

SERVICE PLAN
FOR
PARKER HOMESTEAD METROPOLITAN DISTRICT
TOWN OF PARKER, COLORADO

Prepared

by

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Initials: 

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I. INTRODUCTION

A. Purpose and Intent.

The District is an independent unit of local government, separate and distinct from the Town, and, except as may otherwise be provided for by State or local law, or this Service Plan, its activities are subject to review by the Town only insofar as they may deviate in a material matter from the requirements of the Service Plan, Chapter 10.11 of the Town Code or the Intergovernmental Agreement. It is intended that the District will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements.

The District is not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan and the Intergovernmental Agreement.

B. Need for the District.

There are currently no other governmental entities, including the Town, located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Formation of the District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

C. Objective of the Town Regarding District's Service Plan.

The Town's objective in approving the Service Plan for the District is to authorize the District to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of the Public Improvements from the proceeds of Debt to be issued by the District. All Debt is expected to be repaid by limited taxes and Development Fees imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties and at a tax mill levy no higher than the Maximum Debt Mill Levy for residential properties. Debt which is issued within these parameters (as further described in the Financial Plan) will insulate property owners from excessive tax burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose of the District is to provide for the Public Improvements associated with the Project, including those regional improvements necessitated by the Project. Ongoing operational and maintenance activities may be allowed, but only as specifically provided for in the Intergovernmental Agreement.

It is the intent of the District to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt, and if the District has authorized operating functions under an intergovernmental

agreement with the Town, to retain only the power necessary to impose and collect taxes or fees to pay for these costs.

The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy on residential properties and which shall not exceed the Maximum Debt Mill Levy Imposition Term on residential properties. It is the intent of this Service Plan to assure to the extent possible that no residential property bear an economic burden that is greater in amount than that associated with the Maximum Debt Mill Levy and that no property developed for a residential use bear an economic burden that is longer in duration than that associated with the Maximum Debt Mill Levy Imposition Term, even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters and the financing capacity of the District are not costs to be paid by the District. Costs of required Public Improvements that cannot be financed by the District are expected to be financed by the developer of the Project.

II. DEFINITIONS

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Approved Development Plan: means a development plan or other process established by the Town (including but not limited to approval of a final plat, minor development plat or site plan by the Town planning commission or by the Town Council) for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service Area as approved by the Town pursuant to the Town Code and as amended pursuant to the Town Code from time to time. An Approved Development Plan does not include any plan, process or approval denoted as preliminary under the Town Code.

Board: means the board of directors of the District.

Bond, Bonds or Debt: means bonds or other obligations for the payment of which the District has promised to impose an ad valorem property tax mill levy.

Capital Plan: means the Capital Plan described in Section V.B. which includes: (a) a comprehensive list of the Public Improvements to be developed by the District; (b) an engineer's estimate of the cost of the Public Improvements; and (c) a pro forma capital expenditure plan correlating expenditures with development.

Development Fee: means the one-time development or system development fee imposed by the District on a per-unit (residential) or per square foot (non-residential) basis at or prior to the issuance of a certificate of occupancy for the unit or structure to assist with the planning and development of the Public Improvements, subject to the limitations set forth in Section VI.E. of the Service Plan. The Development Fee may be used to finance, plan, acquire, and construct the Public Improvements, and pay debt service.

District: means the Parker Homestead Metropolitan District.

District Boundaries: means the boundaries of the area described in the District Boundary Map.

District Boundary Map: means the map attached hereto as Exhibit C-1, describing the District's boundaries.

External Financial Advisor: means a consultant that: (1) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (2) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (3) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Financial Plan: means the Financial Plan described in Section VI which describes (a) how the Public Improvements are to be financed; (b) how the Debt is expected to be incurred; (c) the estimated operating revenue derived from property taxes for the first budget year; (d) the total amount of Debt planned for at least the five-year period commencing with the formation of the District; (e) all proposed sources of revenue and projected District expenses, as well as the assumptions upon which they are based, for at least a ten-year period from the date of District formation; (f) the dollar amount of any anticipated financing, including capitalized interest, costs of issuance, estimated maximum rates and discounts, and any expenses related to the organization and initial operation of the District; (g) a detailed repayment plan covering the life of any financing, including the frequency and amounts to be collected from all sources; (h) the amount of any reserve fund and the expected level of annual Debt service coverage which will be maintained for any financing; (i) the total authorized Debt for the District; (j) the provisions regarding any credit enhancement, if any, for the proposed financing, including, but not limited to, letters of credit and insurance; and (k) a list and written explanation of potential risks of the financing.

Inclusion Area: **[NOT APPLICABLE]**

Inclusion Area Boundary Map: **[NOT APPLICABLE]**

Intergovernmental Agreement: means the intergovernmental agreement required by Town Code section 10.11.140(a), and attached hereto as Exhibit H.

Map Depicting Public Improvements: means the map attached hereto as Exhibit E, showing the location(s) of the Public Improvements listed in the Capital Plan.

Maximum Debt Mill Levy: means the maximum mill levy the District is permitted to impose for payment of District administrative operating expenses and Debt as set forth in Section VI.C. below.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section VI.D below.

Project: means the development or property commonly referred to as Parker Homestead.

Proof of Ownership: means a current title commitment showing ownership and all encumbrances on all properties within the District Boundaries, or other documentation acceptable to the Town Attorney.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped as part of an Approved Development Plan and financed as generally described in the Special District Act, except as specifically limited in Section V below to serve the future taxpayers and inhabitants of the Service Area as determined by the Board of the District.

Service Area: means the property within the District Boundary Map.

Service Plan: means this service plan for the District approved by Town Council.

Service Plan Amendment: means an amendment to the Service Plan approved by Town Council in accordance with Chapter 10.11 of the Town Code and the applicable state law.

Special District Act: means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

Town: means the Town of Parker, Colorado.

Town Code: means the Town of Parker Municipal Code, as may be amended and in effect from time to time.

Town Council: means the Town Council of the Town of Parker, Colorado.

III. BOUNDARIES

The area of the District Boundaries includes approximately 132.296 acres. A legal description of the District Boundaries is attached hereto as Exhibit A. A map of the District Boundaries is attached hereto as Exhibit C-1. Proof of Ownership and consents of the owners to organization of the District for all properties within the District Boundaries is attached hereto as Exhibit C-2. A vicinity map is attached hereto as Exhibit B. The District's Boundaries are not anticipated to change due to inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S. However, if the District determines to include or exclude property, such inclusions and/or exclusions shall be subject to the limitations set forth in Article V below.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The Service Area consists of approximately 132.296 acres of land. The current assessed valuation of the Service Area is assumed to be \$0.00, for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The residential population of the District at build-out is estimated to be approximately 1,081 persons.

Approval of this Service Plan by the Town does not imply approval of the development of a specific area within the District, nor does it imply approval of the number of residential units which may be identified in this Service Plan or any of the exhibits attached thereto. The permitted level of the development within the Project is as contained within an Approved Development Plan.

Approval of this Service Plan by the Town in no way releases or relieves the developer of the Project, or the landowner or any subdivider of the Project property, or any of their respective successors or assigns, of obligations to construct Public Improvements for the Project or of obligations to provide to the Town such financial guarantees as may be required by the Town to ensure the completion of the Public Improvements, or of any other obligations to the Town under the Town Code or any applicable annexation agreement, subdivision agreement, or other agreements affecting the Project property or development thereof.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the District and Service Plan Amendment.

The District shall have the power and authority to provide the Public Improvements within and without the boundaries of the District as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth in this Service Plan and the Intergovernmental Agreement.

1. Operations and Maintenance Limitation. The purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The District shall dedicate the Public Improvements to the Town or other appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan, other rules and regulations of the Town, and applicable provisions of the Town Code, all as directed by the Town. The District shall not be authorized to operate and maintain any part or all of the Public Improvements or any other improvements, public or private, unless specifically provided for in the Intergovernmental Agreement.

2. Fire Protection Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the Town. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision.

3. Television Relay and Translation; Mosquito Control, and Other Limitations. Unless such facilities and services are provided pursuant to an intergovernmental agreement with the Town, the District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate, maintain or provide: (a) any television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project; (b) any mosquito control facilities and services; (c) any solid waste disposal, collection and transportation facilities and services, and (d) any security, covenant enforcement and design review services.

4. Construction Standards Limitation. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of federal and state governmental entities having proper jurisdiction, and of those special districts that qualify as “interested persons” under Section 32-1-204(1), C.R.S., as applicable. The District will obtain the Town’s approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

5. Property Acquisition Limitation; Transfer Requirement. The District shall not exercise any power of dominant eminent domain against the Town without the prior written consent of the Town. The District shall at no expense to the Town transfer to the Town all rights-of-way, fee interests and easements that the Town determines are necessary for access to and operation and maintenance of the Public Improvements, consistent with the Approved Development Plan and to the extent such interests have not been acquired by the Town through such Development Plan process.

6. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District’s Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by the District for the [insert the designation of the Debt] does not exceed a market [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

7. Inclusion and Exclusion Limitations. The District shall not include within any of its boundaries any property outside the Service Area without the prior written consent of the Town Council. The District shall not exclude any property from the District if such

exclusion will result, or is reasonably anticipated to result, in detriment to the remaining residents and taxpayers within the District, or to the District's bondholders.

8. Initial Debt Limitation. On or before the effective date of approval of an Approved Development Plan, the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose or collect any fees or revenues from any other source for the purpose of repayment of Debt.

9. Total Debt Issuance Limitation. The District shall not issue Debt in excess of \$8,300,000 total aggregate principal amount.

10. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities for which the Town is eligible to apply for, except as may be specifically authorized in an intergovernmental agreement with the Town. This Section shall not apply to specific ownership taxes which shall be distributed to and be a revenue source for the District without any limitation.

11. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town.

12. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, the total debt issuance limitation, and the Maximum Debt Mill Levy Imposition Term have been established under the authority of the Town to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) are, together with all other requirements of Colorado law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral approval necessary under applicable nonbankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the Town as part of a Service Plan Amendment.

13. Revenue Bond Limitation. The District shall not issue revenue bonds, except as set forth in this Section. Prior to issuing any revenue bonds, the District shall submit all relevant details of such issuance to the Town Council, which may elect to treat the issuance of the revenue bonds as a material modification of the Service Plan. If the Town Council determines that the issuance of revenue bonds constitutes a material modification of the Service

Plan, the District shall proceed to amend the Service Plan in accordance with Section 32-1-207, C.R.S. prior to issuing any revenue bonds.

14. Service Plan Amendment Requirement. This Service Plan is general in nature and does not include specific detail in some instances because development plans have not been finalized. The Service Plan has been designed with sufficient flexibility to enable the District to provide required Public Improvements under evolving circumstances without the need for numerous amendments. Modification of the general types of services and facilities making up the Public Improvements, and changes in proposed configurations, locations or dimensions of the Public Improvements shall be permitted to accommodate development needs consistent with the then-current Approved Development Plan(s) for the Project, subject to the limitations of this Service Plan and the Intergovernmental Agreement.

The District is an independent unit of local government, separate and distinct from the Town, and its activities are subject to review by the Town only insofar as they may deviate in a material manner from the requirements of the Service Plan, Chapter 10.11 of the Town Code, or the Intergovernmental Agreement. As such, any action of the District which: (1) violates the limitations set forth in Sections V.A.1-14 above; (2) violates the limitations set forth in Section VI.B-H; (3) constitutes a material modification under Town Code section 10.11.060; or (4) constitutes a failure to comply with the Intergovernmental Agreement or other agreement with the Town, which non-compliance has not been waived in writing by the Town, shall be deemed to be a material modification to this Service Plan and the Town shall be entitled to all remedies available under State and local law to enjoin such action(s) of the District.

Any Town approval requirements contained in this Service Plan (including, without limitation, any provisions requiring that a change, request, occurrence, act or omission be treated as a Service Plan Amendment or be deemed a “material modification” of the Service Plan) shall remain in full force and effect, and, unless otherwise provided by resolution of the Town Council, such Town approval shall continue to be required, notwithstanding any future change in law modifying or repealing any statutory provision concerning service plans, amendments thereof or modifications thereto.

B. Capital Plan.

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of the Public Improvements within the boundaries of the District and, to the extent necessary to improve adjacent streets and connect Public Improvements to existing infrastructure, without the boundaries of the District, all to be more specifically defined in an Approved Development Plan. A Capital Plan, including: (1) a comprehensive list of the Public Improvements to be developed by the District; (2) an estimate of the cost of the Public Improvements, together with a letter from a Colorado professional registered engineer certifying that such costs are reasonable in the engineer’s opinion and that such estimates were prepared based upon Town construction standards; and (3) a pro forma capital expenditure plan correlating expenditures with development, is attached hereto as Exhibit D. Maps depicting Public Improvements are attached hereto as Exhibit E. As shown in the Capital Plan, the estimated cost of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped or financed by the District

is approximately \$8,182,984.03. Costs of required Public Improvements that cannot be financed by the District within the parameters of this Service Plan and the financial capability of the District are expected to be financed by the developer of the Project.

The District shall be permitted to allocate costs between such categories of the Public Improvements as deemed necessary in its discretion.

All of the Public Improvements described herein will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the Town and shall be in accordance with the requirements of the Approved Development Plan. All descriptions of the Public Improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, the Town's requirements, and construction scheduling may require. Upon approval of this Service Plan, the District will continue to develop and refine the Capital Plan and the Map Depicting Public Improvements, as necessary, and prepare for issuance of Debt. All cost estimates will be inflated to then-current dollars at the time of the issuance of Debt and construction. All construction cost estimates contained in Exhibit D assume construction to applicable standards and specifications of the Town and state and federal requirements.

VI. FINANCIAL PLAN

A. General.

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy and other legally available revenues. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general ad valorem taxes to be imposed upon all taxable property within the District. The District will also rely upon various other revenue sources authorized by law, such as interest, specific ownership taxes, advances from the Project developer and grants. The District is also authorized to assess and collect a Development Fee as set forth in Section VI.E, below. Unless specifically authorized in the Intergovernmental Agreement, the District shall not impose or assess any fees, rates, tolls, penalties, or charges other than the Development Fee without first obtaining Town approval of an amendment to this Service Plan, which amendment shall be deemed to be a material modification hereof.

The total Debt that the District shall be permitted to issue shall not exceed \$8,300,000 in aggregate principal amount. Debt is permitted to be issued on a schedule and in such year or years as the District determines shall meet the needs of the Capital Plan referenced above and the progression of the development, subject to compliance with this Service Plan. The \$8,300,000 that the District shall be permitted to issue is supported by the Financial Plan prepared by Simmons & Wheeler, P.C. ("Simmons"), attached hereto as Exhibit F. Simmons shall attach a certification to the Financial Plan, certifying that based upon the assumptions contained therein and its professional opinion, the District is expected to retire all Debt

referenced in the Financial Plan within the restrictions set forth in the Service Plan, including but not limited to the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is limited to the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt shall not exceed twelve percent (12%). The proposed maximum underwriting discount will be four percent (4%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Debt Mill Levy.

The "Maximum Debt Mill Levy" shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows:

1. For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be thirty-five (35) mills less the number of mills necessary to pay District administrative operating expenses (provided that the District can contract with its bondholders to limit its administrative operating expense mill levy) and less the number of mills necessary to pay unlimited mill levy Debt described in Section VI.C.2 below; provided that if, on or after January 1, 2000, there are or were changes in the ratio of actual valuation to assessed valuation, pursuant to Article X, Section 3(1)(b) of the Colorado Constitution and legislation implementing such Section, then the mill levy limitation applicable to such Debt may be increased or decreased to offset such change, such mill levy increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy are neither diminished nor enhanced as a result of such changes (a "Gallagher adjustment"). Except for such a permitted Gallagher adjustment, the District's mill levy shall not exceed the Maximum Debt Mill Levy. If the District otherwise proposes to adjust its mill levy above the Maximum Debt Mill Levy for the purpose of offsetting any constitutionally or legislatively mandated credit, cut, abatement or change in the method of calculating assessed valuation, the District shall first submit all relevant details of such proposed adjustment to the Town Administrator, who may approve such proposed adjustment in writing or refer the proposal to the Town Council, which may elect to treat the proposed mill levy adjustment as a material modification of the Service Plan. If the Town Council determines that such adjustment constitutes a material modification of the Service Plan, the District shall proceed to amend the Service Plan in accordance with Section 32-1-207, C.R.S. The District shall obtain written approval of the Town Administrator or of a Service Plan amendment prior to any such mill levy adjustment.

2. For the portion of any aggregate District Debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

3. For purposes of the foregoing, once Debt has been determined to be within Section VI.C.2 above, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

D. Maximum Debt Mill Levy Imposition Term.

The District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds thirty (30) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S. et seq.

E. Debt Repayment Sources.

The District may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for District administrative operating expenses, subject to Section V.A.1 of the Plan. In no event shall the debt service mill levy in the District exceed the Maximum Debt Mill Levy or, for residential property within the District, the Maximum Debt Mill Levy Imposition Term.

The District may also collect a Development Fee, as allowed and limited by Colorado law, provided that such Development Fee does not exceed the following limits:

1. For each single-family detached residential unit, the Development Fee shall not exceed Two Thousand Dollars (\$2,000).

2. For each single-family attached or multi-family residential unit, the Development Fee shall not exceed One Thousand Five Hundred Dollars (\$1,500).

3. For a structure other than a single-family or multi-family residential structure, the Development Fee shall not exceed Twenty-Five Cents (\$0.25) per square foot of the structure.

The Development Fee set forth in this Service Plan may increase by up to the Consumer Price Index for Denver-Boulder, all items, all urban consumers (or its successor index for any years for which Consumer Price Index is not available) each year thereafter (as an inflation adjustment) commencing on January 1, 2011. The Development Fee shall be collected prior to issuance of a certificate of occupancy. Unless specifically authorized in the Intergovernmental Agreement, the District shall not impose or assess any fees, rates, tolls, penalties, or charges other than the Development Fee, as limited above, without first obtaining Town approval of an amendment to this Service Plan, which amendment shall be deemed to be a material modification hereof.

F. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond, and in the Service Plan of the District.

A substantially similar statement describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the District. If no offering documents are used, then the District shall deliver the statement to any prospective purchaser of such Debt. The Town may by written notice to the District require modifications to the form of disclosures statement.

G. Security for Debt.

The District shall not pledge any revenue, property or other assets of the Town as security for any District indebtedness. Approval of this Service Plan shall not be construed as a guarantee by the Town of payment of any of the District's obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the Town in the event of default by the District in the payment of any such obligation.

H. TABOR Compliance.

The District will comply with the provisions of TABOR. In the discretion of the Board, the District may set up enterprises or nonprofit entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of the District's Board. The activities of such enterprises and entities shall comply with the provisions of this Service Plan.

I. District's Administrative Operating Costs.

The estimated cost of engineering services, legal services and administrative services, together with the estimated costs of the District's organization and initial operations, are anticipated to be \$50,000, which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained, if such maintenance is addressed in the Intergovernmental Agreement. The first year's operating budget is estimated to be \$45,000 which is anticipated to be derived from property taxes and other revenues, including developer advances. The District shall maintain, from revenues derived from the Maximum Debt Mill Levy and other legally

available revenues authorized under this Service Plan, sufficient funds to pay such District operating costs.

The Maximum Debt Mill Levy for the repayment of Debt shall not apply to the District's ability to increase its mill levy as necessary for provision of operation and maintenance services to its taxpayers and service users, if such operation and maintenance functions are specifically authorized to the District in the Intergovernmental Agreement. In such case, the authorized mill levy for operations and maintenance activities shall be subject to the limit set forth in the Intergovernmental Agreement. For this District, no such operation or maintenance functions and no separate mill levy therefor are authorized by this Service Plan or the Intergovernmental Agreement, and the District shall impose no mill levy other than the Maximum Debt Mill Levy, as set forth in Section VI.C. above; provided, however, that the foregoing shall not preclude certification of mills within the Maximum Debt Service Mill Levy for District administrative expenses (provided that the District can contract with its bondholders to so limit its mill levy).

J. Subdistricts.

The District may organize subdistricts or areas as allowed by Section 32-1-1101(1)(f), C.R.S., provided, however, that without the approval of the Town, any such subdistrict(s) or area(s) shall be subject all limitations on debt and other provisions of the Service Plan. In accordance with Section 32-1-1101(1)(f)(I), C.R.S., the District shall notify the Town prior to establishing any such subdistrict(s) or area(s), and shall provide the Town with details regarding the purpose, location, and relationship of the subdistrict(s) or area(s). The Town Council may elect to treat the organization of any such subdistrict(s) or area(s) as a material modification of the Service Plan.

VII. ANNUAL REPORT

A. General. In accordance with Town Code section 10.11.040, the District shall file an annual report with the Town Clerk not later than September 1st of each calendar year following the year in which the Order and Decree creating the District has been issued by the District Court for and in Douglas County, Colorado, which annual report shall reflect activity and financial events of the District through the preceding December 31 (the "report year"). The Town Council reserves the right, pursuant to Section 32-1-207(3)(c), C.R.S., to request annual reports from the District beyond five years after the District's organization.

B. Reporting of Significant Events.

The annual report shall include the following:

1. A narrative summary of the progress of the District in implementing its Service Plan for the report year;
2. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the District for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of

the report year and the statement of operations (i.e., revenues and expenditures) for the report year;

3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of Public Improvements in the report year, as well as any Public Improvements proposed to be undertaken in the five (5) years following the report year;

4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the report year, including the amount of outstanding Debt, the amount and terms of any new Debt issued in the report year, the amount of payment or retirement of existing Debt of the District in the report year, the total assessed valuation of all taxable properties within the District as of January 1 of the report year and the current mill levy of the District pledged to Debt retirement in the report year;

5. The District's budget for the calendar year in which the annual report is submitted;

6. A summary of the residential development in the District for the report year;

7. A summary of all fees, charges and assessments imposed by the District as of January 1 of the report year;

8. Certification of the Board that no action, event or condition enumerated in Town Code section 10.11.060 has occurred in the report year, or certification that such event has occurred but that an amendment to the Service Plan that allows such event has been approved by Town Council;

9. The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Board; and

10. Certification from the Board of Directors of the District that the District is in compliance with all provisions of the Service Plan.

11. A copy of the most recent notice issued by the District pursuant to Section 32-1-809, C.R.S.

VIII. DISSOLUTION

Upon an independent determination of the Town Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the District Court for and in Douglas County, Colorado, for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes.

IX. DISCLOSURE TO PURCHASERS

The Town wants residential buyers to be aware of the additional tax burden to be imposed. The Town mandates early written and recorded notice of the total (overlapping) tax burden, including the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, if applicable. The Town will review the type and timing of the disclosure, which the proponents of the District are proposing. The notice shall be recorded against all property within the District prior to the District's certification of the formation of the District to the Colorado Division of Local Government as required by Section 32-1-306, C.R.S.

There is attached hereto as Exhibit G the Project Developer's Indemnification Letter, which is submitted to the Town by the Developer as part of this Service Plan. There is also attached hereto as Exhibit G the form of a District Indemnification Letter. The District shall approve and execute the Indemnification Letter at its first Board meeting after its organizational election, in the same form as the Indemnification Letter set forth in Exhibit G and shall promptly deliver an executed original to the Town.

X. INTERGOVERNMENTAL AGREEMENTS

The form of the intergovernmental agreement required by Town Code section 10.11.140(a), relating to the limitations imposed on the District's activities, is attached hereto as Exhibit H. The District shall approve and execute the Intergovernmental Agreement at its first Board meeting after its organizational election, in the same form as the Intergovernmental Agreement approved by Town Council, and shall promptly deliver an executed original to the Town. Failure of the District to execute the Intergovernmental Agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The Town Council may approve the Intergovernmental Agreement at the public hearing approving the Service Plan.

No intergovernmental agreements between the District and any other government are anticipated. Any intergovernmental agreement proposed regarding the subject matter of this Service Plan shall be subject to review and approval by the Town prior to their execution by the District.

XI. NON-COMPLIANCE WITH SERVICE PLAN

In the event it is determined that the District has undertaken any act or omission which violates the Service Plan or constitutes a material departure from the Service Plan, the Town may impose any of the sanctions set forth in Section 10.11.220 of the Town Code, including but not to affirmative injunctive relief to require the District to act in accordance with the provisions of this Service Plan. To the extent permitted by law, the District hereby waives the provisions of Section 32-1-207(3)(b), C.R.S. and agrees it will not rely on such provisions as a bar to the enforcement by the Town of any provisions of this Service Plan.

XII. CONCLUSION

It is submitted that this Service Plan for the District, as required by Section 32-1-203(2), C.R.S., and Section 10.11.180 of the Town Code, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries;
4. The area to be included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;
5. Adequate service is not, and will not be, available to the area through the Town or County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;
6. The facility and service standards of the District are compatible with the facility and service standards of the Town;
7. The proposal is in substantial compliance the Town's Master Plan;
8. The proposal is in compliance with any duly adopted Town, regional or state long-range water quality management plan for the area;
9. The creation of the District is in the best interests of the area proposed to be served;
10. The creation of the District is in the best interests of the residents and future residents of the area proposed to be served;
11. The proposal is in substantial compliance with Chapter 10.11 of the Town Code; and
12. The proposal will not foster urban development that is remote or incapable of being integrated with existing urban areas, and will not place a burden on the Town or adjacent jurisdictions to provide urban services to residents of the District.

EXHIBIT A

Parker Homestead Metropolitan District Boundaries

Legal Description

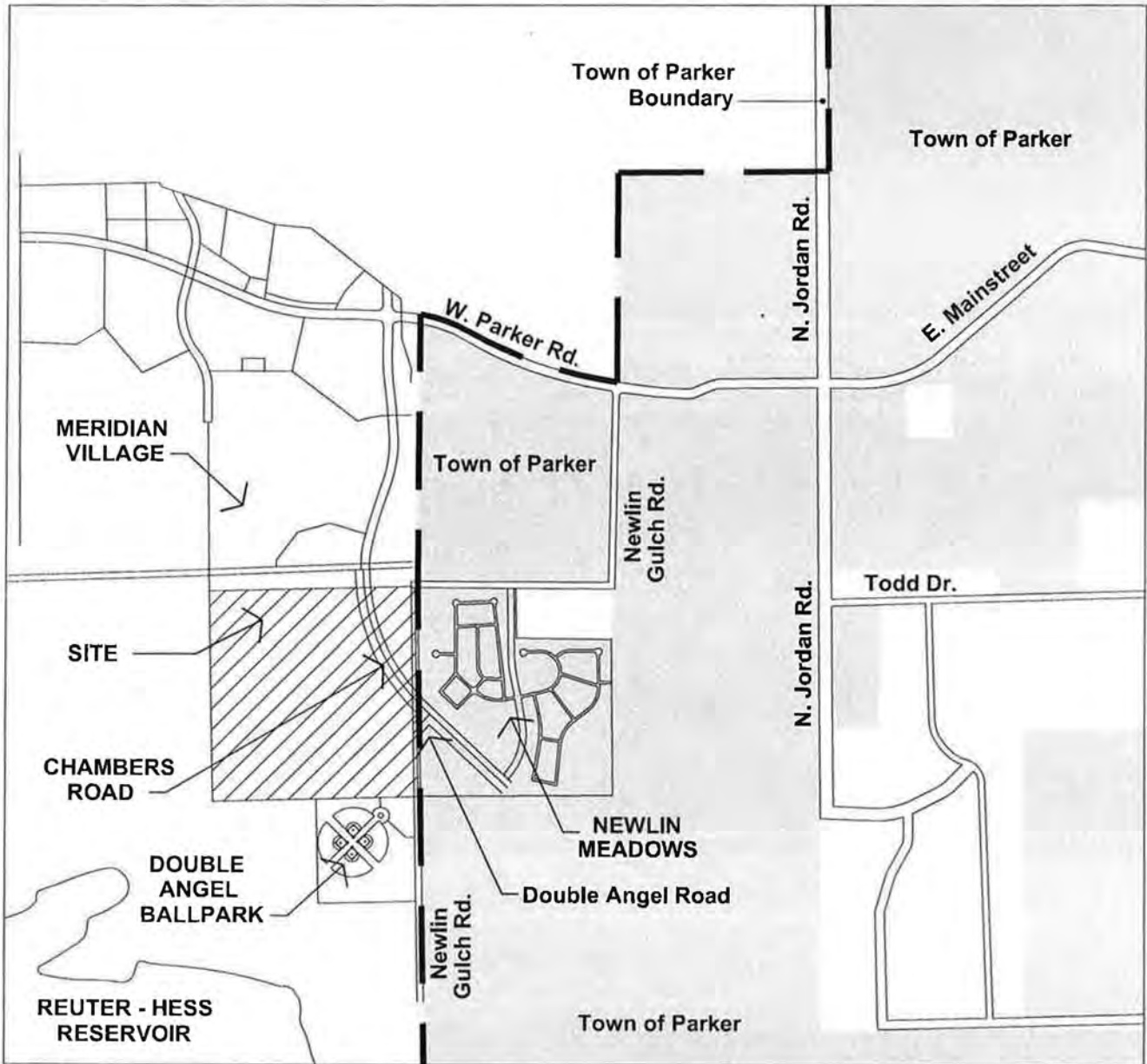
AN IRREGULAR PARCEL OF LAND LYING IN THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 6 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID NORTHEAST QUARTER OF SECTION 30;
THENCE ALONG THE NORTH LINE OF SECTION 30 N88°15'10"E, 1,914.27 FEET TO THE WEST RIGHT-OF-WAY LINE OF SOUTH CHAMBERS ROAD, AS RECORDED AT RECEPTION NO. 2009007620 OF THE DOUGLAS COUNTY RECORDS AND A POINT ON A CURVE;
THENCE ALONG SAID RIGHT-OF-WAY LINE AND ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A RADIUS OF 2,080.33 FEET AND A CENTRAL ANGLE OF 31°55'12" (THE CHORD OF WHICH BEARS S17°11'46"E, 1,144.05 FEET), 1,158.98 FEET;
THENCE S56°50'39"W, 88.50 FEET;
THENCE S34°14'02"W, 284.69 FEET;
THENCE S00°12'37"E, 188.23 FEET;
THENCE S21°48'34"W, 100.00 FEET;
THENCE S37°32'48"W, 104.07 FEET;
THENCE S02°00'27"W, 300.00 FEET;
THENCE N87°47'31"E, 425.00 FEET;
THENCE N84°55'34"E, 100.00 FEET;
THENCE N87°47'31"E, 154.89 FEET TO A POINT OF CURVE;
THENCE ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A RADIUS OF 30.00 FEET AND A CENTRAL ANGLE OF 88°00'03", 46.08 FEET TO THE WEST RIGHT-OF-WAY LINE OF NEWLIN GULCH ROAD, AS RECORDED AT RECEPTION NO. 2009007621 OF THE DOUGLAS COUNTY RECORDS ;
THENCE ALONG SAID RIGHT-OF-WAY LINE S00°12'32"E, 568.82 FEET;
THENCE N89°48'08"E, 41.04 FEET TO THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 30;
THENCE ALONG SAID LINE S00°12'37"E, 117.18 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 30;
THENCE ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF SECTION 30 S88°40'43"W, 2,638.34 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION 30;
THENCE ALONG THE WEST LINE OF SAID NORTHEAST QUARTER OF SECTION 30 N00°26'47"W, 2,667.22 FEET TO THE POINT OF BEGINNING, CONTAINING 5,762,814 SQUARE FEET OR 132.296 ACRES, MORE OR LESS.

BASIS OF BEARINGS: FOR THE PURPOSES OF THIS DESCRIPTION, THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 6 SOUTH, RANGE 66 WEST IS SAID TO BEAR N88°15'10"E (ASSUMED).

EXHIBIT B

Parker Vicinity Map

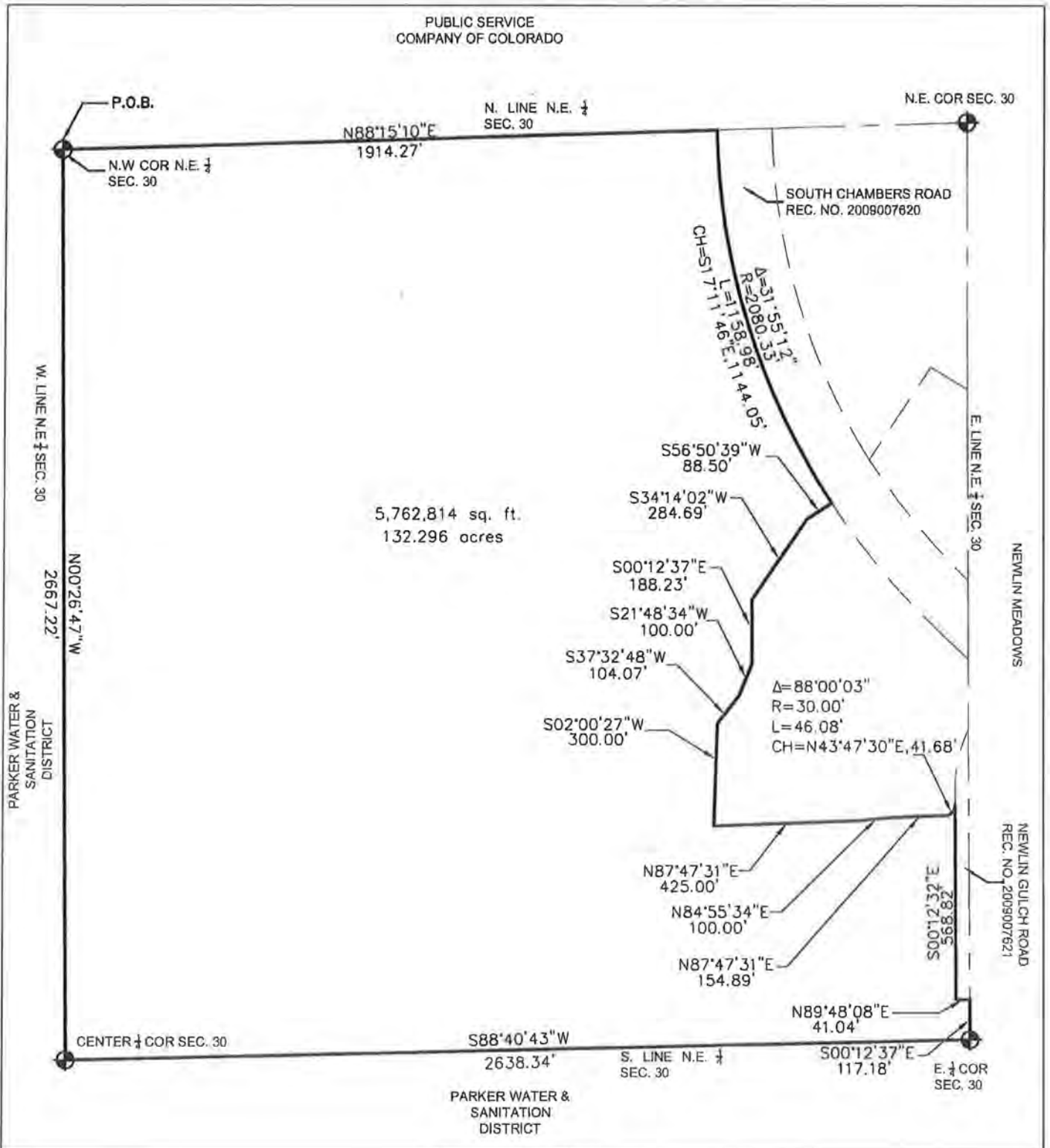


Vicinity Map Scale: 1"=2000'

EXHIBIT C-1

District Boundary Map

PUBLIC SERVICE
COMPANY OF COLORADO



SCALE 1"=400'

EXHIBIT C-1

EXHIBIT C-2

Proof of Ownership and Consents

Heritage Title Company
Ownership & Encumbrance Report

Name: Sam Light **Date Requested:** August 24, 2010
Company: Town of Parker
Address: Parker Homestead Metropolitan District (Please include property profile)
Phone #: _____ Fax #: _____

Owner's Name : **Parker Homestead Investments LLC, a Colorado Limited Liability Company**

Property Address Chambers Road, Parker Co. 80134

County: Douglas

Legal: As Per attached Exhibit A.

Fax O & E? Yes No

Vesting Deed: Warranty Quit Claim (2)

Vested Owner: **Parker Homestead Investments LLC, a Colorado Limited Liability Company**

Date: September 18, 2008 Doc Fee: 0.00

1st Deed of Trust: Date: 9/18/2008 Amount: 3,700,000.00

Borrower: **Parker Homestead Investments LLC, a Colorado Limited Liability Company**

Beneficiary: Colorado Community Bank

Assigned: Yes No. If Yes, Date:

By this request please return by fax, the information which will complete the form above, regarding the Property and purported ownership as shown above. I/We understand that Heritage Title Company makes no warranty regarding the accuracy of the information herein provided, and further that Heritage Title Company shall not be liable for any loss incurred by reason of the information on this Fax O and E.

EXHIBIT A

LEGAL DESCRIPTION

AN IRREGULAR PARCEL OF LAND LYING IN THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 6 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID NORTHEAST QUARTER OF SECTION 30;
THENCE ALONG THE NORTH LINE OF SECTION 30 N88°15'10"E, 1,914.27 FEET TO THE WEST RIGHT-OF-WAY LINE OF SOUTH CHAMBERS ROAD, AS RECORDED AT RECEPTION NO. 2009007620 OF THE DOUGLAS COUNTY RECORDS AND A POINT ON A CURVE;
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THENCE S37°32'48"W, 104.07 FEET;
THENCE S02°00'27"W, 300.00 FEET;
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THENCE N87°47'31"E, 154.89 FEET TO A POINT OF CURVE;
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THENCE N89°48'08"E, 41.04 FEET TO THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 30;
THENCE ALONG SAID LINE S00°12'37"E, 117.18 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 30;
THENCE ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF SECTION 30 S88°40'43"W, 2,638.34 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION 30;
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BASIS OF BEARINGS: FOR THE PURPOSES OF THIS DESCRIPTION, THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 6 SOUTH, RANGE 66 WEST IS SAID TO BEAR N88°15'10"E (ASSUMED).

PREPARED BY:
JON S. MCDANIEL, PLS
FOR AND ON BEHALF OF
EMK CONSULTANTS, INC.

PARKER HOMESTEAD INVESTMENTS, LLC

7108 S. Alton Way, Bldg. M
Englewood, CO 80112

July 22, 2010

Town Council
Town of Parker
20120 E. Mainstreet
Parker, CO 80138

Re: Proposed Parker Homestead Metropolitan District

Ladies and Gentlemen:

The undersigned is the sole property owner within the boundaries of the proposed Parker Homestead Metropolitan District, and hereby consents to the formation of the proposed district and to the inclusion of such property within the boundaries of the proposed district.

Very truly yours,

PARKER HOMESTEAD INVESTMENTS, LLC, a
Colorado limited liability company

By:



Name:

THOMAS J. BRINKMAN II

Title:

MANAGER

EXHIBIT D

Capital Plan and Engineer's Opinion of Probable Cost

EMK Consultants Inc.
Engineers Opinion of Probable Cost Parker Homestead Metropolitan District = \$6,791,776.29

- Includes:**
- Streets
 - Water System
 - Sanitary Sewer System
 - Drainage & Storm Water Improvements

PCS Group Inc.
Sketch Plan - Preliminary Cost Estimate for Park and Recreation Improvements = \$1,391,207.74

- Includes:**
- Landscape and Irrigation
 - Tap Fees
 - Trails
 - Special Site features
 - Special Streetscape

Grand Total = \$8,182,984.03

THE COST ESTIMATES PRESENTED IN THIS EXHIBIT, FOR THE PUBLIC IMPROVEMENTS TO BE CONSTRUCTED IN ACCORDANCE WITH THE TOWN OF PARKER STANDARDS, HAVE BEEN PREPARED BASED UPON CONSTRUCTION TO SUCH STANDARDS AND, IN PART WITH UNIT COSTS SUPPLIED BY THE TOWN (ONLY FOR RESIDENTIAL BOULEVARD AND RESIDENTIAL COLLECTOR STREET COSTS), AND ARE REASONABLE COST ESTIMATES FOR SUCH IMPROVEMENTS AS OF THIS DATE.

EMK Consultants Inc.
James D. Jones, P.E.



Date

QUALIFICATION STATEMENT: The ENGINEER has no control over the cost of labor, materials, equipment, the contractor's method of determining prices, or over competitive bidding or market conditions. The opinion of probable construction cost provided for herein is made on the basis of his experience and qualifications and represents his best judgment as an engineer familiar with the construction industry. The ENGINEER cannot and does not guarantee that proposals, bids, or construction costs will not vary from his opinions of probable cost. If the CLIENT wishes greater assurance as to the construction cost, he shall employ an independent cost estimator. Prepared by EMK Consultants, Inc.

**Engineers Opinion of Probable Cost Parker Homestead Metropolitan District
Parker Homestead
EMK JOB NO. 12479.00**

Aug 24, 2010

Item No.	Description	Quantity	Unit	Unit Cost	Total Cost
Streets					
1	½ Arterial * (Chambers Road-Cost per Town of Parker Cost Estimate-Construction Contingency and Soft Costs Included)	1	LS	\$1,800,000.00	\$1,800,000.00
2	Traffic Signal	1	LS	\$200,000.00	\$200,000.00
3	Residential Boulevard Collector "A"	965	LF	\$318.00	\$306,870.00
4	Residential Collector "B"	2253	LF	\$208.00	\$468,624.00
5	Collector "B" Newlin Gulch Crossing (Three 12'X5' Box Culverts with Headwalls & Wingwalls)	1	LS	\$125,000.00	\$125,000.00
6	Residential Collector "B" Entry	200	LF	\$318.00	\$63,600.00
7	Street Lights	15	EA	\$2,000.00	\$30,000.00
8	Newlin Gulch Boulevard	618	LF	\$95.00	\$58,710.00
					<u>\$3,052,804.00</u>
Sanitary Sewer System					
1	Onsite 12" PVC San. Sewer w/ Manholes	3560	LF	\$55.00	\$195,800.00
2	Bore for Chambers Road Crossing	260	LF	\$200.00	\$52,000.00
3	Offsite 12" PVC San. Sewer w/ Manholes Including Chambers Crossing	4560	LF	\$55.00	\$250,800.00
					<u>\$498,600.00</u>
Water Distribution System					
1	16" DIP Water Line w/ Appurtenances	5204	LF	\$125.00	\$650,500.00
2	12" PVC Water Line w/ Appurtenances	3580	LF	\$65.00	\$232,700.00
3	8" PVC Water Line w/ Appurtenances (without services)	1430	LF	\$40.00	\$57,200.00
					<u>\$940,400.00</u>
Drainage & Storm Water Improvements					
1	Pond A (Detention, WQ, Forebay)	1	EA	\$90,000.00	\$90,000.00
2	Pond B Detention, WQ, Forebay)	1	EA	\$35,000.00	\$35,000.00
3	72" Class III RCP	200	LF	\$250.00	\$50,000.00
4	72" F.E.S. w/ Conc. Cutoff Wall	4	EA	\$3,000.00	\$12,000.00
Sandpit Tributary (Cost & Quantity From OSP)					
1	Boulder Low Flow	2514	LF	\$90.00	\$226,260.00
2	Check Structures	154	LF	\$145.00	\$22,330.00
3	6' Grouted Sloping Boulder Drop Structures	2	EA	\$60,550.00	\$121,100.00
Newlin Gulch (Cost & Quantity From OSP)					
1	Check Structures	210	LF	\$145.00	\$30,450.00
2	Bank Lining	600	LF	\$135.00	\$81,000.00
					<u>\$668,140.00</u>
Subtotal					\$5,159,944.00
Construction Contingency (12.5%)					\$644,993.00
					<u>\$5,804,937.00</u>
Soft Costs					
Engineering (3%)					\$174,148.11
Surveying (3%)					\$174,148.11
Geotechnical Engineer (3%)					\$174,148.11
Construction Management (8%)					\$464,394.96
					<u>\$986,839.29</u>
GRAND TOTAL					\$6,791,776.29

QUALIFICATION STATEMENT: The ENGINEER has no control over the cost of labor, materials, equipment, the contractor's method of determining prices, or over competitive bidding or market conditions. The opinion of probable construction cost provided for herein is made on the basis of his experience and qualifications and represents his best judgment as an engineer familiar with the construction industry. The ENGINEER cannot and does not guarantee that proposals, bids, or construction costs will not vary from his opinions of probable cost. If the CLIENT wishes greater assurance as to the construction cost, he shall employ an independent cost estimator. Prepared by EMK Consultants, Inc.

Parker Homestead

Sketch Plan - Preliminary Cost Estimate

SUMMARY

Landscape and Irrigation				\$638,124.07
Tap Fees				\$243,565.32
Trails				\$375,029.60
Special Site Features				\$22,000.00
Special Streetscape				\$112,488.75
TOTAL				\$1,391,207.74

LANDSCAPE AND IRRIGATION

Developed Landscape (Irrigation, Turf, Flowers, Edged Beds, Trees)	57,665	s.f.	\$3.65	\$210,476.26
Naturalized Landscape (Irrigation, Naturalized Grasses, non-edged shrub plantings, trees)	157,596	s.f.	\$1.75	\$275,792.52
Native Landscape (Native grasses, sparse Shrub & Tree Planting)	170,625	s.f.	\$0.55	\$93,844.02
Sub Total				\$580,112.79
10% Contingency				\$58,011.28
TOTAL				\$638,124.07

TAP FEES

Estimate of High Water Usage Areas	57,665	s.f.	\$2.61	\$150,504.94
Estimate of Low Water Usage Areas	157,596	s.f.	\$0.45	\$70,918.08
Sub Total				\$221,423.02
10% Contingency				\$22,142.30
TOTAL				\$243,565.32

WALKS AND TRAILS

5' Concrete Walk in Open Space Areas	1,747	l.f.	\$14.00	\$24,458.00
10' Concrete Walk along Newlin Gulch	3,401	l.f.	\$28.00	\$95,228.00
East West Trail (PSCO ROW)				\$221,250.00
Sub Total				\$340,936.00
10% Contingency				\$34,093.60
TOTAL				\$375,029.60

SITE FEATURES

Park Feature (PA-1)	1	LS	\$7,500.00	\$7,500.00
Park Feature (PA-2)	1	LS	\$12,500.00	\$12,500.00
Sub Total				\$20,000.00
10% Contingency				\$2,000.00
TOTAL				\$22,000.00

SPECIAL STREETScape

Median along Entry Road	10,500	s.f.	\$3.65	\$38,325.00
Landscape adjacent to Main Entry Road	23,250	s.f.	\$2.75	\$63,937.50
Sub Total				\$102,262.50
10% Contingency				\$10,226.25
TOTAL				\$112,488.75

Notes:

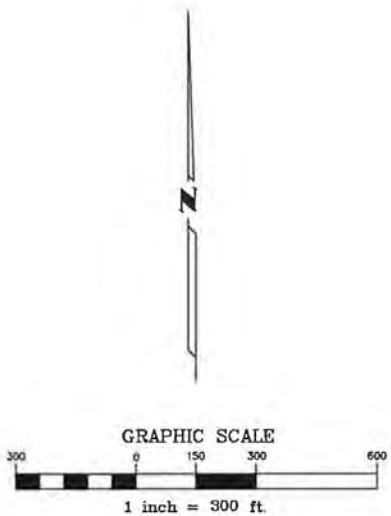
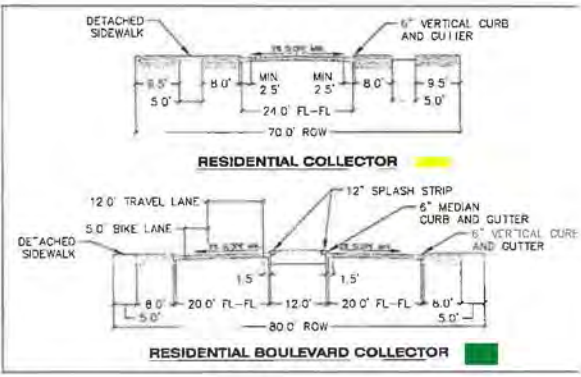
- 1 This estimate is based on a preliminary lotting plan with no actual landscape design.
- 2 This estimate will change and will be more detailed as physical submittal plans are developed.
- 3 This estimate is based on current unit prices and may change with future economic trends.
- 4 This estimate does not include walks associated with streets.
- 5 The budget for the Native Landscape assumes only areas of disturbance being revegetated.
- 6 Chambers Sidewalks are included in the street/road construction budget.

EXHIBIT E

Maps Depicting Public Improvements

Including:

Street Improvements and Detention Ponds
Water, Sanitary Sewer and Storm Drainage Improvements
Park and Recreation and Landscaping Improvements



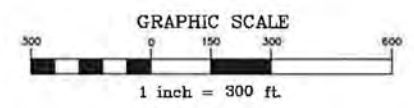
1/12/19 Parker Homestead Quality Estimate PFI-Peelin-QE-Rev. 7/14/2010 11:19:55 AM, gwalters, L1

**PARKER HOMESTEAD
METROPOLITAN DISTRICT**

Street Improvements and Detention Ponds



- 12" SANITARY SEWER
- 8" PVC WATER LINE
- 12" PVC WATER LINE
- 16" DIP WATER LINE
- 24" DIP WATER LINE



**PARKER HOMESTEAD
METROPOLITAN DISTRICT**

**Water, Sanitary Sewer and Storm Drainage
Improvements**

11/24/19 Parker Homestead Quality Estimate P14-P16.mxd.dwg, 7/14/2010 11:20:20 AM, gwahler, E.I.

East - West Trail -
P&CO ROW



Notes:

1. Park Areas are anticipated to be developed landscape areas, with approximately 15% of the areas being turf for budget purposes.
2. OS areas 4-5-7-8, and an additional approximately 2 acres are anticipated to be Naturalized Landscape with temporary irrigation.
3. Native Landscape areas are anticipated to be the balance of any disturbed areas in the OS Areas with no irrigation.

Parker Homestead - District Landscape

Exhibit
July 21, 2010

Parker Homestead - Land Use Chart by Planning Area

July 2010 (V.2.0)

ZONE:					
A. Land Use Item	B. Planning Area/Map Mark #	C. Map Area Code	D. Gross Land Area in Acres	E. Percentage of Total Land Area	F. Shows Land Use and Comments
1. Open Space (and other areas that are not subject to the 20% open space requirement)					
	OS-1	Open Space	14,420	11.2%	
	OS-2	Open Space	6,881	0.3%	
	OS-3	Open Space	6,223	0.3%	
	OS-4	Open Space	6,861	0.3%	
	OS-5	Open Space	9,829	0.5%	
	OS-6	Open Space	1,420	0.0%	
	OS-7	Open Space	2,476	1.2%	
	OS-8	Open Space	6,241	0.5%	
	OS-9	Open Space	2,001	1.6%	
	OS-10	Open Space	5,040	3.1%	
2. Park Areas to be Developed					
	PA-1	Park	3,276	2.3%	
	PA-2	Park	2,650	1.5%	
	PA-3	Park	6,240	0.6%	
	PA-4	Park	6,384	0.2%	
3. Residential Areas (50% of the land area can be developed for 20% Open Space Requirement)					
	RD-1	Residential	5,400	3.4%	
	RD-2	Residential	7,574	4.3%	
	RD-3	Residential	4,465	2.6%	
	SF-1	Single Family	22,444	1.6%	
	SF-2	Single Family	1,616	1.0%	
	SF-3	Single Family	2,057	1.3%	
	SF-4	Single Family	1,207	0.6%	
	SF-5	Single Family	2,561	1.2%	
	SF-6	Single Family	3,326	1.3%	
	SF-7	Single Family	3,309	2.1%	
	SF-8	Single Family	1,267	0.6%	
	SF-9	Single Family	6,243	0.5%	
	SF-10	Single Family	1,368	0.6%	
	SF-11	Single Family	1,252	1.3%	
	SF-12	Single Family	2,401	1.2%	
	SF-13	Single Family	1,346	0.2%	
	SF-14	Single Family	3,090	1.3%	
	SF-15	Single Family	1,518	1.2%	
	SF-16	Single Family	4,994	3.0%	
	SF-17	Single Family	6,120	3.0%	
	SF-18	Single Family	6,555	0.6%	
	SF-19	Single Family	18,844	1.3%	
	SF-20	Single Family	6,650	0.6%	
	SF-21	Single Family	2,876	1.2%	
	SF-22	Single Family	3,274	2.4%	
	SA-1	Single Family	6,950	0.5%	
	SA-2	Single Family	6,710	0.6%	
	SA-3	Single Family	6,762	0.5%	
	SA-4	Single Family	6,764	0.5%	
	SA-5	Single Family	6,646	0.6%	
	SA-6	Single Family	1,154	0.2%	
	SA-7	Single Family	6,207	0.6%	
	SA-8	Single Family	1,924	4.2%	
	SA-9	Single Family	6,774	2.2%	
4. Non-Residential (General Area)					
	MU-1	Medium Density	6,679	0.6%	
	MU-2	Medium Density	6,173	0.6%	
5. Mixed Use Areas					
	SA-1	Mixed Use	6,950	0.5%	
	SA-2	Mixed Use	6,710	0.6%	
	SA-3	Mixed Use	6,762	0.5%	
	SA-4	Mixed Use	6,764	0.5%	
	SA-5	Mixed Use	6,646	0.6%	
	SA-6	Mixed Use	1,154	0.2%	
	SA-7	Mixed Use	6,207	0.6%	
	SA-8	Mixed Use	1,924	4.2%	
	SA-9	Mixed Use	6,774	2.2%	
6. Total Area					
			131,144	100%	
7. Total Map Area (Total Project Area)					
			152,405		
8. Applicant's Average in Application					
			152,405		

	0096	number of units or maximum building sq.ft.	percent of the total units/area
9. Total Residential Area	56,729	370	35%
10. Total Mixed Use Area	11,047	200,000	7%
11. Total Park Area	72		4%
12. Total Open Space Area	32,8		20%
13. Total Residential Open Space Area	175		11%
14. Total Open Space Area	616		20%
15. Total Park, Open Space & Residential Area	172		34%



EXHIBIT F

Financial Plan

**Parker Homestead Metropolitan District
Forecasted Statement of Sources
and Uses of Cash**

**For the Years Ending
December 31, 2010 through 2044**

To the Petitioners of the Proposed
Parker Homestead Metropolitan District
Parker, Colorado

We have compiled the accompanying forecasted statements of sources and uses of cash of the proposed Parker Homestead Metropolitan District (Exhibit I), the related projected debt service schedule (Exhibit II) and an analysis of absorption, facility fees and assessed values (Exhibit III) for the years ending December 31, 2010 through 2044, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Simmons & Wheeler P.C.

August 19, 2010

Parker Homestead Metropolitan District

Summary of Significant Assumptions and Accounting Policies December 31, 2010 through 2044

The foregoing forecast presents, to the best of the Developer's knowledge and belief, the expected cash receipts and disbursements for the forecast period. Accordingly, the forecast reflects its judgement as of August 19, 2010. The assumptions disclosed herein are those that the Developer believes are significant to the forecast. There will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The purpose of this forecast is to show the amount of funds available for District operations, capital improvements and debt retirement with the issuance of a proposed bond issue totaling \$6,950,000 in 2014.

Note 1: Ad Valorem Taxes

The primary source of revenue for the District will be the collection of ad valorem taxes. Residential property is projected to be assessed at 7.96% of market values. Market values for 370 single family homes are estimated to range from \$280,000 to \$475,000 as of 2011. Finished lots are projected at 10% of completed market values per lot. Market values are projected to inflate at 2% per year. All property is assumed to inflate at 2% biennially thereafter. Exhibit III details the projected absorption, market values and related assessed values.

Property is assumed to be assessed annually as of January 1st. Property included in this forecast is assumed to be assessed on the January 1st subsequent to completion. The forecast recognizes the related property taxes as revenue in the subsequent year.

The County Treasurer currently charges a 1.5% fee for the collection of property taxes. These charges are reflected in the accompanying forecast as a reduction to the property tax revenue.

The mill levy imposed by the Districts are proposed to equal 5.00 mills for operations and 37.827 mills for debt service for a total levy of 42.827 mills. The mill levies are forecasted to decrease as indicated in Exhibit I.

The forecast assumes that Specific Ownership Taxes collected on motor vehicle registrations will be 8% of property taxes collected. It is projected that the percentage of the Specific Ownership Taxes attributable to the Debt Service mill levy will be pledged to the Series 2014 bonds and the percentage attributable to the General Fund mill levy will be used to pay for operating expenses.

Note 2: Interest Income

Interest income is assumed to be earned at 2.0% per annum. Interest income is based on the year's beginning cash balance and an estimate of the timing of the receipt of revenues and the outflow of disbursements during the course of the year.

Parker Homestead Metropolitan District

Summary of Significant Assumptions and Accounting Policies December 31, 2010 through 2044

Note 3: Facility Fees

It is projected that the District will impose a \$2,000 development fee on each single family home. Exhibit III details the collection of the above fees by year.

Note 4: Bond Assumptions

The District proposes the issuance of general obligation bonds totaling \$6,950,000 in December 2014. The bonds are projected to carry a coupon rate of 6.0% and mature 30 years from their issuance. It is anticipated that the bonds will be secured by the development fee revenues discussed in Note 3, a portion of the Specific Ownership Taxes attributable to the Debt Service Fund mill levy and by a limited mill levy not to exceed 42.827 mills (adjusted for changes in the ratio of assessed values to market values). Exhibit II reflects the proposed repayment schedule of these bonds. The following table reflects the proposed sources and uses of funds for the issues.

	<u>Series 2014</u>
Sources:	
Bond proceeds	<u>\$6,950,000</u>
Uses:	
Issuance costs	278,000
Reserve fund	598,100
Available for improvements and repayment of developer advances	<u>6,073,900</u>
	<u>\$6,950,000</u>

Note 5: District Improvements

Construction costs that are to be supported by the bonds, total \$6,073,900.

Note 6: Operating and Administrative Expenses

Administrative expenses for legal, accounting, audit, management and insurance are estimated to be \$45,000 per year. Commencing in 2012 operating and administrative expenses are projected to inflate at 1% per year. Operating expenses incurred prior to the collection of ad-valorem taxes are expected to be funded by developer advances totaling \$147,037. The forecast reflects that developer advances can be repaid commencing in 2017 through 2027 without interest.

**Parker Homestead Metropolitan District
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2010 through 2044**

	Total	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund												
Beginning cash available	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues												
Property taxes	1,681,772	-	-	-	1,584	9,187	24,180	42,522	54,690	58,245	58,245	59,410
Specific ownership taxes	134,542	-	-	-	127	735	1,934	3,402	4,375	4,660	4,660	4,753
Developer advances	147,037	-	-	45,000	43,763	36,121	20,612	1,541	-	-	-	-
	<u>1,963,351</u>	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>45,474</u>	<u>46,043</u>	<u>46,727</u>	<u>47,465</u>	<u>59,065</u>	<u>62,905</u>	<u>62,905</u>	<u>64,163</u>
Expenditures												
County treasurer fees	25,227	-	-	-	24	138	363	638	820	874	874	891
Operation expenses	1,749,105	-	-	45,000	45,450	45,905	46,364	46,827	47,295	47,768	48,246	48,729
Repay developer advances	147,037	-	-	-	-	-	-	-	10,950	14,262	13,785	14,543
	<u>1,921,370</u>	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>45,474</u>	<u>46,043</u>	<u>46,727</u>	<u>47,465</u>	<u>59,065</u>	<u>62,905</u>	<u>62,905</u>	<u>64,163</u>
Ending cash available	\$ 41,981	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mill Levy		5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000

Capital Project Fund												
Beginning cash available	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues												
Bond proceeds - Series 2014	6,950,000	-	-	-	-	6,950,000	-	-	-	-	-	-
	<u>6,950,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,950,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures												
Issuance costs	278,000	-	-	-	-	278,000	-	-	-	-	-	-
Transfer to Debt Service Fund	598,100	-	-	-	-	598,100	-	-	-	-	-	-
Available for improvements / repayment of developer advances	-	-	-	-	-	-	-	-	-	-	-	-
	<u>6,073,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,073,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>6,950,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,950,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending cash available	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Parker Homestead Metropolitan District
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2010 through 2044**

Total	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Debt Service Fund												
Beginning cash available	\$ -	\$ -	\$ -	\$ -	\$ 56,000	\$ 238,540	\$ 1,150,779	\$ 1,173,334	\$ 1,145,470	\$ 1,175,871	\$ 1,179,943	\$ 1,187,370
Revenues												
Property taxes	13,877,183	-	-	-	11,985	69,507	182,931	321,697	413,754	440,646	440,646	449,459
Specific ownership taxes	1,110,175	-	-	-	959	5,561	14,634	25,736	33,100	35,252	35,252	35,957
Facility fees	740,000	-	-	56,000	188,000	238,000	238,000	40,000	-	-	-	-
Transfer from Capital Project Fund	598,100	-	-	-	-	598,100	-	-	-	-	-	-
Interest income	235,628	-	-	-	1,776	4,114	8,734	8,527	8,753	8,784	8,839	8,877
	<u>16,561,086</u>	<u>-</u>	<u>-</u>	<u>56,000</u>	<u>182,720</u>	<u>915,282</u>	<u>444,299</u>	<u>395,960</u>	<u>455,607</u>	<u>484,682</u>	<u>484,737</u>	<u>494,293</u>
Expenditures												
Debt service - Series 2014	16,275,500	-	-	-	-	417,000	417,000	417,000	472,000	468,700	480,400	480,400
Paying agent / trustee fees	62,000	-	-	-	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000
County treasurer fees	208,159	-	-	-	180	1,043	2,744	4,825	6,206	6,610	6,610	6,742
	<u>16,545,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180</u>	<u>3,043</u>	<u>421,744</u>	<u>423,825</u>	<u>425,206</u>	<u>480,610</u>	<u>477,310</u>	<u>489,142</u>
Ending cash available	\$ 15,427	\$ -	\$ -	\$ 56,000	\$ 238,540	\$ 1,150,779	\$ 1,173,334	\$ 1,145,470	\$ 1,175,871	\$ 1,179,943	\$ 1,187,370	\$ 1,182,521
Mill Levy		37.827	37.827	37.827	37.827	37.827	37.827	37.827	37.827	37.827	37.827	37.827
Total Mill Levy		<u>42.827</u>	<u>42.827</u>	<u>42.827</u>	<u>42.827</u>	<u>42.827</u>	<u>42.827</u>	<u>42.827</u>	<u>42.827</u>	<u>42.827</u>	<u>42.827</u>	<u>42.827</u>
Required Reserve Fund included above						598,100	598,100	598,100	598,100	598,100	598,100	598,100
Calculation of Assessed Valuation												
Market values - residential homes (000's)												
Beginning	-	-	-	-	-	11,144	45,243	91,328	137,413	146,344	146,344	146,344
Increases (see Exhibit III)	142,691	-	-	-	-	11,144	34,099	45,181	46,085	6,183	-	-
Biennial reassessment (1% per annum)	45,621	-	-	-	-	-	-	905	2,748	-	-	2,927
Ending	<u>189,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,144</u>	<u>45,243</u>	<u>91,328</u>	<u>137,413</u>	<u>146,344</u>	<u>146,344</u>	<u>149,271</u>
Residential assessment ratio		7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%
Assessed value - residential (000's)						887	3,601	7,270	10,938	11,649	11,649	11,882
Market values - lots												
Beginning	-	-	-	-	1,093	3,278	4,258	4,258	-	-	-	-
Increase (decrease) residential lots	-	-	-	-	1,093	2,185	980	(4,258)	-	-	-	-
Ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,093</u>	<u>3,278</u>	<u>4,258</u>	<u>4,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Commercial assessment ratio		29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - Finished lots (000's)					317	950	1,235	1,235	-	-	-	-
Total assessed valuation (000's)					<u>317</u>	<u>1,837</u>	<u>4,836</u>	<u>8,504</u>	<u>10,938</u>	<u>11,649</u>	<u>11,649</u>	<u>11,882</u>

**Parker Homestead Metropolitan District
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2010 through 2044**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
General Fund												
Beginning cash available	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,771	\$ 11,794	\$ 13,290	\$ 15,350	\$ 16,871
Revenues												
Property taxes	59,410	60,598	60,598	61,810	61,810	63,046	63,046	51,446	51,446	52,475	52,475	53,524
Specific ownership taxes	4,753	4,848	4,848	4,945	4,945	5,044	5,044	4,116	4,116	4,198	4,198	4,282
Developer advances												
	64,163	65,446	65,446	66,755	66,755	68,090	68,090	55,562	55,562	56,673	56,673	57,808
Expenditures												
County treasurer fees	891	909	909	927	927	946	946	772	772	787	787	803
Operation expenses	49,216	49,708	50,205	50,707	51,214	51,726	52,244	52,766	53,294	53,827	54,365	54,909
Repay developer advances	14,056	14,829	14,332	15,121	14,614	15,417	5,129					
	64,163	65,446	65,446	66,755	66,755	68,090	58,319	53,538	54,066	54,614	55,152	55,712
Ending cash available	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,771	\$ 11,794	\$ 13,290	\$ 15,350	\$ 16,871	\$ 18,965
Mill Levy	5.000	5.000	5.000	5.000	5.000	5.000	5.000	4.000	4.000	4.000	4.000	4.000
Capital Project Fund												
Beginning cash available	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues												
Bond proceeds - Series 2014												
Expenditures												
Issuance costs												
Transfer to Debt Service Fund												
Available for Improvements / repayment of developer advances												
Ending cash available	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Parker Homestead Metropolitan District
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2010 through 2044**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Debt Service Fund												
Beginning cash available	\$ 1,192,521	\$ 1,196,905	\$ 1,200,388	\$ 1,204,300	\$ 1,208,710	\$ 1,214,765	\$ 1,222,740	\$ 1,228,558	\$ 1,232,969	\$ 1,197,997	\$ 1,162,549	\$ 1,128,246
Revenues												
Property taxes	449,459	458,448	458,448	467,617	467,617	476,970	476,970	486,509	450,150	459,153	459,153	468,336
Specific ownership taxes	35,957	36,676	36,676	37,409	37,409	38,158	38,158	38,921	36,012	36,732	36,732	37,467
Facility fees	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Capital Project Fund	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	8,910	8,936	8,955	8,998	9,043	9,102	9,146	9,178	8,918	8,654	8,399	8,117
	<u>494,326</u>	<u>504,060</u>	<u>504,089</u>	<u>514,024</u>	<u>514,069</u>	<u>524,230</u>	<u>524,274</u>	<u>534,608</u>	<u>495,080</u>	<u>504,539</u>	<u>504,284</u>	<u>513,920</u>
Expenditures												
Debt service - Series 2014	481,200	491,700	491,300	500,600	499,000	507,100	509,300	520,900	521,300	531,100	529,700	542,700
Paying agent / trustee fees	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
County treasurer fees	6,742	6,877	6,877	7,014	7,014	7,155	7,155	7,298	6,752	6,887	6,887	7,025
	<u>489,942</u>	<u>500,577</u>	<u>500,177</u>	<u>509,614</u>	<u>508,014</u>	<u>516,255</u>	<u>518,455</u>	<u>530,198</u>	<u>530,052</u>	<u>539,987</u>	<u>538,587</u>	<u>551,725</u>
Ending cash available	\$ 1,196,905	\$ 1,200,388	\$ 1,204,300	\$ 1,208,710	\$ 1,214,765	\$ 1,222,740	\$ 1,228,558	\$ 1,232,969	\$ 1,197,997	\$ 1,162,549	\$ 1,128,246	\$ 1,090,441
Mill Levy	37.827	37.827	37.827	37.827	37.827	37.827	37.827	37.827	35.000	35.000	35.000	35.000
Total Mill Levy	<u>42.827</u>	<u>42.827</u>	<u>42.827</u>	<u>42.827</u>	<u>42.827</u>	<u>42.827</u>	<u>42.827</u>	<u>41.827</u>	<u>39.000</u>	<u>39.000</u>	<u>39.000</u>	<u>39.000</u>
Required Reserve Fund included above	598,100	598,100	598,100	598,100	598,100	598,100	598,100	598,100	598,100	598,100	598,100	598,100
Calculation of Assessed Valuation												
Market values - residential homes (000's)												
Beginning	149,271	149,271	152,256	152,256	155,301	155,301	158,408	158,408	161,576	161,576	164,807	164,807
Increase (see Exhibit III)	-	-	-	-	-	-	-	-	-	-	-	-
Biennial reassessment (1% per annum)	-	2,985	-	3,045	-	3,106	-	3,168	-	3,232	-	3,296
Ending	<u>149,271</u>	<u>152,256</u>	<u>152,256</u>	<u>155,301</u>	<u>155,301</u>	<u>158,408</u>	<u>158,408</u>	<u>161,576</u>	<u>161,576</u>	<u>164,807</u>	<u>164,807</u>	<u>168,103</u>
Residential assessment ratio	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%
Assessed value - residential (000's)	<u>11,882</u>	<u>12,120</u>	<u>12,120</u>	<u>12,362</u>	<u>12,362</u>	<u>12,609</u>	<u>12,609</u>	<u>12,861</u>	<u>12,861</u>	<u>13,119</u>	<u>13,119</u>	<u>13,381</u>
Market values - lots												
Beginning	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) residential lots	-	-	-	-	-	-	-	-	-	-	-	-
Ending	-	-	-	-	-	-	-	-	-	-	-	-
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - Finished lots (000's)	-	-	-	-	-	-	-	-	-	-	-	-
Total assessed valuation (000's)	<u>11,882</u>	<u>12,120</u>	<u>12,120</u>	<u>12,362</u>	<u>12,362</u>	<u>12,609</u>	<u>12,609</u>	<u>12,861</u>	<u>12,861</u>	<u>13,119</u>	<u>13,119</u>	<u>13,381</u>

**Parker Homestead Metropolitan District
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2010 through 2044**

	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
General Fund												
Beginning cash available	\$ 18,965	\$ 20,510	\$ 22,642	\$ 24,213	\$ 26,381	\$ 27,977	\$ 30,183	\$ 31,805	\$ 34,049	\$ 35,698	\$ 37,982	\$ 39,659
Revenues												
Property taxes	53,524	54,595	54,595	55,686	55,686	56,800	56,800	57,936	57,936	59,095	59,095	60,277
Specific ownership taxes	4,282	4,368	4,368	4,455	4,455	4,544	4,544	4,635	4,635	4,726	4,726	4,822
Developer advances												
	57,806	58,963	58,963	60,141	60,141	61,344	61,344	62,571	62,571	63,823	63,823	65,099
Expenditures												
County treasurer fees	803	819	819	835	835	852	852	869	869	886	886	904
Operation expenses	55,458	56,012	56,572	57,138	57,709	58,287	58,869	59,458	60,053	60,653	61,260	61,872
Repay developer advances												
	56,261	56,831	57,391	57,973	58,544	59,139	59,721	60,327	60,922	61,539	62,146	62,776
Ending cash available	\$ 20,510	\$ 22,642	\$ 24,213	\$ 26,381	\$ 27,977	\$ 30,183	\$ 31,805	\$ 34,049	\$ 35,698	\$ 37,982	\$ 39,659	\$ 41,981
Mill Levy	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Capital Project Fund												
Beginning cash available	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues												
Bond proceeds - Series 2014												
Expenditures												
Issuance costs												
Transfer to Debt Service Fund												
Available for improvements / repayment of developer advances												
Ending cash available	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Parker Homestead Metropolitan District
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2010 through 2044**

	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Debt Service Fund												
Beginning cash available	\$ 1,090,441	\$ 1,055,880	\$ 1,020,127	\$ 984,710	\$ 945,679	\$ 909,680	\$ 867,948	\$ 827,213	\$ 784,244	\$ 745,587	\$ 703,213	\$ 658,707
Revenues												
Property taxes	468,336	477,703	477,703	487,257	487,257	497,002	497,002	506,942	506,942	517,081	517,081	527,422
Specific ownership taxes	37,467	38,216	38,216	38,981	38,981	39,760	39,760	40,555	40,555	41,366	41,366	42,194
Facility fees	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Capital Project Fund	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	7,860	7,584	7,330	7,040	6,772	6,461	6,158	5,838	5,550	5,235	4,904	115
	<u>513,663</u>	<u>523,513</u>	<u>523,249</u>	<u>533,278</u>	<u>533,010</u>	<u>543,223</u>	<u>542,920</u>	<u>553,335</u>	<u>553,047</u>	<u>563,682</u>	<u>563,351</u>	<u>569,731</u>
Expenditures												
Debt service - Series 2014	539,200	550,100	549,500	563,000	559,700	575,500	574,200	566,700	582,100	596,300	598,100	1,203,100
Paying agent / trustee fees	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
County treasurer fees	7,025	7,168	7,168	7,309	7,309	7,455	7,455	7,604	7,604	7,756	7,756	7,911
	<u>548,225</u>	<u>559,268</u>	<u>558,668</u>	<u>572,309</u>	<u>569,009</u>	<u>584,955</u>	<u>583,655</u>	<u>586,304</u>	<u>591,704</u>	<u>606,056</u>	<u>607,856</u>	<u>1,213,011</u>
Ending cash available	\$ 1,055,880	\$ 1,020,127	\$ 984,710	\$ 945,679	\$ 909,680	\$ 867,948	\$ 827,213	\$ 784,244	\$ 745,587	\$ 703,213	\$ 658,707	\$ 15,427
Mill Levy	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Total Mill Levy	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>
Required Reserve Fund included above	598,100	598,100	598,100	598,100	598,100	598,100	598,100	598,100	598,100	598,100	598,100	-
Calculation of Assessed Valuation												
Market values - residential homes (000's)												
Beginning	168,103	168,103	171,465	171,465	174,895	174,895	178,393	178,393	181,960	181,960	185,600	185,600
Increases (see Exhibit III)												
Biennial reassessment (1% per annum)	-	3,362	-	3,429	-	3,498	-	3,568	-	3,639	-	3,712
Ending	<u>168,103</u>	<u>171,465</u>	<u>171,465</u>	<u>174,895</u>	<u>174,895</u>	<u>178,393</u>	<u>178,393</u>	<u>181,960</u>	<u>181,960</u>	<u>185,600</u>	<u>185,600</u>	<u>189,312</u>
Residential assessment ratio	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%
Assessed value - residential (000's)	<u>13,381</u>	<u>13,649</u>	<u>13,649</u>	<u>13,922</u>	<u>13,922</u>	<u>14,200</u>	<u>14,200</u>	<u>14,484</u>	<u>14,484</u>	<u>14,774</u>	<u>14,774</u>	<u>15,069</u>
Market values - lots												
Beginning												
Increase (decrease) residential lots												
Ending												
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - Finished lots (000's)												
Total assessed valuation (000's)	<u>13,381</u>	<u>13,649</u>	<u>13,649</u>	<u>13,922</u>	<u>13,922</u>	<u>14,200</u>	<u>14,200</u>	<u>14,484</u>	<u>14,484</u>	<u>14,774</u>	<u>14,774</u>	<u>15,069</u>

Parker Homestead Metropolitan District Forecasted Schedule of General Obligation Debt - Series 2014 For the Years Ended December 31, 2014 through 2044

Year	Principal	Coupon	Interest	Annual Total	Outstanding Balance
					6,950,000
2015			208,500		6,950,000
2015			208,500	417,000	6,950,000
2016			208,500		6,950,000
2018			208,500	417,000	6,950,000
2017			208,500		6,950,000
2017			208,500	417,000	6,950,000
2018			208,500		6,950,000
2018	55,000	6.000%	208,500	472,000	6,895,000
2019			206,850		6,895,000
2019	55,000	6.000%	206,850	468,700	6,840,000
2020			205,200		6,840,000
2020	70,000	6.000%	205,200	480,400	6,770,000
2021			203,100		6,770,000
2021	75,000	6.000%	203,100	481,200	6,695,000
2022			200,850		6,695,000
2022	90,000	6.000%	200,850	491,700	6,605,000
2023			198,150		6,605,000
2023	95,000	6.000%	198,150	491,300	6,510,000
2024			195,300		6,510,000
2024	110,000	6.000%	195,300	500,600	6,400,000
2025			192,000		6,400,000
2025	115,000	6.000%	192,000	499,000	6,285,000
2026			188,550		6,285,000
2026	130,000	6.000%	188,550	507,100	6,155,000
2027			184,650		6,155,000
2027	140,000	6.000%	184,650	509,300	6,015,000
2028			180,450		6,015,000
2028	160,000	6.000%	180,450	520,800	5,855,000
2029			175,650		5,855,000
2029	170,000	6.000%	175,650	521,300	5,685,000
2030			170,550		5,685,000
2030	190,000	6.000%	170,550	531,100	5,495,000
2031			164,850		5,495,000
2031	200,000	6.000%	164,850	529,700	5,295,000
2032			158,850		5,295,000
2032	225,000	6.000%	158,850	542,700	5,070,000
2033			152,100		5,070,000
2033	235,000	6.000%	152,100	539,200	4,835,000
2034			145,050		4,835,000
2034	260,000	6.000%	145,050	550,100	4,575,000
2035			137,250		4,575,000
2035	275,000	6.000%	137,250	549,500	4,300,000
2036			129,000		4,300,000
2036	305,000	6.000%	129,000	563,000	3,995,000
2037			119,850		3,995,000
2037	320,000	6.000%	119,850	559,700	3,875,000
2038			110,250		3,875,000
2038	355,000	6.000%	110,250	575,500	3,320,000
2039			99,600		3,320,000
2039	375,000	6.000%	99,600	574,200	2,945,000
2040			88,350		2,945,000
2040	410,000	6.000%	88,350	586,700	2,535,000
2041			76,050		2,535,000
2041	430,000	6.000%	76,050	582,100	2,105,000
2042			63,150		2,105,000
2042	470,000	6.000%	63,150	598,300	1,635,000
2043			49,050		1,635,000
2043	500,000	6.000%	49,050	598,100	1,135,000
2044			34,050		1,135,000
2044	1,135,000	6.000%	34,050	1,203,100	
	<u>6,950,000</u>		<u>9,325,500</u>	<u>16,275,500</u>	

**Parker Homestead Metropolitan District
Forecasted Schedules of Absorption, Facility Fees
and Market Values
For the Years Ended December 31, 2010 through 2022**

Schedule of Absorption

Property Description	SFE (1)	Prior	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Units Absorbed																
Residential Homes																
SFDs1 (70x120)	100%				5	15	15	15								50
SFDs2 (60x110)	100%				10	30	30	30								100
SFDs3 (50x110)	100%				13	39	39	39								130
SFDs - Higher Density	100%						35	35	20							90
					28	84	119	119	20							370
Finished Lots																
SFDs1 (70x120)				5	10			(15)								
SFDs2 (60x110)				10	20			(30)								
SFDs3 (50x110)				13	26			(39)								
SFDs - Higher Density						35		(15)	(20)							
				28	56	35		(99)	(20)							

Schedule of Facility Fees

Single family equivalents					28	84	119	119	20							370
Facility Fees	2,000			56,000	168,000	238,000	238,000.00	40,000.00								740,000

Schedule of Market Values

		Prior	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Residential Homes																
SFDs1 (70x120)	475,000				2,422,500	7,412,850	7,561,107	7,712,329								25,108,786
SFDs2 (60x110)	400,000				4,080,000	12,464,800	12,734,496	12,989,186								42,288,482
SFDs3 (50x110)	350,000				4,641,000	14,201,460	14,485,489	14,775,199								48,103,148
SFDs - Higher Density	280,000						10,399,838	10,607,835	6,182,852							27,190,526
					11,143,500	34,099,110	45,180,931	46,084,549	6,182,852							142,690,942
Finished Lots																
SFDs1 (70x120)	47,500			237,500	475,000			(712,500)								
SFDs2 (60x110)	40,000			400,000	800,000			(1,200,000)								
SFDs3 (50x110)	35,000			455,000	910,000			(1,365,000)								
SFDs - Higher Density	28,000					980,000		(420,000)	(560,000)							
				1,092,500	2,185,000	980,000		(3,697,500)	(560,000)							

EXHIBIT G

Indemnification Letters

I. Developer's Letter

{date – on or after date of Service Plan approval}

Town of Parker
20120 E. Mainstreet
Parker, CO 80138-7334

RE: Parker Homestead Metropolitan District

To the Town Council:

This Indemnification Letter (the "Letter") is delivered by the undersigned (the "Developer") in connection with the review by the Town of Parker (the "Town") of the Service Plan, including all amendments heretofore or hereafter made thereto (the "Service Plan") for the Parker Homestead Metropolitan District (the "District"). Developer, for and on behalf of itself and its transferees, successors and assigns, represents, warrants, covenants and agrees to and for the benefit of the Town as follows:

1. Developer hereby waives and releases any present or future claims it might have against the Town or the Town's elected or appointed officers, employees, agents, contractors or insurers (the "Released Persons") in any manner related to or connected with the Service Plan or any action or omission with respect thereto. Developer further hereby agrees to indemnify and hold harmless the Released Persons from and against any and all liabilities resulting from any and all claims, demands, suits, actions or other proceedings of whatsoever kind or nature made or brought by any third party, including attorneys' fees and expenses and court costs, which directly or indirectly or purportedly arise out of or are in any manner related to or connected with any of the following: (a) the Service Plan or any document or instrument contained or referred to therein; or (b) the formation of the District; or (c) any actions or omissions of the Developer or the District, or their agents, in connection with the District, including, without limitation, any actions or omissions of the Developer or District, or their agents, in relation to any bonds or other financial obligations of the District or any offering documents or other disclosures made in connection therewith. Developer further agrees to investigate, handle, respond to and to provide defense for and defend against, or at the Town's option to pay the attorneys' fees and expenses for counsel of the Town's choice for any such liabilities, claims, demands, suits, actions or other proceedings.

2. Developer hereby consents to the Debt Instrument Disclosure Requirements as set forth Section VI.F of the Service Plan, acknowledges the Town's right to modify the required disclosures, and waives and releases the Town from any claims Developer might have based on or relating to the use of or any statements made or to be made in such disclosures (including any modifications thereto).

3. This Letter has been duly authorized and executed on behalf of Developer.

Very truly yours,

PARKER HOMESTEAD INVESTMENTS, LLC, a
Colorado limited liability company

By: _____

Name: _____

Title: _____

District's Letter
{date – date of organizational meeting}

Town of Parker
20120 E. Mainstreet
Parker, CO 80138-7334

RE: Parker Homestead Metropolitan District

To the Town Council:

This Indemnification Letter (the "Letter") is delivered by the Parker Homestead Metropolitan District (the "District") in order to comply with the Service Plan, including all amendments heretofore or hereafter made thereto (the "Service Plan") for the District. The District, for and on behalf of itself and its transferees, successors and assigns, represents, warrants, covenants and agrees to and for the benefit of the Town as follows:

4. The District hereby waives and releases any present or future claims it might have against the Town or the Town's elected or appointed officers, employees, agents, contractors or insurers (the "Released Persons") in any manner related to or connected with the Service Plan or any action or omission with respect thereto. To the fullest extent permitted by law, the District hereby agrees to indemnify and hold harmless the Released Persons from and against any and all liabilities resulting from any and all claims, demands, suits, actions or other proceedings of whatsoever kind or nature made or brought by any third party, including attorneys' fees and expenses and court costs, which directly or indirectly or purportedly arise out of or are in any manner related to or connected with any of the following: (a) the Service Plan or any document or instrument contained or referred to therein; or (b) the formation of the District; or (c) any actions or omissions of the District, Parker Homestead Investments, LLC, a Colorado limited liability company (the "Developer"), or their agents, in connection with the District, including, without limitation, any actions or omissions of the District or Developer, or their agents, in relation to any bonds or other financial obligations of the District or any offering documents or other disclosures made in connection therewith. The District further agrees to investigate, handle, respond to and to provide defense for and defend against, or at the Town's option to pay the attorneys' fees and expenses for counsel of the Town's choice for any such liabilities, claims, demands, suits, actions or other proceedings.

5. It is understood and agreed that neither the District nor the Town waives or intends to waive the monetary limits (presently \$150,000 per person and \$600,000 per occurrence) or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, Section 24-10-101, *et seq.*, C.R.S., as from time to time amended, or otherwise available to the Town, the District, its officers, or its employees.

6. The District hereby consents to the Debt Instrument Disclosure Requirements as set forth in Section VI.F of the Service Plan, acknowledges the Town's right to modify the required disclosures, and waives and releases the Town from any claims the District might have based on or relating to the use of or any statements made or to be made in such disclosures (including any modifications thereto).

7. This Letter has been duly authorized and executed on behalf of the District.

Very truly yours,

PARKER HOMESTEAD METROPOLITAN
DISTRICT

By: _____
_____, President

Attest:

Secretary

EXHIBIT H

Intergovernmental Agreement

TOWN OF PARKER

INTERGOVERNMENTAL AGREEMENT BETWEEN

THE TOWN OF PARKER, COLORADO AND THE

PARKER HOMESTEAD METROPOLITAN DISTRICT

THIS AGREEMENT is made and entered into as of this ___ day of _____, 2010, by and between the TOWN OF PARKER, a home rule municipal corporation of the State of Colorado (the "Town"), and the PARKER HOMESTEAD METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"). The Town and the District are collectively referred to as the Parties.

WITNESSETH:

WHEREAS, C.R.S. Section 29-1-203 authorizes the Parties to cooperate and contract with one another regarding functions, services and facilities each is authorized to provide; and

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District's Service Plan approved by the Town on _____, 2010 (the "Service Plan"); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the Town and the District, as required by Chapter 10.11 of the Town Code; and

WHEREAS, it is the Town's policy that special districts located within residential projects shall share in regional public improvements, and the model intergovernmental agreement required by Chapter 10.11 of the Town Code includes provisions for special districts to provide regional improvement funds; and

WHEREAS, the Town, the Parker Water and Sanitation District and Parker Homestead Investments, LLC ("PHI") entered into that certain Parker Homestead Annexation Agreement dated September ___, 2010, (the "Annexation Agreement"), which provides in part for the formation of a special taxing district to fund certain regional improvements, and the District is the special taxing district contemplated in the Annexation Agreement; and

WHEREAS, the specific regional improvements identified in the Service Plan and Annexation Agreement include the "Remaining Portion of Chambers Road Amount" and the related "Chambers Reimbursement Cost" as defined in the Annexation Agreement and collectively referred to as the "Regional Improvements"; and

WHEREAS, pursuant to the Annexation Agreement and this Agreement, PHI and the District are responsible for providing funds for the construction of the Regional Improvements; and

WHEREAS, the Town and District acknowledge the need for the Regional Improvements in order to accomplish the comprehensive development of the property within the Parker Homestead project (the "Property") that is within the District's service area; and

WHEREAS, the District desires to pay to the Town the amounts set forth in this Agreement for the construction of the Regional Improvements; and

WHEREAS, the Parties have determined that any capitalized term not specifically defined in this Agreement shall have that meaning as set forth in the Service Plan; and

WHEREAS, the Parties have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement ("Agreement") to address certain matters related to the organization, powers and authorities of the District.

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Regional Improvements Funding.

(a) The Town, the Parker Water and Sanitation District and Parker Homestead Investments, LLC ("PHI") entered into the Parker Annexation Agreement dated September ____, 2010 ("Annexation Agreement"). Pursuant to the first paragraph of Section 8 of the Annexation Agreement, PHI agreed to pay the Town One Million Eight Hundred Thousand Dollars (\$1,800,000) for the cost to design and construct the two (2) northbound lanes of Chambers Road as a limited access, full arterial roadway section, including sidewalk, acceleration and deceleration lanes and a two-lane bridge over Newlin Gulch ("Remaining Portion of Chambers Road Amount"), on or before the issuance of one hundred eighty (180) building permits or one hundred forty (140) certificates of occupancy (temporary or otherwise) for the Project, whichever occurs first. The Remaining Portion of Chambers Road Amount shall increase annually, commencing on the approval by the Town of the first final plat for the Property or twelve (12) months after the effective date of the Annexation Agreement, whichever first occurs, by the U.S. Bureau of Labor Statistics Consumer Price Index for Denver-Boulder, All Items, All Urban Consumers, or its successor index. Section 8.c. of the Annexation Agreement further provides, that, in the event the Town designs and constructs the Remaining Portion of Chambers Road prior to the issuance of one hundred eighty (180) building permits or one hundred forty (140) certificates of occupancy (temporary or otherwise) for the Project, whichever first occurs, then, in that event, PHI shall reimburse the Town for such cost to design and construct at the time when PHI's obligation to pay for the cost of the improvements otherwise would have arisen under the first paragraph of Section 8 of the Annexation Agreement ("Chambers Reimbursement Cost"). To the extent the Town exercises its option under Section 8.c of the Annexation Agreement to advance-construct the improvements the Chambers Reimbursement Cost shall

increase annually, commencing at the time when the improvements are substantially completed by the Town, by the U.S. Bureau of Labor Statistics Consumer Price Index for Denver-Boulder, All Items, All Urban Consumers, or its successor index.

(b) The Town and District agree that the Remaining Portion of Chambers Road Amount and the related Chambers Reimbursement Cost are Public Improvements and include "Regional Improvements" for purposes of meeting the requirements of Chapter 10.11 of the Parker Municipal Code, as amended. Therefore, to the extent not previously paid by PHI, the District agrees that the full amount of the Remaining Portion of Chambers Road Amount or the Chambers Reimbursement Cost shall be paid by the District to the Town from the net bond proceeds from the first issuance of any Bonds by the District, and the District shall not issue such Bonds without including in such issuance the concurrent allocation and delivery to the Town of the full outstanding amount of the Remaining Portion of Chambers Road Amount or the Chambers Reimbursement Cost. Such delivery of funds shall be a condition of closing of the bonds. The District acknowledges and agrees that payment by the District as required by this Section is a material consideration in, and a condition of, the Town's approval of the District's Service Plan, and that the Town has relied thereon in approving the District's Service Plan. The District specifically agrees that the requirements hereof shall be enforceable by the Town by all remedies available at law or in equity, including without limitation affirmative injunctive relief. The District further represents and warrants that it has obtained all voter authorizations necessary to make any payments required by this Section.

2. Use of Regional Improvements Funds. The Town shall use any Regional Improvements funds paid pursuant to Section 1 solely and exclusively for costs of constructing the Regional Improvements.

3. Deposit of Regional Improvements Funds. The Town shall deposit and use any Regional Improvements funds paid pursuant to Section 1 only for costs of constructing the Regional Improvements. Such Regional Improvements funds may be applied to any design, planning, engineering, surveying, construction management, labor, materials and administrative costs related to construction of the Regional Improvements.

4. Operations and Maintenance. The District shall dedicate the Public Improvements (as defined in the Service Plan) to the Town or other appropriate jurisdiction or owners association in a manner consistent with the final approved plat for the property located within the District's boundaries, other rules and regulations of the Town, and applicable provisions of the Town Code. The District shall not be authorized to operate and maintain any part or all of the Public Improvements or any other improvements, public or private, unless specifically provided for in this Agreement or separate agreement with the Town.

5. Fire Protection. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless specifically provided for in this Agreement or separate agreement with the Town. This provision shall not limit the District's authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system.

6. Television Relay and Translation; Mosquito Control and Other Limitations.

Unless specifically provided for in this Agreement or separate agreement with the Town, the District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate, maintain or provide: (a) any television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project; (b) any mosquito control facilities and services; (c) any solid waste disposal, collection and transportation facilities and services, and (d) any security, covenant enforcement and design review services.

7. Construction Standards. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of federal and state governmental entities having proper jurisdiction. The District will obtain the Town's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

8. Issuance of Privately Placed Debt. Prior to the issuance of any privately placed bonds or other obligations, the payment of which the District has promised to impose an ad valorem property tax mill levy ("Debt"), the District shall obtain the certification of an External Financial Advisor substantially as follows:

("Company") is an External Financial Advisor within the meaning of the District's Service Plan.

Company certifies that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by the District for the [insert the designation of the Debt] does not exceed a market [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by Company and based upon Company's analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

9. Inclusion and Exclusion. The District shall not include within its boundaries any property outside the Service Area (as defined in the Service Plan) without the prior written consent of the Town Council. The District shall not exclude any property from the District if such exclusion will result, or is reasonably anticipated to result, in detriment to the remaining residents and taxpayers within the District, or to the District's bondholders.

10. Total Debt Issuance. The District shall not issue Debt in excess of \$8,300,000 in total aggregate principal amount.

11. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the Town is eligible to apply for, except as may be specifically provided for herein. This Section shall not apply to specific ownership taxes

which shall be distributed to and constitute a revenue source for the District without any limitation.

12. Consolidation; Dissolution. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town. The District agrees that it shall take all action necessary to dissolve the District in accordance with the provisions of the Service Plan and applicable state statutes.

13. Service Plan Amendment Requirement. Any action of the District which violates the limitations set forth in Sections V.A.1-13 or VI.B-H of the Service Plan, or which constitutes a material modification under Parker Municipal Code section 10.11.060, shall be deemed to be a material modification to the Service Plan and the Town shall be entitled to all remedies available under State and local law to enjoin any such action(s) of the District. The Town may also seek damages for breach of this Agreement arising from violations by the District of any provision of the Service Plan.

14. Applicable Laws. The District acknowledges that the property within its boundaries shall be subject to all ordinances, rules and regulations of the Town, including without limitation, ordinances, rules and regulations relating to zoning, subdividing, building and land use, and to all related Town land use policies, master plans and related plans.

15. Annual Report. The District shall submit an annual report ("Annual Report") to the Town not later than September 1st of each calendar year following the year in which the Order and Decree creating the District has been issued by the District Court for and in Douglas County, Colorado, pursuant to Parker Municipal Code section 10.11.040 and containing the information set forth in Section VII of the Service Plan.

16. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law, including the Annual Report, shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via Federal Express or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the District:	Parker Homestead Metropolitan District c/o McGeady Sisneros, P.C. 450 E. 17th Avenue, Suite 400 Denver, CO 80203 Attn: Mary Jo Dougherty, Esq. Phone: (303) 592-4380 Fax: (303) 592-4385
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To the Town: Town of Parker
20120 E. Mainstreet
Parker, CO 80138-7334
Attn: Town Attorney
cc: Finance Director
Phone: (303) 841-0353
Fax: (303) 840-9792

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

17. Miscellaneous.

(a) Effective Date. This Agreement shall be in full force and effect and be legally binding upon final approval of the governing bodies of the Parties. No Debt shall be issued by the District until after the effective date of this Agreement.

(b) Nonassignability. No party to this Agreement may assign any interest therein to any person without the consent of the other party hereto at that time, and the terms of this Agreement shall inure to the benefit of and be binding upon the respective representatives and successors of each party hereto.

(c) Amendments. This Agreement may be amended from time to time by written amendment, duly authorized and signed by representatives of the parties hereto.

(d) Severability. If any section, subsection, paragraph, clause, phrase, or other provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, phrase, or other provision shall not affect any of the remaining provisions of this Agreement.

(e) Execution of Documents. This Agreement may be executed in two (2) counterparts, either of which shall be regarded for all purposes as one original. Each party agrees that it will execute any and all deeds, instruments, documents, and resolutions or ordinances necessary to give effect to the terms of this Agreement.

(f) Waiver. No waiver by either party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different provision of this Agreement.

(g) Default/Remedies. In the event of a breach or default of this Agreement by any party, the non-defaulting party shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing

party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

(h) Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for all actions brought hereunder shall be in the District Court in and for Douglas County.

(i) Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

(j) Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

(k) No Third Party Beneficiaries. No person or entity who or which is not a party to this Agreement will have any right of action under this Agreement.

(l) Entirety. This Agreement merges and supersedes all prior negotiations, representations, and agreements between the parties hereto relating to the subject matter hereof and this Agreement, together with the Service Plan and Annexation Agreement provisions that serve to supplement or complement this Agreement, constitutes the entire agreement between the Parties concerning the subject matter hereof.

(m) Mill Levy Imposition. The District shall not impose a mill levy or fee, or use any District revenues from any source for the purpose of paying, reimbursing or funding in any manner any obligations related to the Parker Homestead Residential Metropolitan District and the Parker Homestead Commercial Metropolitan District which districts were previously dissolved pursuant to orders of the Douglas County District Court dated January 9, 2009 and recorded in the real property records of Douglas County, Colorado on January 9, 2009 at Reception Numbers 2009001572 and 2009001571, respectively.

IN WITNESS WHEREOF, this Agreement is executed by the Town and the District as of the date first above written.

TOWN OF PARKER, COLORADO

By: _____
_____, Mayor

ATTEST:

_____, Town Clerk

APPROVED AS TO FORM:

_____, Town Attorney

**PARKER HOMESTEAD
METROPOLITAN DISTRICT**, a quasi-
municipal corporation and political
subdivision of the State of Colorado

By: _____
_____, President

ATTEST:

_____, Secretary