QUORUM OF MEMBERS. Unless otherwise provided in the Certificate, the holders of a majority of the shares of Membership Interests entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Members, but in no event shall a quorum consist of the holders of less than one-half (1/2) of the shares of Membership Interests entitled to vote for each class, if more than one class, and thus represented at such meeting. The vote of the holders of a majority of the shares of the Membership Interest entitled to vote for each class, if more than one class, and thus represented at a meeting at which a quorum is present shall be the act of the Members' meeting, unless the vote of a greater number is required by law, the Certificate or this Agreement.

3.16 MAJORITY VOTE; WITHDRAWAL OF QUORUM. With respect to any matter when a quorum is present at any meeting, the vote of the holders of a majority of the Membership Interests, present in person or represented by proxy, having voting power with respect to that matter, shall decide such matter brought before such meeting, unless the matter is one upon which, by express provision of the Certificate or this Agreement, or by an express provision of the statutes which is applicable to such vote unless overridden by the Certificate, a different vote is required, in which case such express provision shall govern and control the decision of such matter. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

3.17 VOTING OF MEMBERSHIP INTEREST. Each outstanding membership interest, regardless of class, shall be entitled to based upon the fraction of Membership Interest owned by the member on each matter submitted to a vote at a meeting of Members, except to the extent that the voting rights of the Membership Interest of any class or classes are limited or denied by the Certificate or by law.

Membership Interest owned by another limited liability company or corporation, the majority of the Membership Interest or voting stock of which is owned or controlled by this Company, and Membership Interest held by this Company in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total Membership Interest at any given time.

A Member may vote either in person or by proxy executed in writing by the Member or by his duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest.

3.18 CLOSING RECORD BOOKS AND FIXING RECORD DATE. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or entitled to distribution or in order to make a determination of Members for any other proper purpose, the Managers may provide that the record books shall be closed for a stated period not exceeding sixty (60) days. If the record books shall be closed for the purpose of determining Members entitled to notice of or to vote at a meeting of Members, such books shall be closed for at least ten (10) days immediately preceding such meeting. In lieu of closing the record books, this Agreement or in the absence of an applicable Regulation, the Managers may fix in advance a date as the record date for any such determination of Members, such date in any case to be not more than sixty (60) days and in the case of a meeting of Members, not less than ten (10) days prior to the date of which the particular action requiring such determination of Members is to be taken. If the record books are not closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, or Members entitled to receive distributions, the date on which notice of the meeting is mailed or the date on which the resolution of the Managers, declaring such distribution is adopted, as the case may be, shall be the record date for such determination of the Member. When a determination of the Member has been made as provided in this section, such determination shall apply to any adjournment thereof, except where the determination has been made through the closing of record books and the stated period of closing has expired.

3.19 FIXING RECORD DATES FOR CONSENTS TO ACTION. Unless a record date shall have previously been fixed or determined herein, whenever action by the Member is proposed to be taken by consent in writing without a meeting of Members, if provided for by the Certificate, the Managers or the Member may fix a record date for purposes of determining Members entitled to consent to that action, which record date shall not precede, and shall not be more than ten days after, the date upon which the resolution fixing the record date is adopted by the Managers or the Member, as appropriate. If no record date has been fixed by the Managers and the prior action of the Managers by the Member, as appropriate, is not required by the CLLCA, the record date for determining Member entitled to consent to action in writing without a meeting shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Company by delivery to its registered office, its principal place of business, or a manager or agent of the Company having custody of the books in which proceedings of meetings of the Member are recorded. Delivery shall be by hand or by certified or registered mail, return receipt requested. Delivery to the Company's principal place of business shall be addressed to the president or the managers or member in charge of the membership records for the Company. If no record date has been fixed by the Managers and prior action of the Managers or the Member, as appropriate, is required by the statute, the record date for determining Members entitled to consent to action in writing without a meeting shall be at

the close of business on the date on which the Managers or the Member, as appropriate, adopts a resolution taking such prior action.

3.20 ACTION WITHOUT MEETING. Any action required by the CLLCA or by this Agreement to be taken at any annual or special meeting of the Member, or any action which may be taken at any annual or special meeting of the Member, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holder or holders of Membership Interest of each class, if more than one class, having not less than the minimum number of votes that would be necessary to take such action at a meeting at which the holders of all Membership Interest of each class, if more than one class, entitled to vote on the action were present and voted. Every written consent pursuant to this section shall be signed, dated and delivered in the manner required by, and shall become effective at the time and remain effective for the period specified by, the CLLCA. A telegram, telex, cablegram, or similar transmission by a Member, or a photographic, photostatic, facsimile, or similar reproduction of a writing signed by a Member, shall be regarded as signed by the Member for purposes of this section.

For purposes of this section, the taking of an action includes amending this Agreement or creating, under provisions of this Agreement, a class of Membership Interest that was not previously outstanding.

ARTICLE IV CAPITAL CONTRIBUTIONS

4.01 INITIAL CONTRIBUTIONS. Contemporaneously with the execution by such Member of this Agreement, the Member shall make the Capital Contributions required to acquire its real estate in Telluride, Colorado.

4.02 RETURN OF CONTRIBUTIONS. The Member is not entitled to the return of any part of its Capital Contributions or to be paid interest in respect of either its capital account or its Capital Contributions. An unrepaid Capital Contribution is not a liability of the Company or of the Member. The Member is not required to contribute or to lend any cash or property to the Company to enable the Company to return any Member's Capital Contributions.

4.03 ADVANCES BY MEMBERS. If the Company does not have sufficient cash to pay its obligations, the Member that may agree to do so with the Managers' consent, as appropriate, may advance all or part of the needed funds to or on behalf of the Company. An advance described in this section constitutes a loan from the Member to the Company, bears interest at the General Interest Rate from the date of the advance until the date of payment, and is not a Capital Contribution.

**ARTICLE V
DISTRIBUTIONS**

5.01 DISTRIBUTIONS.

A From time to time the Managers shall determine in their reasonable judgment to what extent (if any) the Company's cash on hand exceeds (the "Excess") its current and anticipated needs, including, without limitation, for operating expenses, debt service, and a reasonable contingency reserve. If such Excess exists, the Managers shall cause the Company to distribute such Excess to the Members in accordance with their respective Sharing Ratios at the time.

B. From time to time the Managers also may cause property of the Company other than cash to be distributed to the Members, which distribution must be made in accordance with their Sharing Ratios and may be made subject to existing liabilities and obligations.

**ARTICLE VI
MANAGERS**

6.01 MANAGEMENT BY MANAGERS

A. Except for situations in which the approval of the Member is required by this Agreement or by nonwaivable provisions of applicable law, and subject to the provisions of Section 6.02, (i) the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Managers; and (ii) the Managers may make all decisions and take all actions for the Company not otherwise provided for in this Agreement, including, without limitation, the following:

(1) entering into, making, and performing contracts, agreements, and other undertakings binding the Company that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company and making all decisions and waivers thereunder;

(2) opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements;

(3) maintaining the assets of the Company in good order;

- (4) collecting sums due the Company;
- (5) to the extent that funds of the Company are available therefor, paying debts and obligations of the Company;
- (6) acquiring, utilizing for Company purposes, and Disposing of any asset of the Company;
- (7) borrowing money or otherwise committing the credit of the Company for Company activities and voluntary prepayments or extensions of debt;
- (8) selecting, removing, and changing the authority and responsibility of lawyers, accountants, and other advisers and consultants;
- (9) obtaining insurance for the Company;
- (10) determining distributions of Company cash and other property as provided in Article V; or
- (11) voting any partnership interest in any partnership or other entity in which the Company owns an equity interest.

B. Notwithstanding the provision of Section 6.01A to the contrary, in no event shall the Managers take any of the following actions without the written consent of the Member:

- (1) sell, lease, exchange or otherwise dispose of (other than by way of a pledge, mortgage, deed of trust or trust indenture) all or substantially all the Company's property and assets (with or without good will);
- (2) be a party to (i) a merger, or (ii) an exchange or acquisition of the type described in the CLLCA;
- (3) amend or restate the Articles of Organization or in this Agreement;
- (4) admit new Members to the Company; or
- (5) dissolve the Company.

6.02 ACTIONS BY MANAGERS; COMMITTEES; DELEGATION OF AUTHORITY AND DUTIES.

A. In managing the business and affairs of the Company and exercising its powers, the Managers shall act (i) collectively through meetings and written consents consistent as may be provided or limited in other provisions of this Agreement; (ii) through committees pursuant to Section 6.02(b); and (iii) through Managers to whom authority and duties have been delegated pursuant to Section 6.02(c).

B. The Managers may, from time to time, designate one or more committees, each of which shall be comprised of one or more Managers. Any such committee, to the extent provided in such resolution or in the Certificate or this Agreement, shall have and may exercise all of the authority of the Managers, subject to the limitations set forth in the CLLCA. At every meeting of any such committee, the presence of a majority of all the members thereof shall constitute a quorum, and the affirmative vote of the Member shall be necessary for the adoption of any resolution. The Managers may dissolve any committee at any time, unless otherwise provided in the Certificate or this Agreement.

C. The officers of the Company may consist of a president, chairman of the board, secretary, treasurer, and one or more vice presidents and such assistant officers, as the Managers deems necessary or appropriate to conduct the business of the Company. Two or more offices may be held by the same person. The officers shall be elected by the Managers or, where specifically provided herein, may be appointed by the president or the chairman of the board of Managers.

(1) Chairman of the Board. If elected by the Managers, the chairman of the board shall preside at all meetings of the Managers and of the Member, and shall be an ex-officio member of all standing committees and shall preside at meetings of such committees unless the Managers, in constituting such committees, shall designate or elect some other person to be the chairman thereof. The chairman of the board shall also have such other duties as the Managers shall designate.

(2) President. Unless otherwise specified by the Managers, the president shall be the chief executive officer of the Company, and shall have the responsibility for the general supervision of the business affairs of the Company. The President shall preside at all meetings of shareholders and directors, provided that a chairman of the board shall not have been elected, and discharge the duties of a presiding officer, shall present at each annual meeting of the shareholders a report of the business of the Company for the preceding fiscal year, and shall perform whatever other duties the Managers may from time to time prescribe.

(3) Secretary. The secretary shall keep minutes of all meetings of the Member and Managers and shall perform such other duties and have such other powers as may from time to time be delegated to him or her by the president or the Managers.

(4) Treasurer. The treasurer shall be charged with the management of the financial affairs of the Company and shall have the power to recommend action concerning the Company's affairs to the president, and shall perform whatever other duties the president or Managers may from time to time prescribe.

(5) Vice President. The vice presidents shall perform such duties and have such powers as the president, the chairman of the board, or the Managers may from time to time prescribe. The Managers may designate one or more vice presidents or may otherwise specify the order of seniority of the vice presidents.

(6) Assistant Officers. Assistant officers may be appointed and shall have such duties as shall be delegated to them by the president, the chairman of the board or the Managers.

(7) Vacancies. When a vacancy occurs in one of the executive offices by death, resignation, removal, or otherwise, it may be filled by the Managers. The officer so selected shall hold office for the remainder of the term of the officer vacating such office, and until his or her successor has been elected or appointed and has qualified, or until such officer=s earlier resignation, removal from office, death or incapacity to serve.

(8) Salaries. The salaries of the officers employed by the Company shall be fixed from time to time by the Managers or established under agreements with officers approved by the Managers, or such committees as may from time to time be established by the Managers for such purpose, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Manager of the Company.

(9) Delegation of Duties. Whenever an officer is absent or whenever for any reason the Managers may deem it desirable, the board may delegate the powers and duties of an officer to any other officer or officers or to any director or directors.

(10) Removal of Officers and Agents. An officer or agent of the Company may be removed by a majority vote of the Managers whenever in its judgment the best interests of the Company will be served by the removal. The removal shall be without prejudice to the contract rights, if any, of the person so removed.

D. Any Person dealing with the Company, other than the Member, may rely on the authority of any Manager or officer in taking any action in the name of the Company without

inquiry into the provisions of this Agreement or compliance herewith, regardless of whether that action actually is taken in accordance with the provisions of this Agreement.

6.03 POWERS OF MANAGERS. The Managers are agents of this Company for the purpose of its business and the act of a Manager, including the execution in the name of the Company of any instrument for apparently carrying on in the usual way the business of this Company, binds the Company unless the Managers so acting otherwise lacks the authority to act for this Company and the person with whom the Managers are dealing has knowledge of the fact that the Managers have no such authority.

6.04 NUMBER AND TERM OF OFFICE. The number of Managers of the Company shall be determined from time to time by resolution of the Member. If the Member makes no such determination, the number of Managers shall be the number set forth in the Certificate as the number of Managers constituting the initial Managers. Each Manager shall hold office for the term for which he is elected and thereafter until his successor shall have been elected and qualified at any Annual Meeting or any Special Meeting called for such purpose, or until his earlier death, resignation or removal. Unless otherwise provided in the Certificate, Managers need not be a Member or a resident of the State of Colorado. Notwithstanding the foregoing, at any time by a vote of the Member, a Manager may be immediately removed by the Member with or without cause.

6.05 CLASSIFICATION OF MANAGERS. At any time by affirmative vote of the Member, this Agreement may provide that the Managers shall be divided into either two or three classes, each class to be as nearly equal in number as possible, the terms of office of Managers of the first class to expire at the first annual meeting of Members after their election, that of the second class to expire at the second annual meeting after their election, and that of the third class, if any, to expire at the third annual meeting after their election. If this classification of Managers is implemented, (1) the whole number of Managers of this Company need not be elected annually, and (2) at each annual meeting after such classification, the number of Managers equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office until the second succeeding annual meeting, if there be two classes, or until the third succeeding annual meeting, if there be three classes.

6.06 RESIGNATIONS. Any Manager may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified then at the time of its receipt by the President or Chairman. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

6.07 VACANCIES. Any vacancy occurring in the Managers may be filled by the Member. A Manager elected to fill a vacancy shall be elected until his successor is duly appointed and elected.

6.08 PLACE AND MANNER OF MEETINGS. Meetings of the Managers, regular or special, may be held either within or without the State of Colorado. Managers may participate in such meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting as provided herein shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

6.09 REGULAR MEETING OF MANAGERS. A regular meeting of the Managers may be held at such time as shall be determined from time to time by resolution of the Managers.

6.10 SPECIAL MEETING OF MANAGERS. The Secretary shall call a special meeting of the Managers whenever requested to do so by the President or by any Manager. Such special meeting shall be held at the time specified in the notice of meeting. Except as otherwise expressly provided by statute, or by the Certificate, or by this Agreement, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice or waiver of notice.

6.11 NOTICE OF MANAGERS' MEETINGS. All meetings of the Managers (annual, regular or special) shall be held upon five (5) days' written notice stating the date, place and hour of meeting delivered to each Manager either personally or by mail or at the direction of the President or the Secretary or the officer or person calling the meeting.

In any case where all of the Managers execute a waiver of notice of the time and place of meeting, no notice thereof shall be required, and any such meeting (whether annual, regular or special) shall be held at the time and at the place (either within or without the State of Colorado) specified in the waiver of notice. Attendance of Managers at any meeting shall constitute a waiver of notice of such meeting, except where the Managers attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Managers need be specified in the notice or waiver of notice of such meeting.

6.12 ACTION WITHOUT MEETING. Any action required by statute to be taken at a meeting of the Managers, or any action which may be taken at a meeting of the Managers, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Managers. Such consent shall have the same force and effect as a unanimous vote at a meeting.

6.13 QUORUM; MAJORITY VOTE. At all meetings of the Managers a majority of the number of Managers fixed by this Agreement shall constitute a quorum for the transaction of business unless a greater number is required by law or by the Certificate. The act of a majority of the Managers present at any meeting at which a quorum is present shall be the act of the Managers unless the act of a greater number is required by statute, by the Certificate or by this Agreement. If a quorum shall not be present at any meeting of the Managers, the Managers present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

6.14 APPROVAL OR RATIFICATION OF ACTS OR CONTRACTS BY MEMBERS. The Managers in their discretion may submit any act or contract for approval or ratification at any annual meeting of the Members, or at any special meeting of the Members called for the purpose of considering any such act or contract, and any act or contract that shall be approved or be ratified by the Member shall be as valid and as binding upon the Company and upon all the Members as if it shall have been approved or ratified by every Member of the Company.

6.15 INTERESTED MANAGERS, OFFICERS AND MEMBERS.

A. INTERESTED MANAGERS. No contract or transaction between this Company and one or more of its Managers or officers, or between this Company and any other limited liability company, corporation, partnership, association, or other organization in which one or more of its Managers or officers are managers or officers or have a financial interest, shall be void or voidable solely for this reason, solely because the Managers or officer is present at or participates in the meeting of Managers or of a committee of Managers which authorizes the contract or transaction, or solely because such Manager's or Managers' votes are counted for such purpose, if:

(1) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Managers or the committee, and the Managers or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Managers, even though the disinterested Managers be less than a quorum; or

(2) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Members entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the Members; or

(3) The contract or transaction is fair as to this Company as of the time it is authorized, approved, or ratified by the Managers, a committee thereof, or the Members.

B. Common or interested managers may be counted in determining the presence of a quorum at a meeting of the managers or of a committee which authorizes the contract or transaction.

C. NON-EXCLUSIVE. This provision shall not be construed to invalidate any contract or transaction which would be valid in the absence of this provision.

6.16 COMPENSATION. By resolution of the Managers, the Managers and the Officers of the Company shall receive compensation for their respective services as set forth in such resolution.

6.17 PROCEDURE. The Managers shall keep regular minutes of its proceedings. The minutes shall be placed in the minute book of the Company.

ARTICLE VII INDEMNIFICATION

7.01 DEFINITIONS. For purposes of this Article VII:

A. "Limited Liability Company" includes any domestic or foreign predecessor entity of the Company in a merger, consolidation, or other transaction in which the liabilities of the predecessor are transferred to the Company by operation of law and in any other transaction in which the Company assumes the liabilities of the predecessor but does not specifically exclude liabilities that are the subject matter of this Article.

B. (1) If management of the Company is reserved to its members in the Articles of Organization, the term "manager" shall also mean any member acting as an agent or in any other capacity on behalf of the Company.

(2) "Manager" means any person who is or was a Manager of the Company and any person who, while a Manager of the Company, is or was serving at the request of the Company as a Manager, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation,

partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise.

C. "Expenses" include court costs and attorneys' fees.

D. "Official capacity" means:

(1) when sued with respect to a Manager, the office of Managers in the Company; and

(2) when used with respect to a person other than a Manager, the elective or appointive office in the Company held by the officer or the employment or agency relationship undertaken by the employee or agent in behalf of the Company; provided, however, that in each case described in paragraphs (1) and (2) of this Subsection D., "official capacity" does not include service for any other foreign or domestic limited liability company, corporation, or any partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise.

E. "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitative, or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, or proceeding.

7.02 STANDARD FOR INDEMNIFICATION. The Company shall indemnify a person who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a Manager of the Company only if it is determined in accordance with this Article that the person:

A. conducted himself in good faith;

B. reasonably believed:

(1) in the case of conduct in his official capacity as a Manager of the Company, that his conduct was in the Company's best interests; and

(2) in all other cases, that his conduct was at least not opposed to the Company's best interests; and

C. in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful.

7.03 PROHIBITED INDEMNIFICATION. Except to the extent permitted by this Article, a Manager may not be indemnified under any section of this Article in respect of a proceeding:

A. in which the person is found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the person's official capacity; or

B. in which the person is found liable to the Company.

7.04 EFFECT OF TERMINATION OF PROCEEDING. The termination of a proceeding by judgment, order, settlement, or conviction, or on a plea of nolo contendere or its equivalent is not of itself determinative that the person did not meet the requirements set forth in any section of this Article. A person shall be deemed to have been found liable in respect of any claim, issue or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

7.05 EXTENT OF INDEMNIFICATION. A person shall be indemnified under this Article against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by the person in connection with the proceeding; but if the person is found liable to the Company or is found liable on the basis that personal benefit was improperly received by the person, the indemnification shall:

A. be limited to reasonable expenses actually incurred, and

B. not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of such person's duty to the Company.

7.06 DETERMINATION OF INDEMNIFICATION. A determination of indemnification under any section of this Article must be made:

A. by a majority vote of a quorum consisting of Managers who at the time of the vote are not named defendants or respondents in the proceeding;

B. if such a quorum cannot be obtained, by a majority vote of a committee of the Managers, designated to act in the matter by a majority vote of all Managers, consisting solely of two or more Managers who at the time of the vote are not named defendants or respondents in the proceeding;

C. by a special legal counsel selected by the Managers or a committee of the Managers by vote as set forth in Subsection (A) and (B) of this Section, or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Managers; or

D. by the Members in a vote that excludes the Membership Interest held by Managers who are named defendants or respondents in the proceeding.

7.07 AUTHORIZATION OF INDEMNIFICATION. Authorization of indemnification and determination as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that (i) if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination as to reasonableness of expenses must be made in the manner specified by the foregoing section for the selection of special legal counsel, and (ii) the provision of this Article making indemnification mandatory in certain cases specified herein shall be deemed to constitute authorization in the manner specified by this Section of indemnification in such cases.

7.08 SUCCESSFUL DEFENSE OF PROCEEDINGS. Except as provided otherwise by law or by this Agreement, the Company shall indemnify a Manager against reasonable expenses incurred by him in connection with a proceeding in which he is a named defendant or respondent because he is or was a Manager if he has been wholly successful, on the merits or otherwise, in the defense of the proceeding.

7.09 COURT ORDER IN SUIT FOR INDEMNIFICATION. If, in a suit for indemnification required by the foregoing Section, a court of competent jurisdiction determines that the Managers are entitled to indemnification under that section, the court shall order indemnification and shall award to the Managers the expenses incurred in securing the indemnification.

7.10 COURT DETERMINATION OF INDEMNIFICATION. If, upon application of a Manager, a court of competent jurisdiction determines, after giving any notice the court considers necessary, that the Managers are fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he has met the requirements set forth in any Section of this Article or has been found liable in the circumstances described in any Section of this Article, the court may order the indemnification that the court determines is proper and equitable; but, if the person is found liable to the Company or is found liable on the basis that personal benefit was improperly received by the person, the indemnification shall be limited to reasonable expenses actually incurred by the person in connection with the proceeding.

7.11 ADVANCEMENT OF EXPENSES. Reasonable expenses incurred by a Manager who was, is, or is threatened to be made a named defendant or respondent in a proceeding shall be paid or reimbursed by the Company in advance of the final disposition of the proceeding, without the authorization or determination specified in this Article, after the Company receives a written affirmation by the Managers of their good faith belief that they have met the standard of conduct necessary for indemnification under this Article and a written undertaking, which must be an unlimited general obligation of the Managers (and can be accepted without reference to financial ability to make repayment) but need not be secured, made by or on behalf of the Managers to repay the amount paid or reimbursed if it is ultimately determined that he has not met that standard or if it is ultimately determined that indemnification of the Managers against expenses incurred by him in connection with that proceeding is prohibited by this Article. A provision contained in the Certificate, this Agreement, a resolution of Members or Managers, or an agreement that makes mandatory the payment or reimbursement permitted under this Section shall be deemed to constitute authorization of that payment or reimbursement.

7.12 EXPENSES OF WITNESS. Notwithstanding any other provision of this Article, the Company may pay or reimburse expenses incurred by a Manager in connection with his appearance as a witness or other participation in a proceeding at a time when he is not a named defendant or respondent in the proceeding, given that such appearance or participation occurs by reason of his being or having been a Manager of the Company.

7.13 INDEMNIFICATION OF OFFICERS. The Company shall indemnify and advance or reimburse expenses to a person who is or was an officer of the Company to the same extent that it shall indemnify and advance or reimburse expenses to Managers under this Article.

7.14 INDEMNIFICATION OF OTHER PERSONS. The Company may indemnify and advance expenses to any person who is not or was not an officer, employee, or agent of the Company but who is or was serving at the request of the Company as a manager, director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise to the same extent that it shall indemnify and advance expenses to Managers under this Article.

7.15 ADVANCEMENT OF EXPENSES TO OFFICERS AND OTHERS. The Company shall indemnify and advance expenses to an officer, and may indemnify and advance expenses to an employee or agent of the Company, or other person who is identified in the foregoing Section and who is not a Manager, to such further extent as such person may be entitled by law, agreement, vote of Members or otherwise.

7.16 CONTINUATION OF INDEMNIFICATION. The indemnification and advance payments provided by this Article shall continue as to a person who has ceased to hold his position as a Manager, officer, employee or agent, or other person described in any section of this Article, and shall inure to his heirs, executors and administrators.

7.17 LIABILITY INSURANCE. The Company may purchase and maintain insurance or another arrangement on behalf of any person who is or was a Manager, officer, employee, or agent of the Company or who is or was serving at the request of the Company as a manager, director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person, whether or not the Company would have the power to indemnify him against that liability under this Article. If the insurance or other arrangement is with a person or entity that is not regularly engaged in the business of providing insurance coverage, the insurance or arrangement may provide for payment of a liability with respect to which the Company would not have the power to indemnify the person only if including coverage for the additional liability has been approved by the Members of the Company. Without limiting the power of the Company to procure or maintain any kind of insurance or other arrangement, the Company may, for the benefit of persons indemnified by the Company, (1) create a trust fund; (2) establish any form of self-insurance; (3) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Company; or (4) establish a letter of credit, guaranty, or surety arrangement.

The insurance or other arrangement may be procured, maintained, or established within the Company or with any insurer or other person deemed appropriate by the Managers regardless of whether all or part of the stock or other securities of the insurer or other person are owned in whole or part by the Company. In the absence of fraud, the judgment of the Managers as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in an arrangement shall be conclusive and the insurance or arrangement shall not be avoidable and shall not subject the Managers approving the insurance or arrangement to liability, on any ground, regardless of whether Managers participating in the approval are beneficiaries of the insurance or arrangement.

7.18 REPORT TO MEMBERS. Any indemnification of or advance of expenses to a Manager in accordance with this Article shall be reported in writing to the Members with or before the notice or waiver of notice of the next Members' meeting or with or before the next submission to Members of a consent to action without a meeting pursuant to the CLLCA and as authorized by the CLLCA and, in any case, within the twelve-month period immediately following the date of the indemnification or advance.

ARTICLE VIII

TAXES

8.01 TAX RETURNS. The Managers shall cause to be prepared and filed any necessary federal and state income tax returns for the Company, including making the elections described in Section 8.02.

8.02 TAX ELECTIONS. The Company shall make the following elections on the appropriate tax returns:

- A.** to adopt the Company's fiscal year;
- B.** to adopt the method of accounting and to keep the Company's books and records using such method; and
- C.** any other election the Managers may deem appropriate and in the best interests of the Member.

ARTICLE IX NOTICE

9.01 METHOD. Whenever by statute or the Certificate or this Agreement, notice is required to be given to the Member or Manager, and no provision is made as to how the notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing, postage prepaid, addressed to the Managers or Member at the address appearing on the books of the Company, or in any other method permitted by law. Any notice required or permitted to be given by mail shall be deemed given at the time when the same is thus deposited in the United States mails. Notice to Managers or the Member may also be given by telegram, with such notice being deemed to have been given when the telegram is delivered to the telegraph company.

9.02 WAIVER. Whenever, by statute or the Certificate or this Agreement, notice is required to be given to the Member or the Manager, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be equivalent to the giving of such notice. Attendance of a Manager or Member at a meeting shall constitute a waiver of notice of such meeting, except where a Manager or the Member attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

ARTICLE X BANKRUPTCY OF A MEMBER

If the Member becomes a Bankrupt Member, the Company shall have the option, exercisable by notice from the Managers to the Bankrupt Member (or its representative) at any time prior to the 180th day after receipt of notice of the occurrence of the event causing it to become a Bankrupt Member, to buy, and on the exercise of this option the Bankrupt Member or its representative shall sell, its Membership Interest. The purchase price shall be an amount equal to the fair market value thereof determined by agreement by the Bankrupt Member (or its representative) and the Managers; however, if those Persons do not agree on the fair market value on or before the 30th day following the exercise of the option, either such Person, by notice to the other, may require the determination of fair market value to be made by an independent appraiser specified in that notice. If the Person receiving that notice objects on or before the tenth day following receipt to the independent appraiser designated in that notice, and those Persons otherwise fail to agree on an independent appraiser, either such Person may petition the United States District Judge for the District of Division then senior in service to designate an independent appraiser. The determination of the independent appraiser, however designated, is final and binding on all parties. The Bankrupt Member and the Company each shall pay one-half of the costs of the appraisal. The purchaser shall pay the fair market value as so determined in four equal cash installments, the first due on closing and the remainder (together with accumulated interest on the amount unpaid at the General Interest Rate) due on each of the first three anniversaries thereof. The payment to be made to the Bankrupt Member or its representative pursuant to this section is in complete liquidation and satisfaction of all the rights and interest of the Bankrupt Member and its representative (and of all Persons claiming by, through, or under the Bankrupt Member and its representative) in and in respect of the Company, including, without limitation, any Membership Interest, any rights in specific Company property, and any rights against the Company and (insofar as the affairs of the Company are concerned) against the Member, and constitutes a compromise to which the Member has agreed.

ARTICLE XI WINDING UP AND TERMINATION

11.01 WINDING UP. The Company shall be wound up on the first to occur of the following:

- A. the written consent of the Member;
- B. entry of a decree of judicial dissolution of the Company under the CLLCA.
- C. the expiration of the period fixed for the duration of the Company as set forth in the Certificate; or

D. upon the death, retirement, resignation, expulsion, bankruptcy, or dissolution of the Member or the occurrence of any other event which terminates the continued membership of a Member in this Company.

11.02 TERMINATION. On winding up of the Company, the Managers shall act as liquidator or may appoint the Member as liquidator. If there are no managers. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the CLLCA. The costs of winding up shall be borne as a Company expense. Until final termination, the liquidator shall continue to operate the Company properties with all of the power and authority of the Managers. The steps to be accomplished by the liquidator are as follows:

A. as promptly as possible after dissolution and again after final termination, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;

B. the liquidator shall cause the notice described in the CLLCA to be mailed to each known creditor of and claimant against the Company in the manner required;

C. the liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation and any advances described in Section 4.05) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

D. all remaining assets of the Company shall be distributed to the Member in accordance with the respective Sharing Ratios. The distribution of cash and/or property to a Member in accordance with the provisions of this Section 11.02 constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of his Membership Interest and all the Company's property and constitutes a compromise to which all Members have consented within the meaning of the CLLCA.

11.03 CERTIFICATE OF CANCELLATION. On completion of the distribution of Company assets as provided herein, the Company shall be deemed terminated, and the Managers or authorized Member shall file Certificate of Cancellation with the Secretary of State of Colorado, and take such other actions as may be necessary to terminate the Company. An "authorized Member" will be a Member or Members appointed by the Managers.

(b) the times at which additional contributions are to be made or events requiring additional contributions to be made;

(c) events requiring the Company to be dissolved and its affairs wound up; and

(d) the date on which each member in the Company became a member; and

(5) correct and complete books and records of account of the Company.

B. The Company shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

C. The Company shall keep in its registered office in Colorado and make available to Members on reasonable request the street address of its principal United States office in which the records required by this section are maintained or will be available.

D. A member or an assignee of a membership interest, on written request stating the purpose, may examine and copy, in person or by the Member's or assignee's representative, at any reasonable time, for any proper purpose, and at the Member's expense, records required to be kept under this section and other information regarding the business, affairs, and financial condition of the Company as is just and reasonable for the person to examine and copy.

E. On the written request by the Member or an assignee of a Membership Interest made to the person and address designated in this Agreement, the Company shall provide to the requesting Member or assignee without charge true copies of:

(1) the Certificate and this Agreement and all amendments or restatements;
and

(2) any of the tax returns described in the CLLCA.

12.02 AMENDMENT OR MODIFICATION. The powers to alter, amend, or repeal this Agreement or adopt new Regulations is vested in the Managers, subject to repeal or change by action of the Members.

12.03 CHECKS, NOTES, DRAFTS, ETC. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable

to the Company shall be signed or endorsed by a designated person which may be appointed by the Managers. The designated person may be a Manager(s), officer(s), Member, or other person(s) as may from time be designated.

12.04 HEADINGS. The headings used in this Agreement have been inserted for convenience only and do not constitute matter to be construed in interpretation.

12.05 CONSTRUCTION. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely. If any portion of this Agreement shall be invalid or inoperative, then, so far as is reasonable and possible:

- A. The remainder of this Agreement shall be considered valid and operative; and
- B. Effect shall be given to the intent manifested by the portion held invalid or inoperative.

12.06 ENTIRE AGREEMENT; SUPERSEDURE. This Agreement constitute the entire agreement of the Member and its Affiliates relating to the Company and supersedes all prior contracts or agreements with respect to the Company, whether oral or written.

12.07 EFFECT OF WAIVER OR CONSENT. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute of limitations period has run.

12.08 BINDING EFFECT. This Agreement are binding on and inure to the benefit of the Member and their respective heirs, legal representatives, successors, and assigns.

12.09 GOVERNING LAW; SEVERABILITY. THIS AGREEMENT ARE GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF COLORADO, EXCLUDING ANY CONFLICT OF LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. In the event of a direct conflict between the provisions of this Agreement and (a) any provision of the Certificate, or (b) any mandatory provision of the CLLCA, the provisions of this Agreement shall control. If any provision of this Agreement or the application thereof to any Person or

circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

12.10 FURTHER ASSURANCES. In connection with this Agreement and the transactions contemplated hereby, the Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

12.11 NOTICE TO MEMBERS OF PROVISIONS OF THIS AGREEMENT. By executing this Agreement, the Member acknowledges that it has actual notice of (a) all of the provisions of this Agreement, including, without limitation, the restrictions on the transfer of Membership Interests set forth in Article III, and (b) all of the provisions of the Certificate. The Member hereby agrees that this Agreement constitute adequate notice of all such provisions, including, without limitation, any notice requirement under the CLLCA and Chapter 8 of the Colorado Uniform Commercial Code, and each Member hereby waives any requirement that any further notice thereunder be given.

12.12 COUNTERPARTS. This Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

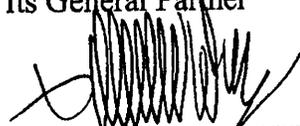
12.13 CONFLICTING PROVISIONS. To the extent that one or more provisions of this Agreement appear to be in conflict with one another, then the Managers shall have the right to choose which of the conflicting provisions are to be enforced. Wide latitude is given to the Managers in interpreting the provisions of this Agreement to accomplish the purposes and objectives of the Company, and the Managers may apply this Agreement in such a manner as to be in the best interest of the Company, in the Managers' sole discretion.

The undersigned, being the sole initial Member and Managers, as specified in the Certificate, hereby certifies that the foregoing Regulations were unanimously adopted by the Managers, and Member, effective as of the Effective Date.

SOLE MEMBER:

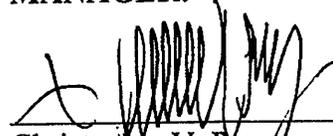
PERRY'S RESTAURANTS, LTD.

By: PBS HOLDINGS, INC.,
Its General Partner



By: Christopher L. Perry
Title: President
Address: 9821 Katy Freeway, Suite 500
Houston, Texas 77024

MANAGER:



Christopher V. Perry
Address: 9821 Katy Freeway, Suite 500
Houston, Texas 77024

**ACTION OF MEMBERS AND MANAGERS
OF
PERRY'S STEAKHOUSE OF COLORADO, LLC
IN LIEU OF ORGANIZATIONAL MEETING**

1. Action of the Sole Member and Manager.

The undersigned, being the sole Member and the initial Manager of Perry's Steakhouse of Colorado, LLC, does by this instrument in writing consent effective as of the date set forth below to the following actions and adopt the following resolutions in lieu of an organizational meeting of the initial Member and Manager. Notwithstanding the fact that these actions and resolutions shall become effective as of the date indicated on the signature page hereof, the actions evidenced hereby shall be construed to have occurred in the order indicated herein.

2. Acceptance of Articles of Organization.

RESOLVED, that the Articles of Organization of the Limited Liability Company filed with the Colorado Secretary of State as of the date set forth below, be accepted and approved in all respects.

3. Operating Agreement.

RESOLVED, that the form of Operating Agreement submitted and reviewed at this meeting are adopted as the Operating Agreement of this Limited Liability Company.

4. Election of Manager.

RESOLVED, that the following individual be nominated and elected to serve as the initial Manager of the Company until his successor is duly nominated or elected:

Christopher V. Perry

5. Limited Liability Company Record Book.

RESOLVED, that (1) the Limited Liability Company record book presented to this meeting by the Secretary is approved and adopted, and the action of the Manager in inserting in it the Articles of Organization, and the Operating Agreement, is ratified and approved, and (2) the Secretary is instructed to authenticate the Limited Liability Company record book, to retain custody of it, and to insert in it the minutes of this meeting and of other proceedings of the Member, Manager, and any committee established by the Managers.

Action of Members and Managers [PIKR]

6. Membership Interest Issued.

RESOLVED, that the Managers of the Limited Liability Company be, and they hereby are, authorized to issue from time to time the authorized Membership Interests of the Limited Liability Company for money paid, labor done, promissory note, or personal property or real estate or leases thereof actually acquired by the Limited Liability Company, upon such terms as the Managers in their discretion may determine.

RESOLVED, that 100% of the Membership Interests of **PERRY'S STEAKHOUSE OF COLORADO, LLC** be issued as follows:

<u>Name</u>	<u>Contribution</u>	<u>Membership Interests</u>
Perry's Restaurants, Ltd.	\$1,000.00	100%

7. Commencing Business.

RESOLVED, that the Limited Liability Company was able to commence and transact business and to incur indebtedness.

8. Organizational Expenses.

RESOLVED, that the Managers of the Limited Liability Company be and hereby is authorized to pay all charges and expenses incident to or arising out of the organization of the Limited Liability Company and to reimburse the Managers or the Member of the Company who has made any disbursement therefor.

9. Bank Account.

RESOLVED, that the Managers be and hereby is authorized to open a bank account in behalf of the Limited Liability Company with any banks the Managers deem appropriate.

10. Licenses, Permits.

RESOLVED, that the Managers of the Limited Liability Company were authorized to obtain in the name of the Limited Liability Company such Licenses and tax permits as may be required for the conduct of the business of the Limited Liability Company by any federal, state, county, or municipal governmental statute, ordinance, or regulations, and to do all things necessary or convenient to qualify the Limited Liability Company to transact

its business in compliance with the laws and regulations of any appropriate federal, state, or municipal governmental authority.

11. Other States.

RESOLVED, that for the purpose of authorizing the Limited Liability Company to do business in any state, territory or dependency of the United States or any foreign country in which it is necessary or expedient for this Limited Liability Company to transact business, the proper officers of this Limited Liability Company are hereby authorized to appoint and substitute all necessary agents or attorneys for service of process, to designate and change the location of all necessary statutory offices and to make and file all necessary certificates, reports, powers of attorney and other instruments as may be required by the laws of such state, territory, dependency or country to authorize the Limited Liability Company to transact business therein.

12. Fiscal Year.

RESOLVED, that the fiscal year of the Limited Liability Company shall be the year ending December 31.

13. Carry on Business.

RESOLVED, that the Limited Liability Company proceed to carry on the business for which it was organized.

14. Ratification.

RESOLVED, that the signing of these minutes shall constitute full consent, confirmation, ratification, adoption and approval of the holding of the above meeting, the actions hereby taken, the resolutions herein adopted and waiver of notice of the meeting by the signatories.

15. Actions by Managers.

RESOLVED, that the Managers of the Limited Liability Company are authorized and directed to take those actions necessary to effect the hereinabove described activities of the Limited Liability Company.

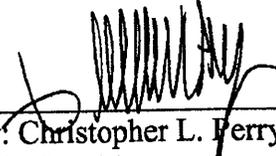
The resolutions contained herein and the actions contemplated hereby are taken by unanimous written consent of the Managers and the sole Member pursuant to the Colorado Limited Liability Company Act.

DATED effective the 13th day of March, 2013.

SOLE MEMBER:

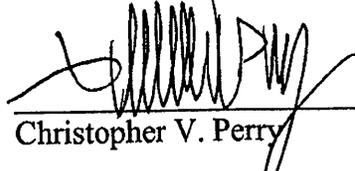
PERRY'S RESTAURANTS, LTD.

By: PBS HOLDINGS, INC.,
Its General Partner



By: Christopher L. Perry
Title: President

MANAGER:



Christopher V. Perry

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

C E R T I F I C A T E

I, Scott Gessler, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

Perry's Steakhouse of Colorado, LLC

is a **Limited Liability Company** formed or registered on 03/13/2013 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20131164387.

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 02/18/2014 that have been posted, and by documents delivered to this office electronically through 02/19/2014 @ 12:56:34.

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, authenticated, issued, delivered and communicated this official certificate at Denver, Colorado on 02/19/2014 @ 12:56:34 pursuant to and in accordance with applicable law. This certificate is assigned Confirmation Number 8768183.



A handwritten signature in black ink, appearing to read "Scott Gessler".

Secretary of State of the State of Colorado

*****End of Certificate*****

Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Certificate Confirmation Page of the Secretary of State's Web site, <http://www.sos.state.co.us/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, <http://www.sos.state.co.us/> click Business Center and select "Frequently Asked Questions."



CITY OF LONE TREE
SALES/BUSINESS LICENSE

9220 Kimmer Drive Lone Tree, CO 80124
Gita.Listiadji@cityoflonetree.com
303-708-1818

License # 6178
Date of Issuance: 8/15/2014
Expiration Date: 12/31/2014

Derek Pearson
Perry's Steakhouse of Colorado LLC
9821 Katy Freeway Suite 500
Houston, TX 77024
Mailing Address

Perry's Steakhouse & Grille
8433 Park Meadows Center Dr Space D154
Lone Tree, CO 80124

Business Location Address

~~POST THIS LICENSE IN A CONSPICUOUS PLACE AT ALL TIMES~~

Seth Hoffman, License Administrator

~~NO TRANSFERABLE~~

Affidavit of Posting

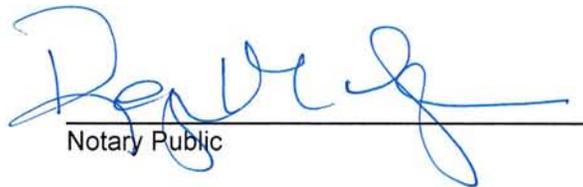
I, Matt Archer, do hereby affirm that pursuant to the liquor laws of the State of Colorado and the City of Lone Tree, a Notice was posted on the premises known as Perry's Steakhouse of Colorado, LLC d/b/a Perry's Steakhouse & Grill, located at 8433 Park Meadows Center Drive, Suite D134, Lone Tree, CO 80124, plainly visible to the general public beginning on June 6, 2014.

The sign was posted for a period of at least 10 days before the Public Hearing on the application for a Hotel and Restaurant Liquor License.

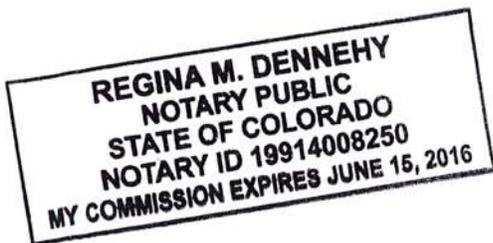
6/9/14
Date


Matt Archer
Chief Building Official

Subscribed and affirmed before me in the County of Douglas, State of Colorado, this 9th day of June, 20 14.


Notary Public

(Seal)



PUBLIC NOTICE

PURSUANT TO THE LIQUOR LAWS OF THE STATE OF COLORADO, **Perry's Steakhouse of Colorado, LLC d/b/a Perry's Steakhouse & Grille** has requested the City Council of the City of Lone Tree, acting as the Local Licensing Authority, grant a Hotel and Restaurant Liquor License at Perry's Steakhouse & Grille, 8433 Park Meadows Center Drive, Suite D154, Lone Tree, CO 80124 to dispense Malt, Vinous and Spirituous liquors by the drink for consumption on the premises. **The Public Hearing on the application will be held at the Lone Tree Civic Center, Council Chambers, 8527 Lone Tree Parkway, Lone Tree, CO 80124, on Tuesday, June 17, 2014 at 7:00 p.m.**

Managing Member: Perry's Restaurants, LTD, 9821 Katy Freeway, Suite 500, Houston, TX 77024; Member: Christopher Perry, 4429 Mirador Drive, Austin, TX 78733.

Date of Application: April 1, 2014
/s/ Jennifer Pettinger, CMC, City Clerk

Legal Notice No.: 925530

First Publication: June 5, 2014

Last Publication: June 5, 2014

Publisher: Douglas County News-Press

ESQUIRE PETITIONING SERVICES, LLC
Liquor Licensing Specialists
2792 South Race Street
Denver, Colorado 80210
Telephone: (303)331-8600
Facsimile: (303)331-9048

June 6, 2014

To: City of Lone Tree Liquor Licensing Authority
Re: Summary report of petition circulation methods and results in the application for a Hotel and Restaurant Liquor License.

Applicant: Perry's Steakhouse of Colorado, LLC.
Trade Name: Perry's Steakhouse & Grille
Proposed Location: 8433 Park Meadows Center Drive, Suite D154
Lone Tree, Colorado 80124

Methods:

1. The petition circulation was conducted under the control of Esquire Petitioning Services, L.L.C. ("Esquire").
2. Circulators were driven to the proposed site and became familiar with the Applicant's proposed location.
3. Petitions were pre-filed according to the Licensing Authority's local rules.
4. Esquire prepared all of the petition circulation materials. Each circulator carried a clipboard and petition packet consisting of the following: a. a map of the designated neighborhood with neighborhood boundaries outlined and the proposed location of the outlet denoted by an "X"; b. a petition cover sheet stating: the Applicant's name, the trade name, the proposed location, the type of license application, the qualifications for signing the petition and the information concerning the public hearing; c. signature sheets that provided eligible persons the opportunity to sign the petition in support of, or in opposition to, the application; and d. data sheets on which to record all responses by address.

5. The circulators were instructed as follows:
 - a. to state the petition being circulated concerned an application for a Hotel and Restaurant Liquor License for Perry's Steakhouse & Grille;
 - b. to present the map of the designated neighborhood, state the Applicant's name, trade name and to describe the Applicant's location;
 - c. to review the qualifications for signing the petition and the petition issue;
 - d. to provide eligible persons the opportunity to sign the petition in support of, or in opposition of the application;
 - e. to witness all signatures; and
 - f. to record, by address, all responses on the data sheet.

RESULTS:

1. Overview of Petition Results:

Total door knocks:	576
Persons who signed the petition:	163
Persons who declined to sign the petition:	29
Ineligible contacts: (Younger than 21; non-resident; non-English speaking; Not a business owner or manager)	20
No answer to the door knock:	378

2. Response of Eligible Contacts:

	Totals:	Percentages
a. Signatures supporting issuance:		
Residents:	123	75.5 %
Business Owners/Managers:	40	24.5 %
TOTAL:	163	100 %
b. Signatures opposing issuance:		
Residents:	0	0.0 %
Business Owners/Managers:	0	0.0 %
TOTAL:	0	0.0 %

<u>TOTAL SIGNATURES</u>	163	100 %
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c. Reasons Stated for Signing In Opposition to the License:

	Totals	% of people signing:
Does not drink alcohol:	0	0.0 %
Neutral:	0	0.0 %
Sufficient number of outlets:	0	0.0%
Traffic	0	0.0 %
Children	0	0.0 %
No reason stated/other	0	0.0 %
TOTAL:	0	0.0 %

d. Results analyzed on a needs and desires basis

Signatures supporting the issuance of the license because the eligible contacts desired the license to issue because the existing outlets are not sufficient to meet the needs of the neighborhood.	163	100 %
Signatures opposing the issuance of the license because the eligible contacts did not desire the license to issue because the existing outlets are sufficient to meet the needs of the neighborhood.	0	0.0 %
Total:	163	100 %

e. Reasons stated for declining to sign the petition:

Preferred to remain neutral:	1
No interest in application:	12
Does not drink alcohol:	1
Too busy to sign:	10
Against company policy	2
Do Not sign Petitions	2
Other:	1
TOTAL	29

Prepared by Kelly B. Pietrs
Esquire Petitioning Services, LLC



CITY OF LONE TREE
STAFF REPORT

TO: Mayor Gunning and City Council

FROM: Kristin Baumgartner, Finance Director

DATE: June 10, 2014

FOR: June 17, 2014 – City Council Agenda Item

SUBJECT: Acceptance of the 2013 Comprehensive Annual Financial Report (CAFR)

Summary

Staff recommends that Council accept the 2013 CAFR.

Cost

There is no cost to the City

Suggested Motion or Recommended Action

The audit committee recently met with the external auditor as well as reviewed the audit report in detail. Per the recommendation of the audit committee, I move to accept the 2013 Comprehensive Annual Financial Report.

Background

Each year the City is required to file audited financial statements with the State of Colorado by July 31st. Additionally, for consideration to receive the Government Finance Officers Association (GFOA) Certificate of Achievement in Financial Reporting, the City is to file their CAFR with the GFOA by June 30th of each year. Staff intends to file an application for this award again this year and therefore is looking for Council approval so the application and CAFR can be filed by the June 30th deadline.

**CITY OF LONE TREE, COLORADO
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
For the Fiscal Year
Ended December 31, 2013**

DRAFT

**Prepared by:
Department of
Finance**

**CITY OF LONE TREE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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_____, 2014

Citizens of the City of Lone Tree,
Honorable Mayor, and
Honorable Members of Council

State law requires the City of Lone Tree (City) to publish within seven months of the close of the fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill these requirements for the fiscal year ended December 31, 2013.

This report consists of management's representation concerning the finances of the City. Responsibility for the accuracy of the data as well as the fairness and completeness of the presentation, including all disclosures, rests with the City's management. To provide a reasonable basis for making those representations, the City's management has established a comprehensive framework of internal control designed to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not exceed anticipated benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatements.

Wagner Barnes & Griggs, P.C., a firm of licensed certified public accountants, has audited the City's financial statements for the year ended December 31, 2013. The goal of the independent audit was to provide reasonable assurance that the City's financial statements are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion on the City's financial statements for the year ended December 31, 2013. The independent auditor's report is located at the front of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to be read in conjunction with the MD&A. The City's MD&A immediately follows the independent auditor's report.

Profile of the City

The City is currently comprised of approximately 6,100 acres or 9.6 square miles and located in the southern Denver metropolitan area at the junction of C-470/E-470 and I-25. As the gateway to northern Douglas County, the City offers unprecedented access to one of the fastest growing communities in the nation. The City's commitment to quality development within its boundaries, beautiful surroundings, excellent recreational and cultural opportunities and the flourishing economic community are the first things many people notice about the City and is evident in the City's mission statement "To surpass expectations." Additionally, the City's vision statement, "The place you want to be", encompasses the inviting and welcoming spirit of the community.

As part of the City's commitment to community outreach, citizen and business surveys have recently been conducted. The most recent survey was in 2012 and provided both residents and businesses the opportunity to rate the quality of life in the City, community amenities, service delivery and their satisfaction with local government. The citizen survey produced high satisfaction ratings for the City with overall quality of life receiving a 97% favorable outlook by residents. The business survey, which marked the first time the City has conducted this type of broad survey of businesses, also received high scores with 86% of business owners and managers saying they were very or somewhat likely to recommend operating a business in the City to someone else. Other highlights of the surveys showed the City ranking high in shopping opportunities, quality of business and service establishments, being a safe community and a great place to raise a family. The surveys also confirmed that Council's seven budgeting priorities including economic vibrancy, safe community, multimodal transportation, enriched community, attractive and sustainable environment, municipal stewardship and capital investment in the future are all areas that the City should continue to focus on.

The City is governed by Council-Manager form of government where Council sets the City policy and the manager is responsible for City operations. The City consists of five Council members, including the Mayor, elected in non-partisan elections. Each member serves a staggered, four-year term and represents one of the two districts within the City except for the Mayor, who serves as an at-large member. Policy-making and legislative authority are vested in the Council.

The City provides a full range of services including public safety, construction and maintenance of streets and other public infrastructure, planning and building permit and inspections, arts and cultural activities, and municipal court services.

The City maintains budgetary controls that have the objective of ensuring compliance with legal provisions embodied in the annual appropriated budget adopted by Council. The Council is required to adopt a final budget by no later than December 31 of each year. All activities of the City, except for activities related to the RidgeGate development, the Lone Tree Arts Center operations, as well as other City sponsored events and cultural services, and funds held for the future repayment of debt related to arts and cultural facilities and park and recreation improvements are accounted for in the General Fund. Revenue and expenditure activities related to the RidgeGate development are accounted for separately in the Special Revenue Fund - RidgeGate. The Lone Tree Arts Center operational activities and City sponsored events and

cultural services are accounted for in the Special Revenue Fund – Cultural and Community Services. Revenue and expenditure activities related to the 2009 Cultural Facilities Bonds and the 2008A Park and Recreation Bonds are accounted for separately in separate Debt Service Funds. The appropriation is at the total fund expenditures level. Additionally, the General Fund budget presents expenditures by function (e.g., general government).

Local Economy

The City of Lone Tree continues to develop at a steady rate in both the residential and commercial sectors. Major industries located within the City’s boundaries, or in close proximity, include retail trade, services, public administration, finance, healthcare, medical, insurance and real estate. With average household incomes exceeding \$100,000, the City provides an important economic presence to the region and State. Lone Tree is located within the boundaries of the Denver South Economic Development Partnership which includes 39 million square feet of office space and employment of more than 300,000 people. The Southeast I-25 corridor comprises 25 percent of Colorado’s GDP and is home to seven Fortune 500 companies. The City is also served by two Light Rail stations that residents describe as “enhancing the City’s quality of life”. The City is also working with the Regional Transportation District (RTD) to expedite the extension of the light rail system to the new RidgeGate Parkway Interchange which would include 2.2 miles of additional light rail and provide a station at the Sky Ridge Medical Center as well as an end-of-line station with direct connection to Denver International Airport. This amenity allows residents of Lone Tree to easily access downtown Denver, as well as allows visitors to more easily access the retail and office complexes in Lone Tree.

The City’s largest revenue source is sales taxes which primarily fund the City’s operations. During 2013, the City experienced a 5.0% increase in sales tax revenue compared to 2012. This increase continues to demonstrate Lone Tree’s strong retail presence in the region as well as the continued success of the Park Meadows Retail Resort and the RidgeGate development to bring new businesses into the City and maintain a well diversified and unique shopping and dining experience. This can further be seen in 2014 with three new restaurants coming to Lone Tree with their first Colorado locations.

Through conservative revenue budgeting, as well as expenditure monitoring during 2013, the City was able to end the year with a \$3,528,000 working reserve and a \$4,412,000 capital replacement reserve.

Relevant Financial Policies

In order to mitigate current and future risks such as revenue shortfalls and unanticipated expenditures as well as to ensure stable tax rates, the City has established certain reserve policies. Specifically, the City requires that a minimum unrestricted fund balance of 16.7% of operating expenditures be maintained. For the year ended December 31, 2013, the City’s unrestricted working reserve totaled approximately 22%. The 2014 budget shows maintaining this reserve at 22%. The City also has adopted a capital reserves policy to ensure that the City maintains adequate cash fund balances to help offset cost of future capital replacement and project needs. The intent of the capital reserves policy is to assist the City to take greater advantage of the “pay as you go” philosophy versus relying entirely or mostly on debt financing.

Additionally in 2013, City Council formally adopted three new financial policies including a debt management policy, an investments policy as well as a vehicle replacement policy for the police department. These three policies were adopted by Council to continue to strengthen the financial framework of the City by following best practices. The debt management policy was adopted as a result of the City understanding the importance of long-range, financial planning in order to meet its capital asset needs. The debt management policy establishes parameters on the issuance of debt to help ensure that the City maintains a sound debt position and that its credit rating is protected. The policy provides a framework relating to current circumstances as they exist today as well as to address the City's future position relating to debt management. The investment policy was adopted to establish parameters and guidelines for the efficient management of the City's funds and for the purchase and sale of investments. Primary objectives of the investment policy, in priority order include safety of principal, liquidity and return on investments.

Major Initiatives

Several major initiatives will have a significant impact on the financial future of the City of Lone Tree. The development of RidgeGate, a 3,500 acre planned development based on 'smart growth' principles, will play an essential role to this end. Currently, RidgeGate is home to over 1,000 residences, two major retail centers, a recreation center, the Lone Tree Arts Center and the Sky Ridge Hospital medical complex. At build-out, RidgeGate will contain approximately 21 million square feet of office, retail and civic space and will be home to approximately 20,000 people. Moreover, at build-out, the development will include over 1,000 acres of open space and numerous parks and trails. In 2013, Sky Ridge Medical Center began an estimated \$117 million expansion plan which will add 90 beds, a women's center, a new medical office building, additional spine/ortho operating rooms and a parking structure. The expansion project is expected to be completed in late 2014. In addition to the Sky Ridge expansion, Lone Tree also welcomed Kaiser Permanente to the City, opening a 275,000 square-foot specialty services center in November 2013 further differentiating Lone Tree as a key location for medical service providers.

In addition to the hospital expansion, two additional large projects have occurred in the RidgeGate area. In August 2013, Cabela's opened a 110,000 square foot store located in the new RidgeGate Commons development along I-25 at RidgeGate Parkway. The store location sales have come in higher than estimated and is another example of unique retail that is drawn to the Lone Tree area. Additionally, Charles Schwab will open a new Colorado campus in the RidgeGate development in 2014. The campus will feature a retail center just west of I-25 and south of Lincoln Avenue, as well as three five-story buildings, an amenities facility and a 1,000-space parking garage. This campus will be the home to its 2,000 Denver-area employees and is anticipated to create up to 480 jobs over five years.

As another example of the City's dedication to economic development, City Council dedicated resources in 2013 for a consultant to develop a "Vision Book" for the revitalization of the Entertainment District area of the City. The goal of this project is to create the "Heart of Lone Tree" since this area is located in the center of the City, and is currently home to various entertainment options including various restaurants, a movie theater, miniature golf, bowling and

an indoor skydiving facility. Money has been appropriated in 2014 to continue momentum for improvements to this area.

Finally, the City is currently working with a consultant to prepare a municipal services impact analysis of development of the remainder of the RidgeGate area located east of I-25 and south of Lincoln Avenue. The purpose of this project is to determine the impact on demands for municipal service of a variety of land uses and customers by examining possible revenues and expenditures that would be generated by those uses.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the year ended December 31, 2012. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be rewarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. The report must satisfy both GAAP and applicable legal requirements. This was the City's eighth year to submit for and to receive the award. A Certificate of Achievement is valid for one year only. We believe this 2013 CAFR continues to conform to the Certificate of Achievement program requirements and will submit it to the GFOA to determine its eligibility for another certificate.

The preparation of this CAFR could not have been accomplished without the efficient and dedicated service of the highly qualified personnel of the finance division. Other departments of the City also played an instrumental role in the preparation of this report. We wish to express our appreciation to everyone who assisted and contributed in preparing the report. Additionally, we would like to acknowledge the thorough and professional manner in which our independent auditors, Wagner Barnes & Griggs, P.C., conducted their audit, as well as the citizen involvement and time commitment of the City's Audit Committee. Finally, credit must be given to the City Council for their consistent support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Seth Hoffman,
City Manager

Kristin Baumgartner, CPA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

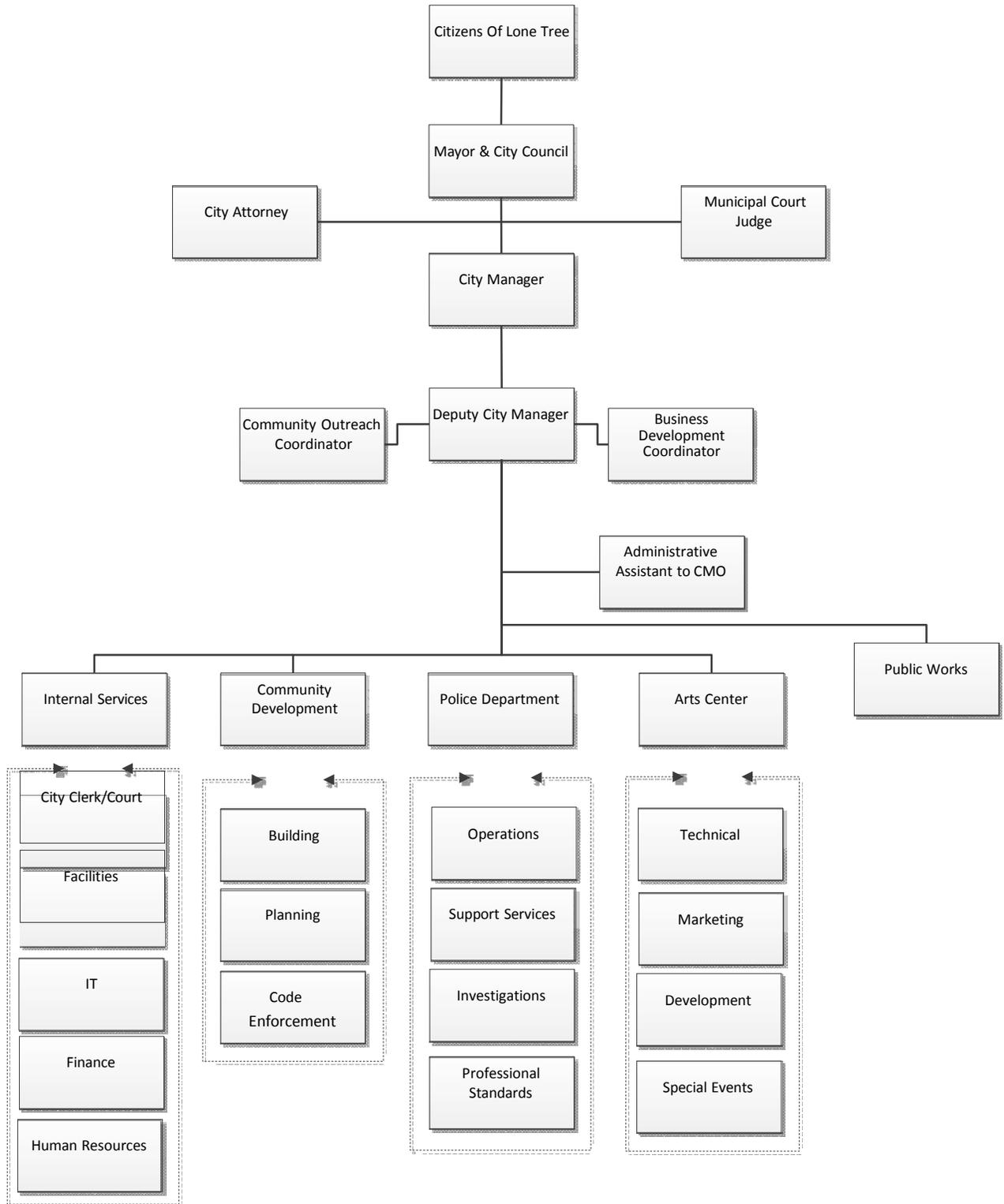
**City of Lone Tree
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

2013 City of Lone Tree Organization Chart



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Lone Tree, Colorado

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Lone Tree (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Lone Tree, as of December 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 15 through 24 and 60 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information on pages 15 through 24 in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The required supplementary information on pages 60 through 70 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules on pages 71 through 82 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Lakewood, Colorado
June XX, 2014

CITY OF LONE TREE Management's Discussion and Analysis

As management of the City of Lone Tree, City Council offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2013.

Financial Highlights

With regard to the primary government:

- Assets exceeded liabilities and deferred inflows of resources by \$96,982,466 at the close of the fiscal year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,720,988.
- Total net position increased by \$5,870,388 from 2012.
- Total cash and investments increased by \$4,501,332 as compared to the prior year.
- Sales and use tax retail revenue increased by \$1,123,435 as compared to the prior year. Increased consumer spending as well as several new vendors opening in the City were the major factors contributing to this increase.
- At the end of the current fiscal year, assigned and unassigned fund balance for the General Fund totaled \$10,946,092.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains required supplementary information and schedules in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements identify functions of the City that are principally to be supported by sales taxes (*governmental activities*). The governmental activities of the City include general government, municipal court, community development, public works, arts and cultural, police, and interest and related costs on long-term debt.

The government-wide financial statements can be found on pages 25-26 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City include governmental funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Special Revenue Fund - RidgeGate, the Special Revenue Fund – Cultural and Community Services, the Debt Service Fund - Arts and Cultural Facilities and the Debt Service Fund - Park and Recreation Improvements. These five funds are considered to be major funds. Data from the nonmajor fund, the Building Authority - Debt Service Fund is additionally presented. Data for the Park Meadows Business Improvement District (a discretely presented component unit) is provided in the form of combining statements located within the supplementary information following the notes to the financial statements.

The City adopts an annual appropriated budget for its General Fund, Special Revenue Fund – RidgeGate, Special Revenue Fund – Cultural and Community Services, Debt Service Fund - Arts and Cultural Facilities and Debt Service Fund - Park and Recreation Improvements. A budgetary comparison schedule has been provided for each of these funds as supplemental information to demonstrate compliance with the budgets.

The basic governmental fund financial statements can be found on pages 27-30 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 31-59 of this report.

Required supplementary information. A budgetary comparison schedule has been provided in this section for the General Fund, the Special Revenue Fund - RidgeGate and the Special Revenue Fund – Cultural and Community Services to demonstrate compliance with the budgets. Also included in this section are the notes to required supplementary information. The budget schedules and notes are found after the *Notes to Financial Statements* on pages 60-70 of this report.

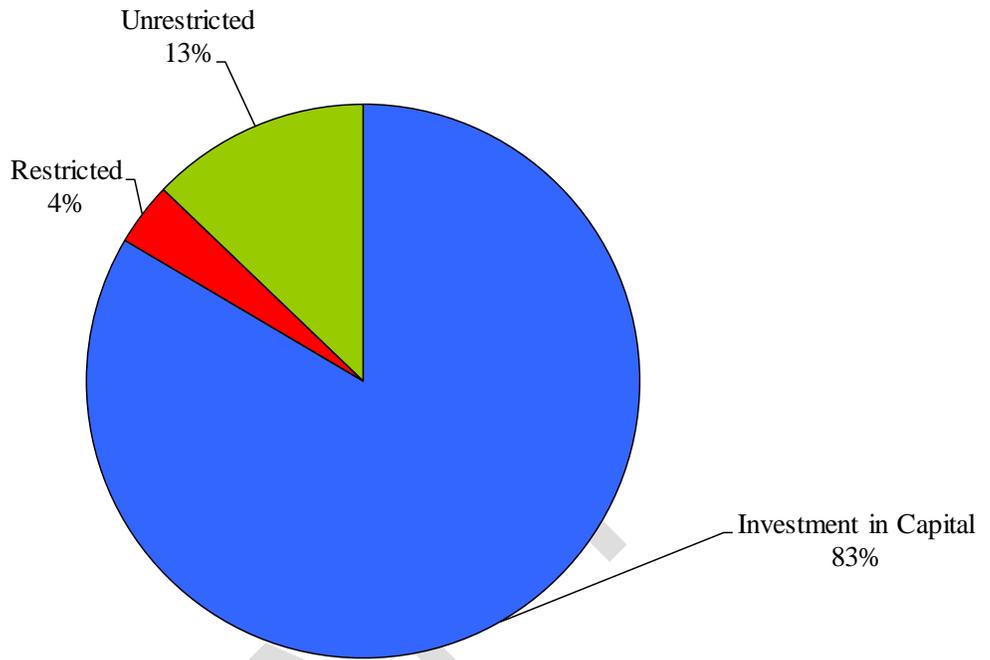
Other supplementary information. A budgetary comparison schedule for the Debt Service Fund - Arts and Cultural Facilities and the Debt Service Fund - Park and Recreation Improvements are presented immediately following the required supplemental information. Additionally, combining and individual fund financial statements and schedules of the Park Meadows Business Improvement District are included in this section. Furthermore, other supplementary information also includes schedules of debt service requirements to maturity and a local highway finance report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The City’s assets related to governmental activities exceeded liabilities and deferral inflows of resources by \$96,982,466 at the close of the most recent fiscal year.

	Net Position	
	<u>2013</u>	<u>2012</u>
Current assets	\$ 23,024,801	\$ 18,917,389
Other assets	-	-
Capital assets	<u>105,003,454</u>	<u>103,548,787</u>
Total assets	<u>128,028,255</u>	<u>122,466,176</u>
Current liabilities	5,382,009	4,005,853
Noncurrent liabilities	<u>24,665,358</u>	<u>26,980,073</u>
Total liabilities	<u>30,047,367</u>	<u>30,985,926</u>
Deferred inflows of resources	<u>998,422</u>	<u>368,172</u>
Net investment in capital assets	80,973,119	77,151,840
Restricted net position	3,563,418	2,792,447
Unrestricted net position	<u>12,445,929</u>	<u>11,167,791</u>
Total net position	<u>\$ 96,982,466</u>	<u>\$ 91,112,078</u>

NET POSITION - BY CATEGORY



The largest portion of the City's net position (83%) reflects its net investment in capital assets. The City utilizes these capital assets to provide services to citizens. Consequently, these assets are *not* available for future spending.

An additional portion of the City's net position (4%) represents resources that are subject to restrictions on how they can be used and are not currently available for the City's ongoing obligations (e.g., emergency TABOR reserve, Conservation Trust Fund, funds contributed from other governments for capital projects, funds received from litigation settlements, and funds reserved for future debt service payments). The remaining balance of *unrestricted net position* totaling \$12,445,929 may be used to meet the City's future expenditures.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position.

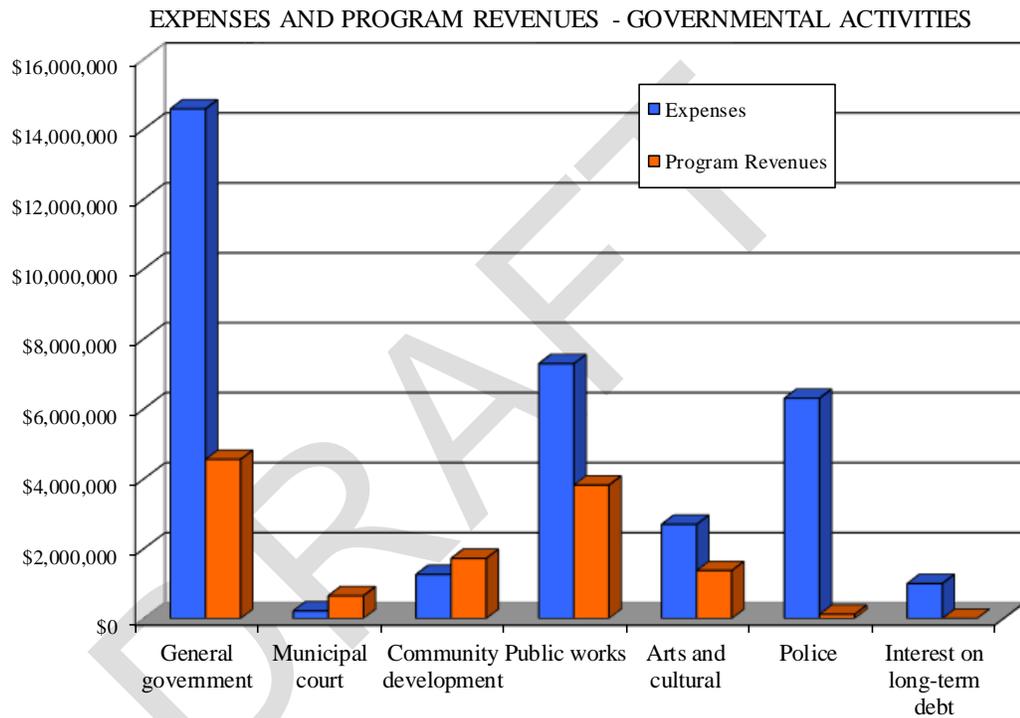
Change in Net Position

	2013	2012
Revenue		
Program revenues		
Charges for services	\$ 3,772,288	\$ 3,154,767
Operating grants and contributions	4,152,656	4,181,941
Capital grants and contributions	4,292,034	1,823,075
General revenues		
Sales and use (retail) taxes	22,275,657	21,152,222
Other taxes	3,260,743	2,052,892
Franchise fees	973,986	882,107
Investment earnings	19,945	20,903
Other	443,335	278,019
Total revenues	39,190,644	33,545,926
Expenses		
General government	14,573,133	11,268,953
Municipal court	215,894	213,778
Community development	1,258,759	1,255,461
Public works	7,286,760	7,369,645
Arts and cultural	2,691,473	2,517,149
Police	6,295,772	6,358,721
Interest and related costs on long-term debt	998,465	1,059,855
Total expenses	33,320,256	30,043,562
Change in net position	5,870,388	3,502,364
Net position - Beginning	91,112,078	87,609,714
Net position - Ending	\$ 96,982,466	\$ 91,112,078

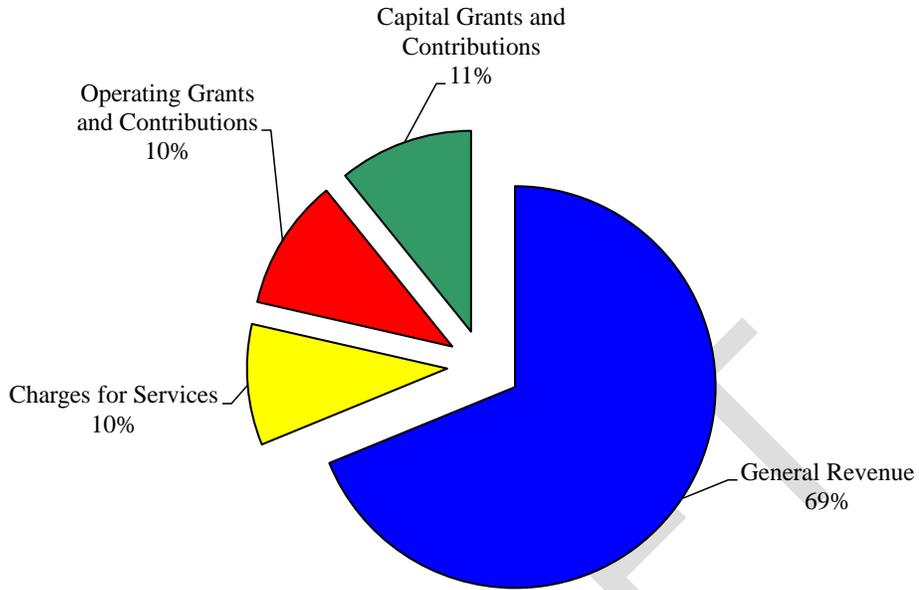
The City's net position related to governmental activities increased by \$5,870,388 during the current fiscal year. Several key highlights of the statement of activities during 2013 include the following items:

- 2013 charges for services increased by \$617,521 from the previous year. A significant portion of this increase was due to the increase in building permit fees and other building related revenues due to several large commercial projects that began construction in the City in 2013. Additionally, there was an increase in revenues generated from the Arts Center, particularly ticket sales and associated handling fees, rental fees and concessions.
- 2013 capital grants and contributions increased by \$2,468,959 mainly as a result of a large one-time County contribution that was received for road improvements in 2013.
- Sales and use (retail) taxes increased by \$1,123,435 from 2012 to 2013 as a result of strengthening consumer spending, as well as the opening of a large retail business.

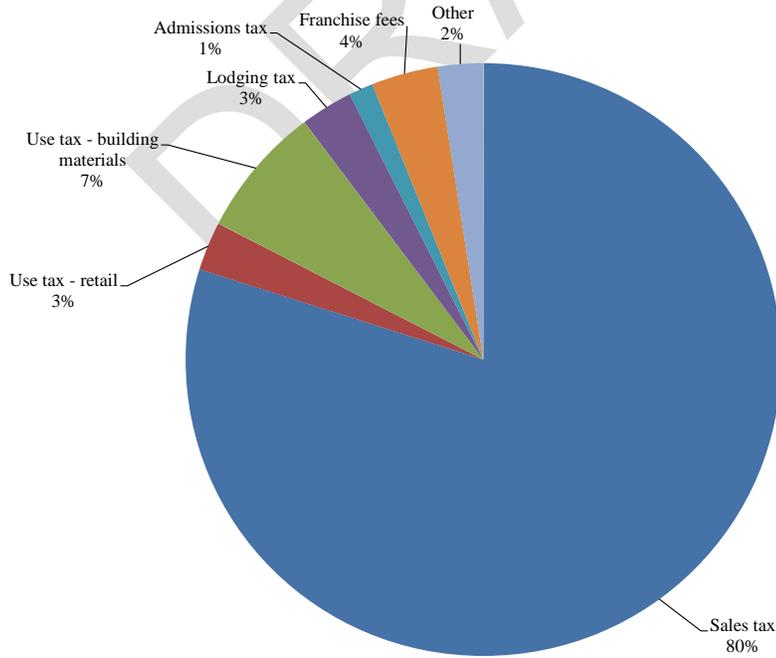
- Other taxes increased by \$1,207,851 in 2013. This increase was a result of an increase in use tax on building materials, which was an effect of increased construction projects, including several residential developments, a large commercial development, a sizeable commercial expansion, and an apartment project.
- General government expenses increased by \$3,304,180 or 29.3% from 2012 to 2013. A significant portion of this increase was related to 2013 being the first year of the Ridgegate Shareback (see Note 11), as well as other contractual obligations.



REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



GENERAL REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *assigned and unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,720,988. Of this amount, \$11,001,588 constitutes *assigned and unassigned fund balance* which is available for spending at the City's discretion.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the assigned and unassigned fund balance of the General Fund was \$10,946,092 out of a total fund balance of \$14,447,335.

The fund balance of the City's General Fund increased by \$1,520,224 during the current fiscal year. The key factors contributing to this increase were revenues increasing due to increased consumer spending, new retailers opening in the City, several large construction projects, as well as the City receiving funds from a litigation settlement.

At the end of the current fiscal year, the Special Revenue Fund - RidgeGate reported a total fund balance of \$98,726. This balance is assigned for emergency maintenance and repairs required by an annexation agreement, as well as future park and recreation improvements pursuant to development site improvement applications.

At the end of the current fiscal year, the Special Revenue Fund – Cultural and Community Services reported a fund balance of \$-0-.

At the end of the current fiscal year, the Debt Service Fund - Arts and Cultural Facilities reported a restricted fund balance of \$568,947. This balance is an accumulation of pledged revenues coming in higher than anticipated.

At the end of the current fiscal year, the Debt Service Fund - Park and Recreation Improvements reported a restricted fund balance of \$682,980. This balance is an accumulation of pledged revenues coming in higher than anticipated.

General Fund Budgetary Highlights

The City's total revenue in the General Fund for 2013 came in over budget. The difference between the final budgeted revenue of \$29,076,548 and the actual revenue of \$29,863,619 was \$787,071. The main reason for this variance had to do with the City receiving funds as part of a litigation settlement. Additionally, sales tax and building material use taxes came in higher than budgeted due to the continued improvement in the retail sales environment and several new

business openings. In addition, building permit fees came in higher than budgeted due to increased construction activity.

The City's General Fund total expenditures for 2013 did not exceed the budgeted appropriation. The difference between the budgeted expenditures (exclusive of transfers out) of \$33,208,142 and the actual expenditures of \$28,650,974 was \$4,557,168. The primary factor contributing to this variance was a result of certain capital projects coming in under budget and/or that will be completed in 2014, as well as lower legal costs than anticipated due to a settlement that occurred in early 2013 and various salary savings as a result of attrition. Additionally, financial consulting services were budgeted for the full year, but the Finance department was brought fully in-house during the latter part of 2013 resulting in overall savings.

Capital Assets

The City invested \$6,770,239 in capital assets for its governmental-type activities for the year ended December 31, 2013. This investment in capital assets primarily consisted of Park Meadows Drive, Lincoln Avenue improvements, Parkway Drive improvements, Yosemite pedestrian lights replacements, street overlay projects, and the remodel of the administration building.

Additional information on the City's capital assets can be found in Note 6 on pages 45-46 of this report.

Long-Term Debt

At the end of the fiscal year, the City had total outstanding debt of \$23,870,000. This amount represents debt secured for City Hall (by the Lone Tree Building Authority), park and recreational improvements, and the Lone Tree Arts Center.

Additional information on the City's long-term debt can be found in Note 7 on pages 46-50 of this report.

Next Year's Budgets

The 2014 budget reflects the Council's endeavor for a fiscally responsible budget built on conservative revenue projections, necessary as well as discretionary expenditure levels, and required and reasonable reserves.

The City has appropriated a total of \$42,128,648 for spending in fiscal year 2014. The 2014 budget includes new City staff positions, including an accountant, IT assistant, and restructuring in the police department for Corporal supervisory positions. Capital initiatives planned for 2014 include continued overlay of City streets, continued analysis of the Entertainment District improvements, the purchase of a public art piece, participation in the C-470 Coalition with Douglas County, and funding for the light rail extension if needed. The City anticipates utilizing revenues projected to be received in 2014 along with prior year accumulated fund balances to pay for these capital initiatives along with on-going operational costs related to City services.

During the 2014 budget process, the City used the Budgeting for Outcomes (BFO) methodology. BFO has been identified over the past several years as an effective budgeting tool and various governmental entities in the state and nationally have implemented it as part of their budgeting process. BFO presents the budget document in a way that is more relatable to citizens and clearly defines the City's spending priorities. Some of the advantages of BFO include improved transparency and accountability, focus on results and priorities rather than costs, and improved communication and enhanced collaboration between City departments.

Requests for Information

This financial report is designed to provide a general overview of the City of Lone Tree's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: City of Lone Tree, 9220 Kimmer Drive, Suite 100, Lone Tree, Colorado 80124.

DRAFT

BASIC FINANCIAL STATEMENTS

DRAFT

CITY OF LONE TREE
STATEMENT OF NET POSITION
December 31, 2013

	Primary Government	Component Unit
	Governmental Activities	Park Meadows Business Improvement District
ASSETS		
Cash and investments	\$ 12,462,230	\$ 4,346,081
Cash and investments - Restricted	5,932,543	1,499,105
Receivables:		
Intergovernmental	941,036	1,228,347
Sales, use, admissions and lodging taxes	3,292,148	-
Other	101,084	444
Prepaid items	295,760	7,576
Capital assets, not being depreciated:		
Land	23,790,227	-
Construction in progress	327,672	-
Capital assets, net of accumulated depreciation:		
Buildings and building improvements	35,178,434	-
Equipment	930,987	-
Vehicles	354,289	-
Infrastructure	43,278,095	12,810,433
Intangibles	1,143,750	-
Total assets	128,028,255	19,891,986
LIABILITIES		
Accounts payable	4,866,950	288,754
Retainage payable	97,924	-
Tenant security deposit payable	16,373	-
Rental security deposit payable	3,697	-
Surety deposits payable	320,447	-
Accrued interest payable	76,618	64,425
Noncurrent liabilities		
Due within one year	2,996,267	470,000
Due in more than one year	21,669,091	13,945,136
Total liabilities	30,047,367	14,768,315
DEFERRED INFLOWS OF RESOURCES		
Building permits - RidgeGate	854,176	-
Arts Center ticket sales	144,246	-
Total deferred inflows of resources	998,422	-
NET POSITION		
Net investment in capital assets	80,973,119	(361,481)
Restricted:		
Emergency reserve	795,975	158,900
Conservation Trust	115,118	-
Capital projects - Transportation - County	414,198	-
Brick Fence Replacement	986,200	-
Debt service	1,251,927	1,275,780
Unrestricted	12,445,929	4,050,472
Total net position	\$ 96,982,466	\$ 5,123,671

These financial statements should be read only in connection with
the accompanying Notes to Financial Statements.

**CITY OF LONE TREE
STATEMENT OF ACTIVITIES
Year Ended December 31, 2013**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Park Meadows Business Improvement District
Primary government:						
Governmental activities:						
General government	\$ 14,573,133	\$ 249,904	\$ 7,557	\$ 4,292,034	\$ (10,023,638)	\$ -
Municipal court	215,894	648,298	-	-	432,404	-
Community development	1,258,759	1,717,190	-	-	458,431	-
Public works	7,286,760	-	3,814,628	-	(3,472,132)	-
Arts and cultural services	2,691,473	1,115,051	254,821	-	(1,321,601)	-
Police	6,295,772	41,845	75,650	-	(6,178,277)	-
Interest and related costs on long-term debt	998,465	-	-	-	(998,465)	-
Total primary government	<u>\$ 33,320,256</u>	<u>\$ 3,772,288</u>	<u>\$ 4,152,656</u>	<u>\$ 4,292,034</u>	<u>(21,103,278)</u>	<u>-</u>
Component unit:						
Park Meadows Business Improvement District:						
General government	\$ 3,814,390	\$ -	\$ -	\$ -		(3,814,390)
Interest on long-term debt	810,039	-	-	-		(810,039)
Total component unit	<u>\$ 4,624,429</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>(4,624,429)</u>
General revenues:						
Sales tax					21,558,705	5,079,858
Use tax - Retail					716,952	-
Use tax - Building materials					1,934,767	11,031
Lodging tax					766,230	-
Admissions tax					357,294	-
Franchise fees					973,986	-
Cigarette tax					202,452	-
Sales tax and liquor licenses					46,056	-
Investment earnings					19,945	7,985
Other					397,279	199,249
Total general revenues					<u>26,973,666</u>	<u>5,298,123</u>
Change in net position					5,870,388	673,694
Net position - Beginning					91,112,078	4,449,977
Net position - Ending					<u>\$ 96,982,466</u>	<u>\$ 5,123,671</u>

These financial statements should be read only in connection with the
accompanying Notes to Financial Statements.

**CITY OF LONE TREE
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013**

	<u>General</u>	<u>Special Revenue - RidgeGate</u>	<u>Special Revenue - Cultural and Community Services</u>	<u>Debt Service - Arts and Cultural Facilities</u>	<u>Debt Service - Park and Recreation Improvements</u>	<u>Nonmajor Fund Building Authority Debt Service</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and investments	\$ 9,150,981	\$ 2,979,548	\$ 331,701	\$ -	\$ -	\$ -	\$ 12,462,230
Cash and investments - Restricted	4,109,515	-	-	357,888	542,140	923,000	5,932,543
Receivables:							
Intergovernmental	934,143	6,893	-	-	-	-	941,036
Sales, use, admissions and lodging taxes	2,632,631	307,418	-	211,259	140,840	-	3,292,148
Other	58,293	5,600	37,191	-	-	-	101,084
Prepaid items	252,530	-	43,230	-	-	-	295,760
Due from other funds	588,093	-	-	-	-	-	588,093
TOTAL ASSETS	<u>\$ 17,726,186</u>	<u>\$ 3,299,459</u>	<u>\$ 412,122</u>	<u>\$ 569,147</u>	<u>\$ 682,980</u>	<u>\$ 923,000</u>	<u>\$ 23,612,894</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 3,146,553	\$ 1,657,481	\$ 62,716	\$ 200	\$ -	\$ -	\$ 4,866,950
Retainage payable	97,924	-	-	-	-	-	97,924
Tenant security deposit payable	16,373	-	-	-	-	-	16,373
Rental security deposit payable	-	-	3,697	-	-	-	3,697
Surety deposits payable	18,001	302,446	-	-	-	-	320,447
Due to other funds	-	386,630	201,463	-	-	-	588,093
Total liabilities	<u>3,278,851</u>	<u>2,346,557</u>	<u>267,876</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>5,893,484</u>
DEFERRED INFLOWS OF RESOURCES							
Building permits - RidgeGate	-	854,176	-	-	-	-	854,176
Arts Center ticket sales	-	-	144,246	-	-	-	144,246
Total deferred inflows of resources	<u>-</u>	<u>854,176</u>	<u>144,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>998,422</u>
FUND BALANCES							
Non-spendable	252,530	-	43,230	-	-	-	295,760
Restricted	3,248,713	-	-	568,947	682,980	923,000	5,423,640
Assigned	7,062,731	98,726	-	-	-	-	7,161,457
Unassigned	3,883,361	-	(43,230)	-	-	-	3,840,131
Total fund balances	<u>14,447,335</u>	<u>98,726</u>	<u>-</u>	<u>568,947</u>	<u>682,980</u>	<u>923,000</u>	<u>16,720,988</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 17,726,186</u>	<u>\$ 3,299,459</u>	<u>\$ 412,122</u>	<u>\$ 569,147</u>	<u>\$ 682,980</u>	<u>\$ 923,000</u>	<u>\$ 23,612,894</u>

These financial statements should be read only in connection with
the accompanying Notes to Financial Statements.

**CITY OF LONE TREE
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2013**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - Governmental funds	\$ 16,720,988
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	105,003,454
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(23,870,000)
Accrued interest on bonds payable	(76,618)
Bond premiums (net of amortization)	(160,335)
Compensated absences	(635,023)
Net position of governmental activities	\$ 96,982,466

These financial statements should be ready only in connection with
the accompanying Notes to Financial Statements.

CITY OF LONE TREE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2013

	<u>General</u>	<u>Special Revenue - RidgeGate</u>	<u>Special Revenue - Cultural and Community Services</u>	<u>Debt Service - Arts and Cultural Facilities</u>	<u>Debt Service - Park and Recreation Improvements</u>	<u>Nonmajor Fund Building Authority Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES							
Taxes	\$ 18,932,973	\$ 3,692,457	\$ -	\$ 1,624,728	\$ 1,083,790	\$ -	\$ 25,333,948
Franchise fees	859,503	114,483	-	-	-	-	973,986
Intergovernmental	7,233,532	84,453	-	-	-	-	7,317,985
Licenses, fees and charges	457,158	1,286,227	-	-	-	-	1,743,385
Fines and forfeitures	648,298	-	-	-	-	-	648,298
Tenant rental income	249,904	-	-	-	-	-	249,904
Arts and cultural	-	-	1,369,872	-	-	-	1,369,872
Base rentals	-	-	-	-	-	951,972	951,972
Net investment income	15,484	2,258	-	352	592	1,259	19,945
Other	1,466,767	23,550	-	-	-	-	1,490,317
Total revenues	<u>29,863,619</u>	<u>5,203,428</u>	<u>1,369,872</u>	<u>1,625,080</u>	<u>1,084,382</u>	<u>953,231</u>	<u>40,099,612</u>
EXPENDITURES							
Current							
General government	4,328,967	509,129	-	-	-	-	4,838,096
Municipal court	210,387	-	-	-	-	-	210,387
Community development	698,953	523,433	-	-	-	-	1,222,386
Public works	3,841,229	118,458	-	-	-	-	3,959,687
Arts and cultural services	-	-	2,087,722	-	-	-	2,087,722
Police	4,988,017	1,154,963	-	-	-	-	6,142,980
Debt service							
Bond principal	-	-	-	845,000	555,000	940,000	2,340,000
Bond interest	-	-	-	524,556	443,800	11,972	980,328
Paying agent fees	-	-	-	200	200	-	400
Capital outlay	14,583,421	1,637,277	-	-	-	-	16,220,698
Total expenditures	<u>28,650,974</u>	<u>3,943,260</u>	<u>2,087,722</u>	<u>1,369,756</u>	<u>999,000</u>	<u>951,972</u>	<u>38,002,684</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,212,645</u>	<u>1,260,168</u>	<u>(717,850)</u>	<u>255,324</u>	<u>85,382</u>	<u>1,259</u>	<u>2,096,928</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	1,025,429	-	717,850	-	-	-	1,743,279
Transfers (out)	(717,850)	(887,569)	-	(136,601)	-	(1,259)	(1,743,279)
Total other financing sources (uses)	<u>307,579</u>	<u>(887,569)</u>	<u>717,850</u>	<u>(136,601)</u>	<u>-</u>	<u>(1,259)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,520,224	372,599	-	118,723	85,382	-	2,096,928
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	<u>12,927,111</u>	<u>(273,873)</u>	<u>-</u>	<u>450,224</u>	<u>597,598</u>	<u>923,000</u>	<u>14,624,060</u>
FUND BALANCES - END OF YEAR	<u>\$ 14,447,335</u>	<u>\$ 98,726</u>	<u>\$ -</u>	<u>\$ 568,947</u>	<u>\$ 682,980</u>	<u>\$ 923,000</u>	<u>\$ 16,720,988</u>

These financial statements should be read only in connection with
the accompanying Notes to Financial Statements.

CITY OF LONE TREE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2013

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - Total governmental funds	\$ 2,096,928
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	6,164,416
Depreciation expense	(4,709,749)
<p>The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>	
Bond principal	2,340,000
Bond premium, net	26,613
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.</p>	
Compensated absences - Change in liability	(51,897)
Accrued interest on bonds - Change in liability	4,077
	4,077
Changes in net position of governmental activities	\$ 5,870,388

These financial statements should be read only in connection with the accompanying Notes to Financial Statements.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 - DEFINITION OF REPORTING ENTITY

The City of Lone Tree, Colorado (City) was incorporated by general election on November 7, 1995. The citizenry voted to become a home rule city on May 5, 1998, under the provisions of Article XX of the Constitution of the State of Colorado. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: building, permitting, planning and zoning, public works (including trash service), public safety (police and animal control) and general government activities including administration, finance, communications, cultural, recreation and municipal court.

The City follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set 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.

As required by generally accepted accounting principles (GAAP), these financial statements present the City (the primary government) and its component units.

In 1999, the City organized the Lone Tree Entertainment Business Improvement District (BID) for the purpose of providing public improvements, development and promotional activities, snow removal and refuse collection to an area identified as the Entertainment District. The Board members of the BID are members of the City Council thereby making it a component unit of the City. During 2000, the BID created a Special Improvement District (BID-SID) within its boundaries, for the purpose of constructing certain local improvements. Costs of the improvements are to be paid from bonds, which are to be paid exclusively from special assessments collected from property owners benefitting from these improvements. Neither the City nor the BID are liable for the bonds, consequently, the financial activity of the BID, which only includes the collection of special assessments, less administrative fees, and the repayment of the bonds, is accounted for separately in an agency fund. The BID did not have any activity during 2013.

The City is financially accountable for the Lone Tree Building Authority (Building Authority) registered with the State of Colorado as a nonprofit corporation on November 16, 2006 and is in good standing with the State as of December 31, 2013. The Building Authority is being presented as a blended component unit of the City because the purpose of the Building Authority is to provide an exclusive benefit to the City, as well as the Building Authority's debt outstanding is expected to be repaid entirely by revenues of the City. The Building Authority is governed by a Board of Directors consisting of three members. The initial Board was established by City Council. Any future changes to Board members will be decided by a

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 - DEFINITION OF REPORTING ENTITY (CONTINUED)

majority vote of existing members.

The City organized the Park Meadows Business Improvement District (PMBID) in October 2006 for the purpose of providing public improvements within the boundaries of the operations area of the PMBID as defined by Ordinance approved by City Council. The PMBID will receive a portion of the sales taxes generated by the Park Meadows Mall (see Note 11) for the purpose of funding such improvements. The PMBID is comprised of five board members appointed by City Council. The PMBID is required to submit an annual operating plan and budget for City Council approval. Due to the fact that the PMBID's governing body is appointed by City Council along with its fiscal dependence of receiving funds from the City, the PMBID is considered to be a component unit of the City but does not meet the definition of an integral part of the primary government. Therefore, the PMBID is included and presented as a discretely presented component unit of the City.

None of the component units included in the reporting entity issue their own annual financial statements.

The following services are provided to residents of the City, by the following entities, which are not component units of the City:

Water and sewer services are provided by Southgate Water and Sanitation District and Northern Douglas County Water Sanitation District.

Fire protection services are provided by South Metro Fire Rescue Authority.

Parks and recreation services are provided by South Suburban Park and Recreation District.

Street construction and landscaping maintenance of right of way are partially provided by Park Meadows Metropolitan District (PMMD).

Rampart Range Metropolitan Districts 1-9 (RRMD) provide financing for water, sewer, streets, parks and storm drainage in the areas within RRMD, in the City (see Note 11).

Heritage Hills Metropolitan District (HHMD) provided financing for public infrastructure within HHMD, in the City, and currently provides certain landscaping maintenance.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the City are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements report all of the activities of the primary government and its component units except for the fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by sales taxes and intergovernmental revenues. Likewise, the primary

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of net position reports all financial and capital resources of the primary government and its component units. The difference between the assets and deferred outflows and liabilities and deferred inflows of the City is reported as net position.

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.

Separate financial statements are provided for the governmental funds. 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 related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property, equipment and infrastructure are shown as increases in assets, and redemption of bonds 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 government considers revenues to be available if they are collected within a reasonable period (typically within 60 days) following the end of the current fiscal period. The major sources of revenue susceptible to accrual are sales, use, lodging and admissions taxes. All other revenue items are considered to be measurable and available only when cash is received by the City. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

The Special Revenue Fund - RidgeGate is used to account for revenues and expenditures related to the RidgeGate development pursuant to the annexation agreement (see Note 11). Revenues generated in the Ridgegate development area including taxes and fees are recorded in this fund.

The Special Revenue Fund – Cultural and Community Services is used to account for revenues and expenditures related to the operations of the Lone Tree Arts Center, as well as other City sponsored events and cultural services. Revenue reported in this fund include all sales at the Lone Tree Arts Center, which include ticket sales and related fees, rental fees, concessions, donations, and grants.

The Debt Service Fund - Arts and Cultural Facilities is used to account for the resources accumulated and payments made for principal and interest on long-term debt related to arts and cultural facilities improvements.

The Debt Service Fund - Park and Recreation Improvements is used to account for the resources accumulated and payments made for the principal and interest on long-term debt related to park and recreational improvements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the City Council holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The City Council 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. Budgets for all governmental funds are adopted on a basis consistent with GAAP. Unused appropriations lapse at the end of each fiscal year.

During the year ended December 31, 2013, supplementary appropriations approved by the City modified the appropriation from \$4,138,860 to \$5,266,958 in the Special Revenue Fund - RidgeGate.

Pooled Cash and Investments

The City follows the practice of pooling cash and investments of all funds to maximize interest earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. 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.

Investments are carried at fair value.

Interfund Balances

The City reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds. The interfund balances have been eliminated in the government-wide statements.

Capital Assets

Capital assets, which include property, equipment and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Buildings and building improvements	3 - 50 years
Equipment	3 - 15 years
Vehicles	5 years
Infrastructure	10 - 50 years
Intangibles	40 years

Amortization

Original Issue Discount/Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Compensated Absences

The City has a policy that allows employees to accumulate unused vacation benefits up to certain maximum hours based on years of service. Compensated absences are accrued when incurred in the government-wide financial statements. The City's General Fund is used to liquidate compensated absences of the governmental activities.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, City Council. The constraint may be removed or changed only through formal action of City Council. City Council will either pass an ordinance or resolution as the highest level of decision making dependent on the subject matter.
- *Assigned fund balance* – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the City Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed. City Council has approved through an Annexation Agreement for the RidgeGate area an emergency maintenance and repair reserve (see Note 11). Additionally, City County has approved an Intergovernmental Agreement with Douglas County for an emergency disaster management reserve and through approval of development site improvement plans a reserve for future park and recreation projects. Finally, City Council has adopted a Council Adopted Policy to assign fund balance. CAP #12-02, the Capital Reserve Policy, establishes reserves for future capital replacement and project needs.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

**CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the City's policy to use the most restrictive classification first.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2013 are classified in the accompanying financial statements as follows:

	<u>Primary Government</u>	<u>Component Unit</u>
Statement of net position:		
Cash and investments	\$ 12,462,230	\$ 4,346,081
Cash and investments - Restricted	<u>5,932,543</u>	<u>1,499,105</u>
Total cash and investments	<u>\$ 18,394,773</u>	<u>\$ 5,845,186</u>

Cash and investments as of December 31, 2013 consist of the following:

	<u>Primary Government</u>	<u>Component Unit</u>
Deposits with financial institutions	\$ 15,957,635	\$ 3,569,296
Investments	<u>2,437,138</u>	<u>2,275,890</u>
Total cash and investments	<u>\$ 18,394,773</u>	<u>\$ 5,845,186</u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. 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 for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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.

At December 31, 2013, the City's cash deposits had a bank balance of \$16,275,368 and a carrying balance of \$15,957,635. None of the City's deposits are subject to custodial risk since they are deposited in certified eligible public depositories under the PDPA.

At December 31, 2013, the PMBID's cash deposits had a bank balance of \$3,615,051 and a carrying balance of \$3,569,296.

Investments

The City has adopted a formal investment policy to establish parameters and guidelines for the efficient management of the City's funds and for the purchase and sale of investments. The City will consolidate the balances from all funds, except those held in trusts or special funds that have a designated purpose, to maximize investment earnings. The City's primary objectives, in priority order, are: a) Safety of Principal, b) Liquidity, and c) Return on Investments. Pursuant to the City's investment policy, investments will have a duration of no longer than five years. Additionally, the City follows state statutes regarding investments.

The City generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the City is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado Revised Statutes limit investment maturities to five years or less unless formally approved by the City Council. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2013, the City had the following investments:

Investment	Maturity	<u>Primary</u> <u>Government</u>	<u>Component</u> <u>Unit</u>
Colorado Liquid Asset Trust (Colotrust)	Weighted average under 60 days	\$ 2,437,138	\$ -
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	-	2,275,890
		<u>\$ 2,437,138</u>	<u>\$ 2,275,890</u>

COLOTRUST

The City invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

The custodian's internal records segregate investments owned by the Trust. Colotrust is rated AAAM by Standard & Poor's.

CSAFE

The PMBID invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's.

NOTE 4 - FUND BALANCE

The specific purposes for each fund balance classification on the balance sheet are detailed in the table below:

	General Fund	Special Revenue Fund - Ridgegate	Special Revenue Fund - Cultural & Community Services	Debt Service Fund - Arts & Cultural Facilities	Debt Service Fund - Park & Recreation Improvements	Nonmajor Fund Building Authority Debt Service	Total
Fund Balances							
Nonspendable							
Prepaid Items	\$ 252,530	\$ -	\$ 43,230	\$ -	\$ -	\$ -	\$ 295,760
	<u>252,530</u>	<u>-</u>	<u>43,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>295,760</u>
Restricted for:							
Emergency Reserve (TABOR)	795,975	-	-	-	-	-	795,975
Conservation Trust	115,118	-	-	-	-	-	115,118
Park and Recreation Improvements							
Series 2008A Bonds	934,020	-	-	-	-	-	934,020
COPS Expense Account	3,202	-	-	-	-	-	3,202
Capital Projects - Transportation - County	414,198	-	-	-	-	-	414,198
Brick Fence Replacement Reserve	986,200	-	-	-	-	-	986,200
Debt Service	-	-	-	568,947	682,980	923,000	2,174,927
	<u>3,248,713</u>	<u>-</u>	<u>-</u>	<u>568,947</u>	<u>682,980</u>	<u>923,000</u>	<u>5,423,640</u>
Committed to:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned to:							
Emergency Maintenance and Repair	-	52,601	-	-	-	-	52,601
Emergency Disaster Management - County	89,730	-	-	-	-	-	89,730
Park Fee in Lieu of Land	-	46,125	-	-	-	-	46,125
Capital Replacement	4,412,000	-	-	-	-	-	4,412,000
Subsequent Year's Expenditures	2,561,001	-	-	-	-	-	2,561,001
	<u>7,062,731</u>	<u>98,726</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,161,457</u>
Unassigned	<u>3,883,361</u>	<u>-</u>	<u>(43,230)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,840,131</u>
Total Fund Balance	<u>\$ 14,447,335</u>	<u>98,726</u>	<u>\$ -</u>	<u>\$ 568,947</u>	<u>\$ 682,980</u>	<u>\$ 923,000</u>	<u>\$ 16,720,988</u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 4- FUND BALANCE (CONTINUED)

Nonspendable

The nonspendable fund balance for prepaid items represents payments to vendors that are applicable to a future accounting period and are, therefore, nonspendable resources and unavailable for appropriation.

Restricted

Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 20).

Conservation Trust reserve represents funds received from the State of Colorado from lottery proceeds that are restricted by the State Constitution to be spent for parks, recreation and open space purposes.

Park and recreation improvements represents unspent bond proceeds received from the 2008A Park and Recreation Improvements bond issuance. These funds are to be used exclusively for park and recreational improvements.

Funds available in the Certificates of Participation (COPS) expense account at the end of the year are restricted for payment of letter of credit fees.

Capital projects - transportation represents unspent proceeds received from Douglas County that are to be used exclusively for transportation related capital improvements pursuant to multiple intergovernmental agreements.

The brick fence replacement reserve represents funds received by the City as part of a litigation settlement. These funds are to be used exclusively for capital repairs related to the brick fences throughout the City as a requirement of the settlement.

The debt service restricted balance represents funds to be used for future payment of bond principal, interest and costs related to the 2008A Park and Recreation Improvement Bonds and 2009 Arts and Cultural Facilities Bonds. Additionally, a debt service reserve held by the trustee pursuant to the 2007 Certificates of Participation is included in this balance.

**CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013**

NOTE 4- FUND BALANCE (CONTINUED)

Assigned

The emergency maintenance and repair reserve has been provided for as required by the Annexation Agreement with the developer of RidgeGate (see Note 11) for emergency maintenance and repairs of capital improvements.

The emergency disaster management reserve has been provided for pursuant to an intergovernmental agreement with Douglas County estimated at 0.02% of the City's assessed value.

Park fee in lieu of land dedication represents funds received on development projects that are pledged for future park and recreation projects pursuant to development site improvement applications.

Capital replacement represents funds accumulated for future replacement of capital improvements and/or for capital projects.

Subsequent year's expenditures represents the amount appropriated for use in the budget for the year ending December 31, 2014.

Unassigned

Included in the unassigned amount in the General Fund is the City's working reserve or stabilization fund. This amount was established by City Council in CAP #11-01 to mitigate current and future risks such as revenue shortfalls and unanticipated expenditures as well as to ensure stable tax rates.

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2013 is as follows:

Fund	<u>Receivables</u>	<u>Payables</u>
General	\$ 588,093	\$ -
Special Revenue Fund - RidgeGate	-	386,630
Special Revenue Fund – Cultural / Community Services	-	201,463
	<u>\$ 588,093</u>	<u>\$ 588,093</u>

The outstanding balances between funds is a result of expenditures being in excess of revenues in the Special Revenue Fund - RidgeGate in 2011 pursuant to the Annexation Agreement (see Note 11). As of December 31, 2013, this amount was still outstanding. Additionally, the balance due in the Special Revenue Fund – Cultural and Community Services is a result of timing of receipt of revenues. This payable will be cleared in early 2014 with deferred and other

**CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013**

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

revenues.

The following schedule summarizes the City’s transfers for the year ended December 31, 2013:

Transfers Out	Transfers in General Fund	Transfers in Special Revenue Fund - Cultural & Community Services
Building Authority - Debt Service	\$ 1,259	\$ -
Special Revenue Fund - RidgeGate	887,569	-
Debt Service Fund – Arts / Cultural Facilities	136,601	-
General Fund	-	717,850
	<u>\$ 1,025,429</u>	<u>\$ 717,850</u>

The transfer of \$1,259 from the Building Authority - Debt Service Fund to the General Fund represents interest earned on the Reserve account related to the 2007 Certificates of Participation that are to be used to pay letter of credit fees.

The transfer of \$887,569 from the Special Revenue Fund - RidgeGate to the General Fund represents the amount due to the General Fund at year end pursuant to the Annexation Agreement (see Note 11).

The transfer of \$136,601 from the Debt Service Fund – Arts and Cultural Facilities represents excess revenue not required for bond payments that was transferred to the General Fund and used to pay for costs related to capital purchases for the Lone Tree Arts Center.

The transfer of \$717,850 from the General Fund represents the subsidy needed from the General Fund to cover the operational costs of the Lone Tree Arts Center in excess of revenues generated by the Lone Tree Arts Center.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 follows:

	<u>Balance at December 31, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances at December 31, 2013</u>
Primary Government				
Capital Assets, Not Being Depreciated:				
Land	\$ 23,677,915	\$ 112,312	\$ -	\$ 23,790,227
Construction in Progress	504,165	324,788	(501,281)	327,672
Total Capital Assets, Not Being Depreciated	<u>24,182,080</u>	<u>437,100</u>	<u>(501,281)</u>	<u>24,117,899</u>
Capital Assets, Being Depreciated:				
Building and Building Improvements	37,985,312	1,271,977	-	39,257,289
Equipment	1,807,343	654,489	-	2,461,832
Vehicles	1,454,735	119,938	-	1,574,673
Infrastructure	90,557,631	4,182,193	-	94,739,824
Intangibles	1,500,000	-	-	1,500,000
Total Capital Assets, Being Depreciated	<u>133,305,021</u>	<u>6,228,597</u>	<u>-</u>	<u>139,533,618</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	(3,138,134)	(940,721)	-	(4,078,855)
Equipment	(1,296,283)	(234,562)	-	(1,530,845)
Vehicles	(1,065,638)	(154,746)	-	(1,220,384)
Infrastructure	(48,119,509)	(3,342,220)	-	(51,461,729)
Intangibles	(318,750)	(37,500)	-	(356,250)
Total Accumulated Depreciation	<u>(53,938,314)</u>	<u>(4,709,749)</u>	<u>-</u>	<u>(58,648,063)</u>
Total Capital Assets, Being Depreciated, Net	79,366,707	1,518,848	-	80,885,555
Capital Assets, Net	<u>\$ 103,548,787</u>	<u>\$ 1,955,948</u>	<u>\$ (501,281)</u>	<u>\$ 105,003,454</u>

During 2013, the City spent a total of \$104,542 in capital outlay initiatives that are not being depreciated on the City's record (e.g., capital assets owned by other entities).

	<u>Balance at December 31, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2013</u>
Component Unit:				
Capital assets, being depreciated:				
Infrastructure	\$14,456,692	\$ 876,659	\$ -	\$ 15,333,351
Total capital assets, being depreciated	<u>14,456,692</u>	<u>876,659</u>	<u>-</u>	<u>15,333,351</u>
Less accumulated depreciation for:				
Infrastructure	(2,041,030)	(481,888)	-	(2,522,918)
Total accumulated depreciation	<u>(2,041,030)</u>	<u>(481,888)</u>	<u>-</u>	<u>(2,522,918)</u>
Total capital assets, being depreciated, net	12,415,662	394,771	-	12,810,433
Capital assets, net	<u>\$ 12,415,662</u>	<u>\$ 394,771</u>	<u>\$ -</u>	<u>\$ 12,810,433</u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 6 - CAPITAL ASSETS (CONTINUED)

Depreciation expense for 2013 was charged to the following functions/programs:

	<u>Governmental Activities</u>	<u>Component Unit</u>
General government	\$ 394,582	\$ 481,888
Municipal court	5,599	-
Community development	27,611	-
Public works	3,362,004	-
Police department	338,387	-
Arts and cultural	581,566	-
Total depreciation expense	<u>\$ 4,709,749</u>	<u>\$ 481,888</u>

NOTE 7 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the City's long-term obligations for the year ended December 31, 2013:

	<u>Balance at December 31, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2013</u>	<u>Due Within One Year</u>
Governmental Activities					
Certificates of Participation - Series 2007	\$ 3,235,000	-	\$ 940,000	\$ 2,295,000	\$ 1,005,000
Sales and Use Tax Revenue Bonds - Series 2008A	9,105,000	-	555,000	8,550,000	600,000
Unamortized premium on Series 2008A Bonds	29,574	-	4,305	25,269	-
Sales and Use Tax Revenue Bonds- Series 2009	13,870,000	-	845,000	13,025,000	915,000
Unamortized premium on Series 2009 Bonds	157,373	-	22,308	135,066	-
Compensated absences	583,126	153,691	101,794	635,023	476,267
	<u>\$ 26,980,073</u>	<u>\$ 153,691</u>	<u>\$ 2,468,407</u>	<u>\$ 24,665,358</u>	<u>\$ 2,996,267</u>

**CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013**

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

Component Unit	Balance at December 31, 2012	Additions	Reductions	Balance at December 31, 2013	Due Within One Year
Shared Sales Tax Revenue Bonds - Series 2007	\$ 15,095,000	\$ -	\$ 445,000	\$ 14,650,000	\$ 470,000
Unamortized discount on Series 2007 Bonds	(247,912)	-	13,048	(234,864)	-
	<u>\$ 14,847,088</u>	<u>\$ -</u>	<u>\$ 431,952</u>	<u>\$ 14,415,136</u>	<u>\$ 470,000</u>

Authorized Debt

On May 6, 2008, a majority of the qualified electors of the City authorized the issuance of indebtedness in an amount not to exceed \$18,500,000 and \$12,500,000, for sales and use tax revenue bonds for funding capital improvements for cultural facilities and park and recreation, respectively. The voters also authorized a temporary sales and use tax rate increase of .1875% for arts and cultural facilities and .125% for park and recreation improvements effective July 1, 2008 through December 31, 2023 or until the full payment of such debt if occurring earlier. At December 31, 2013, the City had authorized but unissued bond indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized 2008	Amount Used Series 2008A	Amount Used Series 2009	Remaining Authorization
Arts and cultural facilities	\$ 18,500,000	\$ -	\$ 16,880,000	\$ 1,620,000
Park and recreation improvements	12,500,000	11,000,000	-	1,500,000
	<u>\$ 31,000,000</u>	<u>\$ 11,000,000</u>	<u>\$ 16,880,000</u>	<u>\$ 3,120,000</u>

In the future, the City may issue a portion or all of the remaining authorized but unissued bond indebtedness for purposes of providing public improvements.

Additionally, the PMBID held an election on November 7, 2006 where eligible voters of the PMBID authorized the issuance of \$135,000,000 of indebtedness payable from ad valorem property taxes or other legally available revenues of the PMBID for capital expenditures related to street, park and recreation, utility lines, transportation, and television relay improvements. As of December 31, 2013, the PMBID has \$118,690,000 in authorized, but unissued indebtedness for capital purposes.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

The detail of the City's long-term obligations are as follows:

Series 2007, \$9,230,000 Taxable Adjustable Rate Certificates of Participation, dated January 9, 2007 (the 2007 Certificates). On January 9, 2007, the Building Authority issued \$9,230,000 in Taxable Adjustable Rate Certificates of Participation representing assignments of the right to receive certain revenues pursuant to a lease purchase agreement entered between the Building Authority and the City on January 1, 2007. The proceeds of the 2007 Certificates were used by the Authority to purchase an office building, the land upon which it is located and certain equipment for lease to the City for use as City offices, to finance the costs of remodeling and other improvements, to pay capitalized interest, to fund a debt service reserve fund, and to pay the costs of issuing the 2007 Certificates.

The 2007 Certificates are secured by an irrevocable letter of credit issued by Wells Fargo Bank, National Association with an expiration date of January 12, 2015. The Certificates mature on December 1, 2017 and initially will bear interest at a monthly rate with monthly interest payments due the first business day beginning on February 1, 2007. As of December 31, 2013, the interest rate was 0.27%. The 2007 Certificates are subject to annual mandatory redemption beginning December 1, 2008. While in the monthly mode, the Certificates are subject to redemption prior to maturity, at the option of the City, on any rate change date, without redemption premium.

The City is responsible for scheduled lease payments due under the 2007 Certificates along with certain annual recurring costs including letter of credit fees and remarketing fees. Lease payments, along with associated recurring costs, are subject to annual appropriation by City Council.

Series 2008A, \$11,000,000 Sales and Use Tax Revenue Bonds, dated November 19, 2008 (2008A Bonds). On November 19, 2008, the City issued \$11,000,000 in Sales and Use Tax Revenue Bonds for park and recreation projects. The proceeds of the 2008A Bonds were used to acquire and develop park and recreation facilities within the City and pay for the costs of issuing the 2008A Bonds. The 2008A Bonds are due annually in various amounts beginning December 1, 2010 through December 1, 2023 with interest from 3.50% to 5.25%, payable semiannually on June 1 and December 1.

The 2008A Bonds maturing on or before December 1, 2018 are not subject to redemption prior to maturity. The 2008A Bonds maturing on or after December 1, 2019 are subject to redemption prior to maturity at the option of the City with no redemption premium. The principal and interest on the 2008A Bonds is payable solely from and secured by an irrevocable pledge of the 2008A pledged revenues which primarily consist of the revenues derived from the City's recreation sales and use tax imposed at a rate equal to 0.125%. The recreation sales tax went into effect on July 1, 2008 and will end on December 1, 2023, or after full payment of the 2008A Bonds, whichever occurs first.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

Series 2009, \$16,880,000 Sales and Use Tax Revenue Bonds, dated August 11, 2009 (2009 Bonds). On August 11, 2009, the City issued \$16,880,000 in Sales and Use Tax Revenue Bonds for arts and cultural facilities projects. The proceeds of the 2009 Bonds will be used to design and construct the Lone Tree Arts Center and pay for the costs of issuing the 2009 Bonds. The 2009 Bonds are due annually in various amounts beginning December 1, 2009 through December 1, 2023 with interest from 2.50% to 4.25%, payable semiannually on June 1 and December 1.

The 2009 Bonds maturing on or before December 1, 2019 are not subject to redemption prior to maturity. The 2009 Bonds maturing on or after December 1, 2020 are subject to redemption prior to maturity at the option of the City with no redemption premium. The principal and interest on the 2009 Bonds is payable solely from and secured by an irrevocable pledge of the 2009 pledged revenues which primarily consist of the revenues derived from the City's cultural sales and use tax imposed at a rate equal to 0.1875%. The cultural sales tax went into effect on July 1, 2008 and will end on December 1, 2023, or after full payment of the 2009 Bonds, whichever occurs first.

Series 2007, \$16,310,000 Shared Sales Tax Revenue Bonds, dated June 20, 2007 (2007 Bonds). On June 20, 2007, the PMBID issued \$16,310,000 in Shared Sales Tax Revenue Bonds for capital improvement projects. The proceeds of the 2007 Bonds were used to develop an addition to the Park Meadows Mall, provide capitalized interest for payment of a portion of the interest on the 2007 Bonds, fund a reserve account and pay for the costs of issuing the 2007 Bonds. The 2007 Bonds are due annually in various amounts beginning December 1, 2010 through December 1, 2031, with interest from 5.00% to 5.35%, payable semiannually on June 1 and December 1.

The 2007 Bonds are subject to a mandatory sinking fund redemption beginning on December 1, 2010. The 2007 Bonds maturing on or after December 1, 2017 are subject to redemption prior to maturity at the option of the PMBID with no redemption premium. The principal and interest on the 2007 Bonds is payable solely from and secured by an irrevocable pledge of the 2007 pledged revenues, which primarily consist of the revenues derived from the PMBID's shared sales tax with the City imposed at a rate equal to 1.8125%. The City is required to pledge 50% of the taxes collected in the PMBID area pursuant to the annexation agreement (see Note 11), however, the City is not ultimately responsible for the payment of the bonds.

**CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013**

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

Annual debt service requirements to maturity are as follows:

Year Ended December 31,	Governmental Activities		
	Certificates of Participation and Sales and Use Tax Revenue Bonds		
	Principal	Interest	Total
	Principal	Interest	Total
2014	\$ 2,520,000	\$ 925,616	\$ 3,445,616
2015	2,700,000	869,952	3,569,952
2016	1,975,000	806,025	2,781,025
2017	1,890,000	735,719	2,625,719
2018	2,030,000	658,656	2,688,656
2019-2023	12,755,000	1,795,177	14,550,177
	<u>\$ 23,870,000</u>	<u>\$ 5,791,145</u>	<u>29,661,145</u>
	Component Unit		
	Principal	Interest	Total
2014	\$ 470,000	\$ 773,095	\$ 1,243,095
2015	490,000	749,595	1,239,595
2016	515,000	725,095	1,240,095
2017	540,000	699,345	1,239,345
2018	570,000	672,345	1,242,345
2019-2023	3,330,000	2,875,715	6,205,715
2024-2028	4,310,000	1,895,215	6,205,215
2029-2031	4,425,000	545,967	4,970,967
	<u>\$ 14,650,000</u>	<u>\$ 8,936,372</u>	<u>\$ 23,586,372</u>

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 8 - NET POSITION

The City has net position consisting of three components - net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds and capital leases that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2013, the City had net investment in capital assets of \$80,973,119 calculated as follows:

Primary Government	<u>Governmental Activities</u>
Net investment in capital assets:	
Capital assets, net	\$ 105,003,454
Current portion of long-term obligations	(2,520,000)
Noncurrent portion of long-term obligations	(21,350,000)
Premium (net of accumulated amortization)	<u>(160,335)</u>
Net investment in capital assets	<u>\$ 80,973,119</u>

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The City had restricted net position of \$3,563,418 as of December 31, 2013 as follows:

Primary Government	<u>Governmental Activities</u>
Restricted net position:	
Emergency reserve (see Note 20)	\$ 795,975
Conservation Trust	115,118
Capital Projects - Transportation - County	414,198
Brick Fence Replacement	986,200
Debt service (see Note 7)	<u>1,251,927</u>
	<u>\$ 3,563,418</u>

The unrestricted component of net position as of December 31, 2013 totaled \$12,445,929.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 9 - CONTRACTUAL OBLIGATIONS

The City has entered into sales shareback agreements with several entities. The terms of the agreements and remaining amounts committed are detailed as follows:

	<u>Maximum Reimbursement</u>	<u>Agreement Termination Date</u>	<u>Amount Paid as of December 31, 2013</u>	<u>Remaining Amount Committed</u>
Retailer A	\$ 750,000	September 30, 2021	\$ 225,000	\$ 525,000
Service Provider A	200,000	N/A	-	200,000
Retailer B	7,200,000	May 17, 2027	2,553,512	4,646,488
Service Provider B	N/A	February 7, 2022	-	Unknown
Service Provider C	N/A	May 21, 2018	732	Unknown
	<u>\$ 8,150,000</u>		<u>\$ 2,779,244</u>	<u>\$ 5,371,488</u>

Retailer A is to be paid, at a minimum, in ten equal installments of \$75,000 beginning in 2011 on condition that Retailer A leases and continually occupies and conducts retail operations at the current location within the City. The payments made pursuant to the agreement are subject to annual appropriation.

Service Provider A shall be paid up to \$200,000 (in one lump sum) of rebated sales and use taxes associated with the sales and use taxes paid in relation to the expansion and renovation of the service provider's facility. The payment is subject to annual appropriation and is due at the time the service provider obtains a certificate of occupancy on the facilities expansion.

Retailer B is to be paid a total of \$7,200,000. \$2,200,000 will be due from the City upon the issuance of a certificate of occupancy. Additionally, once Retailer B opens, the City will remit an amount equal to 65% of the revenues collected by the City from taxable transactions occurring on the property during the first three years of the revenue sharing period and 50% during the remainder of the revenue sharing period. The revenue sharing period will be fifteen years from the effective date of May 17, 2012 or until the revenue cap of \$5,000,000 is achieved. Furthermore, the City also agrees to rebate 100% of any and all applicable use taxes collected on building and construction materials used for construction of the site improvements and public improvements at the time the initial certificate of occupancy is issued by the City. Such use tax rebates will not be credited against the revenue cap but shall be in addition thereto.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 9 - CONTRACTUAL OBLIGATIONS (CONTINUED)

Service Provider B shall be reimbursed 100% of all sales and use tax payments imposed or collected by the City on building and construction materials purchased for use in construction or imposed or collected on machinery, equipment, furniture, fixtures, supplies and all other tangible person property or taxable services purchased for use on the property for 10 years effective from February 7, 2012 to February 7, 2022. Service Provider B does hold charitable organization status therefore estimated reimbursements pursuant to this agreement are anticipated to be limited.

Service Provider C shall be reimbursed 75% of all sales and use tax payments imposed or collected by the City on building and construction materials and building permit and review fees purchased for use in construction or imposed or collected on furniture, fixtures, and equipment for use on the property for 5 years effective from May 21, 2013 to May 21, 2018. Additionally, the City agrees to apply the State of Colorado's definition of "taxable software" when determining sales and use taxes under the Municipal Code. Service Provider C shall provide an accounts payable listing by project number to verify, to the sole reasonable satisfaction of the City, that the building permit fees, review fees, sales taxes, and use taxes paid by Lessee were for expenditures directly associated with the Property.

NOTE 10 - INTERGOVERNMENTAL AGREEMENTS

Dispatch Services

The City has entered into an intergovernmental agreement with the Town of Parker to provide dispatch services within the City's boundaries commencing January 1, 2006. The City paid \$453,065 in 2013 associated with costs under the agreement. Total dispatch services costs of \$740,000 are estimated for 2014.

Crime Analysis, Crime Scene Investigation and Evidence Storage

The City has entered into an intergovernmental agreement with the Town of Parker to provide services related to crime analysis, crime scene investigation and evidence storage beginning on January 1, 2011 through December 31, 2011 automatically renewing for five subsequent one year terms unless terminated by either party. The City paid the following amounts related to these services during 2013:

Crime analysis	\$ 5,199
Crime scene investigation	20,574
Evidence storage	<u>59,519</u>
	<u>\$ 85,292</u>

Total services are estimated at \$74,800 for 2014.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 10 - INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Street Improvements

The City has entered into intergovernmental agreements with Douglas County (the County) and/or Park Meadows Metropolitan District for the design and construction of certain street improvements. Total expenditures amounted to \$1,820,000 in 2013, for work completed on Park Meadows Drive and County Line Road. For 2014, the main project is improvement to County Line Road. The City's share of the 2014 improvement is estimated at \$30,000 of the approximate total cost of \$60,000.

The Rampart Range Metro District (RRMD) is in the process of constructing additional streets to be maintained by the City in accordance with the Annexation Agreement entered into by the City and related Developer (see Note 11).

NOTE 11 - COMMITMENTS

RidgeGate

During 2000, City voters approved the annexation of approximately 3,500 acres identified as RidgeGate. The City has entered into an agreement with the Developer to reimburse certain revenues for public infrastructure improvements. Net revenues collected within the annexed property are to be allocated 60% to an entity designated by the developer, RRMD No. 1, with the remaining 40% to the City. The term of the revenue shareback agreement commences on a date yet to be specified by the Developer, but no later than August 2020, and extends twenty years from such date. The Developer gave notice to the City to begin the shareback agreement on January 1, 2013. Prior to the commencement of the revenue shareback, any excess revenue is required to be transferred to the General Fund to be used at the discretion of City Council. Deductions from gross revenues include all direct costs paid by the City, an allocation of administrative and overhead costs associated with the services for which the direct costs were paid, plus 15% of direct and administrative costs less fees collected allocable to the services or activities for which the direct costs were paid, reserved for emergency maintenance and repairs. The City will continue to accrue required reserves on an annual basis until such time the emergency maintenance and repair reserve funds total and are maintained at \$500,000. The agreement requires the Developer to provide funds to the City to cover any deficit of costs plus the 15% emergency reserve. The financial activity related to this agreement is accounted for in the Special Revenue Fund - RidgeGate. As of December 31, 2013, an outstanding shortfall totaling \$386,630 relating to 2011 is due from the Developer. This amount is reflected in the fund financial statements as an amount due from the Special Revenue Fund - RidgeGate to the General Fund. A total of \$52,601 has been accumulated toward the emergency maintenance and repair reserve. In 2013, the amount paid to the Developer pursuant to the Shareback Agreement totaled \$1,283,765.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 11 – COMMITMENTS (CONTINUED)

Park Meadows Mall

During 2006, City Council approved the annexation of the retail shopping property identified as Park Meadows Town Center effective January 1, 2007. The City entered into an agreement with the owner and organized a business improvement district named the Park Meadows Business Improvement District (PMBID). Pursuant to the agreement, commencing January 1, 2007 and continuing for twenty-five years from the commencement date, the City will distribute 50% of sales tax collections received from the annexed property to the PMBID. The term of the agreement will automatically be extended for an additional five year period if the sales tax collected in 2027 is more than the sales tax collections in the first full sales tax collection year (referred to as the base year) which begins after the first to occur: i) annexation by the City of all of the anchor retail stores and substantial completion of the “Lifestyle Extension” or ii) December 31, 2009.

Construction Commitments

As of December 31, 2013, the City had unexpended construction related contract commitments of \$349,387.

NOTE 12 - SPECIAL ASSESSMENTS

Special assessments were collected from property owners within the BID-SID in order to repay the 2005 Series Bonds. Neither the City nor the BID was liable for the repayment of the bonds. Consequently, activity related to the special assessment bonds was accounted for in an agency fund.

On November 2, 1999, a majority of the qualified electors of the BID authorized the issuance of indebtedness for public infrastructure improvements in an amount not to exceed \$2,060,000. At December 31, 2012, the BID had authorized but unissued indebtedness totaling \$200,000. All bonds were paid off in full as of December 31, 2012.

NOTE 13 - STATE FIRE AND POLICE PENSION PLAN (FPPA Defined Benefit Plan)

The City contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by FPPA. This is a noncontributory plan. All full-time, paid police officers of the City are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Colorado Statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 13 - STATE FIRE AND POLICE PENSION PLAN (FPPA Defined Benefit Plan)
(CONTINUED)

supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. That report may be obtained by calling FPPA at 303-770-3772 in the Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area.

The contribution requirements of plan members and the City are established by statute. The contribution rate to the Statewide Defined Benefit Plan for both plan members and the City is 8.0% of covered salary. The contribution rate to the Statewide Death and Disability Plan for the City is 2.6% of covered salary. Member contributions to the Statewide Death and Disability Plan are not required. The City contributed 100% of the required amounts for the FPPA Defined Benefit Plan and other post retirement employee benefit plans in 2011, 2012 and 2013. Information regarding pension plan contributions from the City is as follows:

	2013	2012	2011
Statewide Defined Benefit Plan	\$ 271,334	\$ 256,661	\$ 244,058
Statewide Death and Disability	\$ 88,194	\$ 83,425	\$ 79,329

FPPA has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Participation in the plan is optional for all members. The plan allows the members to defer a portion of their salary until future years.

NOTE 14 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO

The City contributes to the Local Government Division Trust Fund (Trust), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The Trust provides retirement and disability, annual increases, and death benefits for member or their beneficiaries. All civilian employees of the City are members of the Trust.

The City also contributes to the Health Care Trust Fund (Health Fund), a cost-sharing multiple-employer healthcare trust administered by PERA. The Health Fund provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries.

Colorado Revised Statutes assign the authority to establish Trust and Health Fund benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Trust and Health Fund. That report may be obtained online at www.copera.org or by writing to PERA at 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

**CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013**

**NOTE 14 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
(CONTINUED)**

Plan members and the City are required to contribute to the Trust at rates set by Colorado Statutes. A portion of the City's contribution (1.02% of covered salary) is allocated for the Health Fund. Member contributions to the Health Fund are not required.

The contribution rate for members and the City's contributions to the Trust and Health Fund, which equaled the City's required contributions for each year was as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contribution Rate of Covered Salary			
Members	8.00%	8.00%	8.00%
Trust	12.68%	12.68%	12.68%
Health Plan	1.02%	1.02%	1.02%
Contributions			
Trust	\$ 331,251	\$ 296,587	\$ 257,822
Health Plan	\$ 26,665	\$ 23,858	\$ 20,740

Additionally, Trust members of the City may voluntarily contribute to the Voluntary Investment Program (VIP), an Internal Revenue Code Section 401(K) defined contribution plan administered by PERA. Plan participation is voluntary and contributions are separate from others made to PERA. State statutes have assigned the State Legislature the authority to establish VIP plan provisions.

The VIP is funded by voluntary member contributions of up to a maximum limit set by the IRS.

NOTE 15 - DEFERRED COMPENSATION PLAN - ASSETS IN TRUST

The City has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is administered by International City/County Management Association. Participation in the plan is optional for all civilian employees. The plan allows the employees to defer a portion of their salary until future years.

NOTE 16 - MAJOR TAXPAYERS

For the year ending December 31, 2013, approximately 16% of the City's sales tax revenue was received from three retailers and of those three retailers, one retailer constituted approximately 7% of the total sales tax revenue.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 17 - CONTINGENCIES

The City has been named in various pending or threatened litigation, claims or assessments. The ultimate outcome/resolution of these matters is not known at this time. The City is monitoring the progress of these matters and has referred various matters to the City's Attorney office for consultation and representation. Claims are insured to \$5,000,000 and representation provided by Colorado Intergovernmental Risk Sharing Agency.

NOTE 18 - RELATED PARTY

The Developer of the property which constitutes the Park Meadows Business Improvement District (PMBID) is Park Meadows Mall, LLC. The members of the Board of Directors of the PMBID are employees, owners or are otherwise associated with the Developer and its affiliates and may have conflicts of interest in dealing with the District. Additionally, two lease agreements have been entered into between the PMBID and the Park Meadows Mall, LLC where the PMBID pays a monthly lease amount to Park Meadows Mall, LLC related to the Lone Tree police substation as well as rent for the common area lease and the ground lease for the Vista's area of the mall. Pursuant to these agreements, the annual lease amounts can increase by 4% each year. Total amounts paid by the PMBID to the Park Meadows Mall, LLC for lease payments in 2013 totaled \$491,688.

NOTE 19 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, thefts of damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God.

The City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self insurance pool created by intergovernmental agreement to provide property, liability and workers' compensation coverage to its members. CIRSA is governed by a seven member Board elected by and from its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and that amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

Settled claims have not exceeded insurance coverage in the last three years.

CITY OF LONE TREE
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 20 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's 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. The City voters approved an election question in 1996 and 1999 to remove limits on the amount of revenue the City is allowed to collect, spend and retain.

On May 6, 2008, City voters approved a sales and use tax increase of .1875% for arts and cultural facilities and approved related sales and use taxes be increased by \$2,650,000 in the first full fiscal year (2010) and by whatever additional amounts are raised annually thereafter. Additionally, City voters approved a sales and use tax increase of .125% for park and recreation improvements and approved related sales and use taxes be increased by \$1,750,000 in the first full fiscal year (2010) and by whatever additional amounts are raised annually thereafter.

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 City'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.

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

**CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2013**

	Budget Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
TAXES			
Sales tax	\$ 17,676,000	\$ 17,533,355	\$ (142,645)
Use tax - Retail	350,000	282,421	(67,579)
Use tax - Building materials	157,000	143,259	(13,741)
Lodging tax	590,000	616,644	26,644
Admissions tax	333,000	357,294	24,294
	<u>19,106,000</u>	<u>18,932,973</u>	<u>(173,027)</u>
FRANCHISE FEES			
Electric and gas	635,000	674,777	39,777
Cable television	168,000	184,726	16,726
	<u>803,000</u>	<u>859,503</u>	<u>56,503</u>
INTERGOVERNMENTAL			
Highway Users Tax (HUTF)	260,898	229,850	(31,048)
Conservation Trust Fund	54,000	62,006	8,006
Cigarette tax	203,000	202,452	(548)
County Road and Bridge shareback	992,774	978,642	(14,132)
Douglas County shareback - Transportation	2,216,000	2,274,156	58,156
Motor vehicle registration fees	39,000	39,404	404
Regional improvements contribution - RRMD	91,876	91,518	(358)
Reimbursable costs	3,297,000	3,332,376	35,376
Grants	10,000	23,128	13,128
	<u>7,164,548</u>	<u>7,233,532</u>	<u>68,984</u>

(Continued)

**CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

Year Ended December 31, 2013

(Continued)

	<u>Budget Amounts</u>		
	<u>Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
LICENSES, FEES AND CHARGES			
Sales, use tax and business license fees	20,000	22,645	2,645
Liquor license fees	11,000	22,100	11,100
Building permit fees	338,000	291,228	(46,772)
Planning fees	20,000	17,580	(2,420)
Engineering fees	40,000	64,305	24,305
Other	25,000	39,300	14,300
	<u>454,000</u>	<u>457,158</u>	<u>3,158</u>
FINES AND FORFEITURES			
Court fees	92,000	70,038	(21,962)
Vehicle violation and other fines	694,000	534,619	(159,381)
Victims assistance surcharge fees	57,000	43,641	(13,359)
	<u>843,000</u>	<u>648,298</u>	<u>(194,702)</u>
OTHER			
Net investment income	25,000	15,484	(9,516)
Arts and cultural event fees	12,000	-	(12,000)
Tenant rental income	245,000	249,904	4,904
Police Department fees	24,000	22,958	(1,042)
Other	400,000	1,443,809	1,043,809
	<u>706,000</u>	<u>1,732,155</u>	<u>1,026,155</u>
Total revenues	<u>29,076,548</u>	<u>29,863,619</u>	<u>787,071</u>

(Continued)

**CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2013
(Continued)**

EXPENDITURES	Budget Amounts		
	Original and Final	Actual Amounts	Variance with Final Budget
GENERAL GOVERNMENT			
City Council stipend and expenditures	103,800	84,239	19,561
City Clerk - Elections	20,000	-	20,000
City Clerk - Publications	20,000	8,157	11,843
City Clerk - Salaries and benefits	128,699	87,321	41,378
City administration	903,803	896,705	7,098
Dues and membership	84,150	84,038	112
Accounting and financial services	666,857	542,276	124,581
Human resources	243,642	217,182	26,460
Payroll service	3,000	3,380	(380)
Information technology	10,000	2,199	7,801
Website maintenance	11,660	11,927	(267)
Legal	1,031,411	755,936	275,475
Audit	14,235	13,658	577
Consulting	45,000	23,238	21,762
Insurance	328,700	343,212	(14,512)
Lone Tree City office	553,555	603,502	(49,947)
Civic Center - Maintenance and utilities	137,000	115,258	21,742
Arts Center - Maintenance and utilities	-	205,537	(205,537)
Park restroom maintenance	8,000	5,433	2,567
Annual events	174,000	(7)	174,007
Community support	75,300	49,875	25,425
Youth initiatives	19,800	19,800	-
Community education programs	2,000	694	1,306
Housing partnership	35,000	35,000	-
Communications and newsletter	60,000	61,810	(1,810)
Arts and cultural events	148,972	-	148,972
Economic development	239,000	144,952	94,048
Miscellaneous	47,416	13,645	33,771
	<u>5,115,000</u>	<u>4,328,967</u>	<u>786,033</u>

(Continued)

**CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2013
(Continued)**

	<u>Budget Amounts</u> Original and Final	Actual Amounts	Variance with Final Budget
MUNICIPAL COURT			
Municipal judge	33,500	23,986	9,514
Legal	36,000	36,000	-
Administration	137,644	133,677	3,967
Office and software	6,000	3,932	2,068
Victims assistance surcharge	20,000	12,792	7,208
	<u>233,144</u>	<u>210,387</u>	<u>22,757</u>
COMMUNITY DEVELOPMENT			
Salaries and benefits	581,956	572,445	9,511
Contract services	1,500	-	1,500
Field supplies	4,730	3,228	1,502
Planning Commission	3,440	1,799	1,641
Plan review and other inspections	12,000	32,359	(20,359)
Document scanning	6,500	6,735	(235)
Elevator inspection	38,500	17,982	20,518
Engineering	60,000	56,480	3,520
Sustainability program	3,000	362	2,638
Miscellaneous	10,580	7,563	3,017
	<u>722,206</u>	<u>698,953</u>	<u>23,253</u>
PUBLIC WORKS			
Public Works Department	480,000	485,760	(5,760)
Street lighting	285,000	380,078	(95,078)
Street maintenance	650,000	565,269	84,731
Drainage maintenance	50,000	5,414	44,586
Street and sidewalk sweeping	56,000	35,702	20,298
Traffic signal energy cost and maintenance	150,000	123,382	26,618
Signal timing	6,000	-	6,000
Snow removal	800,000	968,042	(168,042)
Landscaping maintenance	141,000	137,807	3,193
Trash and recycling program	514,097	533,938	(19,841)
Engineering	300,000	237,440	62,560
Fence maintenance	20,000	7	19,993

(Continued)

**CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2013
(Continued)**

	<u>Budget Amounts</u> Original and Final	Actual Amounts	Variance with Final Budget
PUBLIC WORKS (continued)			
Geographic Information System (GIS)	140,000	142,785	(2,785)
Website mapper	5,000	5,000	-
Materials and equipment	14,000	355	13,645
EPA Phase 2 drainage	110,000	54,260	55,740
State mandated noxious weeds control	20,000	9,733	10,267
Signage and striping	80,000	52,383	27,617
Accident repairs	20,000	35,917	(15,917)
Public works facility operations and equipment	35,000	26,216	8,784
Software and support	16,000	11,954	4,046
Street amenities	5,000	1,587	3,413
Mutt mitts contract	12,000	10,727	1,273
Habitat control	2,500	-	2,500
Holiday lighting and decorations	38,000	17,473	20,527
Miscellaneous	3,000	-	3,000
	<u>3,952,597</u>	<u>3,841,229</u>	<u>111,368</u>
POLICE			
Salaries and benefits	4,095,881	3,848,765	247,116
Office and administration	256,174	175,052	81,122
Uniforms and equipment	59,332	38,115	21,217
Vehicles and equipment	390,077	379,700	10,377
General equipment	21,358	12,740	8,618
Dispatch	376,692	366,154	10,538
Training	91,997	76,177	15,820
Miscellaneous	101,242	91,314	9,928
	<u>5,392,753</u>	<u>4,988,017</u>	<u>404,736</u>

(Continued)

**CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2013
(Continued)**

	<u>Budget Amounts</u> Original and Final	Actual Amounts	Variance with Final Budget
CAPITAL OUTLAY			
Financial package software and hardware	100,000	59,824	40,176
Overlay/reconstruction projects	1,470,000	1,555,338	(85,338)
Traffic signalization	184,000	65,210	118,790
Traffic improvements - Joint projects with County and PMMD	14,000	4,140	9,860
Pedestrian lights	360,000	234,468	125,532
Monumentation and signage	10,000	7,302	2,698
Enclave entrance rehabilitation	45,000	-	45,000
City office building	1,482,000	1,535,258	(53,258)
City office building - Capital leases	1,776,013	951,972	824,041
City office building - LOC and remarketing fees	59,000	48,428	10,572
Lincoln Avenue panel replacement	295,000	344,808	(49,808)
Kimmer/Park Meadows Dr. intersection and Entertainment District improvements	500,000	103,674	396,326
Park Meadows Dr. traffic improvements	110,000	81,112	28,888
Park Meadows Dr. Median Improvements	300,000	3,459	296,541
Park Meadows Dr. regional pond upgrade	58,300	-	58,300
Landscaping and signage at Park Meadows Center Dr. and County Line	150,000	4,542	145,458
Transportation study	50,000	-	50,000
Landscape improvements	70,000	10,779	59,221
County Line improvements	560,000	40,000	520,000
C-470 Coalition - Douglas County	200,000	100,000	100,000
Storm sewer improvements	150,000	95,685	54,315
I-25 lane balance share	500,000	-	500,000
Brick fence	-	13,800	(13,800)
Park Meadows Dr. recon W Acres Green	1,300,000	1,698,888	(398,888)
Arts Center improvements	63,000	55,701	7,299
Schweiger Ranch preservation	75,000	-	75,000
Retail retention	75,000	75,000	-
Service provider shareback	10,000	-	10,000
Annexation shareback	-	732	(732)

(Continued)

**CITY OF LONE TREE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2013
(Continued)**

	<u>Budget Amounts</u> Original and Final	Actual Amounts	Variance with Final Budget
County public improvements shareback	2,200,000	2,200,000	-
Reimbursement of sales taxes to BID	5,406,329	5,090,889	315,440
Reimbursement of property taxes to PMMD	185,000	184,379	621
Park and recreation	34,800	18,033	16,767
	<u>17,792,442</u>	<u>14,583,421</u>	<u>3,209,021</u>
Total expenditures	<u>33,208,142</u>	<u>28,650,974</u>	<u>4,557,168</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(4,131,594)</u>	<u>1,212,645</u>	<u>5,344,239</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>(246,686)</u>	<u>307,579</u>	<u>554,265</u>
Total other financing sources (uses)	<u>(246,686)</u>	<u>307,579</u>	<u>554,265</u>
NET CHANGE IN FUND BALANCES	(4,378,280)	1,520,224	5,898,504
FUND BALANCES - BEGINNING OF YEAR	<u>11,987,475</u>	<u>12,927,111</u>	<u>939,636</u>
FUND BALANCES - END OF YEAR	<u>\$ 7,609,195</u>	<u>\$ 14,447,335</u>	<u>\$ 6,838,140</u>

CITY OF LONE TREE
SPECIAL REVENUE FUND - RIDGEGATE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2013

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales tax	\$ 1,065,000	\$ 1,797,000	\$ 1,396,339	\$ (400,661)
Use tax - Retail	475,000	350,000	384,846	34,846
Use tax - Building materials	1,477,500	1,850,000	1,761,686	(88,314)
Lodging tax	108,000	155,000	149,586	(5,414)
Franchise fees	92,900	109,500	114,483	4,983
Highway Users Tax (HUTF)	44,460	71,582	84,453	12,871
Building permit fees	675,000	1,086,000	1,140,934	54,934
Planning fees	20,000	18,000	18,359	359
Engineering fees	95,000	150,000	126,934	(23,066)
Schweiger Ranch grants and contributions	75,000	-	-	-
Other	11,000	6,350	25,808	19,458
Total revenues	<u>4,138,860</u>	<u>5,593,432</u>	<u>5,203,428</u>	<u>(390,004)</u>
EXPENDITURES				
City administration	170,969	173,349	167,699	5,650
Legal	75,000	45,000	39,298	5,702
Accounting and financial services	50,000	50,000	50,709	(709)
Administration and overhead costs	120,000	200,000	157,284	42,716
Insurance	86,300	90,700	89,340	1,360
Audit	5,000	4,799	4,799	-
Engineering	250,000	350,000	323,291	26,709
Community development	182,245	212,259	200,142	12,117
Consulting	25,000	5,000	-	5,000
Police	1,260,458	1,275,504	1,154,963	120,541
Street lighting	50,000	5,000	5,137	(137)
Snow removal	110,000	113,322	113,321	1
Schweiger Ranch preservation	75,000	-	-	-
Roundabouts	120,000	-	-	-
Retail shareback	262,813	464,472	353,512	110,960
Service provider shareback	200,000	-	-	-
Developer revenue shareback	415,053	1,115,304	1,283,765	(168,461)
Reimbursement related to annexation agreement	386,630	386,630	-	386,630
Contingency	5,000	-	-	-
Total expenditures	<u>3,849,468</u>	<u>4,491,339</u>	<u>3,943,260</u>	<u>548,079</u>

(Continued)

CITY OF LONE TREE
SPECIAL REVENUE FUND - RIDGEGATE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2013
(Continued)

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>289,392</u>	<u>1,102,093</u>	<u>1,260,168</u>	<u>158,075</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>(289,392)</u>	<u>(775,619)</u>	<u>(887,569)</u>	<u>(111,950)</u>
Total other financing sources (uses)	<u>(289,392)</u>	<u>(775,619)</u>	<u>(887,569)</u>	<u>(111,950)</u>
NET CHANGE IN FUND BALANCES	-	326,474	372,599	46,125
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	<u>52,601</u>	<u>52,601</u>	<u>(273,873)</u>	<u>(326,474)</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 52,601</u>	<u>\$ 379,075</u>	<u>\$ 98,726</u>	<u>\$ (280,349)</u>

CITY OF LONE TREE
SPECIAL REVENUE FUND - CULTURAL AND COMMUNITY SERVICES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2013

	<u>Budget Amounts</u>		
	<u>Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Ticket sales	\$ 1,019,450	\$ 684,923	\$ (334,527)
Handling fees	55,600	93,296	37,696
Rental fees	90,000	108,951	18,951
Concessions and catering	74,500	86,826	12,326
Miscellaneous	60,000	82,637	22,637
Education	38,400	20,546	(17,854)
Individual, corporate and foundation contributions	163,250	137,925	(25,325)
Government grants	144,250	110,625	(33,625)
Special events	100,000	-	(100,000)
Annual events	-	26,820	26,820
Arts and cultural events	-	17,323	17,323
Total revenues	<u>1,745,450</u>	<u>1,369,872</u>	<u>(375,578)</u>
EXPENDITURES			
Administration	121,183	119,419	1,764
Programming	1,471,499	1,170,687	300,812
Marketing	365,855	359,214	6,641
Education	61,997	42,666	19,331
Miscellaneous	197,500	15,889	181,611
Development	169,250	43,193	126,057
Annual events	-	195,831	(195,831)
Arts and cultural events	-	135,511	(135,511)
Recreational activities and support	-	5,312	(5,312)
Contingency	50,000	-	50,000
Total expenditures	<u>2,437,284</u>	<u>2,087,722</u>	<u>349,562</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(691,834)</u>	<u>(717,850)</u>	<u>(26,016)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	691,834	717,850	26,016
Total other financing sources (uses)	<u>691,834</u>	<u>717,850</u>	<u>26,016</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES -			
BEGINNING OF YEAR	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LONE TREE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2013

NOTE 1 - BUDGETS

Pursuant to State law, budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The City's General Fund, Special Revenue Fund - RidgeGate, and Special Revenue Fund – Cultural and Community Services prepare annual budgets that are legally adopted.

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES
DEBT SERVICE FUNDS**

DRAFT

CITY OF LONE TREE
DEBT SERVICE FUND - ARTS AND CULTURAL FACILITIES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2013

	<u>Budget Amounts</u> <u>Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Sales tax	\$ 1,567,000	\$ 1,577,027	\$ 10,027
Use tax - Retail	24,600	29,804	5,204
Use tax - Building materials	17,500	17,897	397
Net investment income	1,100	352	(748)
Total revenues	<u>1,610,200</u>	<u>1,625,080</u>	<u>14,880</u>
EXPENDITURES			
Bond interest	524,556	524,556	-
Bond principal	845,000	845,000	-
Paying agent fees	500	200	300
Contingency	4,944	-	4,944
Total expenditures	<u>1,375,000</u>	<u>1,369,756</u>	<u>5,244</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	235,200	255,324	20,124
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(155,756)	(136,601)	19,155
Total other financing sources (uses)	<u>(155,756)</u>	<u>(136,601)</u>	<u>19,155</u>
NET CHANGE IN FUND BALANCES	79,444	118,723	39,279
FUND BALANCES - BEGINNING OF YEAR	<u>398,439</u>	<u>450,224</u>	<u>51,785</u>
FUND BALANCES - END OF YEAR	<u>\$ 477,883</u>	<u>\$ 568,947</u>	<u>\$ 91,064</u>

CITY OF LONE TREE
DEBT SERVICE FUND - PARK AND RECREATION IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2013

	<u>Budget Amounts</u>		
	<u>Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Sales tax	\$ 1,045,000	\$ 1,051,984	\$ 6,984
Use tax - Retail	16,400	19,881	3,481
Use tax - Building materials	11,300	11,925	625
Net investment income	1,000	592	(408)
Total revenues	<u>1,073,700</u>	<u>1,084,382</u>	<u>10,682</u>
EXPENDITURES			
Bond interest	443,800	443,800	-
Bond principal	555,000	555,000	-
Paying agent fees	500	200	300
Contingency	700	-	700
Total expenditures	<u>1,000,000</u>	<u>999,000</u>	<u>1,000</u>
NET CHANGE IN FUND BALANCES	73,700	85,382	11,682
FUND BALANCES - BEGINNING OF YEAR	<u>560,971</u>	<u>597,598</u>	<u>36,627</u>
FUND BALANCES - END OF YEAR	<u>\$ 634,671</u>	<u>\$ 682,980</u>	<u>\$ 48,309</u>

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES
COMPONENT UNIT**

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**CITY OF LONE TREE
PARK MEADOWS BUSINESS IMPROVEMENT DISTRICT
BALANCE SHEET
December 31, 2013**

	General	Debt Service	Total Component Unit
ASSETS			
Cash and investments	\$ 4,346,081	\$ -	\$ 4,346,081
Cash and investments - Restricted	158,900	1,340,205	1,499,105
Receivables:			
Intergovernmental	1,228,347	-	1,228,347
Other	444	-	444
Prepaid items	7,576	-	7,576
TOTAL ASSETS	\$ 5,741,348	\$ 1,340,205	\$ 7,081,553
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 288,754	\$ -	\$ 288,754
Total liabilities	288,754	-	288,754
 FUND BALANCES			
Restricted for:			
Emergencies (TABOR)	158,900	-	158,900
Series 2007 Bonds	-	1,340,205	1,340,205
Unassigned	5,293,694	-	5,293,694
Total fund balances	5,452,594	1,340,205	6,792,799
 TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 5,741,348	\$ 1,340,205	\$ 7,081,553

**CITY OF LONE TREE
RECONCILIATION OF THE BALANCE SHEET - COMPONENT UNIT
TO THE STATEMENT OF NET POSITION
December 31, 2013**

Amounts reported for component unit activities in the statement of net position are different because:

Total fund balances - Component unit	\$ 6,792,799
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	12,810,433
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(14,650,000)
Accrued interest on bonds payable	(64,425)
Bond discount (net of amortization)	234,864
Net position of component unit activities	\$ 5,123,671

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CITY OF LONE TREE
PARK MEADOWS BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended December 31, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Total Component Unit</u>
REVENUES			
Intergovernmental revenue	\$ 5,275,268	\$ -	\$ 5,275,268
Net investment income	5,830	2,156	7,986
Other	14,868	-	14,868
Total revenues	<u>5,295,966</u>	<u>2,156</u>	<u>5,298,122</u>
EXPENDITURES			
Current			
Accounting and financial planning	28,400	-	28,400
Engineering	5,626	-	5,626
Insurance	5,231	-	5,231
Legal	7,752	-	7,752
Management	42,000	-	42,000
Operations and maintenance	1,673,645	-	1,673,645
Operations and maintenance - project work	1,040,294	-	1,040,294
Park Meadows District payment	184,379	-	184,379
Lease	491,688	-	491,688
Marketing	204,498	-	204,498
Improvements	25,150	-	25,150
Capital replacement	325,662	-	325,662
Public areas, dues and supplies	6,010	-	6,010
Off site storage	27,500	-	27,500
On site staffing	80,000	-	80,000
Contingency	61,325	-	61,325
Debt service			
Bond interest	-	795,345	795,345
Bond principal	-	445,000	445,000
Paying agent fees	-	3,500	3,500
Total expenditures	<u>4,209,160</u>	<u>1,243,845</u>	<u>5,453,005</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,086,806</u>	<u>(1,241,689)</u>	<u>(154,883)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(1,238,627)</u>	<u>1,238,627</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,238,627)</u>	<u>1,238,627</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(151,821)	(3,062)	(154,883)
FUND BALANCES - BEGINNING OF YEAR	<u>5,604,415</u>	<u>1,343,267</u>	<u>6,947,682</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,452,594</u>	<u>\$ 1,340,205</u>	<u>\$ 6,792,799</u>

CITY OF LONE TREE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE COMPONENT UNIT
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2013

Amounts reported for component unit activities in the statement of activities are different because:

Net change in fund balances - Component unit	\$ (154,883)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	876,659
Depreciation expense	(481,888)
<p>The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Bond principal	445,000
Accrued interest on bonds - Change in liability	1,854
Amortization of bond discount	(13,048)
	(13,048)
Changes in net position of component unit activities	\$ 673,694

CITY OF LONE TREE
PARK MEADOWS BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2013

	<u>Budget Amounts</u>		
	<u>Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental revenue	\$ 5,202,162	\$ 5,275,268	\$ 73,106
Net investment income	4,661	5,830	1,169
Other	-	14,868	14,868
Total revenues	<u>5,206,823</u>	<u>5,295,966</u>	<u>89,143</u>
EXPENDITURES			
Accounting and financial planning	27,000	28,400	(1,400)
Engineering	6,000	5,626	374
Insurance	4,000	5,231	(1,231)
Legal	12,000	7,752	4,248
Management	42,000	42,000	-
Operations and maintenance	1,341,000	1,673,645	(332,645)
Operations and maintenance - project work	1,485,000	1,040,294	444,706
Park Meadows District payment	184,452	184,379	73
Lease	494,000	491,688	2,312
Marketing	170,000	204,498	(34,498)
Improvements	-	25,150	(25,150)
Capital replacement	489,000	325,662	163,338
Public areas, dues and supplies	5,000	6,010	(1,010)
Off site storage	30,000	27,500	2,500
On site staffing	80,000	80,000	-
Contingency	275,000	61,325	213,675
Total expenditures	<u>4,644,452</u>	<u>4,209,160</u>	<u>435,292</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>562,371</u>	<u>1,086,806</u>	<u>524,435</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>(1,240,000)</u>	<u>(1,238,627)</u>	<u>1,373</u>
Total other financing sources (uses)	<u>(1,240,000)</u>	<u>(1,238,627)</u>	<u>1,373</u>
NET CHANGE IN FUND BALANCES	(677,629)	(151,821)	525,808
FUND BALANCES - BEGINNING OF YEAR	<u>5,143,321</u>	<u>5,604,415</u>	<u>461,094</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,465,692</u>	<u>\$ 5,452,594</u>	<u>\$ 986,902</u>

**CITY OF LONE TREE
PARK MEADOWS BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
Year Ended December 31, 2013**

	<u>Budget Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Net investment income	\$ 2,000	\$ 2,156	\$ 156
Total revenues	<u>2,000</u>	<u>2,156</u>	<u>156</u>
EXPENDITURES			
Bond interest	795,345	795,345	-
Bond principal	445,000	445,000	-
Paying agent fees	3,500	3,500	-
Total expenditures	<u>1,243,845</u>	<u>1,243,845</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,241,845)</u>	<u>(1,241,689)</u>	<u>156</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	1,240,000	1,238,627	(1,373)
Total other financing sources (uses)	<u>1,240,000</u>	<u>1,238,627</u>	<u>(1,373)</u>
NET CHANGE IN FUND BALANCES	(1,845)	(3,062)	(1,217)
FUND BALANCES - BEGINNING OF YEAR	<u>1,343,204</u>	<u>1,343,267</u>	<u>63</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,341,359</u>	<u>\$ 1,340,205</u>	<u>\$ (1,154)</u>

OTHER SUPPLEMENTARY INFORMATION

DRAFT

CITY OF LONE TREE
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2013

	\$9,230,000 Taxable Adjustable Rate Certificates of Participation Series 2007, Dated January 9, 2007 Monthly Rate Mode Assumed at 0.27% Principal Due December 1		\$11,000,000 Sales and Use Tax Revenue Bonds Series 2008A, Dated November 19, 2008 Interest Rate at 3.50% to 5.25% Interest Payable June 1 and December 1 Principal Due December 1	
	Principal	Interest	Principal	Interest
2014	\$ 1,005,000	\$ 6,197	\$ 600,000	\$ 420,213
2015	1,070,000	3,483	645,000	394,713
2016	220,000	594	695,000	365,687
2017	-	-	750,000	332,675
2018	-	-	805,000	295,175
2019	-	-	870,000	254,925
2020	-	-	940,000	209,250
2021	-	-	1,005,000	162,250
2022	-	-	1,080,000	112,000
2023	-	-	1,160,000	58,000
	<u>\$ 2,295,000</u>	<u>\$ 10,274</u>	<u>\$ 8,550,000</u>	<u>\$ 2,604,888</u>

**\$16,880,000 Sales and Use
Tax Revenue Bonds Series 2009,
Dated August 11, 2009
Interest Rate at 2.50% to 4.25%
Interest Payable
June 1 and December 1
Principal Due December 1**

Principal		Total		
Principal	Interest	Principal	Interest	Total
\$ 915,000	\$ 499,206	\$ 2,520,000	\$ 925,616	\$ 3,445,616
985,000	471,756	2,700,000	869,952	3,569,952
1,060,000	439,744	1,975,000	806,025	2,781,025
1,140,000	403,044	1,890,000	735,719	2,625,719
1,225,000	363,481	2,030,000	658,656	2,688,656
1,325,000	314,481	2,195,000	569,406	2,764,406
1,425,000	261,481	2,365,000	470,731	2,835,731
1,535,000	204,481	2,540,000	366,731	2,906,731
1,645,000	143,081	2,725,000	255,081	2,980,081
1,770,000	75,228	2,930,000	133,228	3,063,228
<u>\$ 13,025,000</u>	<u>\$ 3,175,983</u>	<u>\$ 23,870,000</u>	<u>\$ 5,791,145</u>	<u>\$ 29,661,145</u>

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT

City or County:
City of Lone Tree
YEAR ENDING :
December 2013

This Information From The Records Of The City of Lone Tree:

Prepared By: Heather Lunde
Phone: 720-509-1287

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	4,116,662
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	642,302
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	508,597
2. General fund appropriations	2,941,884	b. Snow and ice removal	1,081,364
3. Other local imposts (from page 2)	6,321,479	c. Other	
4. Miscellaneous local receipts (from page 2)	534,619	d. Total (a. through c.)	1,589,961
5. Transfers from toll facilities		4. General administration & miscellaneous	116,976
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	3,685,788
a. Bonds - Original Issues		6. Total (1 through 5)	10,151,689
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	9,797,982	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	353,707	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	10,151,689	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	10,151,689

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	10,151,689	10,151,689	(0)	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2013

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

Prepared By: Heather Lunde

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	534,619
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	6,321,479	g. Other Misc. Receipts	
6. Total (1. through 5.)	6,321,479	h. Other	
c. Total (a. + b.)	6,321,479	i. Total (a. through h.)	534,619
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	314,303	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	39,404	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal - Proj #IM 0252-391	
f. Total (a. through e.)	39,404	g. Total (a. through f.)	
4. Total (1. + 2. + 3.f)	353,707	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs	0	175,464	175,464
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements	0	3,823,605	3,823,605
(3). System Preservation		117,592	117,592
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	3,941,197	3,941,197
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	4,116,662	4,116,662
			(Carry forward to page 1)

Notes and Comments:

STATISTICAL SECTION

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information says about the City’s overall financial health. This information has not been audited by the independent auditor.

Page

Financial Trends

These schedules contain trend information that may assist the reader in understanding how the City’s financial performance and well being have changed over time.

Net Position by Component (Table 1)	83
Changes in Net Position (Table 2)	84
Fund Balances, Governmental Funds (Table 3)	85
Changes in Fund Balances, Governmental Funds (Table 4).....	86

Revenue Capacity

These schedules contain information that may assist the reader in assessing the viability of the City’s most significant “own-source” revenue source, sales taxes. The City does not assess a property tax levy, therefore, schedules containing information on principal property tax payers or property tax levies and collections are not included.

Direct and Overlapping Sales Tax Rates (Table 5)	87
Sales Tax Revenue Payers by Industry (Table 6)	88
Sales Tax Revenue Collections (Table 7).....	89

Debt Capacity

These tables present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

Assessed Value and Estimated Actual Value of Taxable Property (Table 8).....	90
Property Tax Rates - Direct and Overlapping Governments (Table 9)	91
Ratios of Outstanding Debt by Type (Table 10).....	92
Revenue Bond Coverage (Table 11 a and b)	93-94
Legal Debt Margin Information (Table 12)	95
General Obligation Debt - Direct and Overlapping Governments (Table 13).....	96

Demographic and Economic Information

These schedules offer demographic and economic indicators that may help the reader understand the environment within which the City’s financial activities take place.

Demographic and Economic Statistics (Table 14).....	97
Principal Employers (Table 15)	98

Operating Information

These schedules contain information about the City’s operations and resources to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs.

Full-time Equivalent City Government Employees by Function/Program (Table 16).....	99
Operating Indicators by Function/Program (Table 17).....	100
Capital Asset Statistics by Function/Program (Table 18).....	101

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in fiscal year 2003, therefore, schedules presenting government-wide information include information beginning in that year.

TABLE 1

**CITY OF LONE TREE
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011 (2)	2012	2013
Governmental activities										
Net investment in capital assets	\$ 57,686,579	\$ 56,866,549	\$ 64,234,257	\$ 68,384,053	\$ 87,744,552	\$ 70,966,849	\$ 77,603,966	\$ 78,165,476	\$ 77,151,840	\$ 80,973,119
Restricted	402,148	424,984	599,212	13,390,637	5,455,642	1,504,800	1,677,162	1,420,091	2,792,447	3,563,418
Unrestricted	6,319,961	7,035,403	4,603,864	7,234,311	6,321,043	6,932,104	4,326,462	8,024,147	11,167,791	12,445,929
Total governmental activities net position	<u>64,408,688</u>	<u>64,326,936</u>	<u>69,437,333</u>	<u>89,009,001</u>	<u>99,521,237</u>	<u>79,403,753</u>	<u>83,607,590</u>	<u>87,609,714</u>	<u>91,112,078</u>	<u>96,982,466</u>
Total primary government net position (1)	<u>\$ 64,408,688</u>	<u>\$ 64,326,936</u>	<u>\$ 69,437,333</u>	<u>\$ 89,009,001</u>	<u>\$ 99,521,237</u>	<u>\$ 79,403,753</u>	<u>\$ 83,607,590</u>	<u>\$ 87,609,714</u>	<u>\$ 91,112,078</u>	<u>\$ 96,982,466</u>

(1) The City does not have any business-type activities, therefore, the total primary government net position is the same as the total governmental activities net position.

(2) Net position restated in 2011 due to implementation of GASB No. 65.

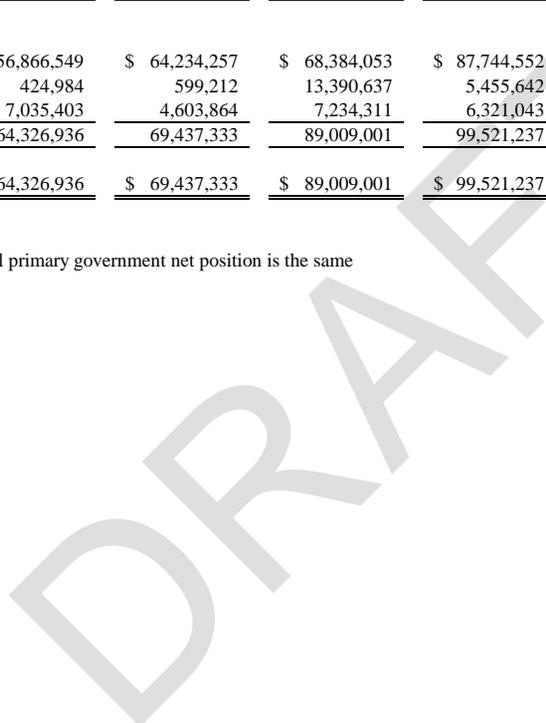


TABLE 2

**CITY OF LONE TREE
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 4,525,911	\$ 4,325,020	\$ 4,798,243	\$ 9,577,970	\$ 10,190,353	\$ 32,709,368	\$ 11,420,412	\$ 10,125,512	\$ 11,268,953	\$ 14,573,133
Municipal court	99,628	210,855	321,935	325,296	323,486	321,754	307,016	209,232	213,778	215,894
Community development	936,999	1,191,597	1,057,460	1,055,420	1,222,472	992,206	1,025,442	1,149,089	1,255,461	1,258,759
Public works	4,385,268	4,763,331	4,835,575	5,462,549	5,338,211	6,252,939	6,198,372	6,550,978	7,369,645	7,286,760
Arts and cultural services	-	-	-	-	-	236,880	333,933	1,818,095	2,517,149	2,691,473
Police	2,795,223	2,908,469	3,709,861	4,776,865	5,434,635	5,712,367	5,612,579	6,068,066	6,358,721	6,295,772
Interest and related costs on long-term debt	-	-	-	23,107	531,783	1,080,706	1,314,525	1,193,860	1,059,855	998,465
Total governmental activities expenses	<u>12,743,029</u>	<u>13,399,272</u>	<u>14,723,074</u>	<u>21,221,207</u>	<u>23,040,940</u>	<u>47,306,220</u>	<u>26,212,279</u>	<u>27,114,832</u>	<u>30,043,562</u>	<u>33,320,256</u>
Total primary government expenses (1)	<u>\$ 12,743,029</u>	<u>\$ 13,399,272</u>	<u>\$ 14,723,074</u>	<u>\$ 21,221,207</u>	<u>\$ 23,040,940</u>	<u>\$ 47,306,220</u>	<u>\$ 26,212,279</u>	<u>\$ 27,114,832</u>	<u>\$ 30,043,562</u>	<u>\$ 33,320,256</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 6,158	\$ 25,643	\$ 6,309	\$ 408,938	\$ 366,305	\$ 354,032	\$ 357,534	\$ 309,986	\$ 318,668	\$ 249,904
Municipal court	65,584	186,839	533,594	670,412	981,873	804,553	892,255	729,769	808,569	648,298
Community development	870,362	1,105,941	757,166	944,914	811,150	450,607	709,717	623,245	1,184,333	1,717,190
Arts and cultural services	-	-	-	-	-	5,275	5,763	666,954	816,591	1,115,051
Police	-	21,345	18,073	23,421	29,994	23,373	13,211	43,389	26,606	41,845
Operating grants and contributions	756,853	862,382	1,061,738	1,165,374	1,288,521	1,429,822	1,534,227	3,498,072	4,181,941	4,152,656
Capital grants and contributions	2,070,600	679,701	5,867,348	18,577,667	8,847,739	3,346,242	5,022,941	3,070,403	1,823,075	4,292,034
Total governmental activities program revenues	<u>3,769,557</u>	<u>2,881,851</u>	<u>8,244,228</u>	<u>21,790,726</u>	<u>12,325,582</u>	<u>6,413,904</u>	<u>8,535,648</u>	<u>8,941,818</u>	<u>9,159,783</u>	<u>12,216,978</u>
Total primary government revenues (1)	<u>\$ 3,769,557</u>	<u>\$ 2,881,851</u>	<u>\$ 8,244,228</u>	<u>\$ 21,790,726</u>	<u>\$ 12,325,582</u>	<u>\$ 6,413,904</u>	<u>\$ 8,535,648</u>	<u>\$ 8,941,818</u>	<u>\$ 9,159,783</u>	<u>\$ 12,216,978</u>
Net (expense) revenue										
Governmental activities	<u>\$ (8,973,472)</u>	<u>\$ (10,517,421)</u>	<u>\$ (6,478,846)</u>	<u>\$ 569,519</u>	<u>\$ (10,715,358)</u>	<u>\$ (40,892,316)</u>	<u>\$ (17,676,631)</u>	<u>\$ (18,173,014)</u>	<u>\$ (20,883,779)</u>	<u>\$ (21,103,278)</u>
Total primary government net (expense) revenue (1)	<u>\$ (8,973,472)</u>	<u>\$ (10,517,421)</u>	<u>\$ (6,478,846)</u>	<u>\$ 569,519</u>	<u>\$ (10,715,358)</u>	<u>\$ (40,892,316)</u>	<u>\$ (17,676,631)</u>	<u>\$ (18,173,014)</u>	<u>\$ (20,883,779)</u>	<u>\$ (21,103,278)</u>
General revenues										
Sales taxes	\$ 8,214,004	\$ 8,433,943	\$ 9,209,201	\$ 15,898,747	\$ 18,146,324	\$ 18,106,395	\$ 18,989,109	\$ 20,000,973	\$ 21,152,222	\$ 22,275,657
Use taxes - Building materials	573,738	501,299	319,116	383,087	325,484	421,184	263,530	213,438	955,775	1,934,767
Lodging taxes	255,808	264,480	371,056	394,992	442,391	359,703	467,976	526,104	557,841	766,230
Admission taxes	241,737	296,927	408,512	372,078	395,613	399,787	353,922	346,446	333,987	357,294
Franchise fees	473,297	484,378	672,134	655,909	892,587	812,310	873,573	905,892	882,107	973,986
Cigarette taxes	177,611	145,652	154,242	171,103	204,192	207,691	205,449	202,963	205,289	202,452
Investment earnings	140,197	207,810	263,116	657,065	500,873	106,905	176,843	35,261	20,903	19,945
Miscellaneous	51,553	101,180	191,866	469,168	320,130	360,857	550,066	236,180	278,019	443,335
Total governmental activities general revenues	<u>10,127,945</u>	<u>10,435,669</u>	<u>11,589,243</u>	<u>19,002,149</u>	<u>21,227,594</u>	<u>20,774,832</u>	<u>21,880,468</u>	<u>22,467,257</u>	<u>24,386,143</u>	<u>26,973,666</u>
Total primary government general revenues (1)	<u>\$ 10,127,945</u>	<u>\$ 10,435,669</u>	<u>\$ 11,589,243</u>	<u>\$ 19,002,149</u>	<u>\$ 21,227,594</u>	<u>\$ 20,774,832</u>	<u>\$ 21,880,468</u>	<u>\$ 22,467,257</u>	<u>\$ 24,386,143</u>	<u>\$ 26,973,666</u>
Change in net position										
Governmental activities	<u>\$ 1,154,473</u>	<u>\$ (81,752)</u>	<u>\$ 5,110,397</u>	<u>\$ 19,571,668</u>	<u>\$ 10,512,236</u>	<u>\$ (20,117,484)</u>	<u>\$ 4,203,837</u>	<u>\$ 4,294,243</u>	<u>\$ 3,502,364</u>	<u>\$ 5,870,388</u>
Total primary government change in net position (1)	<u>\$ 1,154,473</u>	<u>\$ (81,752)</u>	<u>\$ 5,110,397</u>	<u>\$ 19,571,668</u>	<u>\$ 10,512,236</u>	<u>\$ (20,117,484)</u>	<u>\$ 4,203,837</u>	<u>\$ 4,294,243</u>	<u>\$ 3,502,364</u>	<u>\$ 5,870,388</u>

(1) The City does not have any business-type activities, therefore, the totals for primary government are the same as the totals for governmental activities.

TABLE 3

**CITY OF LONE TREE
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011 (1)	2012	2013
General Fund										
Reserved	\$ 1,130,893	\$ 1,188,791	\$ 1,444,906	\$ 1,078,054	\$ 8,388,431	\$ 18,833,437	\$ 9,818,184	\$ -	\$ -	\$ -
Unreserved	4,990,710	5,756,765	3,349,728	7,251,437	6,808,682	6,920,966	7,094,480	-	-	-
Non-spendable	-	-	-	-	-	-	-	547,748	249,701	252,530
Restricted	-	-	-	-	-	-	-	2,875,620	2,678,432	3,248,713
Assigned	-	-	-	-	-	-	-	7,700,307	6,376,961	7,062,731
Unassigned	-	-	-	-	-	-	-	4,304	3,622,017	3,883,361
Total General Fund	<u>\$ 6,121,603</u>	<u>\$ 6,945,556</u>	<u>\$ 4,794,634</u>	<u>\$ 8,329,491</u>	<u>\$ 15,197,113</u>	<u>\$ 25,754,403</u>	<u>\$ 16,912,664</u>	<u>\$ 11,127,979</u>	<u>\$ 12,927,111</u>	<u>\$ 14,447,335</u>
All other governmental funds										
Reserved	\$ 540,950	\$ 540,950	\$ 566,450	\$ 13,707,512	\$ 5,770,243	\$ 1,889,401	\$ 2,099,114	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	(183,511)	(183,511)	(256,671)	-	-	-
Non-spendable	-	-	-	-	-	-	-	2,872	40,982	43,230
Restricted	-	-	-	-	-	-	-	1,678,692	1,970,822	2,174,927
Assigned	-	-	-	-	-	-	-	-	98,726	98,726
Unassigned, reported in:										
Special revenue funds	-	-	-	-	-	-	-	(639,810)	(413,581)	(43,230)
Total all other governmental funds	<u>\$ 540,950</u>	<u>\$ 540,950</u>	<u>\$ 566,450</u>	<u>\$ 13,707,512</u>	<u>\$ 5,586,732</u>	<u>\$ 1,705,890</u>	<u>\$ 1,842,443</u>	<u>\$ 1,041,754</u>	<u>\$ 1,696,949</u>	<u>\$ 2,273,653</u>
Total governmental funds										
Reserved	\$ 1,671,843	\$ 1,729,741	\$ 2,011,356	\$ 14,785,566	\$ 14,158,674	\$ 20,722,838	\$ 11,917,298	\$ -	\$ -	\$ -
Unreserved	4,990,710	5,756,765	3,349,728	7,251,437	6,625,171	6,737,455	6,837,809	-	-	-
Non-spendable	-	-	-	-	-	-	-	550,620	290,683	295,760
Restricted	-	-	-	-	-	-	-	4,554,312	4,649,254	5,423,640
Assigned	-	-	-	-	-	-	-	7,700,307	6,475,687	7,161,457
Unassigned	-	-	-	-	-	-	-	(635,506)	3,208,436	3,840,131
Total governmental funds	<u>\$ 6,662,553</u>	<u>\$ 7,486,506</u>	<u>\$ 5,361,084</u>	<u>\$ 22,037,003</u>	<u>\$ 20,783,845</u>	<u>\$ 27,460,293</u>	<u>\$ 18,755,107</u>	<u>\$ 12,169,733</u>	<u>\$ 14,624,060</u>	<u>\$ 16,720,988</u>

(1) The City implemented GASB Statement No. 54 in fiscal year 2011.

TABLE 4

CITY OF LONE TREE
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 9,285,287	\$ 9,496,649	\$ 10,307,885	\$ 17,048,904	\$ 19,309,813	\$ 19,287,069	\$ 20,074,537	\$ 21,086,961	\$ 22,999,825	\$ 25,333,948
Franchise fees	473,297	484,378	672,134	655,909	892,587	812,310	873,573	905,892	882,107	973,986
Intergovernmental	1,725,942	1,374,658	5,114,520	19,803,047	8,742,808	4,302,142	5,353,901	5,687,692	5,072,435	7,317,985
Licenses, fees and charges	884,863	1,121,202	782,357	962,031	847,900	492,022	750,829	654,029	1,210,895	1,743,385
Fines and forfeitures	65,584	186,839	533,594	670,412	981,873	804,553	892,255	729,769	808,570	648,298
Tenant rental income	-	-	-	405,068	351,972	354,032	357,534	309,986	318,668	249,904
Arts and cultural event fees	6,158	5,643	51,309	38,870	91,189	59,945	71,263	888,893	1,001,410	1,369,872
Base rentals	-	-	-	-	1,100,400	910,345	1,876,308	1,863,881	894,392	951,972
Net investment income	108,209	175,593	228,983	792,479	500,873	106,905	176,844	35,261	19,595	19,945
Other	314,994	105,764	214,248	551,568	419,438	383,745	579,263	719,707	684,062	1,490,317
Total revenues	12,864,334	12,950,726	17,905,030	40,928,288	33,238,853	27,513,068	31,006,307	32,882,071	33,891,959	40,099,612
Expenditures										
General government	2,239,295	2,214,443	2,534,278	4,074,338	3,980,604	4,101,494	3,708,958	4,333,473	5,021,784	4,838,096
Municipal court	99,628	210,855	333,935	325,296	323,486	305,767	300,165	201,557	213,150	210,387
Community development	936,999	1,191,597	1,057,460	1,055,420	1,233,844	932,784	985,132	1,100,737	1,170,779	1,222,386
Public works	2,242,199	2,533,435	2,980,581	3,209,280	3,020,428	3,445,965	3,162,908	3,406,479	3,655,273	3,959,687
Arts and cultural services	-	-	-	-	-	1,043,051	9,476,670	11,138,702	1,818,327	2,087,722
Police	2,961,738	2,769,575	3,745,970	4,759,655	5,222,525	5,509,854	5,392,037	5,850,140	6,212,692	6,142,980
Debt service										
Bond principal	-	-	-	-	820,000	1,945,000	2,935,000	3,025,000	2,175,000	2,340,000
Bond interest	-	-	-	476,786	357,122	895,978	1,194,539	1,089,712	1,027,973	980,328
Paying agent fees	-	-	-	-	-	200	400	400	400	400
Capital outlay and other	7,392,952	3,206,868	9,429,543	19,581,594	30,582,778	19,773,678	12,555,684	9,321,245	10,142,254	16,220,698
Total expenditures	15,872,811	12,126,773	20,081,767	33,482,369	45,540,787	37,953,771	39,711,493	39,467,445	31,437,632	38,002,684
Excess of revenues over (under) expenditures	(3,008,477)	823,953	(2,176,737)	7,445,919	(12,301,934)	(10,440,703)	(8,705,186)	(6,585,374)	2,454,327	2,096,928
Other financing sources (uses)										
Loan for Interchange	12,874	-	51,315	-	-	-	-	-	-	-
Certificates of participation issue	-	-	-	9,230,000	-	-	-	-	-	-
Revenue bonds issued	-	-	-	-	11,000,000	16,880,000	-	-	-	-
Bond premium	-	-	-	-	48,776	237,151	-	-	-	-
Transfers in	17,917	51,315	-	2,706,312	108,679	1,057,429	2,057	1,105,188	1,230,413	1,743,279
Transfers out	(17,917)	(51,315)	-	(2,706,312)	(108,679)	(1,057,429)	(2,057)	(1,105,188)	(1,230,413)	(1,743,279)
Total other financing sources (uses)	12,874	-	51,315	9,230,000	11,048,776	17,117,151	-	-	-	-
Net change in fund balances	\$ (2,995,603)	\$ 823,953	\$ (2,125,422)	\$ 16,675,919	\$ (1,253,158)	\$ 6,676,448	\$ (8,705,186)	\$ (6,585,374)	\$ 2,454,327	\$ 2,096,928
Debt service as a % of noncapital expenditures	0.0%	0.0%	0.0%	3.4%	7.9%	10.9%	16.0%	15.0%	11.4%	10.4%

TABLE 5

**CITY OF LONE TREE
DIRECT AND OVERLAPPING SALES TAX RATES
Last Ten Fiscal Years**

Fiscal Year	City Direct Rate (1)	Douglas County	State of Colorado	Regional Transportation District	Scientific and Cultural Facilities District	Football Stadium District (2)	Total Sales Tax Rate
2004	1.50%	1.00%	2.90%	0.60%	0.10%	0.10%	6.20%
2005	1.50%	1.00%	2.90%	1.00%	0.10%	0.10%	6.60%
2006	1.50%	1.00%	2.90%	1.00%	0.10%	0.10%	6.60%
2007	1.50%	1.00%	2.90%	1.00%	0.10%	0.10%	6.60%
2008	1.8125%	1.00%	2.90%	1.00%	0.10%	0.10%	6.9125%
2009	1.8125%	1.00%	2.90%	1.00%	0.10%	0.10%	6.9125%
2010	1.8125%	1.00%	2.90%	1.00%	0.10%	0.10%	6.9125%
2011	1.8125%	1.00%	2.90%	1.00%	0.10%	0.10%	6.9125%
2012	1.8125%	1.00%	2.90%	1.00%	0.10%	0.00%	6.8125%
2013	1.8125%	1.00%	2.90%	1.00%	0.10%	0.00%	6.8125%

(1) An increase in the City's sales tax rate may be changed only with the approval of City voters. Pursuant to election results from May 2008, a sales tax increase of 0.3125% was effective as of July 1, 2008.

(2) Certain portions of the City are not subject to the Football Stadium District sales tax. This tax expired on December 31, 2011.

Source: City Budget Office and Douglas County Department of Finance.

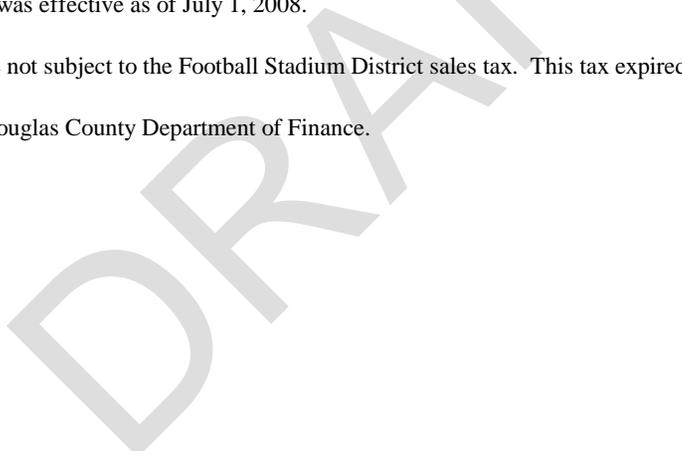


TABLE 6

**CITY OF LONE TREE
SALES TAX REVENUE PAYERS BY INDUSTRY (1)
Fiscal Year 2013**

<u>Industry</u>	<u>Tax Liability</u>	<u>Percentage of Total</u>
Retail	\$ 21,326,338	95.74%
Services	438,630	1.97%
Government	1,517	0.01%
Finance, insurance and real estate	3,483	0.02%
Transportation and utilities	505,689	2.27%
Total	<u>\$ 22,275,657</u>	<u>100.00%</u>

(1) Due to confidentiality issues, the names of the ten largest sales tax revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's sales tax revenue.

Source: City Sales Tax Department

TABLE 7

**CITY OF LONE TREE
SALES TAX REVENUE COLLECTIONS
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Sales Tax Revenue Collections</u>
2004	\$ 8,214,004
2005	8,433,943
2006	9,209,201
2007	15,898,747
2008	18,146,324
2009	18,106,395
2010	18,989,109
2011	20,000,973
2012	21,152,222
2013	\$ 22,275,657

TABLE 8

**CITY OF LONE TREE
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years**

<u>Levy Year (1)</u>	<u>Collection Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Assessed Value Other</u>	<u>Personal</u>	<u>Total</u>	<u>Actual Value (2)</u>
2003	2004	96,055,420	118,301,410	12,817,620	13,360,380	240,534,830	1,679,132,250
2004	2005	99,021,570	140,032,380	10,867,200	22,526,590	272,447,740	1,784,544,955
2005	2006	113,184,500	157,536,370	13,352,410	25,428,510	309,501,790	2,033,689,105
2006	2007	121,572,750	166,526,090	10,711,930	25,269,736	324,080,506	2,163,573,451
2007	2008	135,771,610	233,638,850	14,986,880	33,795,255	418,192,595	2,608,718,587
2008	2009	138,674,500	248,351,230	11,680,930	35,837,000	434,543,660	2,679,945,519
2009	2010	146,195,720	268,470,540	12,728,970	40,052,380	467,447,610	2,833,648,530
2010	2011	148,163,090	269,544,750	12,082,520	37,376,240	467,166,600	2,961,391,802
2011	2012	135,753,590	257,910,790	10,728,780	40,326,810	444,719,970	2,770,833,890
2012	2013	138,412,900	255,941,730	14,018,510	40,277,100	448,650,240	2,669,739,949

(1) The City of Lone Tree does not currently levy a property tax. Voter authorization would be required in order to levy a property tax in the future.

(2) Actual value is not intended to represent market value.

Source: Douglas County Assessor's Office

TABLE 9

CITY OF LONE TREE
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
 (Per \$1,000 of Assessed Value)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City of Lone Tree	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Overlapping Mill Levies (1):										
Douglas County	19.774	19.774	19.774	19.774	19.774	19.774	19.774	19.774	19.774	19.774
Douglas County Library District	4.052	4.020	4.020	4.044	4.044	4.016	4.034	4.034	4.070	4.029
Douglas County School District No. Re 1	46.500	46.500	46.500	46.500	46.500	46.983	46.890	48.790	48.730	48.277
Douglas County Soil Conservation District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Heritage Hills Metropolitan District	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000
Park Meadows Metropolitan District	6.387	6.387	6.387	6.387	6.712	6.387	6.387	6.387	6.387	6.387
Rampart Range Metropolitan District No. 2	45.000	46.000	46.000	46.000	46.000	46.000	46.000	46.000	46.000	46.000
Rampart Range Metropolitan District No. 7	0.000	0.000	0.000	46.000	46.000	46.000	46.000	46.000	46.000	46.000
Regional Transportation District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
South Metro Fire Rescue	8.950	9.250	9.346	9.377	9.377	9.362	9.541	9.661	9.520	9.444
South Suburban Park and Recreation District	7.197	7.134	7.117	7.008	6.868	6.830	6.777	6.869	6.960	6.915
Southeast Public Improvement Metro District	0.000	1.000	1.111	1.608	1.621	1.650	2.000	2.150	2.080	2.000
Southgate Sanitation District	0.653	0.653	0.653	0.060	0.604	0.544	0.558	0.558	0.558	0.531
Southgate Water District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Urban Drainage & Flood Control District	0.538	0.597	0.542	0.507	0.507	0.508	0.523	0.570	0.600	0.608
Urban Drainage & Flood South Platte	0.066	0.065	0.066	0.061	0.061	0.061	0.053	0.060	0.060	0.064
	<u>179.117</u>	<u>181.380</u>	<u>181.516</u>	<u>227.326</u>	<u>228.068</u>	<u>228.115</u>	<u>228.537</u>	<u>230.853</u>	<u>230.739</u>	<u>230.029</u>

(1) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.

Source: Douglas County Assessor's Office

TABLE 10

**CITY OF LONE TREE
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Five Fiscal Years (1)**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Participation	Sales and Use Tax Revenue Bonds (2) (3)			
2009	\$ 7,695,000	\$ 26,650,000	\$ 34,345,000	5.49%	\$ 3,261
2010	5,930,000	25,480,000	31,410,000	4.81%	2,884
2011	4,110,000	24,275,000	28,385,000	4.66%	2,558
2012	3,235,000	22,975,000	26,210,000	4.15%	2,302
2013	2,295,000	21,575,000	23,870,000	3.33%	1,899

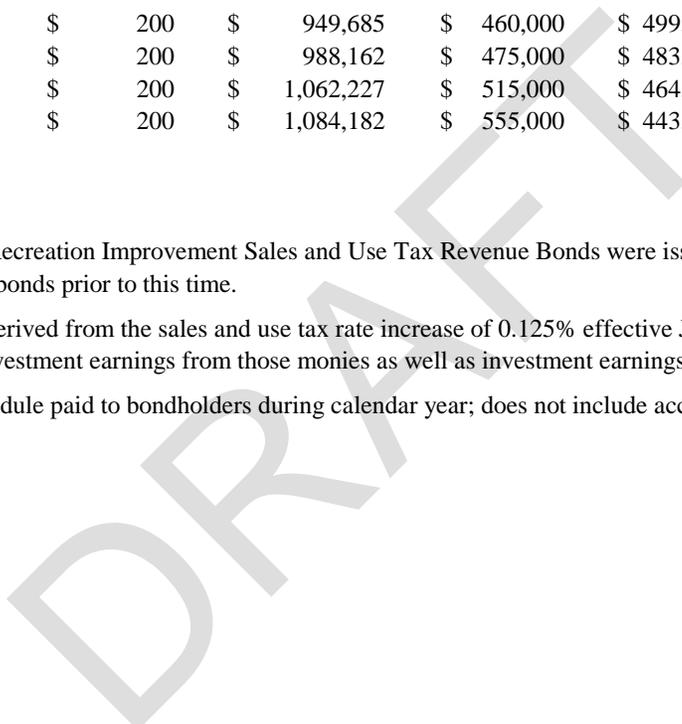
- (1) In 2007, the Building Authority (included as a blended component unit of the City) issued Certificates of Participation.
- (2) In 2008, the City issued Sales and Use Tax Revenue Bonds for park and recreation improvements.
- (3) In 2009, the City issued Sales and Use Tax Revenue Bonds for arts and cultural improvements.

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**CITY OF LONE TREE
REVENUE BOND COVERAGE
PARK AND RECREATION IMPROVEMENT BONDS
Last Four Fiscal Years (1)**

Fiscal Year	Gross Revenue (2)	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (3)	Total	
2010	\$ 949,885	\$ 200	\$ 949,685	\$ 460,000	\$ 499,500	\$ 959,500	99%
2011	\$ 988,362	\$ 200	\$ 988,162	\$ 475,000	\$ 483,400	\$ 958,400	103%
2012	\$ 1,062,427	\$ 200	\$ 1,062,227	\$ 515,000	\$ 464,400	\$ 979,400	108%
2013	\$ 1,084,382	\$ 200	\$ 1,084,182	\$ 555,000	\$ 443,800	\$ 998,800	109%

- (1) The Series 2008A Park and Recreation Improvement Sales and Use Tax Revenue Bonds were issued on November 19, 2008. The City had no outstanding bonds prior to this time.
- (2) Sales and use tax revenues derived from the sales and use tax rate increase of 0.125% effective July 1, 2008. This amount also includes investment earnings from those monies as well as investment earnings from the bond proceeds.
- (3) Interest per debt service schedule paid to bondholders during calendar year; does not include accrued interest.



**CITY OF LONE TREE
REVENUE BOND COVERAGE
ARTS AND CULTURAL FACILITIES BONDS
Last Three Fiscal Year (1)**

Fiscal Year	Gross Revenue (2)	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (3)	Total	
2011	\$ 1,480,951	\$ 200	\$ 1,480,751	\$ 730,000	\$ 562,431	\$ 1,292,431	115%
2012	\$ 1,591,285	\$ 200	\$ 1,591,085	\$ 785,000	\$ 544,181	\$ 1,329,181	120%
2013	\$ 1,625,080	\$ 200	\$ 1,624,880	\$ 845,000	\$ 524,556	\$ 1,369,556	119%

- (1) The Series 2009 Arts and Cultural Facilities Improvement Sales and Use Tax Revenue Bonds were issued on August 11, 2009.
- (2) Sales and use tax revenues derived from the sales and use tax rate increase of 0.1875% effective July 1, 2008. This amount also includes investment earnings from those monies as well as investment earnings from the bond proceeds.
- (3) Interest per debt service schedule paid to bondholders during calendar year; does not include accrued interest.

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**CITY OF LONE TREE
LEGAL DEBT MARGIN INFORMATION
Last Four Fiscal Years (1)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 31,000,000	\$ 31,000,000	\$ 31,000,000	\$ 31,000,000
Total net debt applicable to limit	\$ 27,880,000	\$ 27,880,000	\$ 27,880,000	\$ 27,880,000
Legal debt margin (2)	\$ 3,120,000	\$ 3,120,000	\$ 3,120,000	\$ 3,120,000
Total net debt applicable to the limit as a percentage of debt limit	89.94%	89.94%	89.94%	89.94%

- (1) The Series 2008A Park and Recreation Improvement Sales and Use Tax Revenue Bonds were issued on November 19, 2008. The City had no outstanding bonds prior to this time. The Series 2009 Arts and Cultural Facilities Improvement Sales and Use Tax Revenue Bonds were issued on August 11, 2009.
- (2) On May 6, 2008, a majority of the qualified electors of the City authorized the issuance of indebtedness in an amount not to exceed \$18,500,000 and \$12,500,000, for sales and use tax revenue bonds for funding capital improvements for cultural facilities and park and recreation, respectively. The voters also authorized a temporary sales and use tax rate increase of .1875% for arts and cultural facilities and .125% for park and recreation improvements effective July 1, 2008 through December 31, 2023 or after the full payment of such debt. The City issued \$11,000,000 of its authorized debt during 2008 and \$16,880,000 of its authorized debt during 2009. The City has no other debt authorization.

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TABLE 13

**CITY OF LONE TREE
GENERAL OBLIGATION DEBT - DIRECT AND OVERLAPPING GOVERNMENTS
As of December 31, 2013**

	<u>Outstanding General Obligation Debt</u>	<u>Other Long- Term Debt Instruments</u>	<u>Percent Applicable to City</u>	<u>City's Share of Debt</u>
Direct:				
City of Lone Tree	\$ -	\$ 23,870,000	100.00%	<u>\$ 23,870,000</u>
Overlapping:				
Douglas County School District No. Re 1	432,426,936	-	4.80%	20,756,493
Park Meadows Metropolitan District	-	-	100.00%	-
South Suburban Park and Recreation District	18,465,000	-	13.79%	2,546,324
Southeast Public Improvement Metropolitan District	3,515,000	-	18.74%	658,711
Heritage Hills Metropolitan District	835,000	-	100.00%	<u>835,000</u>
 Total overlapping debt				 <u>24,796,527</u>
 Total direct and overlapping debt				 <u>\$ 54,465,910</u>

The following entities also overlap the City, but have no General Obligation Debt outstanding:

- Cherry Creek Basin Water Authority
- Douglas County
- Douglas County Public Library District
- Douglas County Soil Conservation District
- Rampart Range Metropolitan District No. 1
- Rampart Range Metropolitan District No. 2
- Rampart Range Metropolitan District No. 7
- Regional Transportation District
- Southgate Sanitation District
- Southgate Water District
- South Metropolitan Fire Rescue District
- Urban Drainage and Flood Control District
- Urban Drainage and Flood South Platte

Sources: Douglas County Assessor's Offices and information obtained from individual entities.

TABLE 14

**CITY OF LONE TREE
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years**

<u>Calendar Year</u>	<u>Estimated Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Douglas County Unemployment Rate</u>
2004	8,300	\$ 333,303,100	\$ 40,157	4.30%
2005	9,650	461,636,700	47,838	3.60%
2006	10,000	525,620,000	52,562	4.90%
2007	10,439	597,956,359	57,281	3.20%
2008	10,500	627,637,500	59,775	5.10%
2009	10,533	625,217,814	59,358	6.60%
2010	10,891	652,937,232	59,952	6.70%
2011	11,097	609,624,792	54,936	6.10%
2012	11,385	631,696,725	55,485	5.90%
2013	12,572	717,094,308	57,039	5.60%

Source: State of Colorado, Division of Local Government, Demographic Section; Denver Regional Council of Governments, US Census Bureau

TABLE 15

**CITY OF LONE TREE
PRINCIPAL EMPLOYERS (1)
Current Year and Ten Years Ago**

<u>Employer</u>	<u>2013</u>		<u>2004</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Douglas County School District	5,863	1	5,102	1
CH2M Hill	1,980	2	1,200	5
Echostar Communications	1,960	3	1,765	2
Healthone: Sky Ridge Medical	1,170	4	-	-
Western Union	1,140	5	-	-
Douglas County Government	1,061	6	987	6
Centura: Parker Adventist Hospital	980	7	-	-
The Trizetto Group	900	8	-	-
Information Handling Services	810	9	680	10
AVAYA	650	10	1,500	4
First Data Corporation	-	-	1,700	3
Teletec Holdings	-	-	970	7
Time Warner	-	-	940	8
Expanets	-	-	920	9

(1) Selected major employers within Douglas County. Total employment within the City is not available.

Source: Douglas County Department of Finance

TABLE 16

**CITY OF LONE TREE
FULL-TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years**

Function/Program (1)	Full-Time Equivalent Employees (2)									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	-	4	7	10	14	14.5	16.25	14.50	15.50	17.50
Municipal court	-	-	1	2	2	2	2	2	2	2
Community development	-	1	1	1	1	7.25	5.75	5.75	6.00	7.00
Arts & Cultural	-	-	-	-	-	-	1.50	12.75	13.20	13.75
Police	22	26	40	43	45	50	47	52	53	54
Total	22	31	49	56	62	73.75	72.50	87.00	89.70	94.25

(1) The City contracts out its legal and public works departments. The figures above do not include services provided by these contracted parties.

(2) A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

Source: City Budget Office

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TABLE 17

**CITY OF LONE TREE
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years**

Function/Program (1)	2004	2005	2006	2007	2012	2013
Municipal court						
Number of court cases	115	891	1,167	1,427	2,107	1,922
Community development						
Building permits issued	406	735	664	723	1,562	809
Building inspections conducted	7,252	10,764	7,223	5,031	8,392	7,662
Public works						
Streets overlaid (miles)	3.02	1.59	2.10	4.06	8.55	15.81
Public safety (2)						
Accidents	N/A (2)	926	968	1,095	995	1,169
Citations issued	N/A (2)	2,899	4,466	4,860	4,380	4,234

(1) No operating indicators are available for the general government or capital outlay.

(2) The City's Police Department commenced operations on January 1, 2005. Prior to that time, the City contracted out its public safety services with Douglas County.

Source: Various City departments

TABLE 18

**CITY OF LONE TREE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Nine Fiscal Years**

Function/Program (1)	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public works										
Streets (miles)	99.19	109.94	109.94	130.40	130.40	141.85	153.30	164.75	176.20	199.64
Traffic signals	25	27	29	33	35	40	42	42	43	45
Public safety (2)										
Stations	N/A (2)	1	1	2	2	2	2	2	2	2
Patrol units	N/A (2)	9	11	15	16	22	24	24	25	22
Capital outlay										
Storm drainage (miles)	38.25	38.25	38.25	38.25	38.25	38.25	38.25	38.25	38.70	39.93

(1) No capital indicators are available for the general government, municipal court or community development.

(2) The City's Police Department commenced operations on January 1, 2005. Prior to that time, the City contracted out its public safety services with Douglas County.

Source: Various City departments

