

July 24, 2018

Board Members
Littleton Village Metropolitan District #2

Dear Members of the Board:

This summary is intended as a recap of the various warranty/closeout/turnover processes that have been ongoing within the Littleton Village Project now for some time and, which have continued to the present. Just as a very quick summary of the timing of the construction of the project, grading began on the site in summer of 2014, most public infrastructure, including utilities, detention ponds and public streets were constructed from fall of 2014 through fall of 2015. Improvements to the major streets around the project, primarily Broadway and Dry Creek Road, started in 2015 and were completed in fall of 2016.

Homebuilding by Richmond American and Century Communities began in late 2015 and continued through much of 2017, with Century's homes completed at the end of 2017, and Richmond's going into spring of 2018.

Public Improvements Constructed by the Metro Districts:

The Littleton Village Metropolitan Districts were responsible for and directly contracted for the various public improvements to be built. There were two major components of this work: (1) the on-site utilities, streets and parks, and (2) the off-site work, which included the improvements to Broadway and Dry Creek. These components were permitted separately with the City of Littleton, and have followed somewhat different processes in terms of gaining final approvals and acceptances. The improvements to Broadway and Dry Creek Road were completed in the fall of 2016, and gained initial acceptance from the City in December of 2016. There were minor paving repairs made in 2017 to portions of Broadway, and with those repairs completed, final acceptance of the off-site improvements was achieved in fall of 2017.

The onsite improvements for the project went through a number of inspections and minor correction work in 2016, and initial acceptance of those improvements to be taken by the City occurred in December of 2016. This included primarily the public streets within the project. These improvements then became subject to a one year warranty period, at which time any issues that arose during that year would need to be addressed and with that, final acceptance would be issued. The parks and open space areas remain owned and managed by the District No. 1.

During fall of 2016, District No. 1 attempted to contact City representatives and walk the project to identify any warranty work relative to the on-site improvements that might be required and to work towards final acceptance. At the time, significant turnover of personnel was occurring at the City, especially in the Public Works Department, and walk throughs were never scheduled. Ultimately, on January 31, 2018, a walk-through with the City finally occurred. On February 27, 2018, a list of concrete issues was received from the City, initiating a number of meetings and correspondence resulting in a final agreed upon list of work to be completed in May this year. This work has now been completed, at least within the areas of Logan Street and to the east (i.e. the District #2 area with completed homes), and is currently being inspected by the City.

On April 11, 2018, District No. 1 received a list from the City of signs around the project to be repaired or replaced, within and around the public streets. Work is pending on completing these signs, which the builders have agreed to repair or replace. The delay in completing the sign repairs and/or replacements has primarily been due to looking an effort to resolve the asphalt paving issues noted in the next paragraph.

On June 1, 2018, District No. 1 received a list of asphalt paving issues from the City. Discussion is ongoing as to the final resolution of issues described on this list.

Finally, with regard to the public improvements constructed by District No. 1, the dog park portion of the Central Park has experienced some water infiltration and settlement that needs to be addressed. WIP Littleton Village, LLC (Watt) has committed to fulfill its obligations to the project, but has not specifically set aside funds or guaranteed a complete fix. There is further research progressing as to causes of the issue and responsibilities.

Private Improvements Constructed by Builders:

During the course of building homes in the Littleton Village project, the two builders involved, Richmond Homes and Century Communities, determined that for many of the types of homes proposed (townhomes and some of the single family rowhomes), there would be privately constructed improvements which would be in "common" areas and which the builders would need a community organization to ultimately own and/or maintain. The builders approached the Districts with the proposal that the one of the Districts accept these improvements upon completion with an acceptance process and warranty period. A process was agreed on and documented for this proposed acceptance for ownership and/or maintenance by District No. 1. While the builders had proposed a phased process for acceptances by parcels or even smaller areas, ultimately that apparently proved unmanageable, and the acceptance process became one of reviewing the entirety of these improvements all together.

The private improvements are comprised of two major components for each of the two builders and have been managed accordingly. Each of the builders has common area landscaping improvements that are to be accepted, and each has a variety of concrete and hardscape areas to be accepted.

For landscaping, District No. 1 required, as part of the overall process, that builders submit landscape designs for approval, which were reviewed and approved by a landscape architect hired by District No. 1. Design drawings were subsequently submitted and approved by District No.1 prior to construction of the landscaping. Upon completion of the landscape improvements, in 2018, District No. 1 has had its representatives, along with representatives of the landscape design firm which initially reviewed the designs, walk the landscape areas, create punchlists, and review corrective work. At this point in time, the landscaping work has been approved by the landscape design firm that initially review the designs as being completed in accordance with approved designs. Potentially, some issues may remain with proper levels of irrigation watering and control, which are being addressed now. There are irrigation issues however, that will be ongoing, based on time of the year, varying watering requirements, maintenance of drip irrigation systems, etc. Further, some plant replacements will be required on an ongoing basis, plants do die and drip irrigation heads fail. Clearly, District No. 1 will endeavor to hire professional maintenance contractors who will do the best job possible in managing these issues.

At this point, it is recommended by District No. 1's representatives and its management company that the Century and Richmond landscaping improvements be accepted as fine and

complete, and that District No. 1 now assume maintenance responsibility for all landscaping improvements within the project. This will eliminate a considerable amount of confusion as to maintenance responsibility and should allow for a more consistent maintenance approach to the overall project.

The other component of private improvements is the concrete work and hardscape. The larger piece of concrete work is the concrete alleys which serve several blocks within the project. Four blocks constructed by Century and one block constructed by Richmond have such alleys serving garages for those homes. As construction of these blocks has been completed, walk-throughs with District No. 1 representatives have occurred in order to mark required repairs. While formal, written lists of this work were not created, clear markings were placed on the concrete directly, noting sections of concrete to be removed and replaced. At this point in time, representatives of District No. 1 believe this repair work has been completed. Walk-throughs with Century have now occurred to inspect repairs, and walk-throughs with Richmond are scheduled this week. Both homebuilders have agreed to warrant the recent repairs (those done in 2018) through the end of October this year, and will perform walk-throughs in the beginning of October to see if further issues have arisen with the repaired work. With that additional warranty, District No. 1's representatives and its management company recommend acceptance of those improvements.

The hardscape areas within common area landscaping have also been reviewed and repaired. These were marked with paint at the same time as alley concrete was marked, with a few sidewalk panels having been replaced. Additionally, certain other issues in these areas have been noted, including drainage issues and over-watering issues. Further, homeowners have been asked to submit issues to the District's management company by email so that these items could be added to any ongoing lists.

We believe this represents a complete report on the status of improvement acceptances, warranty repairs and turnover processes to date.



Gardiner Hammond
Hammond Site Resources