

**FIRST MODIFICATION TO THE CONSOLIDATED SERVICE PLAN  
FOR  
SWEETGRASS METROPOLITAN DISTRICTS NOS. 1, 2 and 3**

**CITY OF DACONO, COLORADO**

**Submitted: January 9, 2009  
Approved: January 12, 1009**

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\* Section numbering corresponds to 2001 Service Plan where possible.

## LIST OF EXHIBITS

The following Exhibits have been revised in connection with and are attached to this First Modification; they are to be substituted for, and shall entirely supersede, the corresponding Exhibits to the September 24, 2001 Consolidated Service Plan:

<b>EXHIBIT B</b>	<b>Legal Descriptions</b>
<b>EXHIBIT D</b>	<b>Boundary Map</b>
<b>EXHIBIT F</b>	<b>Facilities Diagrams</b>
<b>EXHIBIT G</b>	<b>Financial Plan Spreadsheets</b>
<b>EXHIBIT H</b>	<b>Estimated Capital Costs and Engineer's Letter Concerning Reasonableness of Cost Estimates</b>
<b>EXHIBIT I</b>	<b>Form of City-Districts Intergovernmental Agreement</b>
<b>EXHIBIT J</b>	<b>Letters Concerning Market Projections (Land Advisors Organization and Developers)</b>
<b>EXHIBIT K</b>	<b>Letters of Indemnity</b>
<b>EXHIBIT M</b>	<b>Letter from Districts' Counsel</b>
<b>EXHIBIT N</b>	<b>Form of City Disclaimer</b>

The following Appendices are new:

<b>APPENDIX 1</b>	<b>City Council Resolution Approving First Modification (January 12, 2009)</b>
<b>APPENDIX 2</b>	<b>Form of Recorded Disclosure Statement</b>

## **I. INTRODUCTION**

On September 24, 2001, the Dacono City Council adopted a resolution approving the Consolidated Service Plan (herein the "2001 Service Plan") for Sweetgrass Metropolitan Districts Nos. 1, 2 and 3 (collectively, the "Districts" and each a "District"); Sweetgrass Metropolitan District No. 1 is the "Operating District," and Sweetgrass Metropolitan Districts Nos. 2 (residential) and 3 (commercial) are the "Taxing Districts." This First Modification to the 2001 Service Plan, approved by the City of Dacono, Colorado (the "City" or "Dacono") on January 12, 2009 (including all Exhibits and Appendices, this "First Modification") modifies and amends the 2001 Service Plan. Except to the extent inconsistent with this First Modification, the 2001 Service Plan shall remain in effect. However, where provisions of this First Modification are expressly stated to entirely supersede and replace provisions of the 2001 Service Plan, such superseded and replaced provisions shall be of no effect. To the extent of any inconsistency or conflict between the 2001 Service Plan and this First Modification, this First Modification shall be controlling.

Unless the context clearly otherwise requires (i) "Service Plan" shall mean the 2001 Service Plan as modified and amended by this First Modification; (ii) terms not otherwise defined in this First Modification shall have the meanings assigned in the 2001 Service Plan; and (iii) cross-references to Service Plan provisions and exhibits shall be deemed to refer to and incorporate all relevant provisions of this First Modification. Number and letter designations within this First Modification are intended to correspond to the 2001 Service Plan where possible and accordingly are not always consecutive.

### **D. Multiple District Structure.**

**General.** Under the three district structure, a coordinated plan for the delivery of public infrastructure to permit the development of the Project is utilized. District No.1 serves as the Operating District, which, on behalf the Taxing Districts, is responsible for managing the construction, acquisition and installation of the District funded public improvements occurring within the Project, and is also responsible for other services relating to the Taxing Districts' administrative needs and operation and maintenance of the improvements during the construction and warranty period. The provision of improvements and operation, maintenance

and administrative costs are funded primarily by property tax revenues generated within the Taxing Districts' boundaries.

The Operating District does not expect to contain any development, as all the residential and commercial development is to occur within Districts Nos. 2 and 3 respectively. Traditionally, separate districts are planned for commercial development because of differing assessed valuation to market value ratios, and different development characteristics of commercial compared with residential development. Since residential and commercial property have different assessment rates, and due to the requirement that a special district impose a uniform mill levy within its boundaries regardless of different land uses within a district, the residential development is located within District No. 2 and District No. 3 contains the commercial development. The Taxing Districts provide the tax base and funding necessary to pay for the costs of infrastructure and operations, maintenance and administrative costs.

In general, the benefits of using the multiple district structure are: (a) coordinated administration of construction and operation of public improvements and delivery of those improvements in a timely manner; and (b) assurance that improvements required by the Project are constructed in a timely and cost effective manner. Development of the Project proceeds in phases, which requires the extension of infrastructure. The multiple district structure helps assure that the construction and operation of each phase of public facilities will be administered consistent with a long-term construction and operations program.

Use of the Operating District for construction, acquisition and installation of improvements and for management of the Districts' limited operation and maintenance needs will facilitate a well planned financing effort through all phases of construction, which will assist in the coordinated provision of improvements. Use of the Taxing Districts to issue limited tax general obligation bonds to provide for the cost of infrastructure will allow for financing at competitive interest rates due to the tax exempt nature of municipal financing. The use of a multiple district structure allows the Operating District to coordinate with the Taxing Districts for the timing and issuance of bonds in such a way as to assure that improvements required by Dacono are constructed in conformance with and in the manner desired by Dacono and the Districts. The combination of

appropriate management and control of the timing of financing and the ability of the Districts to obtain attractive interest rates benefits residents and property owners.

*The Master IGA.* Given the interrelationship between the Districts working together to provide improvements benefiting the Project, the respective responsibilities and nature of the functions and services provided by the Districts are to be set forth in an intergovernmental agreement to be entered into between the Districts (the "Master IGA"). The Master IGA to be entered into after approval of this First Modification will replace and supersede any previous similar agreements between the Districts. The Master IGA is intended to promote the orderly development of improvements and services for the Project within the multi-district structure. Under the Master IGA, the Operating District will undertake the construction, installation, and acquisition of the public improvements, which collectively benefits the Taxing Districts, and provides services related to the administration of the Districts. Also, as part of the effort to coordinate and to extend Developer control over the funding of capital and administrative costs, it is expected that the Taxing Districts will incur financial obligations to the Operating District pursuant to the Master IGA, as further provided in and subject to **Section V.K** of this First Modification.

The Master IGA shall be subject in all respects to all provisions, limitations, restrictions and requirements of the Service Plan and shall not confer any additional power or authority on any District. To the extent of any inconsistency or conflict between the Master IGA and the Service Plan, the Service Plan shall be controlling. The Districts shall cooperate with any City requests for information concerning the status, provisions or implementation of the Master IGA, and the City may enforce compliance with provisions of this First Modification relating to the Master IGA; however, notwithstanding contrary provisions of the 2001 Service Plan, the Master IGA is not required to be submitted to the City for prior approval.

*Control Structure.* The use of the separate Operating and Taxing Districts is designed to extend Developer control over the construction and financing of public improvements for the Project. Eligibility to serve on the boards of directors of the Districts is based on ownership of property within the boundaries of a District, or on residence within a District. The Operating District will be comprised of property which is expected to be owned by Developer

representatives until the construction and financing of public improvements for the Project are completed. As development of the Project progresses, property owners and residents will become eligible to run for the boards of directors of the Taxing Districts. The contractual commitments between the Taxing Districts and the Operating District contained in the Master IGA are intended to ensure that the financing and construction of public improvements for the Project are not adversely affected by future changes in political control of the Taxing Districts.

## II. PURPOSE OF THE DISTRICTS

The Districts were formed to finance the construction, installation, acquisition and general provision of the following types of public improvements for the Project: streets, street lighting, traffic and safety controls, storm sewers and flood and surface drainage, water (including any City-approved raw water irrigation system), landscaping, monumentation, and park and recreation improvements (the "public improvements," "improvements" or "infrastructure"). As part of this First Modification, the Districts will no longer have any financing, construction or other authority with respect to sanitary sewer improvements, and all references in the 2001 Service Plan to District sanitary sewer powers or authority shall be of no effect. Also as part of this First Modification, the park and recreation powers and authority of the Districts shall not include any pool or recreation center improvements or facilities, and all references in the 2001 Service Plan to such pool or recreation center improvements or facilities shall be of no effect.

The improvements to be financed, constructed, installed, or acquired by the Districts shall be limited to the public improvements and facilities described in the revised **Exhibit F** Facilities Diagrams and the items generally described in the revised **Exhibit H** cost estimates attached to this First Modification, which shall supersede and entirely replace **Exhibits F and H** attached to the 2001 Service Plan. Prior to construction of any of such improvements, the Operating District shall provide authorization for eligibility and the probability of financing to the Developer. Notwithstanding anything contained herein to the contrary, the Operating District, in its sole discretion, may choose not to finance certain improvements at which time such costs will be considered a Developer contribution. The Districts may exercise those powers of a metropolitan district set forth in the Special District Act, Article 1 of Title 32, C.R.S., only as necessary to

implement the provisions of the Service Plan, and only to the extent authorized by and in a manner consistent with the Service Plan. All functions, activities, improvements, services, and programs of the Districts are limited to those expressly authorized in the Service Plan, notwithstanding any different, additional, or expanded powers or authority that may be granted to the Districts by any present or future statutory or regulatory provisions.

The Districts are intended to provide for the financing of public improvements for the Project, but are not intended to have perpetual existence. Except as otherwise specifically provided in **Section IV.H** of this First Modification, and notwithstanding any contrary provision of the 2001 Service Plan, the Districts will not own or operate any improvements or facilities and will not provide any ongoing services, and the term "service" as used herein with respect to the Districts is accordingly limited to providing for the financing of capital improvements authorized by this Service Plan. Except for certain limited public improvements as specifically described in **Section IV.H** of this First Modification, public improvements are to be dedicated and conveyed to the City of Dacono ("City" or "Dacono") or its designee, as required by the City. The public improvements are to be financed as further provided in the Financial Plan of the Districts set forth in **Section V** of this First Modification and in **Exhibit G** hereto.

### **III. BOUNDARIES; POPULATION AND ASSESSED VALUATION ESTIMATES**

The provisions of this **Section III** of the First Modification shall supersede and entirely replace the provisions of **Section III** of the 2001 Service Plan.

The boundaries of Districts Nos. 1, 2 and 3 are as described in **Exhibit B** to this First Modification (Legal Descriptions) and as set forth on the Boundary Map attached to this First Modification as **Exhibit D; Exhibits B and D** attached to this First Modification shall supersede and entirely replace **Exhibits B and D** to the 2001 Service Plan. **Exhibit C** (Dacono Vicinity Map) attached to the 2001 Service Plan is unchanged by this First Modification.

The Districts shall be required to obtain written administrative approval from the City prior to seeking any inclusion or exclusion of property.

District No. 2 is currently zoned for residential uses and District No. 3 is currently zoned for mixed use, industrial and commercial uses. The Project is being developed for the anticipated construction of 1,109 single-family homes and 555 multi-family homes in District No. 2 and approximately 836,999 square feet of commercial development in District No. 3, all subject to development approval by the City. The current population of District No. 2 is approximately 280 and the estimated population of District No. 2 at full build-out is approximately 4,700. The current daytime population of district No. 3 is approximately 40, and the estimated daytime population of District No. 3 at full build-out is approximately 800. It is acknowledged that City development standards and requirements, as well as other factors, may affect the foregoing development and population estimates. The most current assessed valuation for District No. 2 is \$4,019,090 and the estimated assessed value for District No. 2 at full build-out is \$45,300,969. The most current assessed valuation for District No. 3 is \$2,159,410 and the estimated assessed value for District No. 3 at full build-out is \$28,496,021.

District No. 1 (which has an area of approximately 1.63 acres) is undeveloped and is expected to remain undeveloped. The current population of District No. 1 is zero and its estimated population at full build-out is zero; the Service Plan assumes a current assessed valuation of zero, and no substantial assessed valuation is expected or projected for District No. 1.

The total overlapping mill levy imposed upon property within District No. 2 (including the mill levy imposed by District No. 2) for tax collection year 2008 averaged approximately 144 mills between the ten taxing areas that overlap District No. 2. The total overlapping mill levy imposed upon property within District No. 3 (including the mill levy imposed by District No. 3) for tax collection year 2008 averaged approximately 112 mills between the ten taxing areas that overlap District No. 3.

#### **IV. DESCRIPTION OF FACILITIES AND IMPROVEMENTS**

**General.** The Districts may provide for the financing, construction, acquisition, and installation of the improvements, which shall consist of the improvements generally shown on revised **Exhibit F** and included in the revised **Exhibit H** cost estimates, both as attached to this First Modification. Improvements authorized hereunder may include public school

improvements which serve the general community of the Project, such as extensions of utilities, roads, and park and playground areas.

Revised **Exhibit H** attached to this First Modification contains information about the estimated costs of all of the possible improvements for the Project, including the estimated costs of the improvements for District No. 2 (residential) (total \$41,789,193) and District No. 3 (commercial) (total \$6,796,906). The Districts shall be authorized to finance the acquisition, design, construction, and installation of only those public improvements and facilities authorized under this **Section IV** and generally shown on revised **Exhibits F and H** as attached to this First Modification, subject to development approval by the City.

City administrative approval shall be required for any increases in estimated or actual costs of improvements that exceed the applicable contingency amount stated in the **Exhibit H** cost estimates attached to this First Modification; such approval not to be unreasonably withheld provided that the Districts present evidence satisfactory to the City Engineer that such increases directly relate to line items in **Exhibit H** and are reasonable in relation to then-current local construction costs. This provision shall supersede and entirely replace the first two paragraphs of **Section IV** of the 2001 Service Plan.

The public improvements are generally regional in nature and scope, and as such, confer community wide benefit to the Districts and the entire Project. The updated cost estimate reflects an expanded scope, size and cost of improvements over the original 2001 estimates such as expanded park and recreation, trails, open space, raw water irrigation, and landscaping amenities. Additionally, construction costs have increased since the original 2001 estimates for infrastructure.

As stated in **Section II** of this First Modification, and notwithstanding any provision of the 2001 Service Plan to the contrary, the Districts shall not provide any sanitary sewer services, improvements or facilities. The Districts are included within and receive sanitary sewer service from the St. Vrain Sanitation District.

**A. Water System.** The property within the Districts will receive water service from the City through the City's arrangements with the Central Weld County Water District (the "Water District"). The Districts may provide financing for Water District water system improvements and facilities that may be necessary for service to areas within the Districts, which facilities and improvements are to be designed, constructed, installed, or acquired by the Water District. All Water District system improvements shall be owned by the Water District. All City water systems improvements shall be dedicated to, conveyed to, and owned by the City upon acceptance and completion of the Districts' warranty obligations. A separate raw water irrigation system shall, at the City's option, either be dedicated and conveyed to the City or its designee, or owned by the Districts and maintained by the Districts or a property owners' association. All water rights shall be owned by the City. The Districts will not purchase, own, manage, adjudicate, or develop any water rights or water resources; provided, however, that, upon the prior written consent of the City, which may be granted or denied in the City's sole discretion, the Districts may manage, adjudicate, or develop those water rights proposed for use in any raw water irrigation system. The Districts shall not design, construct, acquire, or install water improvements or facilities through contracts by the Districts, including off-site improvements, except upon approval of the City and Water District with respect to the Water District system, and the City with respect to the City water system. Any intergovernmental agreement between the Districts and the Water District shall be submitted to the City for review and shall be approved by the City prior to execution by the Districts.

**G. Dedication of Improvements to City.** Except for the limited improvements for which the Districts may retain ownership as described in **Section IV.H.**, the Districts shall dedicate and convey to the City, or cause to be dedicated and conveyed to the City or other public entities, as might be required by the City, all public improvements, as well as rights-of-way, fee interests, and easements necessary for access to and operation and maintenance of such improvements and facilities. All such improvements, facilities, easements, and rights-of-way shall be conveyed to the City or its designee upon completion of construction, installation and expiration of the two-year warranty period that commences after City issuance of an Initial Acceptance as set forth in the 2001 Consolidated Service Plan. Costs of warranty maintenance are expected to be capitalized by the Districts. All dedications shall be by instruments acceptable to the City, free and clear of all liens and encumbrances except those which are acceptable to the

City in its sole discretion. Failure to comply with such dedications shall be deemed to be a material modification of the Service Plan.

**H. Restrictions on District Ownership/Operation or Maintenance of Improvements.**

The provisions of this **Section IV.H** of the First Modification shall supersede and entirely replace the provisions of **Sections IV.C(7) and IV.H** of the 2001 Service Plan. Except as specifically permitted by this **Section IV.H** of the First Modification for certain limited improvements, the Districts shall not be authorized to own, operate or maintain any improvements (other than as necessary to permit the financing and construction thereof and during warranty periods, and except as permitted by the City's June 2005 exception and consent as to certain outlots), nor shall the Districts provide any ongoing services, except through City approval of an amendment to the Service Plan. The Districts (either individually, or through the Operating District by agreement) have authority to own, operate and maintain tract landscaping, street landscaping, any City-approved raw water irrigation system, entry features and trail systems, unless Dacono requests that the Districts convey ownership of such improvements to Dacono or its governmental designee. If any such ownership is retained by any of the Districts, the Districts may provide for operation and maintenance by contract with the property owners' association, or by the Operating District pursuant to the Master IGA. Any contract between any of the Districts and any property owners' association must be approved by Dacono, which may require assurances that such association accepts operation and maintenance obligations and has the financial ability to undertake such obligations. The Districts shall coordinate with Dacono for conveyance of ownership of improvements to Dacono, its governmental designees, or (subject to applicable federal tax law requirements for District-financed improvements) to a property owners' association, such that Dacono's preference for non-perpetual District existence is preserved.

**I. Acquisition of Land for Public Improvements and Easements.** The Districts agree to acquire, as necessary, at no cost to the City, all lands or interests in land required by the City for construction of any of the improvements being provided by the Districts. Land or interests in land may be acquired by the Districts by instruments of conveyance in form and substance acceptable to the City. All such land and interests in land shall then be conveyed to the City at no cost to the City at such times and by such instruments of conveyance as the City may

reasonably require, free and clear of all liens and encumbrances except those which are acceptable to the City. Excepted from this land ownership prohibition are (i) the City's June 2005 exception and consent allowing the Operating District to own certain outlots as provided for and allowed in said consent, and (ii) other exceptions approved by the City in writing.

## **V. FINANCIAL PLAN**

This **Section V** describes the nature, basis, method of funding, debt and mill levy limitations, and other financial requirements and restrictions for the Districts' public improvements program and operations. Together with revised **Exhibit G** (spreadsheet presentations of financial forecasts) and revised **Exhibit J** (letters concerning market projections) attached to this First Modification, this **Section V** of the First Modification constitutes the Financial Plan for each of the Districts as required by § 32-1-202(2)(b), C.R.S. This Financial Plan shall supersede and entirely replace the financial plan provisions of the 2001 Service Plan (including without limitation **Section V** and **Exhibits G and J** of the 2001 Service Plan).

The Service Plan authorizes the issuance of only the following types of financial obligations: (1) limited tax general obligation bonds of the Taxing Districts; (2) notes evidencing obligations to repay Developer for moneys advanced either for capital costs of the improvements or for costs of District operations and administration ("Developer Notes"); and (3) obligations of the Taxing Districts to make payments to District No. 1 pursuant to the Master IGA as provided in **Section V.K** below ("Master IGA Obligations"). The Service Plan does not authorize the Districts to incur joint and several obligations (except for Service Plan obligations to the City, as described in **Section I.A** of the 2001 Service Plan and as provided in the form of City-Districts Intergovernmental Agreement attached to this First Modification as **Exhibit I**), nor is any Taxing District authorized to pay or incur obligations with respect to costs which are not reasonably allocable to such Taxing District.

For all purposes of the Service Plan: (i) the terms "bonds," "general obligation bonds," "general obligation debt," "general obligation indebtedness" or any similar term shall mean limited tax general obligation bonds as further provided in **Section V.E**, below; and (ii) where the terms "debt," "indebtedness" and "financial obligations" appear without "general obligation"

or "bonds," such terms shall include all forms of authorized District borrowings, i.e., the Outstanding Developer Notes, any future Developer Notes, and Master IGA Obligations, as well as limited tax general obligation bonds.

This Financial Plan includes, for each District, information as to estimated operations and administration costs, existing and proposed debt and estimated interest rates and discounts, and other major costs and expenses anticipated for each District. This Financial Plan projects the issuance and repayment of debt based on the development assumptions (including the market projections and absorption forecasts set forth in this Financial Plan) for property within the boundaries of each Taxing District. This Financial Plan demonstrates that, at the projected level of development, and with the projected Developer support, each of the Taxing Districts has the ability to finance the cost of public improvements for such Taxing District as identified in this Service Plan, and each Taxing District will be capable of discharging its respective existing and proposed debt on a reasonable basis. The amount and timing of the issuance of District debt shall be dependent upon the best interests of the residents, taxpayers and property owners of the issuing Taxing District and upon market conditions at the time of issuance, and shall also be subject to the limitations, restrictions and requirements set forth herein.

It is acknowledged that the following obligations (the "Outstanding Developer Notes") have been previously incurred by District No. 1 and are presently outstanding: Subordinate Bond Anticipation Note Series 2005A (approximately \$3.5 million principal and accrued interest outstanding as of June 30, 2008, allocable to capital improvement financing for District No. 2); Subordinate Bond Anticipation Note Series 2005B (approximately \$577,000 principal and accrued interest outstanding as of June 30, 2008, allocable to capital improvement financing for District No. 3); and obligations to repay operating advances (approximately \$13,000 principal and accrued interest outstanding as of June 30, 2008). This First Modification is not intended to adversely affect the Outstanding Developer Notes. However, each Taxing District shall apply the first available net proceeds of any limited tax general obligation bonds issued by such Taxing District toward repayment of such Taxing District's Outstanding Developer Notes, and no net bond proceeds shall be otherwise applied by a Taxing District until its Outstanding Developer Notes are paid in full.

**A. General.** Each Taxing District, and the Developer as further provided in **Section XV** of the 2001 Service Plan and **Section XV** of this First Modification, shall be responsible for financing the construction and acquisition of the public improvements and facilities for such Taxing District as contemplated by the Service Plan. If sufficient tax revenues or other sources are not available, the Developer will advance or contribute to the Districts all funds necessary for such construction and acquisition and will also advance or contribute all funds necessary for operating costs of the Districts. A portion of the costs of such public improvements and facilities will be financed by the Districts, primarily through the issuance of limited tax general obligation bonds, secured by the *ad valorem* taxing authority of the respective Taxing District and certain other Taxing District revenues, as discussed below.

The combined total estimated cost of the public improvements to be financed by District No. 2 is \$41,789,193. District No. 2 has the capacity to issue general obligation bonds in the aggregate principal amount of approximately \$28,450,000. The combined total estimated cost of the public improvements to be financed by District No. 3 is \$6,796,906. District No. 3 has the capacity to issue general obligation bonds in the aggregate principal amount of approximately \$9,450,000. For each of the Taxing Districts, public improvement costs in excess of net bond proceeds are expected to be contributed by the Developer.

As further provided in **Section V.J** hereof with respect to Developer Notes, payments made to the Developer by a Taxing District (or by the Operating District on behalf of a Taxing District) are expected to be made principally from proceeds of bonds issued by such Taxing District and shall not exceed amounts advanced by the Developer to the respective Taxing District (plus interest as permitted by this Financial Plan). The Developer acknowledges and accepts the risk that anticipated payments or reimbursements by the Districts to the Developer for a portion of the cost of public improvements may not be made, or may be reduced in amount, either because all or a part of the general obligation bonds proposed to be issued by the Taxing Districts are not issued (due to changes in financial conditions or other changed circumstances), or for any other reason.

**B. Debt Issuance; Debt Limit.** All financial obligations of the Districts are subject to the provisions of this Financial Plan limiting the amount of debt for each Taxing District ("debt

limit"), Limited Mill Levy, Mill Levy Expiration, and other limitations as set forth below. Other than *ad valorem* property taxes, specific ownership taxes, facility fees as authorized by **Section V.L** below, amounts capitalized from bond proceeds, and investment income on the foregoing, no District revenues shall be pledged to any District financial obligations. The Districts are not authorized to issue revenue bonds, certificates, debentures, or other financial obligations or evidences of indebtedness, or to enter into lease-purchase transactions.

The Financial Plan for District No. 2 projects the issuance of three series of limited tax general obligation bonds, anticipated to be issued in 2011, 2014 and 2019, in the approximate principal amounts for each issue shown in **Exhibit G**, for a total estimated aggregate principal amount of approximately \$28,450,000. The aggregate principal amount of all general obligation bonds, Developer Notes and Master IGA Obligations (i.e., all forms of borrowing by District No. 2), throughout District No. 2's existence and regardless of subsequent payments and discharges, shall be subject to a total debt limit of \$31,295,000 (except to the extent otherwise provided in **Section V.H** with respect to refunding bonds, in **Section V.J** with respect to Developer Notes, and in **Section V.K** with respect to Master IGA Obligations).

The Financial Plan for District No. 3 projects the issuance of a single series of limited tax general obligation bonds, anticipated to be issued in 2016 in the approximate principal amount of \$9,450,000 as shown in **Exhibit G**. The aggregate principal amount of all general obligation bonds, Developer Notes and Master IGA Obligations (i.e., all forms of borrowing by District No. 3), throughout District No. 3's existence and regardless of subsequent payments and discharges, shall be subject to a total debt limit of \$10,395,000, except to the extent otherwise provided in **Section V.H** with respect to refunding bonds, in **Section V.J** with respect to Developer Notes and in **Section V.K** with respect to Master IGA Obligations. Notwithstanding the foregoing, the incurrence by District No. 3 of any debt that, together with other debt of District No. 3 (as computed for purposes of the debt limit provisions of this **Section V.B**), exceeds the improvement cost estimates for District No. 3 as shown in **Exhibit H**, including contingency amounts (plus reasonable costs of issuance for such proposed debt), shall be subject to City administrative approval of corresponding cost estimate increases as provided in **Section IV** of this First Modification.

District No. 1 is not expected to have any substantial ad valorem tax base or any substantial revenues, other than payments of Master IGA Obligations from the Taxing Districts as provided in **Section V.K** below. District No. 1 is not authorized to issue any general obligation debt. The only financial obligations of District No. 1 are and will be Developer Notes, which will be identified as allocable to a specified Taxing District and will be payable solely from payments received from such Taxing District; such Developer Notes will be subject to the debt limit for District No. 2 or District No. 3, as the case may be.

In addition to the respective debt limits stated above, the actual amount of bonds issued by each Taxing District will be subject to assessed valuations and market conditions as they exist at the time of issuance of each series of bonds. The Taxing Districts will issue bonds only in compliance with all requirements and restrictions of this Service Plan (including the respective debt limits stated above).

General obligation bonds may be issued by District No. 2 or by District No. 3 if any of the following three conditions is met: (i) the certified assessed valuation in such Taxing District is at least 200% of the total outstanding financial obligations of such Taxing District, including the bonds being issued; or (ii) the bonds are rated in one of the four highest investment grade rating categories by one or more nationally recognized organizations that regularly rate such obligations (either on a stand-alone basis or based on credit enhancement); or (iii) proceeds of the bonds are deposited into an escrow to be released pro rata upon the issuance of building permits for construction within such Taxing District, as further described in **Section V.C** below.

**C. Escrow Structure Alternative.** If a Taxing District determines to utilize the escrow structure alternative with respect to a series of bonds issued by such Taxing District, all net proceeds of such bonds (after deduction of reasonable amounts for capitalized interest, reserves and issuance costs) will immediately be deposited into an escrow account held by the bond trustee. Bond proceeds will be released from the escrow account into an unrestricted account on a *pro rata* basis as building permits for construction within such Taxing District are (or have been) issued by the City.

As to District No. 2, for each single-family or multi-family unit covered by each building permit, the maximum amount of bond proceeds to be so released shall be determined at the time

of each bond issue by dividing the projected total net bond proceeds (for all projected bond issues) allocable to single-family or multi-family units, as the case may be, by the total number of projected single-family or multi-family units. Projected net bond proceeds allocable to single-family or multi-family units shall bear the same relationship to then-current projections of total net bond proceeds, as the proportion of then-current projections of total single-family or total multi-family assessed valuation to then-current projections of total assessed valuation for District No. 2.

As to District No. 3, for each square foot of commercial construction covered by each building permit, the maximum amount of bond proceeds to be so released shall be determined at the time of the bond issue by dividing the projected total net bond proceeds by the then-current projection of total commercial square footage to be constructed in District No. 3.

Transfers from such an escrow account shall not be made unless all public improvements required to serve the development for which such building permits have been issued have been completed and have received Initial Acceptance from the City in accordance with the City's subdivision requirements and the Subdivision Agreement (as well as **Section IV.G** of the 2001 Service Plan and **Section IV.G** of this First Modification). Any subsequent series of bonds of such Taxing District shall not be issued until all proceeds from the preceding bond issues of such Taxing District have been released from escrow. When building permits have been issued for 95% of then-projected residential units or commercial square footage, as the case may be, and when all public improvements required for development within such Taxing District have been completed and accepted as described above, any moneys then held in such an escrow account for such Taxing District may be released into an unrestricted account (subject to applicable contractual requirements).

To the extent development does not occur as projected, the escrow account will be used to redeem or otherwise pay a portion of the bonds within the time required by any applicable federal requirements for tax-exempt bonds, but in no event later than three years from the date of issue. The Developer and the Districts have determined and hereby represent that issuance of building permits is a generally accepted lending criterion for special district debt and

accordingly, the escrow structure will evidence sufficient development activity within the issuing Taxing District to support repayment of the corresponding debt.

**D. Other Financial Restrictions, Limitations and Requirements.** The Districts have obtained voter authorization for general obligation debt, Developer Notes and Master IGA Obligations in amounts deemed by the respective Districts to be appropriate to allow for changes in cost allocations between types of public improvements, increases in construction costs due to inflation, and other unforeseen contingencies, as well as capitalized interest, reserve funds, discounts, legal fees, and other incidental and issuance costs; however, the respective debt limits imposed by this First Modification shall control unless modified with the City's approval pursuant to **Section IX** of this First Modification. The authorized maximum voted net effective interest rate is 18% per annum and the maximum underwriting discount is 5% of bond principal. The actual interest rates and discounts, within such maximum voted amounts, will be determined at the time the bonds are sold by the issuing Taxing District and will reflect market conditions at the time of sale, and all bonds issued by a Taxing District shall be consistent with the issuing Taxing District's debt capacity at the time of such issuance. The term of any bonds or other financial obligations issued by any District shall not exceed 30 years or such shorter time as may be consistent with the Mill Levy Expiration as provided in **Section V.F** below.

In the event bonds are issued at an interest rate higher than the estimated rates shown in **Exhibit G**, the principal amount of bonds will be reduced so as to result in total debt service payments approximately equal to those projected in **Exhibit G**, and so that debt service on the bonds can be paid from the revenue sources contemplated in the Service Plan. If actual increases in assessed valuation of a Taxing District are less than the projected increases shown in **Exhibit G**, it is expected that such Taxing District would compensate by increasing its mill levy (subject to the Limited Mill Levy) or by reducing the principal amount of the bonds issued.

No financial obligations issued by any District shall provide for acceleration as a remedy upon default. All bonds of the Districts shall be structured utilizing a commercial bank with trust powers as trustee to hold the bond proceeds and debt service funds and to pursue remedies on behalf of the bondholders.

Any bonds issued by the Districts pursuant to this Service Plan shall be in compliance with all applicable state and federal legal requirements, including without limitation § 32-1-1101(6), C.R.S., and article 59 of title 11, C.R.S., and shall be approved by nationally recognized bond counsel. An opinion shall also be obtained from bond counsel or counsel to the issuing District that the bonds comply with all requirements of this Service Plan.

**E. Limited Mill Levy.** "Limited Mill Levy" shall mean, for each of the Taxing Districts, the *ad valorem* mill levy (a mill being equal to 1/10 of 1¢ per dollar of assessed valuation) imposed upon all taxable property in such Taxing District each year in an amount sufficient to pay the principal of, premium if any, and interest on such Taxing District's bonds as the same become due and payable, and to make up any deficiencies in any debt service reserve for such bonds, but, together with all other mill levies of such Taxing District (including, without limitation, all mill levies for payment of Developer Notes and Master IGA Obligations, as well as for payment of administration, warranty maintenance and other operating expenses), such mill levy shall not exceed 50 mills; provided, however, that if the ratio of actual valuation to assessed valuation for residential or commercial real property, as the case may be, effective on the date of approval of this Service Plan (as shown in **Exhibit G**, 7.96% for residential real property and 29% for commercial real property) is changed pursuant to Article X, section 3(1)(b) of the Colorado Constitution and legislation implementing such constitutional provision, the Limited Mill Levy provided herein for each Taxing District will be increased or decreased (as to all taxable property in a Taxing District) to reflect such changes so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes ("Gallagher Adjustment"). The Limited Mill Levy shall be an enforceable limit on all District mill levies.

Notwithstanding the foregoing or any other provisions in the Service Plan, if a Taxing District imposes a mill levy before it has issued any general obligation bonds, such mill levy for any year shall not exceed the total mill levy projected for such year in **Exhibit G**. This restriction shall not apply to District mill levies imposed in 2008 for collection in 2009.

**F. Time Limitation on District Mill Levies and Financial Obligations.** The power of any of the Taxing Districts to levy property taxes shall expire on December 31, 2048 (the "Mill

Levy Expiration"). All future District bonds and other financial obligations shall provide that any amounts due thereunder which remain unpaid after December 31, 2049 shall be deemed discharged. After applying their final (2049) property tax collections to any remaining debt and to final administrative expenses, any of the Districts which have not already been dissolved shall cooperate with the City to dissolve in compliance with applicable law.

**G. Investor Suitability.** The offering and sale of the Districts' bonds shall not involve a public offering, and the Districts' bonds shall be offered and sold exclusively to financial institutions or institutional investors within the meaning of § 32-1-1101(6)(a)(IV), § 32-1-103(6.5) and § 11-59-103(8), C.R.S.; except as provided below in this paragraph as to rated bonds and in **Section V.I**, below, with respect to Developer Bonds. The Districts shall provide for and shall utilize appropriate minimum denominations and mechanisms and procedures for transfers and exchanges of bonds that are reasonably designed to insure continuing compliance with such limitation of sales to financial institutions or institutional investors. If a District's bonds are rated in one of the four highest investment grade rating categories by one or more nationally recognized organizations that regularly rate such obligations, compliance with the limitation of sales to financial institutions or institutional investors set forth above shall not be required.

**H. Refunding bonds.** General obligation refunding bonds may be issued by a Taxing District to defease original issue bonds of such Taxing District in compliance with applicable law, but any such refunding shall not extend the maturity of the bonds being refunded nor increase the total debt service thereon and shall meet the requirements of § 32-1-1101(6)(a), C.R.S. Refunding bonds shall not be subject to the respective Taxing District's debt limit stated in **Section V.B**, above, provided that such refunding bonds demonstrate net present value debt service savings; but if such refunding bonds do not demonstrate net present value debt service savings, any increase in principal amount of the refunding bonds over the principal amount of bonds being refunded shall be subject to such debt limit. Any issuance of refunding bonds must comply with **Section V.G**, above, "Investor Suitability." Except to the extent expressly provided in this **Section V.H**, all limitations, restrictions and requirements of this Service Plan with respect to general obligation bonds shall be applicable to refunding bonds, including, without limitation, Limited Mill Levy, Mill Levy Expiration, debt limit, maximum interest rate,

maximum discount, maximum term, prohibition on acceleration, bank trustee requirement and opinion requirements.

**I. Developer Bonds.** In lieu of a Taxing District issuing bonds to third party investors, the Developer may choose to purchase all bonds of a series (the "Developer Bonds"). Except as provided below in this **Section V.I**, Developer Bonds shall not be sold, transferred, assigned, participated, or used as security for any borrowing. Developer Bonds shall not be subject to the 200% assessed valuation ratio, rating or escrow alternative requirements of the last paragraph of **Section V.B**, above; however, Developer Bonds may be resold (or otherwise transferred, assigned, participated, or used as security) only if such requirements have been met. If and when Developer Bonds are resold by the Developer, such resale must comply with the investor suitability requirements of **Section V.G**, above (unless the Developer Bonds have received an investment grade rating as described in the last sentence of **Section V.G** above). All Developer Bonds must be subject to prior redemption at the option of the issuing Taxing District, at par, at any time (upon 30 days' notice or less). The purchase of Developer Bonds by the Developer shall not be subject to any underwriting discount.

Interest rates on Developer Bonds shall not exceed 7% per annum (which is the assumed bond interest rate for purposes of the projections in **Exhibit G**), unless prior to the issuance of such Developer Bonds the issuing Taxing District obtains a letter from a public finance professional acceptable to the City stating that the proposed higher interest rate is reasonable under then existing market conditions, taking into account the terms of the proposed Developer Bonds and the credit characteristics of the issuing Taxing District (provided, however, that the interest rate on Developer Bonds shall not in any event exceed the authorized maximum voted interest rate of 18% per annum). Any Taxing District which proposes to issue Developer Bonds in reliance on such a letter shall so notify the City Administrator in writing (identifying the proposed public finance professional) at least 30 days prior to such proposed issuance. If the City Administrator determines that the identified public finance professional is not acceptable to the City, the City Administrator shall so notify such Taxing District within 15 days of receipt of such notice.

Except as otherwise specifically provided in this **Section V.I**, all limitations, restrictions, and requirements of this Service Plan with respect to general obligation bonds shall be applicable to Developer Bonds, both when owned by the Developer and upon any permitted resale, including, without limitation, Limited Mill Levy, Mill Levy Expiration, debt limit, maximum interest rate, maximum term, prohibition on acceleration, bank trustee requirement, and opinion requirements. For purposes of ownership of Developer Bonds, the Developer shall include all affiliates or entities under the majority control of the Developer ("controlled affiliates"), provided that the Developer and any such controlled affiliate must be an accredited investor, as that term is defined under sections 3(b) and (4)(2) of the federal "Securities Act of 1933" by regulation adopted thereunder by the Securities and Exchange Commission, at the time of acquisition of the Developer Bonds. To the extent that transfers or exchanges of Developer Bonds are permitted under this **Section V.I**, the issuing Taxing District shall provide for and shall utilize appropriate minimum denominations and mechanisms and procedures for transfers and exchanges of Developer Bonds that are reasonably designed to insure continuing compliance with applicable requirements and restrictions as provided in or cross-referenced by this **Section V.I**. The Developer (including all controlled affiliates) assumes all risk of nonpayment or other default on Developer Bonds, and shall comply with the above-stated limitations, restrictions, and requirements regarding Developer Bonds.

**J. Developer Notes.** A District may issue obligations to the Developer ("Developer Notes," which also includes the Outstanding Developer Notes) to evidence such District's obligation to reimburse Developer advances for capital or operating costs authorized hereunder; any Developer advances which are not so reimbursed shall be treated as Developer contributions as described in **Section V.A**, above. Any Developer Notes issued in the future shall be subject to the following restrictions set forth above for general obligation bonds: Limited Mill Levy, Mill Levy Expiration, debt limit, maximum interest rate, maximum term, prohibition on acceleration, and opinion as to Service Plan compliance; but such Developer Notes shall not be subject to the above-stated bank trustee requirement or bond counsel opinion requirements. In addition, reimbursement for Developer operating advances (including such advances represented by Outstanding Developer Notes) shall not exceed \$190,000 for District No. 2 and shall not exceed \$82,000 for District No. 3.

The repayment of Developer Notes from proceeds of an equal or lesser principal amount of a Taxing District's bonds (including escrow deposits, as described in **Section V.C** above, allocable to such repayment) shall not be treated as an increase in the principal amount of such Taxing District's debt for purposes of the debt limit under this Service Plan. Such Developer Notes shall not be general obligations of the District, shall be issued only to the Developer (and, therefore, shall not be subject to any underwriting discount), and shall not be sold, transferred, assigned, participated, or used as security for any borrowing. All Developer Notes must be subject to prior redemption at the option of the issuing or associated Taxing District, at par, at any time (upon 30 days' notice or less).

Interest rates on Developer Notes shall not exceed 7% per annum (which is the assumed bond interest rate for purposes of the projections in **Exhibit G**), unless prior to the issuance of such Developer Notes, and following the procedures set forth in **Section V.I** hereof, the issuing District obtains a letter from a public finance professional acceptable to the City stating that the proposed higher interest rate is reasonable under then existing market conditions, taking into account the terms of the proposed Developer Notes and the credit characteristics of the issuing or associated Taxing District (provided, however, that the interest rate on Developer Notes shall not in any event exceed the authorized maximum voted interest rate of 18% per annum).

Developer Notes shall be paid from proceeds of Taxing District general obligation bonds when and if received by the Districts (subject, however, to the escrow requirements of **Section V.C**, above, if applicable); otherwise the Developer Notes will be unsecured obligations of the issuing District, except that Developer Notes issued by the Operating District may be secured by Master IGA Obligations as provided in **Section V.K** below. To the extent that a Taxing District has Developer Notes outstanding when such Taxing District's general obligation bonds are also outstanding, payments on the Developer Notes may be made only if such payments do not adversely affect such Taxing District's ability to pay its general obligation bonds. The Developer solely assumes the risk of nonpayment or other default on all Developer Notes, including, without limitation, delay, inability, or failure of any Taxing District to sell or issue its general obligation bonds. Alternatively, a District may acquire completed public improvements from the Developer with bond proceeds (subject to the escrow requirements of **Section V.C**, above, if

applicable); such improvements and facilities will then be conveyed by the District to the City or its designee as provided in the Service Plan.

The Developer hereby represents it is an accredited investor, as that term is defined under §§ 3(b) and (4)(2) of the federal "Securities Act of 1933" by regulation adopted thereunder by the Securities and Exchange Commission; and that all Outstanding Developer Notes were issued solely to accredited investors. The Developer agrees it will also be such an accredited investor if and when it acquires such Developer Notes.

**K. Master IGA Obligations.** The Taxing Districts may, pursuant to the Master IGA, incur Master IGA Obligations to the Operating District to provide funds for repayment of the Operating District's Developer Notes. Master IGA Obligations shall be subject to the following restrictions set forth above for general obligation bonds: Limited Mill Levy, Mill Levy Expiration, debt limit, maximum interest rate, maximum term, prohibition on acceleration, and opinion as to Service Plan compliance; but Master IGA Obligations shall not be subject to the above-stated bank trustee requirement or bond counsel opinion requirements.

The repayment of Master IGA Obligations from proceeds of an equal or lesser principal amount of a Taxing District's bonds (including escrow deposits, as described in **Section V.C** above, allocable to such repayment) shall not be treated as an increase in the principal amount of such Taxing District's debt for purposes of the debt limit under the Service Plan.

Such Master IGA Obligations shall be issued only to the Operating District (and, therefore, shall not be subject to any underwriting discount), and shall not be sold, transferred, assigned, participated, or used as security for any borrowing, other than Developer Notes as authorized herein. All Master IGA Obligations must be subject to prior redemption at the option of the issuing Taxing District, at par, at any time (upon 30 days' notice or less).

Interest rates on Master IGA Obligations shall not exceed 7% per annum (which is the assumed bond interest rate for purposes of the projections in **Exhibit G**), unless prior to the issuance of such Master IGA Obligations, and following the procedures set forth in **Section V.I** hereof, the issuing Taxing District obtains a letter from a public finance professional acceptable to the City stating that the proposed higher interest rate is reasonable under then existing market

conditions, taking into account the terms of the proposed Master IGA Obligations and the credit characteristics of the issuing Taxing District (provided, however, that the interest rate on Master IGA Obligations shall not in any event exceed the authorized maximum voted interest rate of 18% per annum).

Master IGA Obligations shall be paid from proceeds of Taxing District general obligation bonds when and if received by the Districts (subject, however, to the escrow requirements of **Section V.C**, above, if applicable); otherwise Master IGA Obligations may be made payable from the Limited Mill Levy. However, to the extent that a Taxing District has Master IGA Obligations outstanding when such Taxing District's general obligation bonds are also outstanding, payments on the Master IGA Obligations may be made only if such payments do not adversely affect such Taxing District's ability to pay its general obligation bonds. The Operating District and the Developer each assume the risk of nonpayment or other default on all Master IGA Obligations, including, without limitation, delay, inability, or failure of any Taxing District to sell or issue its general obligation bonds.

**L. Identification of District Revenue.** Each Taxing District will impose a mill levy on all taxable property in such Taxing District as the primary source of revenue for repayment of debt service and for operations and administration. The total mill levy imposed by any Taxing District shall not exceed the Limited Mill Levy as provided in **Section V.E** above, except for Gallagher Adjustments. Although the mill levy imposed by a Taxing District may vary depending on the timing and terms of the bond issues, when valuation increases occur, and how much money is needed for operations and administration, it is estimated that, for District No. 2, a mill levy of 50 mills through collection year 2011, and thereafter a mill levy of approximately 43 mills (or less), will produce revenue sufficient to support debt service, operations, and warranty maintenance expenses throughout the repayment period; and that, for District No. 3, a mill levy of approximately 22.1 mills (or less) will produce revenue sufficient to support debt service, operations, and warranty maintenance expenses throughout the repayment period. Property is assumed to be assessed annually as of January 1. Homes are assumed to be assessed on the next January 1 following the year of construction, and revenue from related property taxes is assumed to be received starting in the subsequent year. This Financial Plan also assumes revenue derived from specific ownership taxes and investment income.

The respective Taxing Districts are authorized to impose facility fees upon property located within such Taxing District, provided that such facility fees are limited to a one-time imposition which is due at the time of issuance of a building permit and which is an obligation of the developer or builder. For District No. 2, such facility fees shall not exceed \$2,000 per single-family or multi-family dwelling unit. For District No. 3, such facility fees shall not exceed \$1 per square foot of development.

Except as expressly provided in this **Section V.L**, the Districts shall not impose any taxes, fees or charges, and the levy, imposition or receipt of any other tax, fee or charge shall be considered an unauthorized material modification of the Service Plan. The Districts' operations and financial and administrative functions and activities shall comply with all applicable requirements of federal and state law (including, without limitation, Article X, Section 20 of the Colorado Constitution, as revised), and the anticipated financial impacts of such compliance have been taken into account in this Financial Plan.

**M. No City Financial Obligations or City Security.** The City and the Districts are separate legal entities. The City will not be a party to and will not be obligated with respect to any financial obligations of any District, and the Districts will not pledge or encumber any City funds or assets as security for any financial obligations of the District.

**N. District Operating Budgets.** The Districts will require sufficient operating funds to plan and cause the public improvements to be constructed. The costs are expected to include: organizational, legal, engineering, accounting, compliance with state reporting and other administrative requirements, and (to the extent not capitalized) debt issuance costs and compliance with warranty obligations. For District No. 2, the first year's operating budget (for 2009) is estimated to be \$25,470 (estimated to increase to \$51,029 in 2012), increasing annually at a rate of 2% to accommodate for inflation. For District No. 3, the first year's operating budget (for 2009) is estimated to be \$7,727 (estimated to increase to \$18,200 in 2012 and \$35,496 in 2018), increasing annually at a rate of 2% to accommodate for inflation. The Taxing District operating budgets include allocable shares of operating costs for the Operating District. Until such time as a District is able to generate sufficient operating revenue, operating funds have been and are expected to be provided by the Developer, either as advances (subject to the dollar

limitations of **Section V.J**) or as contributions. The operating expense projections in **Exhibit G** assume that tract landscaping, street landscaping, raw water irrigation system, entry features and trail systems will be maintained either by a property owners' association or by the City or the City's designee, as described in **Section IV.H** of this First Modification; operation and maintenance of such improvements by the Districts may cause increases in District operating budgets.

**O. Quinquennial Review.** Pursuant to § 32-1-1101.5, C.R.S., the City may require the Districts to submit application for a quinquennial finding of reasonable diligence in every fifth calendar year after the calendar year in which the District's ballot issue to incur general obligation indebtedness is approved by its electorate. Upon such application, the City Council may accept such application or hold a public hearing thereon and take such actions as are permitted by law. The Districts shall be responsible for payment of their allocable shares of the City's consultant and administrative costs associated with such review, and the City may require an advance deposit of the estimated costs thereof. The City shall have all powers concerning the quinquennial review as provided by statutes in effect from time to time.

## **VI. GENERAL MATTERS**

**B. Annual Report; Other Information Requests.** In addition to the items set forth in **Section VI.B** of the 2001 Service Plan, the Districts' annual reports to the City shall include schedules of all District mill levies, as well as any other fees or charges of any kind imposed in the report year and proposed to be imposed in the following year, and the revenues raised and proposed to be raised therefrom. The Districts shall also annually provide to the City a copy of the Districts' financial statements. For years in which an independent audit is not conducted for any District, such District shall provide the City with copies of the application for exemption and the response by the State Auditor. No provision of **Section VI.B** of the 2001 Service Plan or this First Modification shall be construed to excuse or replace any other notice requirement or any requirement for prior City approval of any material modification of the Service Plan or any other required notice or approval.

**IX. MODIFICATION OF SERVICE PLAN**

This **Section IX** shall supersede and entirely replace **Section IX** of the 2001 Service Plan. The Districts shall obtain the City's prior written approval before making any material modifications to the Service Plan. Material modifications requiring a Service Plan amendment include modifications of a basic or essential nature, including but not limited to the following:

A. Any change in the stated purposes of the Districts or any additions to the types of improvements, facilities, programs, activities or functions provided by any District;

B. Any issuance by any District of financial obligations not expressly authorized by the Service Plan, or under circumstances inconsistent with the issuing District's financial ability to discharge such obligations as shown in the build-out, assessed valuation and other projections contained in the Financial Plan; or any change in debt limit, change in revenue type, change in the Mill Levy Expiration, or change in maximum mill levy (except for any Gallagher Adjustment as provided in **Section V.E** of this First Modification);

C. Notwithstanding any contrary provision in **Section IV** of the 2001 Service Plan, any change in the improvements as generally described in **Exhibits F and H** to this First Modification;

D. Failure by any of the Districts to execute and deliver the City-Districts intergovernmental agreement (the form of which is attached hereto as **Exhibit I**) immediately upon approval of this First Modification;

E. Any provision of the Master IGA or any amendment thereto is inconsistent with the Service Plan;

F. Failure by any District to comply with the requirements concerning the dedication of improvements or the acquisition and conveyance of lands or interests in land;

G. Failure of the Districts to develop any of the improvements when necessary to serve approved development within the Districts;

H. The occurrence of any event or condition which, under the Service Plan or any intergovernmental agreement between one or more Districts and the City, requires a Service Plan amendment;

I. Default by any District under any intergovernmental agreement;

J. Any of the events or conditions enumerated in Section 32-1-207(2) of the Special District Act;

K. Any proposed use of the powers set forth in C.R.S. sections 32-1-1101(1)(f) and – 1101(1.5) respecting division of the Districts.

L. Any action or proposed action by the Districts which would interfere with or delay the contemplated dissolution of the Districts.

The examples above are only examples and are not an exclusive list of all actions which may be identified as a material modification. The Districts will pay their allocable shares of all reasonable expenses of the City, its attorneys and consultants, as well as the City's reasonable processing fees, in connection with any request by the Districts for modification of this Service Plan or administrative approval by the City of any request hereunder. The City may require an advance deposit of such expenses and fees.

#### **XV. OTHER AGREEMENTS; DEVELOPER RESPONSIBILITIES.**

Neither the creation of the Districts nor any provision of the 2001 Service Plan or this First Modification in any way releases or relieves the Developer, any other landowner or any subdivider of property within the Districts, or any of their respective successors or assigns, of obligations to construct public improvements for Sweetgrass, of obligations to enter into subdivision improvements agreements regarding such improvements, or of obligations to provide to the City letters of credit or such other financial guarantees as may be required by the City to ensure the completion of such public improvements, or of any other obligations to the City under City ordinances, rules, regulations, or policies, or under any annexation agreements, subdivision agreements or other agreements affecting the property within the Districts or Sweetgrass, or any

other agreements between the City and the Developer (or any such landowners, subdivider or successors or assigns).

### MISCELLANEOUS

A. Eminent Domain. The Districts shall not exercise any power of dominant eminent domain against the City, and shall not exercise any power of eminent domain without the prior written consent of the City.

B. Exhibits and Appendices. In addition to other Exhibits and Appendices referred to elsewhere in this First Modification, the following Exhibits and Appendices are attached to and incorporated in this First Modification:

(1) **Exhibit I**, Form of City-Districts Intergovernmental Agreement, shall supersede and entirely replace **Exhibit I** attached to the 2001 Service Plan. Promptly following City approval of this First Modification, the Districts shall execute this City-Districts Intergovernmental Agreement and deliver it to the City for execution by the City.

(2) **Exhibit K**, Letters of Indemnity.

(3) **Exhibit M**, Letter from Districts' Counsel.

(4) **Exhibit N**, Form of City Disclaimer, shall supersede and entirely replace **Exhibit N** attached to the 2001 Service Plan. The Districts shall conspicuously include this disclaimer statement, or any modified or substitute disclaimer statement hereafter furnished by the City, in all offering materials used in connection with any bonds or other financial obligations of any of the Districts (or, if no offering materials are used, the Districts shall deliver the disclaimer statement to any prospective purchase, lender or investor with respect to such bonds or financial obligations). No changes shall be made to the City disclaimer as set forth in **Exhibit N** attached to this First Modification except as directed by the City.

(5) **Appendix 2**, Form of Recorded Disclosure Statement. The Districts shall record this disclosure statement (subject to any changes required by the City in the future) as provided in **Section XII** of the 2001 Service Plan. No changes shall be made to the

disclosure statement as set forth in **Appendix 2** except as directed by the City. Such City-approved disclosure statement shall supersede any inconsistent requirements of **Section XII** of the 2001 Service Plan.

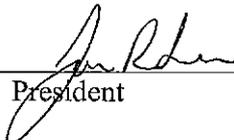
C. Severability. If any portion of this First Modification is held invalid or unenforceable for any reason by a court of competent jurisdiction, such portion shall be deemed severable and its invalidity or its unenforceability shall not cause the entire First Modification to be terminated. Further, with respect to any portion held invalid or unenforceable, the Districts and the City agree take such actions as may be necessary to achieve to the greatest degree possible the intent of the affected portion.

Therefore, it is requested that the Dacono City Council, which has jurisdiction to approve this First Modification by virtue of Section 32-1-207, C.R.S., et seq., as amended, adopt a resolution approving this First Modification, which shall be affixed hereto as **Appendix 1**. Such Resolution of Approval, including any conditions on such approval, shall be incorporated into this First Modification.

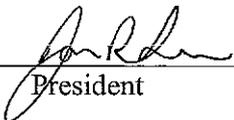
**CERTIFICATION**

This First Modification is submitted to the City by the Districts and the Developer. The undersigned Districts have caused written notice of the City's hearing on this First Modification to be duly and timely given to all "interested parties" within the meaning of Section 32-1-204(1), C.R.S., and will cause or have caused all required filings to be made and all other applicable procedural requirements to be met. The information contained in this First Modification is true and correct as of this date.

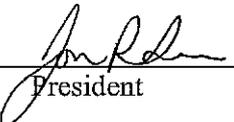
SWEETGRASS METROPOLITAN DISTRICT NO. 1

By:   
President

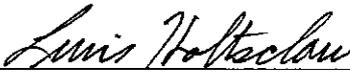
SWEETGRASS METROPOLITAN DISTRICT NO. 2

By:   
President

SWEETGRASS METROPOLITAN DISTRICT NO. 3

By:   
President

DACONO PROPERTIES, LLC

By:   
[title]

**Authorized Representative**  
DACONO DEVELOPMENT COMPANY, INC.

By:   
[title]

**Authorized Representative**

**EXHIBIT B**

**DISTRICT LEGAL DESCRIPTIONS – FIRST MODIFICATION**

# EXHIBIT

## DISTRICT 1 PARCEL LEGAL DESCRIPTION:

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 1 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF DAcono, COUNTY OF WELD, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 14 FROM WHENCE THE EAST QUARTER CORNER OF SECTION LIES S00°05'11"E, 2,608.77 FEET;

THENCE ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION 14 S00°05'11"E, 1,352.85 FEET;

THENCE S89°54'49"W, 1314.43 FEET TO A POINT, SAID POINT BEING THE CENTER OF A CIRCULAR PARCEL WITH A RADIUS OF 150.00 FEET, CONTAINING 70,686 SQUARE FEET (1.63 ACRES).

BASIS OF BEARINGS: THE EASTERLY LINE OF THE NORTHEAST QUARTER, S00°05'11"E, 2,608.76 FEET

**SWEETGRASS DISTRICT 1 PARCEL  
NE 1/4 SEC. 14, T1N, R68W  
DAcono, COLORADO**

SCALE HOR. N/A  
VERT. N/A

DESIGN/APPR.

DRAWN BY BO

DATE 01/06/09



**HURST & ASSOCIATES, INC.**

CONSULTING ENGINEERS

4999 Pearl East Circle, Suite 106  
Boulder, Colorado 80301 (303) 449-9106

FILE G:\20203B\SURVEY\LEGAL\DISTRICT EXHIBIT SHEET 1 OF 2

# EXHIBIT

## DISTRICT 2 LEGAL DESCRIPTION:

A PARCEL OF LAND LOCATED IN SECTION 14, TOWNSHIP 1 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF DAcono, COUNTY OF WELD, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 14;

THENCE S89°37'09"W, 30.00 FEET ALONG THE NORTHERLY LINE OF THE NORTHEAST QUARTER OF SECTION 14;

THENCE S00°05'11"E, 30.00 FEET ALONG A LINE PARALLEL WITH AND 30.00 FEET WEST OF THE EASTERLY LINE OF THE NORTHEAST QUARTER OF SECTION 14 TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID LINE S00°05'11"E, 2,578.64 FEET;

THENCE S00°12'00"E, 2,572.40 FEET ALONG A LINE PARALLEL WITH AND 30.00 FEET WEST OF THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF SECTION 14;

THENCE S88°56'56"W, 1,676.45 FEET ALONG A LINE PARALLEL WITH AND 30.00 FEET NORTH OF THE SOUTHERLY LINE OF THE SOUTHEAST QUARTER OF SECTION 14 TO THE NORTHERLY RIGHT OF WAY LINE OF THE UNION PACIFIC RAILROAD;

THENCE ALONG SAID RIGHT OF WAY LINE THE FOLLOWING THREE COURSES:

- 1) 692.13 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT, SAID ARC SUBTENDED BY A RADIUS OF 2,802.76 FEET, A CENTRAL ANGLE OF 14°08'56" AND A CHORD BEARING N42°44'04"W, 690.37 FEET;
- 2) N35°39'36"W, 674.84 FEET;
- 3) 1,536.01 FEET ALONG THE ARC OF A TANGENT CURVE TO THE LEFT, SAID ARC SUBTENDED BY A RADIUS OF 1,939.60 FEET, A CENTRAL ANGLE OF 45°22'25" AND A CHORD BEARING N58°20'49"W, 1,496.18 FEET TO THE WESTERLY LINE OF AN EASEMENT GRANTED TO WYCO PIPELINE COMPANY RECORDED NOVEMBER 01, 1947 IN BOOK 1214 AT PAGE 213;

THENCE ALONG SAID EASEMENT LINE THE FOLLOWING TWO COURSES:

- 1) N02°28'50"W, 73.42 FEET;
- 2) N03°27'10"E, 839.77 FEET;

THENCE 82.71 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, SAID ARC SUBTENDED BY A RADIUS OF 965.00 FEET, A CENTRAL ANGLE OF 04°54'40", AND A CHORD BEARING N85°22'34"W, 82.69 FEET;

THENCE N87°49'54"W, 59.45 FEET;

THENCE 144.49 FEET ALONG THE ARC OF A TANGENT CURVE TO THE LEFT, SAID ARC SUBTENDED BY A RADIUS OF 965.00 FEET, A CENTRAL ANGLE OF 08°34'44", AND A CHORD BEARING S87°52'44"W, 144.35 FEET;

THENCE S83°35'22"W, 142.92 FEET;

THENCE 165.01 FEET ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, SAID ARC SUBTENDED BY A RADIUS OF 389.00 FEET, A CENTRAL ANGLE OF 24°18'14", AND A CHORD BEARING N84°15'31"W, 163.77 FEET;

(CONTINUED)

**SWEETGRASS  
DISTRICT 2 PARCEL  
SEC. 14, T1N, R68W  
DAcono, COLORADO**

SCALE HOR. N/A  
VERT. N/A

DESIGN/APPR.

DRAWN BY BO

DATE 08/08/07

FILE G:\202038\SURVEY\LEGAL\DISTRICTS



**HURST & ASSOCIATES, INC.**

CONSULTING ENGINEERS

4999 Pearl East Circle, Suite 108  
Boulder, Colorado 80301 (303) 449-9105

ORG: 05/11/04  
REV: 08/08/07

SHEET 1 OF 2

# EXHIBIT

## DISTRICT 2 LEGAL DESCRIPTION:

(CONTINUED)

THENCE N02°44'47"E, 308.75 FEET;

THENCE N27°40'28"E, 150.84 FEET;

THENCE N38°12'18"E, 137.59 FEET;

THENCE N63°36'55"E, 135.31 FEET;

THENCE N17°45'55"E, 100.59 FEET;

THENCE N32°32'24"E, 69.36 FEET;

THENCE N41°00'50"E, 230.61 FEET;

THENCE N72°33'35"E, 74.96 FEET;

THENCE N89°28'51"E, 67.31 FEET;

THENCE N03°27'10"E, 565.23 FEET ALONG THE WESTERLY LINE OF SAID EASEMENT GRANTED TO WYCO PIPELINE COMPANY RECORDED NOVEMBER 01, 1947 IN BOOK 1214 AT PAGE 213;

THENCE S89°40'53"E, 913.65 FEET;

THENCE N24°30'22"E, 253.41 FEET;

THENCE N04°15'40"E, 658.96 FEET;

THENCE N89°38'21"E, 2.63 FEET ALONG A LINE PARALLEL WITH AND 30.00 FEET SOUTH OF THE NORTHERLY LINE OF THE NORTHWEST QUARTER OF SECTION 14;

THENCE N89°37'09"E, 2,588.83 FEET ALONG A LINE PARALLEL WITH AND 30.00 FEET SOUTH OF THE NORTHERLY LINE OF THE NORTHEAST QUARTER OF SECTION 14 TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM THE FOLLOWING PARCEL:

COMMENCING AT THE NORTHEAST CORNER OF SECTION 14;

THENCE S00°05'11"E, 1,352.85 ALONG THE EASTERLY LINE OF THE NORTHEAST QUARTER;

THENCE S89°54'49"W, 1,314.43 FEET TO A POINT, SAID POINT BEING THE CENTER OF A CIRCULAR PARCEL WITH A RADIUS OF 150.00 FEET.

NET ACREAGE: 376.37 ACRES

BASIS OF BEARINGS: THE EASTERLY LINE OF THE NORTHEAST QUARTER, S00°05'11"E, 2,608.76 FEET

**SWEETGRASS  
DISTRICT 2 PARCEL  
SEC. 14, T1N, R68W  
DACONO, COLORADO**

SCALE HOR. N/A  
VERT. N/A

DESIGN/APPR.

DRAWN BY BO

DATE 08/08/07



**HURST & ASSOCIATES, INC.**

CONSULTING ENGINEERS

4999 Pearl East Circle, Suite 108  
Boulder, Colorado 80501 (303) 449-9105

FILE G:\202038\SURVEY\LEGAL\DISTRICTS

SHEET 2 OF 2

# EXHIBIT

## DISTRICT 3 LEGAL DESCRIPTION:

A PARCEL OF LAND LOCATED IN THE WEST HALF OF SECTION 14, TOWNSHIP 1 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF DAcono, COUNTY OF WELD, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 14;

THENCE N89°38'07"E, 115.99 FEET ALONG THE NORTHERLY LINE OF THE WEST HALF OF THE NORTHWEST QUARTER;

THENCE S00°21'53"E, 48.71 FEET TO THE NORTHWESTERLY CORNER OF "PARCEL 202A" AS RECORDED 06/23/2000 AT RECEPTION NO. 277678 AND THE POINT OF BEGINNING;

THENCE N77°58'29"E, 92.56 FEET ALONG THE NORTHERLY LINE OF SAID "PARCEL 202A";

THENCE N89°38'07"E, 1,103.63 FEET ALONG A LINE PARALLEL WITH AND 30.00 FEET SOUTH OF THE NORTHERLY LINE OF THE WEST HALF OF THE NORTHWEST QUARTER;

THENCE N89°38'21"E, 1,307.63 FEET ALONG A LINE PARALLEL WITH AND 30.00 FEET SOUTH OF THE NORTHERLY LINE OF THE EAST HALF OF THE NORTHWEST QUARTER;

THENCE S04°15'40"W, 658.96 FEET;

THENCE S24°30'22"W, 253.41 FEET;

THENCE N89°40'53"W, 913.65 FEET;

THENCE S03°27'10"W, 565.23 FEET ALONG THE WESTERLY LINE OF SAID EASEMENT GRANTED TO WYCO PIPELINE COMPANY RECORDED NOVEMBER 01, 1947 IN BOOK 1214 AT PAGE 213;

THENCE S89°28'51"W, 67.31 FEET;

THENCE S72°33'35"W, 74.96 FEET;

THENCE S41°00'50"W, 230.61 FEET;

THENCE S32°32'24"W, 69.36 FEET;

THENCE S17°45'55"W, 100.59 FEET;

THENCE S63°36'55"W, 135.31 FEET;

THENCE S38°12'18"W, 137.59 FEET;

THENCE S27°40'28"W, 150.84 FEET;

THENCE S02°44'47"W, 308.75 FEET;

THENCE 165.01 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, SAID ARC SUBTENDED BY A RADIUS OF 389.00 FEET, A CENTRAL ANGLE OF 24°18'14", AND A CHORD BEARING S84°15'30"E, 163.77 FEET;

THENCE N83°35'22"E, 142.92 FEET;

(CONTINUED)

**SWEETGRASS  
DISTRICT 3 PARCEL  
W 1/2, SEC. 14, T1N, R68W  
DAcono, COLORADO**

SCALE HOR. N/A  
VERT. N/A

DESIGN/APPR.

DRAWN BY 80

DATE 08/08/07



**HURST & ASSOCIATES, INC.**

CONSULTING ENGINEERS

4999 Pearl East Circle, Suite 108  
Boulder, Colorado 80501 (303) 448-9106

FILE G:\202038\SURVEY\LEGAL\DISTRICTS

SHEET 1 OF 2

# EXHIBIT

## DISTRICT 3 LEGAL DESCRIPTION:

(CONTINUED)

THENCE 144.49 FEET ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, SAID ARC SUBTENDED BY A RADIUS OF 965.00 FEET, A CENTRAL ANGLE OF 08°34'44", AND A CHORD BEARING N87°52'44"E, 144.35 FEET;

THENCE S87°49'54"E, 59.45 FEET;

THENCE 82.71 FEET ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, SAID ARC SUBTENDED BY A RADIUS OF 965.00 FEET, A CENTRAL ANGLE OF 04°54'40", AND A CHORD BEARING S85°22'34"E, 82.69 FEET;

THENCE ALONG THE SAID WESTERLY LINE OF SAID EASEMENT GRANTED TO WYCO PIPELINE COMPANY RECORDED NOVEMBER 01, 1947 IN BOOK 1214 AT PAGE 213 THE FOLLOWING TWO COURSES:

- 1) S03°27'10"W, 839.77 FEET;
- 2) S02°28'50"E, 73.42 FEET;

THENCE ALONG THE NORTHERLY RIGHT OF WAY LINE OF THE UNION PACIFIC RAILROAD THE FOLLOWING FOUR COURSES:

- 1) 322.16 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, SAID ARC SUBTENDED BY A RADIUS OF 1,939.60 FEET, A CENTRAL ANGLE OF 09°31'00", AND A CHORD BEARING N85°47'28"W, 321.79 FEET;
- 2) S89°26'58"W, 467.86 FEET;
- 3) 366.41 FEET ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, SAID ARC SUBTENDED BY A RADIUS OF 1,786.98 FEET, A CENTRAL ANGLE OF 11°44'53", AND A CHORD BEARING N84°40'36"W, 365.76 FEET;
- 4) N78°48'05"W, 181.70 FEET;

THENCE ALONG THE EASTERLY RIGHT OF WAY OF INTERSTATE 25 THE FOLLOWING THREE COURSES:

- 1) N00°21'29"E, 879.44 FEET;
- 2) N01°14'32"E, 1,046.18 FEET;
- 3) N00°22'35"E, 1,275.85 FEET TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM THE FOLLOWING PARCEL:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 14;

THENCE N89°38'07"E, 820.97 FEET ALONG THE NORTHERLY LINE OF THE WEST HALF OF THE NORTHWEST QUARTER;

THENCE S00°21'53"E, 1,817.10 FEET TO A POINT, SAID POINT BEING THE CENTER OF A CIRCULAR PARCEL WITH A RADIUS OF 150.00 FEET.

NET ACREAGE: 114.72 ACRES

BASIS OF BEARINGS: THE NORTHERLY LINE OF THE WEST HALF OF THE NORTHWEST QUARTER, N89°38'07"E, 1,310.24 FEET.

**SWEETGRASS  
DISTRICT 3 PARCEL  
W 1/2, SEC. 14, T1N, R68W  
DACONO, COLORADO**

SCALE HOR. N/A  
VERT. N/A

DESIGN/APPR.

DRAWN BY BO

DATE 08/08/07



**HURST & ASSOCIATES, INC.**

CONSULTING ENGINEERS

4999 Pearl East Circle, Suite 108  
Boulder, Colorado 80501 (303) 448-9105

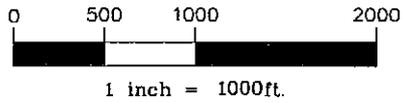
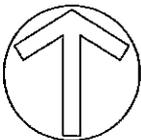
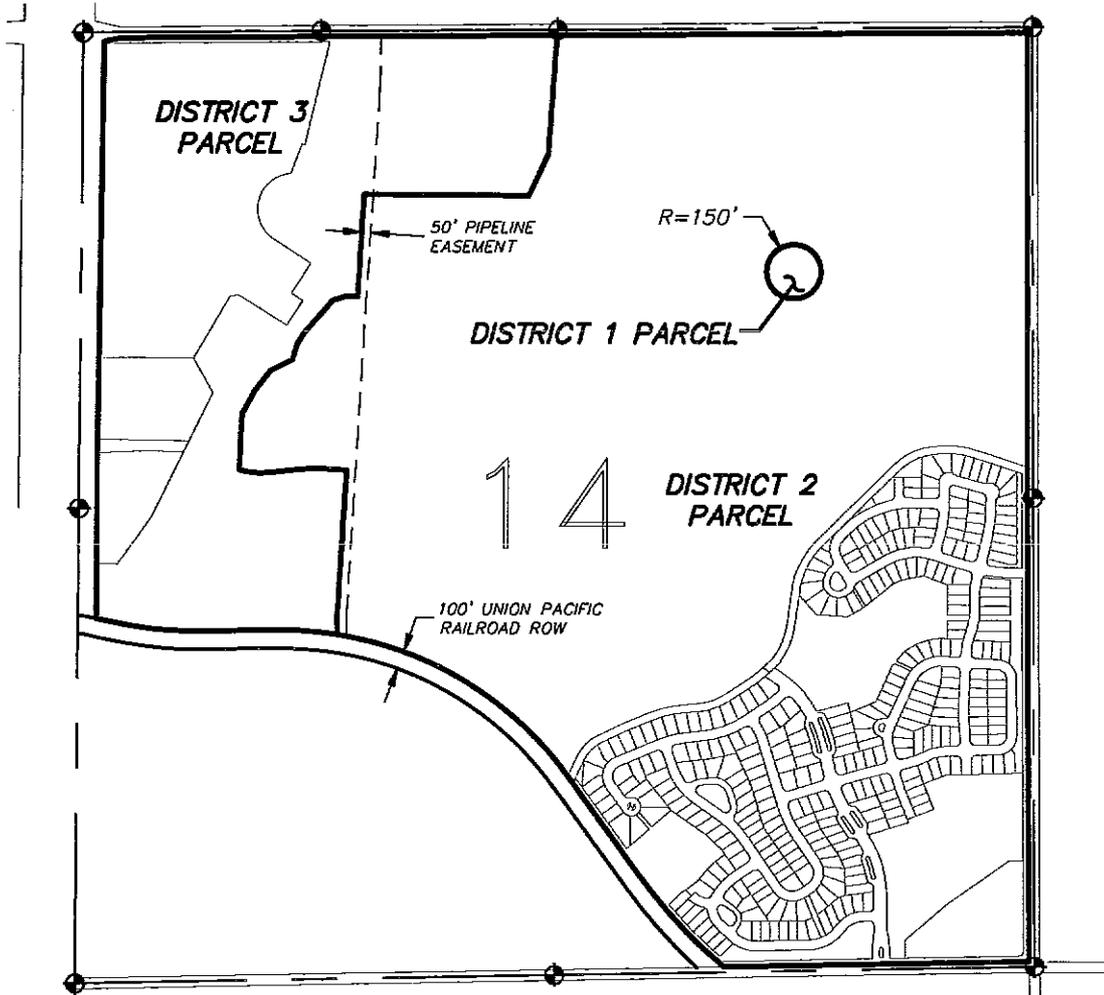
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SHEET 2 OF 2

**EXHIBIT D**

DISTRICT BOUNDARY MAP – FIRST MODIFICATION

# EXHIBIT



**SWEETGRASS  
DISTRICTS  
SECTION 14, T1N, R68W  
DACONO, COLORADO**

SCALE HOR. 1"=1000'  
VERT. N/A

DESIGN/APPR.

DRAWN BY BO

DATE 01/06/09



**HURST & ASSOCIATES, INC.**

CONSULTING ENGINEERS

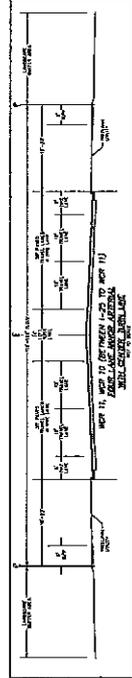
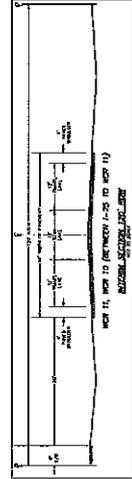
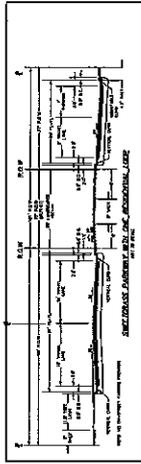
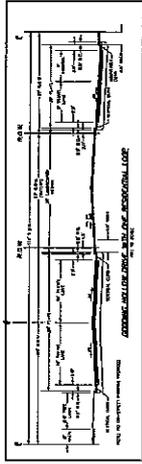
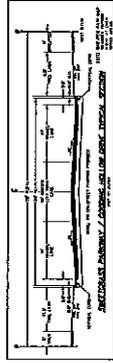
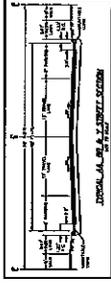
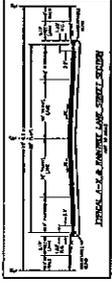
4999 Pearl East Circle, Suite 108  
Booulder, Colorado 80501 (303) 448-9105

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**EXHIBIT F**

**FACILITIES DIAGRAMS – FIRST MODIFICATION**

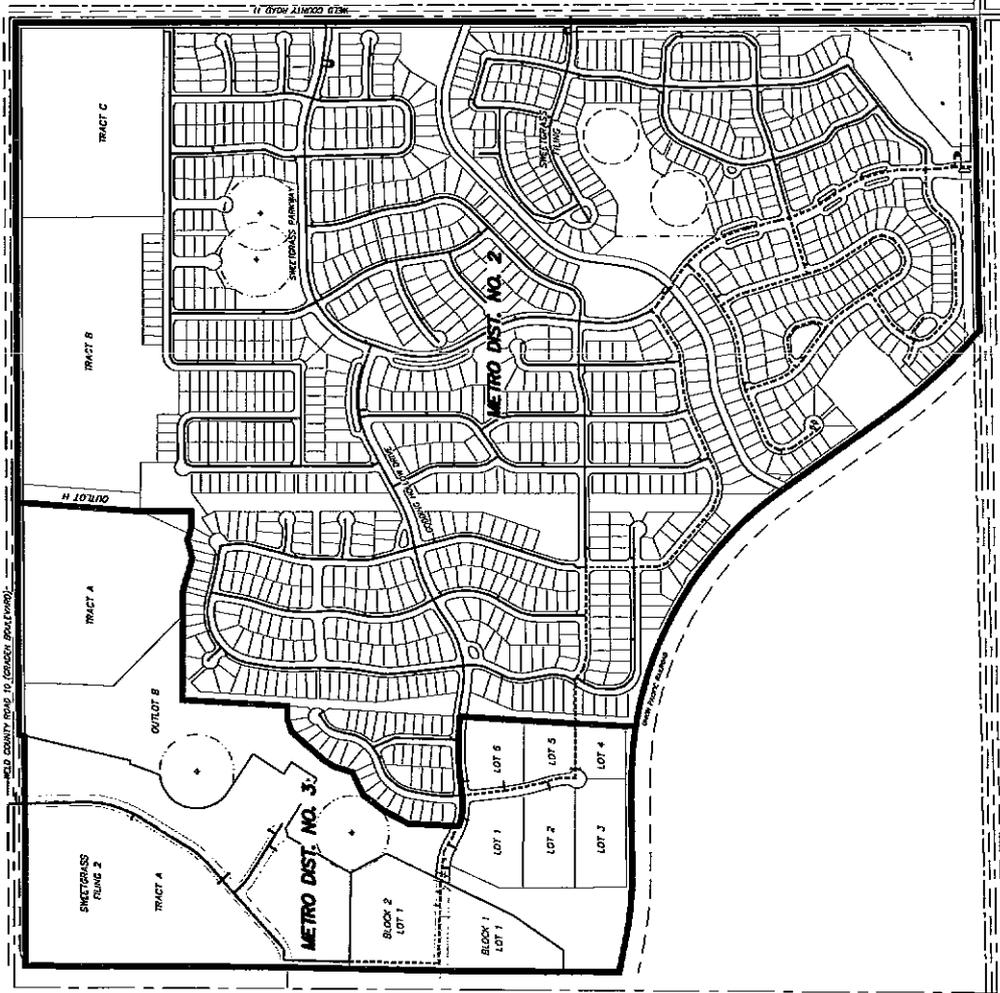
# EXHIBIT NO. 1



SWEETGRASS  
 FILING NO. 3  
 EXHIBIT NO. 1  
 STREET IMPROVEMENTS

HURST & ASSOCIATES, INC.  
 CONSULTING ENGINEERS  
 1001 14th St., Suite 100  
 Fort Collins, CO 80521  
 PHONE: 970-221-1111  
 FAX: 970-221-1112

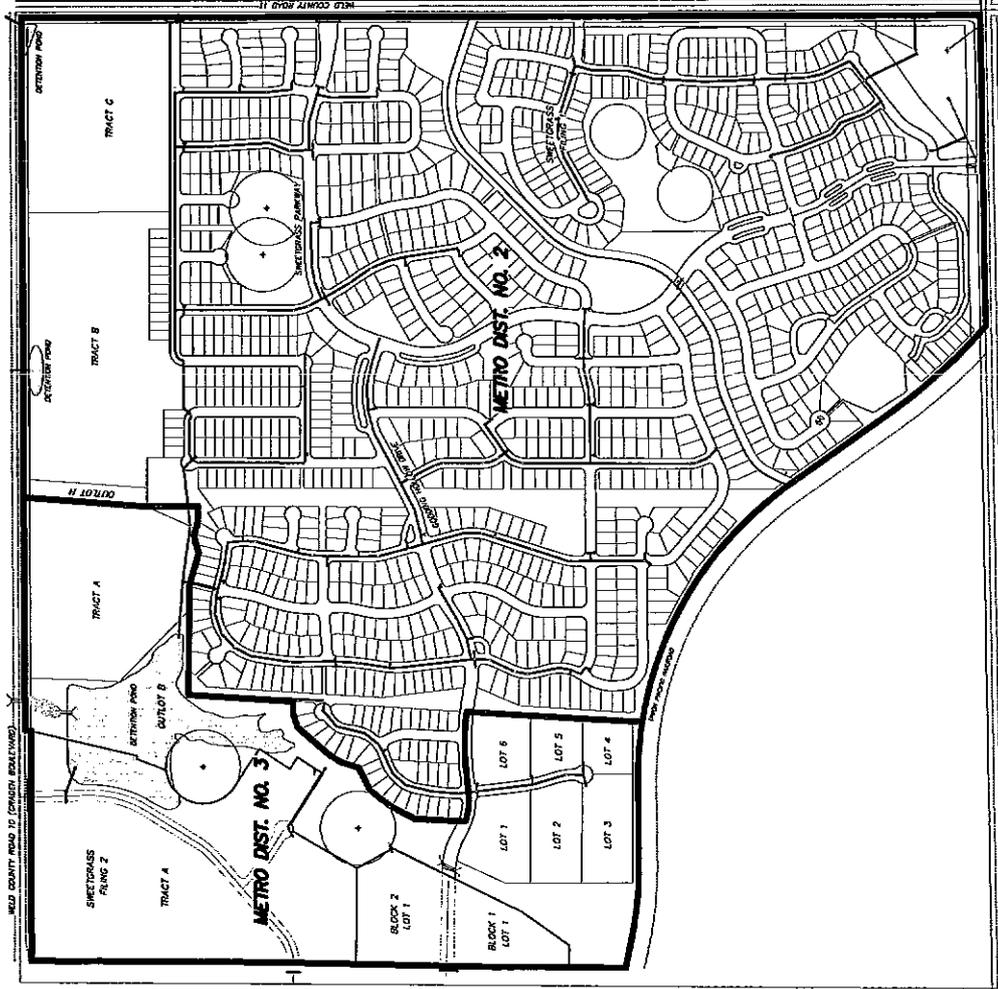
# EXHIBIT NO. 2



SWEETGRASS  
 FILING NO. 3  
 EXHIBIT NO. 2  
 WATER SYSTEMS

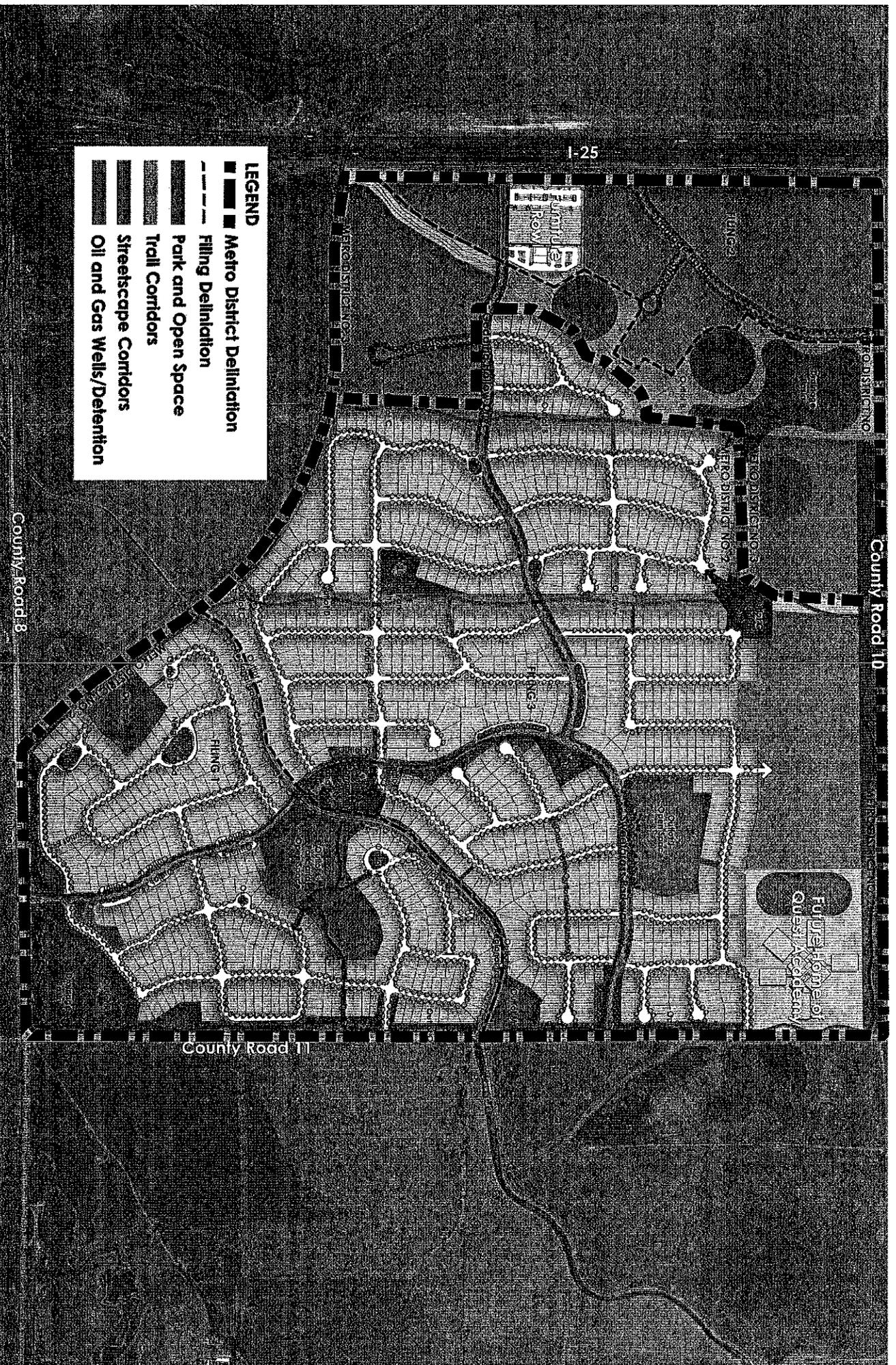
PHILIPST & ASSOCIATES, INC.  
 CONSULTING ENGINEERS  
 1111 17th Street, N.W.  
 Atlanta, Georgia 30333  
 Phone: 404.525.1111  
 Fax: 404.525.1112

# EXHIBIT NO. 3



SWEETGRASS  
 FILING NO. 3  
 EXHIBIT NO. 3  
 CONCEPTUAL DRAINAGE SYSTEM  
 SWEETGRASS, TEXAS  
 PREPARED BY  
 J. H. HUBERT & ASSOCIATES, INC.  
 CONSULTING ENGINEERS  
 1000 WEST 10TH STREET, SUITE 100  
 DALLAS, TEXAS 75208  
 PHONE (214) 343-1111  
 FAX (214) 343-1112  
 THE ENGINEERING PROFESSIONAL SEAL OF J. H. HUBERT & ASSOCIATES, INC. IS A REGISTERED PROFESSIONAL ENGINEER SEAL IN THE STATE OF TEXAS.

# Sweetgrass



**EXHIBIT G**

**FINANCIAL PLAN SPREADSHEETS – FIRST MODIFICATION**

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS  
GENERAL AND DEBT SERVICE FUNDS ONLY

SUMMARY - GENERAL FUND

Collection Year	TOTAL ASSESSED VALUATION	General Fund Mill Levy	Net Property Taxes 98.00%	Specific Ownership Taxes 10.00%	Annual Developer Contributions	Interest Income at 5.00%	Total Annual Cash Receipts	Administrative Costs Inflated by 2.00%	Annual Surplus Receipts	Cumulative Surplus Cash Balances
2009	4,019,090	10.00	39,588	2,010	(16,128)		25,470	25,470	0	0
2010	4,003,445	10.00	39,234	3,923	(17,178)		25,979	25,979	0	0
2011	4,911,136	10.00	48,129	4,813	(26,443)		26,499	26,499	0	0
2012	11,969,941	3.00	35,192	3,519	12,318	0	51,029	51,029	(0)	(0)
2013	18,406,985	3.00	54,117	5,412	(7,479)	(0)	52,049	52,050	(0)	(0)
2014	24,031,974	2.10	49,458	4,946		(0)	54,404	53,091	1,313	1,313
2015	29,779,373	1.70	49,612	4,961		66	54,639	54,152	487	1,800
2016	36,445,744	1.50	53,575	5,358		90	59,023	55,235	3,787	5,587
2017	40,400,931	1.40	55,430	5,543		279	61,252	56,340	4,912	10,500
2018	44,800,183	1.40	61,466	6,147		525	68,137	57,467	10,671	21,170
2019	44,644,217	1.40	61,252	6,125	-	1,059	68,436	58,616	9,819	30,990
2020	45,300,969	1.40	62,153	6,215		1,549	69,918	59,789	10,129	41,119
2021	45,300,969	1.40	62,153	6,215		2,056	70,424	60,984	9,440	50,559
2022	47,113,007	1.40	64,639	6,464		2,528	73,631	62,204	11,427	61,985
2023	47,113,007	1.30	60,022	6,002		3,099	69,123	63,448	5,675	67,661
2024	48,997,528	1.20	57,621	5,762		3,383	66,766	64,717	2,049	69,710
2025	48,997,528	1.20	57,621	5,762		3,485	66,869	66,011	857	70,567
2026	50,957,429	1.20	59,926	5,993		3,528	69,447	67,332	2,115	72,682
2027	50,957,429	1.20	59,926	5,993		3,634	69,553	68,678	874	73,557
2028	52,995,726	1.20	62,323	6,232		3,678	72,342	70,052	2,181	75,738
2029	52,995,726	1.20	62,323	6,232		3,787	72,342	71,453	889	76,627
2030	55,115,555	1.20	64,816	6,482		3,831	75,129	72,882	2,247	78,874
2031	55,115,555	1.20	64,816	6,482		3,944	75,241	74,340	902	79,776
2032	57,320,177	1.20	67,409	6,741		3,989	78,138	75,826	2,312	82,088
2033	57,320,177	1.20	67,409	6,741		4,104	78,254	77,343	911	82,999
2034	59,612,984	1.20	70,105	7,010		4,150	81,265	78,890	2,376	85,374
2035	59,612,984	1.20	70,105	7,010		4,269	81,384	80,468	917	86,291
2036	61,997,504	1.20	72,909	7,291		4,315	84,515	82,077	2,438	88,728
2037	61,997,504	1.20	72,909	7,291		4,436	84,636	83,718	918	89,646
2038	64,477,404	1.20	75,825	7,583		4,482	87,890	85,393	2,497	92,144
2039	64,477,404	1.20	75,825	7,583		4,607	88,015	87,101	915	93,058
2040	67,056,500	1.20	78,858	7,886		4,653	91,397	88,843	2,555	95,613
2041	67,056,500	1.20	78,858	7,886		4,781	91,525	90,620	905	96,518
2042	69,738,760	1.20	82,013	8,201		4,826	95,040	92,432	2,608	99,126
2043	69,738,760	1.20	82,013	8,201		4,956	95,170	94,281	890	100,016
2044	72,528,310	1.20	85,293	8,529		5,001	98,823	96,166	2,657	102,673
2045	72,528,310	1.20	85,293	8,529		5,134	98,956	98,089	867	103,540
2046	75,429,443	1.20	88,705	8,871		5,177	102,753	100,051	2,701	106,241
2047	75,429,443	1.20	88,705	8,871		5,312	102,888	102,052	835	107,077
2048	78,446,620	1.10	84,349	8,435		5,354	98,138	104,093	(5,955)	101,122
2049	78,446,620	-	-	-		5,056	5,056	106,175	(101,119)	2
			2,611,975	259,249	(54,910)	125,123	2,941,438	2,941,436	2	2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS  
GENERAL AND DEBT SERVICE FUNDS ONLY

SUMMARY - DEBT SERVICE FUND  
SERIES 2011 BONDS

Collection Year	TOTAL ASSESSED VALUATION	Debt Service Mill Levy	Net Property Taxes 98%	Specific Ownership Taxes 10%	Facilities Fees Revenue \$	Interest Income at 5%	Total Annual Cash Receipts	Net Debt Service on 2011 Bonds	Transfer to (Release from) Surplus Fund	Bond Surplus Fund		Senior Debt to Assessed Ratio	Interest on Developer Notes	Total Cash Disbursements	Annual Surplus Cash (Deficit)
										Maximum Balance of \$	Cumulative Surplus Fund				
BAL FWD											600,000				
2009	4,019,090	40.00	158,353	8,038	-	229	166,620						196,144	196,144	15,123
2010	4,003,445	40.00	156,935	15,694	-	2,280	174,908						170,000	170,000	45,599
2011	4,911,136	40.00	192,517	19,252	-	245	212,014						210,000	210,000	4,908
2012	11,969,941	40.00	469,222	46,922	-	101	516,245	483,518					483,518	483,518	2,014
2013	18,406,985	40.00	721,554	72,155	-	1,636	795,345	483,518					483,518	483,518	32,726
2014	24,031,974	40.00	942,053	94,205	-	15,591	1,051,850	483,518					483,518	483,518	568,332
2015	29,779,373	40.00	1,167,351	116,735	-	48,270	1,332,357	483,518					483,518	483,518	848,838
2016	36,445,744	40.00	1,428,673	142,867	-	38,331	1,609,872	483,518					483,518	483,518	1,126,353
2017	40,400,931	40.00	1,583,716	158,372	-	42,268	1,784,356	483,518					483,518	483,518	1,300,837
2018	44,800,183	40.00	1,756,167	175,617	-	54,928	1,986,712	483,518					483,518	483,518	1,503,194
2019	44,644,217	40.00	1,750,053	175,005	-	77,707	2,002,765	483,518					483,518	483,518	1,519,247
2020	45,300,969	40.00	1,775,798	177,580	-	101,288	2,054,666	483,518					483,518	483,518	1,571,147
2021	45,300,969	40.00	1,775,798	177,580	-	89,387	2,042,765	483,518					483,518	483,518	1,559,246
2022	47,113,007	40.00	1,846,830	184,683	-	76,891	2,108,404	483,518					483,518	483,518	1,624,886
2023	48,987,528	40.00	1,920,703	192,070	-	67,677	2,099,190	483,518					483,518	483,518	1,615,672
2024	48,987,528	40.00	1,920,703	192,070	-	58,003	2,170,776	483,518					483,518	483,518	1,687,257
2025	50,957,429	40.00	1,997,531	199,753	-	51,907	2,164,681	483,518					483,518	483,518	1,681,162
2026	50,957,429	40.00	1,997,531	199,753	-	45,507	2,240,297	483,518					483,518	483,518	1,759,273
2027	52,995,726	40.00	2,077,432	207,743	-	43,012	2,240,297	483,518					483,518	483,518	1,756,778
2028	52,995,726	40.00	2,077,432	207,743	-	40,393	2,327,213	483,518					483,518	483,518	1,842,050
2029	55,115,555	40.00	2,160,530	216,053	-	42,037	2,327,213	483,518					483,518	483,518	1,843,695
2030	57,320,177	40.00	2,246,951	224,695	-	50,147	2,420,347	483,518					483,518	483,518	1,936,828
2031	57,320,177	40.00	2,246,951	224,695	-	56,849	2,426,730	483,518					483,518	483,518	1,943,211
2032	59,612,984	40.00	2,336,829	233,683	-	68,640	2,528,495	483,518					483,518	483,518	2,056,768
2033	59,612,984	40.00	2,336,829	233,683	-	81,020	2,540,286	483,518					483,518	483,518	2,169,014
2034	61,997,504	30.00	1,822,727	182,273	-	98,963	2,669,474	483,518					483,518	483,518	2,185,956
2035	61,997,504	30.00	1,822,727	182,273	-	117,802	2,122,801	483,518					483,518	483,518	1,639,283
2036	64,477,404	30.00	1,895,636	189,564	-	109,308	2,114,307	483,518					483,518	483,518	1,630,789
2037	64,477,404	30.00	1,895,636	189,564	-	100,389	2,185,589	483,518					483,518	483,518	1,702,070
2038	67,056,500	30.00	1,971,461	197,146	-	95,035	2,180,234	483,518					483,518	483,518	1,696,715
2039	67,056,500	30.00	1,971,461	197,146	-	89,412	2,258,019	483,518					483,518	483,518	1,774,501
2040	69,738,760	30.00	2,050,320	205,032	-	87,679	2,256,286	483,518					483,518	483,518	1,772,768
2041	69,738,760	30.00	2,050,320	205,032	-	85,859	2,341,211	483,518					483,518	483,518	2,341,211
2042	72,528,310	20.00	1,366,880	136,688	-	112,461	1,616,029	483,518					483,518	483,518	1,616,029
2043	72,528,310	20.00	1,421,555	142,155	-	102,805	1,666,515	483,518					483,518	483,518	1,666,515
2044	75,429,443	10.00	710,777	71,078	-	95,672	877,527	483,518					483,518	483,518	877,527
2045	75,429,443	10.00	739,209	73,921	-	101,471	914,601	483,518					483,518	483,518	1,616,029
2046	78,446,620	1.19	87,886	8,789	-	109,124	205,789	483,518					483,518	483,518	1,666,515
2047	78,446,620	-	-	-	-	81,337	81,337	483,518					483,518	483,518	877,527
2048	78,446,620	-	-	-	-	47,327	47,327	483,518					483,518	483,518	877,527
2049	78,446,620	-	-	-	-	47,327	47,327	483,518					483,518	483,518	877,527
			60,803,076	6,073,010	-	2,632,754	69,513,841	14,505,553							



FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS  
GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

Construction Year	Collection Year	TOTAL RESIDENTIAL UNITS				Annual Value of New Residential Units	Est. Market Value per Unit	Annual Value of New Residential Units	Est. Biennial Revaluation per State Statute at 4.00%	Cumulative Market Value of New Units	Estimated Residential Assessment Ratio	RESIDENTIAL ASSESSED VALUATION						
		Single-Family Residential Units	Multi-Family Residential Units	Number of Dwelling Units	Number of Dwelling Units													
<i>Inflation compounded annually on base price at 2.00%</i>																		
CUMULAT.	2009	102	281,039	28,666,026	2.00%	225,000	225,000	2.00%	102	28,666,026	225,000	225,000	102	-	28,666,026	7.96%	2,281,930	
2008	2010	12	306,000	3,672,000	-	229,500	229,500	-	12	3,672,000	229,500	229,500	12	-	32,338,026	7.96%	2,574,107	
2009	2011	60	312,120	18,727,200	-	234,090	234,090	-	60	18,727,200	234,090	234,090	60	-	51,065,226	7.96%	4,064,792	
2010	2012	144	318,362	45,844,186	50	238,772	238,772	11,938,590	194	57,782,776	243,547	243,547	194	1,021,305	109,869,306	7.96%	8,745,597	
2011	2013	180	324,730	58,451,337	61	243,547	243,547	14,856,381	241	73,307,718	248,418	248,418	241	7,327,081	183,177,024	7.96%	14,580,891	
2012	2014	165	331,224	54,652,000	50	248,418	248,418	12,420,909	215	87,072,909	253,387	253,387	215	13,151,145	257,577,014	7.96%	20,503,130	
2013	2015	165	337,848	55,745,040	50	253,387	253,387	15,456,579	226	102,019,619	258,454	258,454	226	18,842,004	328,778,633	7.96%	26,170,779	
2014	2016	122	344,606	42,041,895	120	258,454	258,454	31,014,513	242	133,034,132	263,623	263,623	242	21,888,756	414,986,187	7.96%	33,032,900	
2015	2017	122	351,498	42,882,733	50	263,623	263,623	13,181,168	172	146,215,291	268,896	268,896	172	22,764,306	471,050,088	7.96%	37,495,587	
2016	2018	37	358,528	13,265,528	120	268,896	268,896	32,267,499	157	178,482,790	274,274	274,274	157	23,674,878	535,425,118	7.96%	42,619,839	
2017	2019	37	358,528	13,265,528	43	274,274	274,274	11,793,771	43	190,276,561	274,274	274,274	43	24,621,873	547,218,889	7.96%	43,558,624	
2018	2020													21,888,756	569,107,645	7.96%	45,300,969	
2019	2021													22,764,306	569,107,645	7.96%	45,300,969	
2020	2022													23,674,878	591,871,951	7.96%	47,113,007	
2021	2023													24,621,873	591,871,951	7.96%	47,113,007	
2022	2024													25,606,748	615,546,829	7.96%	48,997,528	
2023	2025													26,631,018	615,546,829	7.96%	48,997,528	
2024	2026													27,696,259	640,168,702	7.96%	50,957,429	
2025	2027													28,804,109	640,168,702	7.96%	50,957,429	
2026	2028													29,956,273	665,775,450	7.96%	52,995,726	
2027	2029													31,154,624	665,775,450	7.96%	52,995,726	
2028	2030													32,400,705	692,406,468	7.96%	55,115,555	
2029	2031													33,696,734	692,406,468	7.96%	55,115,555	
2030	2032													35,044,603	720,102,727	7.96%	57,320,177	
2031	2033													36,446,387	720,102,727	7.96%	57,320,177	
2032	2034													37,904,243	748,906,836	7.96%	59,612,984	
2033	2035													39,418,500	748,906,836	7.96%	59,612,984	
2034	2036													41,000,000	778,863,109	7.96%	61,997,504	
2035	2037													42,668,000	778,863,109	7.96%	61,997,504	
2036	2038													44,420,000	810,017,634	7.96%	64,477,404	
2037	2039													46,270,000	810,017,634	7.96%	64,477,404	
2038	2040													48,210,000	842,418,339	7.96%	67,056,500	
2039	2041													50,240,000	842,418,339	7.96%	67,056,500	
2040	2042													52,360,000	876,115,073	7.96%	69,738,760	
2041	2043													54,570,000	876,115,073	7.96%	69,738,760	
2042	2044													56,860,000	911,159,675	7.96%	72,528,310	
2043	2045													59,230,000	911,159,675	7.96%	72,528,310	
2044	2046													61,680,000	947,606,063	7.96%	75,429,443	
2045	2047													64,210,000	947,606,063	7.96%	75,429,443	
2046	2048													66,820,000	985,510,305	7.96%	78,446,620	
2047	2049													69,510,000	985,510,305	7.96%	78,446,620	
		1,109		363,947,944		555							1,664	478,632,950	506,877,355			

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS  
GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

UNDEVELOPED LAND

Construction Year	Collection Year	Other	Single-Family Residential Units			Multi-Family Residential Units			Annual Market Value of Undeveloped Land	Cumulative Market Value of Undeveloped Land	Estimated Land Assessment Ratio	LAND ASSESSED VALUATION	RESIDENTIAL ASSESSED VALUATION	TOTAL ASSESSED VALUATION
			Platted & Improved Lots	Less: Developed Lots	Annual Actual Value	Platted & Improved Lots	Less: Developed Lots	Annual Value of New Units						
O & G	2009	2,668,427	2,753,488		2,753,488	-		5,421,915	5,421,915	32.04%	1,737,160	2,281,930	4,019,090	
2008	2010		250,000	(493,162)	(493,162)	-	(493,162)	(493,162)	4,928,753	29.00%	1,429,338	2,574,107	4,003,445	
2009	2011		7,200,000	(2,260,326)	(2,010,326)	-	(2,010,326)	(2,010,326)	2,918,427	29.00%	846,344	4,064,792	4,911,136	
2010	2012		9,000,000	(250,000)	6,950,000	-	6,950,000	8,200,000	2,918,427	29.00%	3,224,344	8,745,597	11,969,941	
2011	2013		8,250,000	(7,200,000)	1,800,000	-	1,800,000	2,075,000	13,193,427	29.00%	3,826,094	14,580,991	18,406,985	
2012	2014		8,250,000	(9,000,000)	(750,000)	(1,250,000)	(1,250,000)	(1,025,000)	12,168,427	29.00%	3,528,844	20,503,130	24,031,974	
2013	2015		8,250,000	(8,250,000)	-	(1,525,000)	(1,525,000)	275,000	12,443,427	29.00%	3,608,594	26,170,779	29,779,373	
2014	2016		6,100,000	(8,250,000)	(2,150,000)	3,000,000	(1,525,000)	(675,000)	11,768,427	29.00%	3,412,844	33,032,900	36,445,744	
2015	2017		6,100,000	(6,100,000)	-	1,250,000	(3,000,000)	(1,750,000)	10,018,427	29.00%	2,905,344	37,495,587	40,400,931	
2016	2018		1,850,000	(6,100,000)	(4,250,000)	3,000,000	(1,250,000)	(2,500,000)	7,518,427	29.00%	2,180,344	42,619,839	44,800,183	
2017	2019			(1,850,000)	(1,850,000)	1,075,000	(3,000,000)	(1,925,000)	3,743,427	29.00%	1,085,594	43,558,624	44,644,217	
2018	2020						(1,075,000)	(1,075,000)	2,668,427	-	-	45,300,969	45,300,969	
2019	2021											45,300,969	45,300,969	
2020	2022											47,113,007	47,113,007	
2021	2023											47,113,007	47,113,007	
2022	2024											48,997,528	48,997,528	
2023	2025											48,997,528	48,997,528	
2024	2026											50,957,429	50,957,429	
2025	2027											50,957,429	50,957,429	
2026	2028											52,995,726	52,995,726	
2027	2029											52,995,726	52,995,726	
2028	2030											55,115,555	55,115,555	
2029	2031											55,115,555	55,115,555	
2030	2032											57,320,177	57,320,177	
2031	2033											57,320,177	57,320,177	
2032	2034											59,612,984	59,612,984	
2033	2035											59,612,984	59,612,984	
2034	2036											61,997,504	61,997,504	
2035	2037											61,997,504	61,997,504	
2036	2038											64,477,404	64,477,404	
2037	2039											64,477,404	64,477,404	
2038	2040											67,056,500	67,056,500	
2039	2041											67,056,500	67,056,500	
2040	2042											69,738,760	69,738,760	
2041	2043											69,738,760	69,738,760	
2042	2044											72,528,310	72,528,310	
2043	2045											72,528,310	72,528,310	
2044	2046											75,429,443	75,429,443	
2045	2047											75,429,443	75,429,443	
2046	2048											78,446,620	78,446,620	
2047	2049											78,446,620	78,446,620	
			49,753,488	(49,753,488)	-	13,875,000	-	2,668,427		-				

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS  
GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED BOND DEBT SERVICE REQUIREMENTS

Series 2011 Bond Issue

Dated: December 1, 2011 \$ 6,000,000  
 Issued: December 1, 2011  
 Interest Rate: 7.00%

Year	Principal	Coupon	Interest	Outstanding Bond Principal Balance	Total 2010 Bonds Debt Service	Reduce Debt Service by Capitalized Interest	Net 2010 Bonds Debt Service Payments
2008				6,000,000			
2009				5,936,482	483,518		483,518
2010				5,868,517	483,518		483,518
2011	63,518	7.00%	420,000	5,795,795	483,518		483,518
2012	67,965	7.00%	415,554	5,717,982	483,518		483,518
2013	72,722	7.00%	410,796	5,634,722	483,518		483,518
2014	77,813	7.00%	405,706	5,545,634	483,518		483,518
2015	83,260	7.00%	400,259	5,450,310	483,518		483,518
2016	89,088	7.00%	388,194	5,348,314	483,518		483,518
2017	95,324	7.00%	381,522	5,239,177	483,518		483,518
2018	101,997	7.00%	374,382	5,122,401	483,518		483,518
2019	109,136	7.00%	366,742	4,997,451	483,518		483,518
2020	116,776	7.00%	358,568	4,863,754	483,518		483,518
2021	124,950	7.00%	349,822	4,720,698	483,518		483,518
2022	133,697	7.00%	340,463	4,567,629	483,518		483,518
2023	143,056	7.00%	330,449	4,403,844	483,518		483,518
2024	153,070	7.00%	319,734	4,228,595	483,518		483,518
2025	163,784	7.00%	308,269	4,041,078	483,518		483,518
2026	175,249	7.00%	296,002	3,840,435	483,518		483,518
2027	187,517	7.00%	282,875	3,625,747	483,518		483,518
2028	200,643	7.00%	268,830	3,396,031	483,518		483,518
2029	214,688	7.00%	253,802	3,150,235	483,518		483,518
2030	229,716	7.00%	237,722	2,887,233	483,518		483,518
2031	245,796	7.00%	220,516	2,605,821	483,518		483,518
2032	263,002	7.00%	202,106	2,304,710	483,518		483,518
2033	281,412	7.00%	182,407	1,982,521	483,518		483,518
2034	301,111	7.00%	161,330	1,637,779	483,518		483,518
2035	322,189	7.00%	138,776	1,268,905	483,518		483,518
2036	344,742	7.00%	114,645	874,210	483,518		483,518
2037	368,874	7.00%	88,823	451,886	483,518		483,518
2038	394,695	7.00%	61,195	-	483,518		483,518
2039	422,324	7.00%	31,632		483,518		483,518
2040	451,886	7.00%			483,518		483,518
	6,000,000		8,505,553		14,505,553	-	14,505,553

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS  
GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED BOND DEBT SERVICE REQUIREMENTS

Series 2014 Bond Issue  
 Dated December 1, 2014 \$ 13,000,000  
 Issued December 1, 2014  
 Interest Rate: 7.00%

Year	Principal	Coupon	Interest	Outstanding Bond Principal Balance	Total 2014 Bonds Debt Service	Reduce Debt Service by Capitalized Interest	Net 2014 Bonds Debt Service Payments
2014	137,623	7.00%	910,000	13,000,000	1,047,623		1,047,623
2015	147,257	7.00%	900,366	12,862,377	1,047,623		1,047,623
2016	157,565	7.00%	890,058	12,715,120	1,047,623		1,047,623
2017	168,594	7.00%	879,029	12,557,555	1,047,623		1,047,623
2018	180,396	7.00%	867,227	12,388,961	1,047,623		1,047,623
2019	193,024	7.00%	854,600	12,208,565	1,047,623		1,047,623
2020	206,535	7.00%	841,088	12,015,541	1,047,623		1,047,623
2021	220,993	7.00%	826,630	11,809,006	1,047,623		1,047,623
2022	236,462	7.00%	811,161	11,588,013	1,047,623		1,047,623
2023	253,015	7.00%	794,609	11,351,550	1,047,623		1,047,623
2024	270,726	7.00%	776,897	11,098,536	1,047,623		1,047,623
2025	289,677	7.00%	757,947	10,827,810	1,047,623		1,047,623
2026	309,954	7.00%	737,669	10,538,133	1,047,623		1,047,623
2027	331,651	7.00%	715,973	10,228,179	1,047,623		1,047,623
2028	354,866	7.00%	692,757	9,896,529	1,047,623		1,047,623
2029	379,707	7.00%	667,916	9,541,662	1,047,623		1,047,623
2030	406,286	7.00%	641,337	9,161,956	1,047,623		1,047,623
2031	434,726	7.00%	612,897	8,755,669	1,047,623		1,047,623
2032	465,157	7.00%	582,466	8,320,943	1,047,623		1,047,623
2033	497,718	7.00%	549,905	7,855,786	1,047,623		1,047,623
2034	532,559	7.00%	515,065	7,358,067	1,047,623		1,047,623
2035	569,838	7.00%	477,786	6,825,509	1,047,623		1,047,623
2036	609,726	7.00%	437,897	6,255,671	1,047,623		1,047,623
2037	652,407	7.00%	395,216	5,645,945	1,047,623		1,047,623
2038	698,076	7.00%	349,548	4,993,538	1,047,623		1,047,623
2039	746,941	7.00%	300,682	4,295,462	1,047,623		1,047,623
2040	799,227	7.00%	248,396	3,548,521	1,047,623		1,047,623
2041	855,173	7.00%	192,451	2,749,294	1,047,623		1,047,623
2042	915,035	7.00%	132,589	1,894,122	1,047,623		1,047,623
2043	979,087	7.00%	68,556	979,087	1,047,623		1,047,623
2044				-	1,047,623		1,047,623
	13,000,000		18,428,697		31,428,697	-	31,428,697

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS  
GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED BOND DEBT SERVICE REQUIREMENTS

Series 2019 Bond Issue  
 Dated: December 1, 2019 \$ 9,450,000  
 Issued: December 1, 2019  
 Interest Rate: 7.00%

Year	Principal	Coupon	Interest	Outstanding Bond Principal Balance	Total 2018 Bonds Debt Service	Reduce Debt Service by Capitalized Interest	Net 2018 Bonds Debt Service Payments
2019	100,042	7.00%	661,500	9,450,000	761,542		761,542
2020	107,044	7.00%	654,497	9,349,958	761,542		761,542
2021	114,538	7.00%	647,004	9,242,914	761,542		761,542
2022	122,555	7.00%	638,986	9,128,377	761,542		761,542
2023	131,134	7.00%	630,407	9,005,821	761,542		761,542
2024	140,313	7.00%	621,228	8,874,687	761,542		761,542
2025	150,135	7.00%	611,406	8,734,374	761,542		761,542
2026	160,645	7.00%	600,897	8,584,239	761,542		761,542
2027	171,890	7.00%	589,652	8,423,594	761,542		761,542
2028	183,922	7.00%	577,619	8,251,704	761,542		761,542
2029	196,797	7.00%	564,745	8,067,782	761,542		761,542
2030	210,573	7.00%	550,969	7,870,985	761,542		761,542
2031	225,313	7.00%	536,229	7,660,412	761,542		761,542
2032	241,085	7.00%	520,457	7,435,100	761,542		761,542
2033	257,960	7.00%	503,581	7,194,015	761,542		761,542
2034	276,018	7.00%	485,524	6,936,055	761,542		761,542
2035	295,339	7.00%	466,203	6,660,037	761,542		761,542
2036	316,013	7.00%	445,529	6,364,698	761,542		761,542
2037	338,134	7.00%	423,408	6,048,685	761,542		761,542
2038	361,803	7.00%	399,739	5,710,552	761,542		761,542
2039	387,129	7.00%	374,412	5,348,749	761,542		761,542
2040	414,228	7.00%	347,313	4,961,620	761,542		761,542
2041	443,224	7.00%	318,317	4,547,392	761,542		761,542
2042	474,250	7.00%	287,292	4,104,168	761,542		761,542
2043	507,447	7.00%	254,094	3,629,918	761,542		761,542
2044	542,969	7.00%	218,573	3,122,471	761,542		761,542
2045	580,976	7.00%	180,565	2,579,502	761,542		761,542
2046	621,645	7.00%	139,897	1,998,526	761,542		761,542
2047	665,160	7.00%	96,382	1,376,881	761,542		761,542
2048	711,721	7.00%	49,820	711,721	761,542		761,542
2049				0	761,542		761,542
	9,450,000		13,396,245		22,846,245	-	22,846,245

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS  
GENERAL AND DEBT SERVICE FUNDS ONLY

SUMMARY - GENERAL FUND

Collection Year	TOTAL ASSESSED VALUATION	General Fund Mill Levy	Net Property Taxes 98.00%	Specific Ownership Taxes 10.00%	Annual Developer Contributions	Interest Income at 5.00%	Total Annual Cash Receipts	Administrative Costs Inflated by 2.00%	Annual Surplus Receipts	Cumulative Surplus Cash Balances
BAL FWD										887
2009	2,159,410	3.00	6,478	323		44	6,845	7,727	(882)	5
2010	2,984,276	3.00	8,774	877			9,651	7,882	1,770	1,775
2011	3,040,300	3.00	8,938	894		89	9,832	8,039	1,793	3,568
2012	8,627,831	3.00	25,366	2,537		178	27,902	18,200	9,702	13,271
2013	8,952,718	2.50	21,934	2,193		664	24,791	18,564	6,227	19,498
2014	14,761,599	1.20	17,360	1,736		975	20,070	18,935	1,135	20,633
2015	15,335,790	1.10	16,532	1,653		1,032	19,217	19,314	(97)	20,536
2016	21,374,785	0.80	16,758	1,676		1,027	19,460	19,700	(240)	20,296
2017	22,217,798	0.80	17,419	1,742		1,015	20,175	20,094	81	20,377
2018	28,496,021	1.60	44,682	4,468		1,019	50,169	36,496	14,673	36,050
2019	29,445,439	1.20	34,628	3,463		1,752	39,843	36,206	3,637	38,687
2020	29,445,439	1.10	31,742	3,174		1,934	36,851	36,930	(79)	38,608
2021	30,623,256	1.10	33,012	3,301		1,930	38,243	37,669	575	39,182
2022	30,623,256	1.10	33,012	3,301		1,959	38,272	38,422	(150)	39,032
2023	31,848,187	1.10	34,332	3,433		1,952	39,717	39,191	527	39,559
2024	31,848,187	1.10	34,332	3,433		1,978	39,744	39,974	(231)	39,328
2025	33,122,114	1.20	38,952	3,895		1,966	44,813	40,774	4,039	43,368
2026	33,122,114	1.20	38,952	3,895		2,168	45,015	41,589	3,426	46,793
2027	34,446,999	1.20	40,510	4,051		2,340	46,900	42,421	4,479	51,272
2028	34,446,999	1.10	37,134	3,713		2,564	43,411	43,270	141	51,414
2029	35,824,879	1.10	38,619	3,862		2,571	45,052	44,135	917	52,331
2030	35,824,879	1.10	38,619	3,862		2,617	45,098	45,018	80	52,411
2031	37,257,874	1.10	40,164	4,016		2,621	46,801	45,918	883	53,294
2032	37,257,874	1.10	40,164	4,016		2,665	46,845	46,836	9	53,302
2033	38,748,189	1.10	41,771	4,177		2,665	48,613	47,773	840	54,142
2034	38,748,189	1.10	41,771	4,177		2,707	48,655	48,729	(74)	54,068
2035	40,298,116	1.10	43,441	4,344		2,703	50,489	49,703	786	54,854
2036	40,298,116	1.10	43,441	4,344		2,743	50,528	50,697	(169)	54,685
2037	41,910,041	1.10	45,179	4,518		2,734	52,431	51,711	720	55,405
2038	41,910,041	1.10	45,179	4,518		2,770	52,467	52,745	(278)	55,127
2039	43,586,442	1.10	46,986	4,699		2,756	54,441	53,800	641	55,768
2040	43,586,442	1.10	46,986	4,699		2,788	54,473	54,876	(403)	55,365
2041	45,329,900	1.10	48,866	4,887		2,768	56,520	55,974	547	55,911
2042	45,329,900	1.10	48,866	4,887		2,796	56,548	57,093	(545)	55,366
2043	47,143,096	1.18	54,610	5,461		2,768	62,839	58,235	4,604	59,970
2044	47,143,096	"	-	-		2,998	2,998	59,400	(56,401)	3,568
			1,205,507	120,226	-	70,257	1,395,722	1,393,041		2,681

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS  
GENERAL AND DEBT SERVICE FUNDS ONLY

SUMMARY - DEBT SERVICE FUND  
SERIES 2016 BONDS

Collection Year	TOTAL ASSESSED VALUATION	Debt Service Fund Mill Levy	Net Property Taxes 99%	Specific Ownership Taxes 10%	Facilities Fees Revenue \$	Interest Income at 5%	Total Annual Cash Receipts	Cumulative Cash Available for Debt Service	Nat Debt Service on: 2016 Bonds	Interest on Developer Notes	Total Cash Disbursements	Cash Balances	
												Annual Surplus Cash (Deficit)	Cumulative Surplus Cash Balances
2009	2,159,410	15.00	32,391	1,620	-	116	34,127	34,127		23,856	23,856	10,271	10,271
2010	2,984,276	15.00	43,869	4,387	-	514	48,769	82,896		40,999	40,999	7,770	18,041
2011	3,040,300	15.00	44,692	4,469	-	902	50,064	91,961		40,999	40,999	9,065	27,106
2012	8,627,831	15.00	126,829	12,683	-	1,355	140,867	191,829		40,999	40,999	99,868	126,974
2013	8,952,718	15.00	131,805	13,160	-	6,349	151,114	301,945		40,999	40,999	110,115	237,090
2014	14,761,599	18.00	260,395	26,039	-	11,854	298,289	559,234		40,999	40,999	257,290	494,379
2015	15,335,790	18.00	270,523	27,052	-	24,719	322,295	840,530		40,999	40,999	281,296	775,675
2016	21,374,786	18.00	377,051	37,705	-	38,784	453,540	1,253,071		40,999	40,999	412,541	1,188,216
2017	22,217,798	19.00	413,695	41,370	-	59,411	514,476	1,726,548	761,542		761,542	(247,066)	941,150
2018	28,496,021	19.00	530,596	53,060	-	47,058	630,713	1,595,719	761,542		761,542	(130,829)	810,321
2019	29,445,439	19.00	548,274	54,827	-	40,516	643,618	1,477,795	761,542		761,542	(117,924)	692,398
2020	29,445,439	19.00	548,274	54,827	-	34,620	637,721	1,353,975	761,542		761,542	(123,820)	568,577
2021	30,623,256	19.00	570,205	57,021	-	28,429	655,654	1,248,088	761,542		761,542	(105,887)	462,690
2022	30,623,256	19.00	570,205	57,021	-	23,135	650,360	1,136,906	761,542		761,542	(111,181)	351,509
2023	31,848,187	19.00	593,013	59,301	-	17,575	669,890	1,045,255	761,542		761,542	(91,652)	259,857
2024	31,848,187	19.00	593,013	59,301	-	12,993	665,307	949,021	761,542		761,542	(96,234)	163,623
2025	33,122,114	19.00	616,734	61,673	-	8,181	686,588	874,068	761,542		761,542	(74,953)	88,670
2026	33,122,114	20.00	649,193	64,919	-	4,433	718,546	831,072	761,542		761,542	(42,995)	45,675
2027	34,446,999	20.00	675,161	67,516	-	2,284	744,961	814,492	761,542		761,542	(16,560)	29,094
2028	34,446,999	21.00	708,919	70,892	-	1,455	781,266	834,216	761,542		761,542	19,724	48,819
2029	35,824,879	21.00	737,276	73,728	-	2,441	813,445	886,119	761,542		761,542	51,903	100,722
2030	35,824,879	21.00	737,276	73,728	-	5,036	816,040	940,617	761,542		761,542	54,498	155,220
2031	37,257,874	18.00	657,229	65,723	-	7,761	730,713	909,789	761,542		761,542	(30,829)	124,391
2032	37,257,874	18.00	657,229	65,723	-	6,220	729,171	877,418	761,542		761,542	(32,370)	92,021
2033	38,748,189	18.00	683,518	68,352	-	4,601	756,471	872,348	761,542		761,542	(5,071)	86,950
2034	38,748,189	18.00	683,518	68,352	-	4,348	756,217	867,024	761,542		761,542	(5,324)	81,626
2035	40,288,116	18.00	710,859	71,086	-	4,081	786,026	891,508	761,542		761,542	24,484	106,111
2036	40,288,116	17.00	671,367	67,137	-	5,306	743,809	873,775	761,542		761,542	(17,733)	88,378
2037	41,910,041	17.00	698,221	69,822	-	4,419	772,462	884,686	761,542		761,542	10,921	99,299
2038	41,910,041	17.00	698,221	69,822	-	4,965	773,008	896,103	761,542		761,542	11,487	110,765
2039	43,586,442	16.00	683,435	68,344	-	5,538	757,317	891,939	761,542		761,542	(4,224)	106,541
2040	43,586,442	16.00	683,435	68,344	-	5,327	757,106	887,503	761,542		761,542	(4,435)	102,106
2041	45,329,900	16.00	710,773	71,077	-	5,105	786,955	912,917	761,542		761,542	25,414	127,520
2042	45,329,900	16.00	710,773	71,077	-	6,376	788,226	939,602	761,542		761,542	26,685	154,204
2043	47,143,096	16.00	739,204	73,920	-	7,710	820,834	998,895	761,542		761,542	59,293	213,497
2044	47,143,096	16.00	739,204	73,920	-	10,675	823,799	1,061,152	761,542		761,542	62,257	275,754
2045	49,028,820	16.00	788,772	78,877	-	13,788	859,437	1,159,047	761,542		761,542	97,895	373,650
2046	49,028,820	8.17	392,428	39,243	-	18,682	450,354	847,859	761,542		761,542	(311,188)	62,462
			20,667,377	2,065,119	-	487,060	23,219,556	22,846,245			23,157,094	62,462	62,462

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS  
GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

Construction Year	Collection Year	TOTAL COMMERCIAL BUILDING AREA			Est. Biennial Revaluation per State Statute at 4.00%	Cumulative Market Value of New Construction	Estimated Commercial Assessment Ratio	COMMERCIAL ASSESSED VALUATION
		Square Feet	Est. Market Value per Square Foot	Annual Value of New Construction				
<i>Inflation compounded annually on base price at 2.00%</i>								
TO DATE		85,000	80	6,808,448				
2008	2009		102	-		6,808,448	29.00%	1,974,450
2009	2010		104	-	136,169	6,808,448	29.00%	1,974,450
2010	2011	188,000	106	19,950,681		6,944,617	29.00%	2,013,939
2011	2012		108	-	1,075,812	26,895,298	29.00%	7,799,637
2012	2013		110	20,756,889		27,971,110	29.00%	8,111,622
2013	2014		113	-	1,949,112	48,727,799	29.00%	14,131,062
2014	2015	188,000	115	21,595,259		50,676,911	29.00%	14,696,304
2015	2016		117	-	2,890,887	72,272,171	29.00%	20,958,929
2016	2017	188,000	120	22,467,708		75,163,057	29.00%	21,797,287
2017	2018		122	-	3,905,231	97,530,765	29.00%	28,312,922
2018	2019					101,535,996	29.00%	29,445,439
2019	2020				4,061,440	105,597,436	29.00%	29,445,439
2020	2021				4,223,897	105,597,436	29.00%	30,623,256
2021	2022					109,821,333	29.00%	30,623,256
2022	2023					109,821,333	29.00%	31,848,187
2023	2024				4,392,853	114,214,186	29.00%	31,848,187
2024	2025					114,214,186	29.00%	33,122,114
2025	2026				4,568,567	118,782,754	29.00%	33,122,114
2026	2027					118,782,754	29.00%	34,446,999
2027	2028				4,751,310	123,534,064	29.00%	34,446,999
2028	2029					123,534,064	29.00%	35,824,879
2029	2030				4,941,363	128,475,427	29.00%	35,824,879
2030	2031					128,475,427	29.00%	37,257,874
2031	2032					128,475,427	29.00%	37,257,874
2032	2033				5,139,017	133,614,444	29.00%	38,748,189
2033	2034					133,614,444	29.00%	38,748,189
2034	2035				5,344,578	138,959,021	29.00%	38,748,189
2035	2036					138,959,021	29.00%	40,298,116
2036	2037				5,558,361	144,517,382	29.00%	40,298,116
2037	2038					144,517,382	29.00%	41,910,041
2038	2039				5,780,695	150,298,077	29.00%	41,910,041
2039	2040					150,298,077	29.00%	43,586,442
2040	2041				6,011,923	156,310,001	29.00%	43,586,442
2041	2042					156,310,001	29.00%	45,329,900
2042	2043				6,252,400	162,562,401	29.00%	45,329,900
2043	2044					162,562,401	29.00%	47,143,096
2044	2045				6,502,496	169,064,897	29.00%	47,143,096
2045	2046					169,064,897	29.00%	49,028,820
2046						169,064,897	29.00%	49,028,820
		836,999		91,578,785	64,731,215			

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS  
GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

Construction Year	Collection Year	UNDEVELOPED LAND				Annual Actual Value Per Square Foot \$	Cumulative Market Value of Undeveloped Land	Estimated O & G Assessment Ratio	Estimated Land Assessment Ratio	LAND ASSESSED VALUATION	COMMERCIAL ASSESSED VALUATION	TOTAL ASSESSED VALUATION
		Other	Oil & Gas	Platted Square Feet	Commercial Land Area Less: Square Feet Developed							
<i>Inflation compounded annually on base price at</i>												
TO DATE	2009	217,179	2,280,627	2,280,627	2,280,627	0.00	223,560	84.31%	29.00%	184,960	1,974,450	2,159,410
2008	2010	217,179	2,280,627	2,280,627	2,280,627	1.25	2,850,784	84.31%	29.00%	1,009,827	1,974,450	2,984,276
2009	2011	217,179	2,280,627	2,280,627	2,280,627	1.28	2,907,799	84.31%	29.00%	1,026,361	2,013,939	3,040,300
2010	2012	217,179	2,280,627	2,280,627	(570,157)	1.30	2,224,467	84.31%	29.00%	828,195	7,799,637	8,627,831
2011	2013	217,179	2,280,627	2,280,627	1,710,470	1.33	2,268,956	84.31%	29.00%	841,096	8,111,622	8,952,718
2012	2014	217,179	2,280,627	2,280,627	1,710,470	1.35	1,542,890	84.31%	29.00%	630,537	14,131,062	14,761,599
2013	2015	217,179	2,280,627	2,280,627	(570,157)	1.38	1,573,748	84.31%	29.00%	639,486	14,696,304	15,335,790
2014	2016	217,179	2,280,627	2,280,627	(570,157)	1.41	802,611	84.31%	29.00%	415,857	20,958,929	21,374,786
2015	2017	217,179	2,280,627	2,280,627	570,157	1.44	818,664	84.31%	29.00%	420,512	21,797,287	22,217,798
2016	2018	217,179	2,280,627	2,280,627	(570,157)	1.46	-	84.31%	29.00%	183,099	28,312,922	28,496,021
2017	2019									-	29,445,439	29,445,439
2018	2020									-	29,445,439	29,445,439
2019	2021									-	30,623,256	30,623,256
2020	2022									-	30,623,256	30,623,256
2021	2023									-	31,848,187	31,848,187
2022	2024									-	31,848,187	31,848,187
2023	2025									-	33,122,114	33,122,114
2024	2026									-	33,122,114	33,122,114
2025	2027									-	34,446,999	34,446,999
2026	2028									-	34,446,999	34,446,999
2027	2029									-	35,824,879	35,824,879
2028	2030									-	35,824,879	35,824,879
2029	2031									-	37,257,874	37,257,874
2030	2032									-	37,257,874	37,257,874
2031	2033									-	38,748,189	38,748,189
2032	2034									-	38,748,189	38,748,189
2033	2035									-	40,298,116	40,298,116
2034	2036									-	40,298,116	40,298,116
2035	2037									-	41,910,041	41,910,041
2036	2038									-	41,910,041	41,910,041
2037	2039									-	43,586,442	43,586,442
2038	2040									-	43,586,442	43,586,442
2039	2041									-	45,329,900	45,329,900
2040	2042									-	45,329,900	45,329,900
2041	2043									-	47,143,096	47,143,096
2042	2044									-	47,143,096	47,143,096
2043	2045									-	49,028,820	49,028,820
2044	2046									-	49,028,820	49,028,820

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS  
GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED BOND DEBT SERVICE REQUIREMENTS

Series 2016 Bond Issue

Dated: December 1, 2016 \$ 9,450,000

Issued: December 1, 2016

Interest Rate: 7.00%

Year	Principal	Coupon	Interest	Outstanding Bond Principal Balance	Total 2012 Bonds Debt Service	Reduce Debt Service by Capitalized Interest	Net 2016 Bonds Debt Service Payments
2016	100,042	7.00%	661,500	9,450,000	761,542		761,542
2017	107,044	7.00%	654,497	9,349,958	761,542		761,542
2018	114,538	7.00%	647,004	9,242,914	761,542		761,542
2019	122,555	7.00%	638,986	9,128,377	761,542		761,542
2020	131,134	7.00%	630,407	9,005,821	761,542		761,542
2021	140,313	7.00%	621,228	8,874,687	761,542		761,542
2022	150,135	7.00%	611,406	8,734,374	761,542		761,542
2023	160,645	7.00%	600,897	8,584,239	761,542		761,542
2024	171,890	7.00%	589,652	8,423,594	761,542		761,542
2025	183,922	7.00%	577,619	8,251,704	761,542		761,542
2026	196,797	7.00%	564,745	8,067,782	761,542		761,542
2027	210,573	7.00%	550,969	7,870,985	761,542		761,542
2028	225,313	7.00%	536,229	7,660,412	761,542		761,542
2029	241,085	7.00%	520,457	7,435,100	761,542		761,542
2030	257,960	7.00%	503,581	7,194,015	761,542		761,542
2031	276,018	7.00%	485,524	6,936,055	761,542		761,542
2032	295,339	7.00%	466,203	6,660,037	761,542		761,542
2033	316,013	7.00%	445,529	6,364,698	761,542		761,542
2034	338,134	7.00%	423,408	6,048,685	761,542		761,542
2035	361,803	7.00%	399,739	5,710,552	761,542		761,542
2036	387,129	7.00%	374,412	5,348,749	761,542		761,542
2037	414,228	7.00%	347,313	4,961,620	761,542		761,542
2038	443,224	7.00%	318,317	4,547,392	761,542		761,542
2039	474,250	7.00%	287,292	4,104,168	761,542		761,542
2040	507,447	7.00%	254,094	3,629,918	761,542		761,542
2041	542,969	7.00%	218,573	3,122,471	761,542		761,542
2042	580,976	7.00%	180,565	2,579,502	761,542		761,542
2043	621,645	7.00%	139,897	1,998,526	761,542		761,542
2044	665,160	7.00%	96,382	1,376,881	761,542		761,542
2045	711,721	7.00%	49,820	711,721	761,542		761,542
2046				0	761,542		761,542
	9,450,000		13,396,245		22,846,245	-	22,846,245

**EXHIBIT H**

COST ESTIMATES – FIRST MODIFICATION



# HURST & ASSOCIATES, INC.

CONSULTING ENGINEERS

4999 Pearl East Circle, Suite 106 Boulder, Colorado 80301

January 6, 2009

City of Dacono  
512 Cherry Street  
Dacono, CO 80514

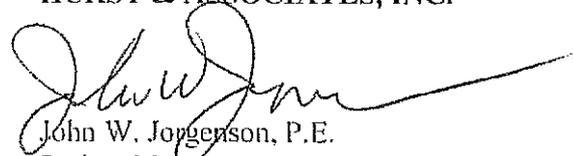
*Re: Sweetgrass Metropolitan District Infrastructure Costs*

Dear Ladies and Gentlemen:

The estimated construction costs to complete portions of the infrastructure in the Sweetgrass Metropolitan District as identified further in the improvement and cost schedules are attached. The estimate is based on current costs of construction, current City standards, and our experience on similar metropolitan districts. The costs represent a reasonable estimate in today's dollars to complete the major infrastructure within Sweetgrass Metropolitan District. The design and construction consists of grading, utility construction, street construction, trails, walks, and landscaping, as generally shown in the facilities diagrams prepared by this firm and contained in the Service Plan for the proposed District.

Sincerely,

HURST & ASSOCIATES, INC.

  
John W. Jorgenson, P.E.  
Project Manager



JWJ/kjw  
Enclosures

**SWEETGRASS METROPOLITAN DISTRICT  
 OPINION OF PROBABLE COSTS  
 DISTRICT #2 - RESIDENTIAL DISTRICT**

<u>Cost Category</u>	<u>Subtotal</u>	<u>Contingency</u>	<u>Design</u>	<u>Management</u>	<u>Total</u>
		10%	10%	10%	
Civil Infrastructure - based on Hurst & Associates estimate	25,678,856	2,567,886	2,567,886	2,567,886	33,382,512
Open Space & Parks - based on Nuszer Kopatz estimate	3,820,983	382,098	382,098	382,098	4,967,278
Raw Water for Parks & Open Spaces (based on square footage of landscape from NK cost estimate)	2,645,695	264,569	264,569	264,569	3,439,403
			<b>Total District Eligible Cost</b>		<b>41,789,193</b>
developer costs which are not district eligible					
pool costs	457,479	45,748	45,748	45,748	594,723
overlot excavation	3,120,000	312,000	312,000	312,000	4,056,000
sanitary sewer (not in district based on previous agreement with st vrain sanitation district)	4,992,000	499,200	499,200	499,200	6,489,600
dry utility costs (cable, electric, gas & phone)	6,240,000	624,000	624,000	624,000	8,112,000
			<b>Total All Costs</b>		<b>61,041,516</b>
					for information only

**SWEETGRASS METROPOLITAN DISTRICT  
 OPINION OF PROBABLE COSTS  
 DISTRICT #3 - COMMERCIAL DISTRICT**

<u>Cost Category</u>	<u>Subtotal</u>	<u>Contingency</u>	<u>Design</u>	<u>Management</u>	<u>Total</u>
		10%	10%	10%	
Civil Infrastructure - based on Hurst & Associates estimate	3,818,986	381,897	381,897	381,897	4,964,655
Open Space & Parks - based on Nuszer Kopatz estimate	651,471	65,147	65,147	65,147	846,912
Raw Water for Parks & Open Spaces (based on square footage of landscape from NK cost estimate)	757,952	75,795	75,795	75,795	985,338
			<b>Total District Eligible Cost</b>		<b>6,796,906</b>
developer costs which are not district eligible					
overlot excavation	1,040,000	104,000	104,000	104,000	1,352,000
sanitary sewer (not in district based on previous agreement with st vrain sanitation district)	1,664,000	166,400	166,400	166,400	2,163,200
dry utility costs (cable, electric, gas & phone)	2,080,000	208,000	208,000	208,000	2,704,000
			<b>Total All Costs</b>		<b>13,016,106</b>
					for information only

**SWEETGRASS  
RESIDENTIAL (METRO DISTRICT 2)  
OPINION OF PROBABLE CONSTRUCTION COSTS**

<b>ITEM</b>	<b>NO. OF UNITS</b>	<b>UNIT COST</b>	<b>TOTAL COST</b>
<b>WATER</b>			
6" Water Line	1281 L.F.	\$ 25	\$ 32,025.00
8" Water Line	45491 L.F.	30	1,364,730.00
12" Water Line	7319 L.F.	45	329,355.00
8" 11 1/4° Bends	57 Ea.	410	23,370.00
8" 22 1/2° Bends	68 Ea.	410	27,880.00
8" 45° Bends	17 Ea.	410	6,970.00
8" 90° Bends	1 Ea.	410	410.00
12" 90° Bends	2 Ea.	620	1,240.00
12" 11 1/4° Bends	2 Ea.	620	1,240.00
12" 22 1/2° Bends	1 Ea.	620	620.00
8" x 8" Crosses	7 Ea.	615	4,305.00
12" x 8" Crosses	7 Ea.	550	3,850.00
12" x 12" Crosses	1 Ea.	800	800.00
8" x 6" Tees	80 Ea.	550	44,000.00
8" x 8" Tees	25 Ea.	600	15,000.00
12" x 6" Tees	5 Ea.	700	3,500.00
12" x 8" Tees	5 Ea.	750	3,750.00
12" x 12" Tees	1 Ea.	950	950.00
12" x 24" Tees	1 Ea.	2400	2,400.00
12" x 8" Reducers	1 Ea.	500	500.00
6" Valves	75 Ea.	850	63,750.00
8" Valves	188 Ea.	1200	225,600.00
12" Valves	34 Ea.	2000	68,000.00
24" Butterfly Valve	2 Ea.	4500	9,000.00
Fire Hydrants	88 Ea.	3400	299,200.00
2" Blowoffs	25 Ea.	1500	37,500.00
Low Pt. Blowoffs	10 Ea.	1000	10,000.00
8" Waterline Plugs	11 Ea.	300	3,300.00
12" Waterline Plugs	1 Ea.	450	450.00
Master Meter Vaults	3 Ea.	50,000	150,000.00
Water Services	1117 Ea.	1200	1,340,400.00
		<b>Subtotal</b>	<b>\$ 4,074,095.00</b>
<b>STREETS</b>			
Hollywood Curbwalk	6122 L.F.	\$ 28	\$ 171,416.00
Vertical Curb	23820 L.F.	13	309,660.00
Mountable Curb	87510 L.F.	18	1,575,180.00
Median Curb	305 L.F.	13	3,965.00
5' Detached Walk	87657 L.F.	23	2,016,111.00



**SWEETGRASS  
COMMERCIAL (METRO DISTRICT 3)  
OPINION OF PROBABLE CONSTRUCTION COSTS**

ITEM	NO. OF UNITS	UNIT COST	TOTAL COST
<b>WATER</b>			
6" Water Line	42 L.F.	\$ 25	\$ 1,050.00
8" Water Line	516 L.F.	30	15,480.00
12" Water Line	3235 L.F.	45	145,575.00
12" 45° Bends	5 Ea.	620	3,100.00
12" 90° Bends	1 Ea.	620	620.00
12" x 8" Crosses	2 Ea.	550	1,100.00
12" x 6" Tees	1 Ea.	700	700.00
12" x 8" Tees	6 Ea.	750	4,500.00
12" x 12" Tees	1 Ea.	950	950.00
6" Valves	1 Ea.	850	850.00
8" Valves	12 Ea.	1200	14,400.00
12" Valves	12 Ea.	1900	22,800.00
Fire Hydrants	1 Ea.	3400	3,400.00
12" x 8" Wet Tap	2 Ea.	2500	5,000.00
8" Waterline Plugs	11 Ea.	300	3,300.00
12" Waterline Plugs	2 Ea.	450	900.00
Water Services (2")	12 Ea.	2500	30,000.00
		<b>Subtotal</b>	<b>\$ 253,725.00</b>
<b>STREETS</b>			
Vertical Curb	11703 L.F.	\$ 13	\$ 152,139.00
5' Detached Walk	6296 L.F.	23	144,808.00
6' Detached Walk	1266 L.F.	28	35,448.00
8' Detached Walk	2355 L.F.	36	84,780.00
Crosspan	865 S.F.	8	6,920.00
Handicap Ramps	14 Ea.	750	10,500.00
Vertical Curbwalk	298 L.F.	30	8,940.00
Median Curb	100 L.F.	12	1,200.00
Mountable Curbwalk	556 L.F.	28	15,568.00
Utility Relocation	1 L.S.	12,500	12,500.00
Earthwork	6250 C.Y.	2.50	15,625.00
Box Culvert	1 L.S.	45,000	45,000.00
Irrigation Piping	1 L.S.	7,500	7,500.00
Street Lights	1 L.S.	60,000	60,000.00
Signing & Striping	1 L.S.	21,250	21,250.00
Sleeves	4500 L.F.	5	22,500.00
Landscaping	1 L.S.	362,500	362,500.00
Asphalt	30485 S.Y.	35	1,066,975.00
Subgrade Preparation	30845 S.Y.	2.50	77,112.50

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**Subtotal**                    \$   **2,151,265.50**

**STORM**

18" RCP	129 L.F.	\$        36	\$        4,644.00
24" RCP	682 L.F.	48	32,736.00
30" RCP	533 L.F.	60	31,980.00
36" RCP	2947 L.F.	75	221,025.00
42" RCP	150 L.F.	91	13,650.00
48" RCP	267 L.F.	120	32,040.00
54" RCP	150 L.F.	160	24,000.00
5' Type 'R' Inlets	5 Ea.	3000	15,000.00
10' Type 'R' Inlets	2 Ea.	4500	9,000.00
30" Flared End Section	1 Ea.	900	900.00
Outlet Protection	3 Ea.	3,000	9,000.00
Detention	1 L.S.	180,000	180,000.00
Box Culvert	1 L.S.	400,000	400,000.00
Utility Relocation	1 L.S.	150,000	150,000.00
Channel Improvements	1 L.S.	50,000	50,000.00
Erosion Control	1 L.S.	100,000	100,000.00
Storm Drainage Manholes	56 Ea.	2500	140,000.00

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**Subtotal**                    \$   **1,413,975.00**

**TOTAL**                      \$   **3,818,965.50**

<b>SWEETGRASS</b>		<b>Nuszer Kopatz Urban Design Associates</b>		
<b>Overall Metro District Landscape Estimate</b>		<b>January 5, 2009</b>		
<b>METRO DISTRICT NUMBER 3</b>				
<b>FILING 2</b>				
<b>ITEM</b>	<b>QNTY</b>	<b>UNIT</b>	<b>UNIT COST</b>	<b>COST</b>
<b>Frontage Road</b>				
Deciduous Trees (2" Cal.)	91	EA	\$300.00	\$27,300.00
Bluegrass Sod Tree Lawn	16,170	SF	\$0.50	\$8,085.00
Bluegrass Sod Tree Lawn Irrigation	16,170	SF	\$0.80	\$12,936.00
<b>Godding Hollow Drive Streetscape</b>				
Deciduous Trees (2" Cal.)	21	EA	\$300.00	\$6,300.00
Bluegrass Sod Tree Lawn	6,846	SF	\$0.50	\$3,423.00
Bluegrass Sod Tree Lawn Irrigation	6,846	SF	\$0.80	\$5,476.80
<b>Street X Streetscape</b>				
Deciduous Trees (2" Cal.)	14	EA	\$300.00	\$4,200.00
Bluegrass Sod Tree Lawn	2,386	SF	\$0.50	\$1,193.00
Bluegrass Sod Tree Lawn Irrigation	2,386	SF	\$0.80	\$1,908.80
<b>FILING 2 SUBTOTAL</b>				<b>\$70,822.60</b>
<b>FILING 3</b>				
<b>ITEM</b>	<b>QNTY</b>	<b>UNIT</b>	<b>UNIT COST</b>	<b>COST</b>
<b>Street Y Streetscape</b>				
Deciduous Trees (2" Cal.)	34	EA	\$300.00	\$10,200.00
Bluegrass Sod Tree Lawn	5,613	SF	\$0.50	\$2,806.50
Bluegrass Sod Tree Lawn Irrigation	5,613	SF	\$0.80	\$4,490.40
<b>Co. Road 10 Streetscape- Western Portion</b>				
Deciduous Trees (2" Cal.)	11	EA	\$300.00	\$3,300.00
Evergreen Trees	24	EA	\$350.00	\$8,400.00
Ornamental Trees (1.5" Cal)	6	EA	\$250.00	\$1,500.00
Concrete Trail	5,257	SF	\$3.00	\$15,771.00
Bluegrass Sod Tree Lawn	4,841	SF	\$0.50	\$2,420.50
Bluegrass Sod Tree Lawn Irrigation	4,841	SF	\$0.80	\$3,872.80
Native Seed	58,653	SF	\$0.18	\$10,557.54
Native Seed Irrigation	58,653	SF	\$0.50	\$29,326.50
<b>Outlot B- Western Trail and Drainage Basin</b>				
Native Seed	623,239	SF	\$0.18	\$112,183.02
Native Seed Irrigation	623,239	SF	\$0.50	\$311,619.50

Drainage Area Seed	321,007	SF	\$0.20	\$64,201.40
<b>FILING 2 SUBTOTAL</b>				<b>\$580,649.16</b>
<b>METRO DISTRICT NUMBER 3 TOTAL</b>				<b>\$651,471.76</b>
<b>METRO DISTRICT NUMBER 2</b>				
<b>FILING 1</b>				
<b>ITEM</b>	<b>QNTY</b>	<b>UNIT</b>	<b>UNIT COST</b>	<b>COST</b>
<b>Sweetgrass Parkway Streetscape</b>				
Deciduous Trees (2" Cal.)	58	EA	\$300.00	\$17,400.00
Shrub/Perennial Bed	3,198	SF	\$4.75	\$15,190.50
Shrub/Perennial Bed Irrigation	3,198	SF	\$0.75	\$2,398.50
Bluegrass Sod Tree Lawn	21,594	SF	\$0.50	\$10,797.00
Bluegrass Sod Tree Lawn Irrigation	21,594	SF	\$0.80	\$17,275.20
<b>Outlot F- Island along Sweetgrass Parkway</b>				
Deciduous Trees (2" Cal.)	5	EA	\$300.00	\$1,500.00
Concrete Trail	1,056	SF	\$3.00	\$3,168.00
Shrub/Perennial Bed	1,340	SF	\$4.75	\$6,365.00
Shrub/Perennial Bed Irrigation	1,340	SF	\$0.75	\$1,005.00
<b>Outlot G- Island along Sweetgrass Parkway</b>				
Deciduous Trees (2" Cal.)	4	EA	\$300.00	\$1,200.00
Concrete Trail	986	SF	\$3.00	\$2,958.00
Shrub/Perennial Bed	1,150	SF	\$4.75	\$5,462.50
Shrub/Perennial Bed Irrigation	1,150	SF	\$0.75	\$862.50
<b>Outlot H- Island along Sweetgrass Parkway</b>				
Deciduous Trees (2" Cal.)	4	EA	\$300.00	\$1,200.00
Concrete Trail	1,520	SF	\$3.00	\$4,560.00
Shrub/Perennial Bed	1,428	SF	\$4.75	\$6,783.00
Shrub/Perennial Bed Irrigation	1,428	SF	\$0.75	\$1,071.00
<b>Outlot I- Island along Sweetgrass Parkway</b>				
Deciduous Trees (2" Cal.)	6	EA	\$300.00	\$1,800.00
Concrete Trail	1,552	SF	\$3.00	\$4,656.00
Shrub/Perennial Bed	1,882	SF	\$4.75	\$8,939.50
Shrub/Perennial Bed Irrigation	1,882	SF	\$0.75	\$1,411.50
<b>Outlot J- Island along Sweetgrass Parkway</b>				
Deciduous Trees (2" Cal.)	7	EA	\$300.00	\$2,100.00

Concrete Trail	904	SF	\$3.00	\$2,712.00
Shrub/Perennial Bed	2,700	SF	\$4.75	\$12,825.00
Shrub/Perennial Bed Irrigation	2,700	SF	\$0.75	\$2,025.00
<b>Outlot W- Buffer along Sweetgrass Parkway</b>				
Native Seed	20,164	SF	\$0.18	\$3,629.52
Native Seed Irrigation	20,164	SF	\$0.50	\$10,082.00
<b>Outlot A- Entry Monument and Western Trail</b>				
Deciduous Trees (2" Cal.)	51	EA	\$300.00	\$15,300.00
Evergreen Trees	56	EA	\$350.00	\$19,600.00
Ornamental Trees (1.5" Cal)	9	EA	\$250.00	\$2,250.00
Concrete Trail	5,256	SF	\$3.00	\$15,768.00
Shrub/Perennial Bed	12,760	SF	\$4.75	\$60,610.00
Shrub/Perennial Bed Irrigation	12,760	SF	\$0.75	\$9,570.00
Bluegrass Sod	16,792	SF	\$0.50	\$8,396.00
Bluegrass Sod Irrigation	16,792	SF	\$0.80	\$13,433.60
Native Seed	108,924	SF	\$0.18	\$19,606.32
Native Seed Irrigation	108,924	SF	\$0.50	\$54,462.00
<b>Outlot E- Entry Monument Island</b>				
Shrub/Perennial Bed	977	SF	\$4.75	\$4,640.75
Shrub/Perennial Bed Irrigation	977	SF	\$0.75	\$732.75
<b>Outlot R- Entry Monument, Open Space, and County Road 11 Streetscape</b>				
Deciduous Trees (2" Cal.)	34	EA	\$300.00	\$10,200.00
Evergreen Trees	47	EA	\$350.00	\$16,450.00
Ornamental Trees (1.5" Cal)	9	EA	\$250.00	\$2,250.00
Concrete Trail	7,242	SF	\$3.00	\$21,726.00
Shrub/Perennial Bed	10,165	SF	\$4.75	\$48,283.75
Shrub/Perennial Bed Irrigation	10,165	SF	\$0.75	\$7,623.75
Bluegrass Sod	13,939	SF	\$0.50	\$6,969.50
Bluegrass Sod Irrigation	13,939	SF	\$0.80	\$11,151.20
Native Seed	161,721	SF	\$0.18	\$29,109.78
Native Seed Irrigation	161,721	SF	\$0.50	\$80,860.50
Drainage Area Seed	62,098	SF	\$0.20	\$12,419.60
<b>Outlot P- County Road 11 Streetscape</b>				
Deciduous Trees (2" Cal.)	82	EA	\$300.00	\$24,600.00
Evergreen Trees	11	EA	\$350.00	\$3,850.00
Ornamental Trees (1.5" Cal)	21	EA	\$250.00	\$5,250.00
Concrete Trail	9,858	SF	\$3.00	\$29,574.00
Shrub/Perennial Bed	10,053	SF	\$4.75	\$47,751.75
Shrub/Perennial Bed Irrigation	10,053	SF	\$0.75	\$7,539.75
Bluegrass Sod	10,189	SF	\$0.50	\$5,094.50
Bluegrass Sod Irrigation	10,189	SF	\$0.80	\$8,151.20
Native Seed	124,650	SF	\$0.18	\$22,437.00
Native Seed Irrigation	124,650	SF	\$0.50	\$62,325.00

<b>Outlot O- County Road 11 Streetscape</b>				
Deciduous Trees (2" Cal.)	24	EA	\$300.00	\$7,200.00
Evergreen Trees	3	EA	\$350.00	\$1,050.00
Ornamental Trees (1.5" Cal)	6	EA	\$250.00	\$1,500.00
Concrete Trail	2,916	SF	\$3.00	\$8,748.00
Shrub/Perennial Bed	2,975	SF	\$4.75	\$14,131.25
Shrub/Perennial Bed Irrigation	2,975	SF	\$0.75	\$2,231.25
Bluegrass Sod	3,886	SF	\$0.50	\$1,943.00
Bluegrass Sod Irrigation	3,886	SF	\$0.80	\$3,108.80
Native Seed	25,476	SF	\$0.18	\$4,585.68
Native Seed Irrigation	25,476	SF	\$0.50	\$12,738.00
<b>Outlot T- Regional Trail West</b>				
Deciduous Trees (2" Cal.)	26	EA	\$300.00	\$7,800.00
Evergreen Trees	5	EA	\$350.00	\$1,750.00
Concrete Trail	29,540	SF	\$3.00	\$88,620.00
Native Seed	24,902	SF	\$0.18	\$4,482.36
Native Seed Irrigation	24,902	SF	\$0.50	\$12,451.00
<b>Outlot S- Regional Trail East</b>				
Deciduous Trees (2" Cal.)	35	EA	\$300.00	\$10,500.00
Evergreen Trees	13	EA	\$350.00	\$4,550.00
Ornamental Trees (1.5" Cal)	15	EA	\$250.00	\$3,750.00
Concrete Trail	17,416	SF	\$3.00	\$52,248.00
Native Seed	70,912	SF	\$0.18	\$12,764.16
Native Seed Irrigation	70,912	SF	\$0.50	\$35,456.00
<b>Outlot L- Open Space and Park</b>				
Deciduous Trees (2" Cal.)	22	EA	\$300.00	\$6,600.00
Bluegrass Sod	2,475	SF	\$0.50	\$1,237.50
Bluegrass Sod Irrigation	2,475	SF	\$0.80	\$1,980.00
Native Seed	283,589	SF	\$0.18	\$51,046.02
Native Seed Irrigation	283,589	SF	\$0.50	\$141,794.50
Playground Equipment	1	LS	\$15,000.00	\$15,000.00
Concrete Walk	1,589	SF	\$3.00	\$4,767.00
Playground Curb	200	LF	\$25.00	\$5,000.00
Playground Surfacing	1,055	SF	\$3.50	\$3,692.50
<b>Outlot B- Passive Park</b>				
Deciduous Trees (2" Cal.)	8	EA	\$300.00	\$2,400.00
Evergreen Trees	6	EA	\$350.00	\$2,100.00
Concrete Trail	2,178	SF	\$3.00	\$6,534.00
Shrub/Perennial Bed	1,606	SF	\$4.75	\$7,628.50
Shrub/Perennial Bed Irrigation	1,606	SF	\$0.75	\$1,204.50
Bluegrass Sod	4,718	SF	\$0.50	\$2,359.00
Bluegrass Sod Irrigation	4,718	SF	\$0.80	\$3,774.40
Native Seed	5,932	SF	\$0.18	\$1,067.76
Native Seed Irrigation	5,932	SF	\$0.50	\$2,966.00
Landscape Boulders	12	EA	\$500.00	\$6,000.00

<b>Outlot C- Neighborhood Park</b>				
Deciduous Trees (2" Cal.)	8	EA	\$300.00	\$2,400.00
Evergreen Trees	6	EA	\$350.00	\$2,100.00
Shrub/Perennial Bed	1,260	SF	\$4.75	\$5,985.00
Shrub/Perennial Bed Irrigation	1,260	SF	\$0.75	\$945.00
Bluegrass Sod	13,763	SF	\$0.50	\$6,881.50
Bluegrass Sod Irrigation	13,763	SF	\$0.80	\$11,010.40
Playground Equipment	1	LS	\$10,000.00	\$10,000.00
Concrete Walk	1,589	SF	\$3.00	\$4,767.00
Playground Curb	200	LF	\$25.00	\$5,000.00
Playground Surfacing	1,055	SF	\$3.50	\$3,692.50
<b>Outlot K- Trail Connection</b>				
Concrete Trail	1,452	SF	\$3.00	\$4,356.00
Shrub/Perennial Bed	793	SF	\$4.75	\$3,766.75
Shrub/Perennial Bed Irrigation	793	SF	\$0.75	\$594.75
Bluegrass Sod	3,558	SF	\$0.50	\$1,779.00
Bluegrass Sod Irrigation	3,558	SF	\$0.80	\$2,846.40
Landscape Boulders	8	EA	\$500.00	\$4,000.00
<b>Outlot N- Trail Connection</b>				
Concrete Trail	552	SF	\$3.00	\$1,656.00
Native Seed	2,327	SF	\$0.18	\$418.86
Native Seed Irrigation	2,327	SF	\$0.50	\$1,163.50
<b>Outlot D- Streetscape Island</b>				
Shrub/Perennial Bed	464	SF	\$4.75	\$2,204.00
Shrub/Perennial Bed Irrigation	464	SF	\$0.75	\$348.00
<b>Outlot Q- Streetscape Island</b>				
Ornamental Trees (1.5" Cal)	3	EA	\$250.00	\$750.00
Bluegrass Sod	3,570	SF	\$0.50	\$1,785.00
Bluegrass Sod Irrigation	3,570	SF	\$0.80	\$2,856.00
<b>Outlot M- Streetscape Island</b>				
Ornamental Trees (1.5" Cal)	5	EA	\$250.00	\$1,250.00
Concrete Trail	954	SF	\$3.00	\$2,862.00
Bluegrass Sod	7,068	SF	\$0.50	\$3,534.00
Bluegrass Sod Irrigation	7,068	SF	\$0.80	\$5,654.40
<b>FILING 1 SUBTOTAL</b>				<b>\$1,490,728.66</b>
<b>FILING 3</b>				
<b>ITEM</b>	<b>QNTY</b>	<b>UNIT</b>	<b>UNIT COST</b>	<b>COST</b>
<b>Sweetgrass Parkway Streetscape</b>				

Deciduous Trees (2" Cal.)	129	EA	\$300.00	\$38,700.00
Bluegrass Sod Tree Lawn	55,719	SF	\$0.50	\$27,859.50
Bluegrass Sod Tree Lawn Irrigation	55,719	SF	\$0.80	\$44,575.20
<b>Outlot N- Sweetgrass Parkway Buffer</b>				
Deciduous Trees (2" Cal.)	7	EA	\$300.00	\$2,100.00
Evergreen Trees	18	EA	\$350.00	\$6,300.00
Ornamental Trees (1.5" Cal)	9	EA	\$250.00	\$2,250.00
Shrub/Perennial Bed	773	SF	\$4.75	\$3,671.75
Shrub/Perennial Bed Irrigation	773	SF	\$0.75	\$579.75
Bluegrass Sod	10,015	SF	\$0.50	\$5,007.50
Bluegrass Sod Irrigation	10,015	SF	\$0.80	\$8,012.00
Native Seed	9,692	SF	\$0.18	\$1,744.56
Native Seed Irrigation	9,692	SF	\$0.50	\$4,846.00
<b>Godding Hollow Drive Streetscape</b>				
Deciduous Trees (2" Cal.)	95	EA	\$300.00	\$28,500.00
Bluegrass Sod Tree Lawn	41,627	SF	\$0.50	\$20,813.50
Bluegrass Sod Tree Lawn Irrigation	41,627	SF	\$0.80	\$33,301.60
<b>Outlot P- Island along Godding Hollow Dr.</b>				
Deciduous Trees (2" Cal.)	13	EA	\$300.00	\$3,900.00
Concrete Trail	2,214	SF	\$3.00	\$6,642.00
Shrub/Perennial Bed	5,184	SF	\$4.75	\$24,624.00
Shrub/Perennial Bed Irrigation	5,184	SF	\$0.75	\$3,888.00
Bluegrass Sod	6,352	SF	\$0.50	\$3,176.00
Bluegrass Sod Irrigation	6,352	SF	\$0.80	\$5,081.60
<b>Outlot R- Island along Godding Hollow Dr.</b>				
Deciduous Trees (2" Cal.)	6	EA	\$300.00	\$1,800.00
Ornamental Trees (1.5" Cal.)	6	EA	\$250.00	\$1,500.00
Concrete Trail	438	SF	\$3.00	\$1,314.00
Bluegrass Sod	5,013	SF	\$0.50	\$2,506.50
Bluegrass Sod Irrigation	5,013	SF	\$0.80	\$4,010.40
<b>Outlot S- Island along Godding Hollow Dr.</b>				
Deciduous Trees (2" Cal.)	5	EA	\$300.00	\$1,500.00
Ornamental Trees (1.5" Cal.)	6	EA	\$250.00	\$1,500.00
Concrete Trail	468	SF	\$3.00	\$1,404.00
Bluegrass Sod	3,303	SF	\$0.50	\$1,651.50
Bluegrass Sod Irrigation	3,303	SF	\$0.80	\$2,642.40
<b>Co. Road 10 Streetscape</b>				
Deciduous Trees (2" Cal.)	27	EA	\$300.00	\$8,100.00
Evergreen Trees	54	EA	\$350.00	\$18,900.00
Ornamental Trees (1.5" Cal)	15	EA	\$250.00	\$3,750.00
Concrete Trail	15,156	SF	\$3.00	\$45,468.00
Bluegrass Sod Tree Lawn	12,815	SF	\$0.50	\$6,407.50
Bluegrass Sod Tree Lawn Irrigation	12,815	SF	\$0.80	\$10,252.00
Native Seed	154,273	SF	\$0.18	\$27,769.14

Native Seed Irrigation	154,273	SF	\$0.50	\$77,136.50
<b>Outlot B- Western Trail</b>				
Concrete Trail	15,636	SF	\$3.00	\$46,908.00
Bluegrass Sod	1,111	SF	\$0.50	\$555.50
Bluegrass Sod Irrigation	1,111	SF	\$0.80	\$888.80
Native Seed	138,010	SF	\$0.18	\$24,841.80
Native Seed Irrigation	138,010	SF	\$0.50	\$69,005.00
<b>Outlot C- Southern Trail</b>				
Deciduous Trees (2" Cal.)	16	EA	\$300.00	\$4,800.00
Evergreen Trees	8	EA	\$350.00	\$2,800.00
Ornamental Trees (1.5" Cal)	6	EA	\$250.00	\$1,500.00
Concrete Trail	15,210	SF	\$3.00	\$45,630.00
Bluegrass Sod	17,016	SF	\$0.50	\$8,508.00
Bluegrass Sod Irrigation	17,016	SF	\$0.80	\$13,612.80
Native Seed	118,970	SF	\$0.18	\$21,414.60
Native Seed Irrigation	118,970	SF	\$0.50	\$59,485.00
<b>Outlot D- Southern Central Trail</b>				
Concrete Trail	3,930	SF	\$3.00	\$11,790.00
Bluegrass Sod	8,605	SF	\$0.50	\$4,302.50
Bluegrass Sod Irrigation	8,605	SF	\$0.80	\$6,884.00
Native Seed	28,141	SF	\$0.18	\$5,065.38
Native Seed Irrigation	28,141	SF	\$0.50	\$14,070.50
<b>Outlot E- Linear Park South and Central Trail</b>				
Deciduous Trees (2" Cal.)	25	EA	\$300.00	\$7,500.00
Evergreen Trees	31	EA	\$350.00	\$10,850.00
Ornamental Trees (1.5" Cal)	16	EA	\$250.00	\$4,000.00
Shrub/Perennial Bed	5,626	SF	\$4.75	\$26,723.50
Shrub/Perennial Bed Irrigation	5,626	SF	\$0.75	\$4,219.50
Bluegrass Sod	48,624	SF	\$0.50	\$24,312.00
Bluegrass Sod Irrigation	48,624	SF	\$0.80	\$38,899.20
Native Seed	99,152	SF	\$0.18	\$17,847.36
Native Seed Irrigation	99,152	SF	\$0.50	\$49,576.00
Play Equipment	1	LS	\$40,000.00	\$40,000.00
Concrete Trail	7,050	SF	\$3.00	\$21,150.00
Concrete Walk	1,730	SF	\$3.00	\$5,190.00
Playground Curb	300	LF	\$25.00	\$7,500.00
Playground Surfacing	6,600	SF	\$3.50	\$23,100.00
<b>Outlot F- Northern Central Trail</b>				
Concrete Trail	9,384	SF	\$3.00	\$28,152.00
Shrub/Perennial Bed	842	SF	\$4.75	\$3,999.50
Shrub/Perennial Bed Irrigation	842	SF	\$0.75	\$631.50
Bluegrass Sod	12,263	SF	\$0.50	\$6,131.50
Bluegrass Sod Irrigation	12,263	SF	\$0.80	\$9,810.40
Native Seed	96,205	SF	\$0.18	\$17,316.90

Native Seed Irrigation	96,205	SF	\$0.50	\$48,102.50
<b>Outlot G- Linear Park North</b>				
Deciduous Trees (2" Cal.)	17	EA	\$300.00	\$5,100.00
Evergreen Trees	36	EA	\$350.00	\$12,600.00
Ornamental Trees (1.5" Cal)	3	EA	\$250.00	\$750.00
Shrub/Perennial Bed	3,012	SF	\$4.75	\$14,307.00
Shrub/Perennial Bed Irrigation	3,012	SF	\$0.75	\$2,259.00
Bluegrass Sod	32,470	SF	\$0.50	\$16,235.00
Bluegrass Sod Irrigation	32,470	SF	\$0.80	\$25,976.00
Native Seed	51,200	SF	\$0.18	\$9,216.00
Native Seed Irrigation	51,200	SF	\$0.50	\$25,600.00
Play Equipment	1	EA	\$25,000.00	\$25,000.00
Shelter	1	EA	\$15,000.00	\$15,000.00
Concrete Walk	13,106	SF	\$3.00	\$39,318.00
Playground Curb	180	LF	\$25.00	\$4,500.00
Playground Surfacing	2,120	SF	\$3.50	\$7,420.00
<b>Outlot J- Open Space</b>				
Deciduous Trees (2" Cal.)	27	EA	\$300.00	\$8,100.00
Ornamental Trees (1.5" Cal)	26	EA	\$250.00	\$6,500.00
Shrub/Perennial Bed	363	SF	\$4.75	\$1,724.25
Shrub/Perennial Bed Irrigation	363	SF	\$0.75	\$272.25
Bluegrass Sod	132,360	SF	\$0.50	\$66,180.00
Bluegrass Sod Irrigation	132,360	SF	\$0.80	\$105,888.00
Native Seed	48,338	SF	\$0.18	\$8,700.84
Native Seed Irrigation	48,338	SF	\$0.50	\$24,169.00
<b>Outlot L- Country Road 11 Streetscape</b>				
Deciduous Trees (2" Cal.)	10	EA	\$300.00	\$3,000.00
Evergreen Trees	16	EA	\$350.00	\$5,600.00
Ornamental Trees (1.5" Cal)	10	EA	\$250.00	\$2,500.00
Concrete Trail	4,134	SF	\$3.00	\$12,402.00
Shrub/Perennial Bed	1,833	SF	\$4.75	\$8,706.75
Shrub/Perennial Bed Irrigation	1,833	SF	\$0.75	\$1,374.75
Bluegrass Sod	6,294	SF	\$0.50	\$3,147.00
Bluegrass Sod Irrigation	6,294	SF	\$0.80	\$5,035.20
Native Seed	36,843	SF	\$0.18	\$6,631.74
Native Seed Irrigation	36,843	SF	\$0.50	\$18,421.50
<b>Outlot M- Community Pool and Park and County Road 11 Streetscape</b>				
Deciduous Trees (2" Cal.)	51	EA	\$300.00	\$15,300.00
Evergreen Trees	69	EA	\$350.00	\$24,150.00
Ornamental Trees (1.5" Cal)	51	EA	\$250.00	\$12,750.00
Shrub/Perennial Bed	6,178	SF	\$4.75	\$29,345.50
Shrub/Perennial Bed Irrigation	6,178	SF	\$0.75	\$4,633.50
Bluegrass Sod	79,006	SF	\$0.50	\$39,503.00
Bluegrass Sod Irrigation	79,006	SF	\$0.80	\$63,204.80
Native Seed	146,565	SF	\$0.18	\$26,381.70

Native Seed Irrigation	146,565	SF	\$0.50	\$73,282.50
Landscape Boulders	10	EA	\$500.00	\$5,000.00
Play Equipment	1	EA	\$25,000.00	\$25,000.00
Shelter	1	EA	\$20,000.00	\$20,000.00
Concrete Trail	3,918	SF	\$3.00	\$11,754.00
Concrete Walk	2,325	SF	\$3.00	\$6,975.00
Specialty Paving	1,965	SF	\$12.00	\$23,580.00
Playground Curb	160	LF	\$25.00	\$4,000.00
Playground Surfacing	2,590	SF	\$3.50	\$9,065.00
<b>Outlot O- Climbing Park and Sweetgrass Parkway Buffer</b>				
Deciduous Trees (2" Cal.)	26	EA	\$300.00	\$7,800.00
Evergreen Trees	42	EA	\$350.00	\$14,700.00
Ornamental Trees (1.5" Cal)	7	EA	\$250.00	\$1,750.00
Shrub/Perennial Bed	1,462	SF	\$4.75	\$6,944.50
Shrub/Perennial Bed Irrigation	1,462	SF	\$0.75	\$1,096.50
Bluegrass Sod	59,902	SF	\$0.50	\$29,951.00
Bluegrass Sod Irrigation	59,902	SF	\$0.80	\$47,921.60
Native Seed	24,860	SF	\$0.18	\$4,474.80
Native Seed Irrigation	24,860	SF	\$0.50	\$12,430.00
Climbing Rocks	3	EA	\$8,000.00	\$24,000.00
Concrete Walk	130	SF	\$3.00	\$390.00
Playground Curb	280	LF	\$25.00	\$7,000.00
Playground Surfacing	4,050	SF	\$3.50	\$14,175.00
<b>Outlot T- Street J Streetscape</b>				
Bluegrass Sod	4,960	SF	\$0.50	\$2,480.00
Bluegrass Sod Irrigation	4,960	SF	\$0.80	\$3,968.00
<b>Outlot U- Street J Streetscape</b>				
Bluegrass Sod	7,533	SF	\$0.50	\$3,766.50
Bluegrass Sod Irrigation	7,533	SF	\$0.80	\$6,026.40
<b>Outlot V- Eastern Trail</b>				
Concrete Trail	1,338	SF	\$3.00	\$4,014.00
Bluegrass Sod	3,361	SF	\$0.50	\$1,680.50
Bluegrass Sod Irrigation	3,361	SF	\$0.80	\$2,688.80
<b>Outlot W- Eastern Trail</b>				
Concrete Trail	1,668	SF	\$3.00	\$5,004.00
Bluegrass Sod	4,507	SF	\$0.50	\$2,253.50
Bluegrass Sod Irrigation	4,507	SF	\$0.80	\$3,605.60
<b>Outlot X- Eastern Trail</b>				
Concrete Trail	1,344	SF	\$3.00	\$4,032.00
Bluegrass Sod	3,358	SF	\$0.18	\$604.44
Bluegrass Sod Irrigation	3,358	SF	\$0.50	\$1,679.00
<b>FILING 3 SUBTOTAL</b>				<b>\$2,330,254.06</b>

<b>METRO DISTRICT NUMBER 2 TOTAL</b>				<b>\$3,820,982.72</b>
<b>GRAND TOTAL</b>				<b>\$4,472,454.48</b>

*Note: Nuszer Kopatz Urban Design Associates has no control over the Contractor's means or methods of determining prices or over the Competitive Bidding process or market conditions. The Estimate of Possible Cost, as provided herein, is made on the basis of experience and qualifications and represents the best judgement as a Design Professional familiar with the construction industry. Nuszer Kopatz Urban Design Associates cannot and does not guarantee that proposals, bids or construction costs will not vary from Estimates of Possible Cost prepared for the Owner.*

**EXHIBIT I**

**FORM OF CITY-DISTRICTS INTERGOVERNMENTAL AGREEMENT – FIRST  
MODIFICATION**

AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
THE CITY OF DACONO, COLORADO  
AND  
SWEETGRASS METROPOLITAN DISTRICTS NOS. 1, 2 and 3

THIS AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT (the "Agreement") is made and entered into as of this 12 day of January 2009, by and between the CITY OF DACONO, a home-rule municipal corporation of the State of Colorado (the "City"), and SWEETGRASS METROPOLITAN DISTRICTS NOS. 1, 2, and 3, each a quasi-municipal corporation and political subdivision of the State of Colorado (each a "District" and collectively the "Districts").

RECITALS

WHEREAS, the Districts were organized to provide those public improvements and to exercise such powers as are specifically set forth in the Districts' Consolidated Service Plan approved by the City on September 24, 2001 (the "2001 Service Plan"); and

WHEREAS, the 2001 Service Plan has been amended and modified by a First Modification thereto approved by the City on January 12, 2009 (including all exhibits and appendices thereto, the "First Modification"; the 2001 Service Plan as modified and amended by the First Modification, and as the same may be amended from time to time, being referred to herein as the "Service Plan"); and

WHEREAS, the First Modification makes reference to and requires the execution of an amended and restated intergovernmental agreement between the City and the Districts; and

WHEREAS, this Agreement shall supersede and entirely replace the Intergovernmental Agreement between the City and the Districts entered into on September 24, 2002; and

WHEREAS, the City and the Districts have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Agreement.

NOW, THEREFORE, for and 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:

COVENANTS AND AGREEMENTS

1. APPLICATION OF LOCAL LAWS. The Districts hereby acknowledge that the property within their boundaries shall be subject to all ordinances, rules and regulations of the City, including without limitation, ordinances, rules and regulations relating to zoning, subdividing, building and land use, and to all related City land use policies, master plans, related plans and intergovernmental agreements.

2. NATURE OF DISTRICTS. The Districts agree that they are organized for the purpose of financing certain public improvements for the area within their boundaries only, (i.e., the Sweetgrass development), and that the Districts' purposes, powers, facilities and activities are to be limited and governed by the Service Plan. The Districts shall fully comply with all requirements, restrictions, limitations and other provisions of the Service Plan. The Districts are not intended to and shall not provide facilities or service outside their boundaries, except to the extent explicitly permitted in the Service Plan. Further, the Districts are not intended to and shall not exist perpetually, but instead shall be dissolved in accordance with the Service Plan and this Agreement. The property within the Districts will receive water service from the City through the City's arrangements with the Central Weld County Water District. The property within the Districts will receive sanitary sewer service from the St. Vrain Sanitation District. The Districts shall not provide any services or facilities within any area of the Districts overlapping with the service area of another district without first obtaining the written consent of each and every district whose service area is so overlapped.

3. CHANGE IN BOUNDARIES. The First Modification authorizes changes in the internal boundaries between District No. 2 and District No. 3. The Districts shall promptly comply with all applicable legal requirements with respect to such boundary change, including, without limitation, C.R.S. 32-1-401 *et seq.* and C.R.S. 32-1-501 *et seq.* The Districts agree that, as set forth in Section III of the First Modification, City approval shall be required for any other inclusion of properties within, or any exclusion of properties from, their respective boundaries, and any purported inclusion or exclusion that has not been so approved by the City shall be void and of no effect.

4. CITY APPROVAL REQUIREMENTS; REVIEW OF DISTRICT SUBMITTALS. The Districts agree that any City approval requirements contained in the Service Plan (including, without limitation, any Service Plan provisions requiring that any change, request, action, event or occurrence be treated as a Service Plan amendment proposal or be deemed a "material modification" of the Service Plan) shall remain in full force and effect, and such City approval shall continue to be required, notwithstanding any existing statutory or regulatory provision concerning service plans, amendments thereof or modifications thereto, and notwithstanding any future change in law modifying or repealing any such statutory or regulatory provision. The Districts agree to reimburse the City for all reasonable administrative and consultant costs incurred by the City for any City review of reports, plans, submittals or other materials or requests provided to the City by the Districts pursuant to the Service Plan, this Agreement, state law or the Dacono Municipal Code. The City may require a deposit of such estimated costs.

5. REFUNDING OF BONDS. Refunding of any District's bonds shall be governed by the provisions of Section V of the First Modification.

6. OWNERSHIP OF IMPROVEMENTS; LIMITED FUNCTIONS. The parties agree that the Districts shall serve as "financing only" districts and shall not be permitted to undertake ownership, operation or maintenance of public improvements, facilities or services,

except as specifically set forth in Section IV.H of the First Modification. All functions, activities, improvements, services and programs of the Districts are limited to those expressly authorized in the Service Plan, notwithstanding any different, additional or expanded powers or authority that may be granted to any of the Districts by any present or future statutory or regulatory provisions.

7. CENTRAL WELD COUNTY WATER DISTRICT ("WATER DISTRICT") IGA. The parties hereby acknowledge that the City and the Water District have entered into a contract whereby the Water District provides potable water to the City. The property within the Districts will receive water service from the City through the City's arrangements with the Water District. The water distribution system and all associated water rights will be owned by the City, except that the Water District shall own and maintain any Water District system facilities which are financed by the District; and except as otherwise specifically permitted by Sections IV.A and IV.H of the First Modification with respect to any City-approved raw water irrigation system.

8. CONSOLIDATION. No District shall file a request with the district court to consolidate with another district without the prior written approval of the City.

9. DISSOLUTION. The Districts agree to take all action necessary to dissolve the Districts upon payment or defeasance of financial obligations or otherwise upon the request of the City, all as provided in the Service Plan.

10. NOTICE OF MEETINGS. The Districts agree to submit a copy of the written notice of every regular meeting, special meeting or work session of any District's Board of Directors to the Office of the Dacono City Administrator, by mail, facsimile or hand delivery, to be received at least three days prior to such meeting. The Districts also agree to submit a complete copy of meeting packet materials for any such meeting to the Office of the Dacono City Administrator, by mail, facsimile or hand delivery, to be received at least one day prior to such meeting.

11. ANNUAL REPORT. The Districts shall be responsible for submitting to the City an annual report and other information pursuant to and as set forth in Section VI.B of the 2001 Service Plan and Section VI of the First Modification.

12. PROVISIONS APPLICABLE TO EACH DISTRICT. The provisions of this Agreement shall be applicable to and binding upon each District, jointly and severally.

13. ENTIRE AGREEMENT OF THE PARTIES. This written Agreement, together with the Service Plan, constitutes the entire agreement between the parties and supersedes all prior written or oral agreements, negotiations or representations and understandings of the parties with respect to the subject matter contained herein (including, without limitation, the Intergovernmental Agreement between the City and the Districts entered into on September 24, 2002).

14. AMENDMENT. This Agreement may be amended, modified, changed or terminated in whole or in part only by a written agreement duly authorized and executed by the parties hereto.

15. ENFORCEMENT. The parties agree that this Agreement may be enforced in law or in equity for specific performance, injunctive or other appropriate relief, including damages, as may be available according to the laws and statutes of the State of Colorado.

16. VENUE. Venue for the trial of any action arising out of any dispute hereunder shall be in the Weld County District Court.

17. BENEFICIARIES. Except as otherwise stated herein, this Agreement is intended to describe the rights and responsibilities of and between the named parties and is not intended to, and shall not be deemed to, confer any rights upon any persons or entities not named as parties.

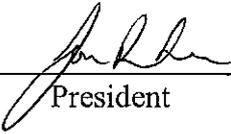
18. EFFECT OF INVALIDITY. If any portion of this Agreement is held invalid or unenforceable for any reason by a court of competent jurisdiction as to any party or parties, such portion shall be deemed severable and its invalidity or its unenforceability shall not cause this entire Agreement to be terminated. Further, with respect to any portion so held invalid or unenforceable, the Districts and the City agree to take such actions as may be necessary to achieve to the greatest degree possible the intent of the affected portion.

19. ASSIGNABILITY. Other than as specifically provided for in this Agreement, neither the City nor any District shall assign their rights or delegate their duties hereunder without the prior written consent of the other parties.

20. SUCCESSORS AND ASSIGNS. Subject to Section 19 hereof, this Agreement and the rights and obligations created hereby shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

*[Remainder of page intentionally left blank]*

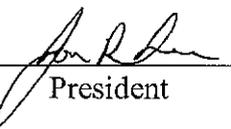
SWEETGRASS METROPOLITAN DISTRICT NO. 1

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

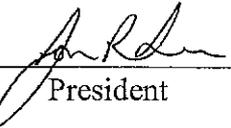
SWEETGRASS METROPOLITAN DISTRICT NO. 2

  
\_\_\_\_\_  
President

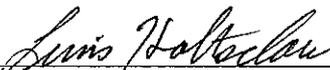
ATTEST:

  
\_\_\_\_\_  
Secretary

SWEETGRASS METROPOLITAN DISTRICT NO. 3

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

CITY OF DACONO

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Clerk

**EXHIBIT J**

LETTERS CONCERNING MARKET PROJECTIONS – FIRST MODIFICATION

# Dacono Development Company, Inc.

January 12, 2009

City of Dacono  
512 Cherry Street  
Dacono, CO 80514

Ladies and Gentleman,

As the Developer and applicant for the First Modification to the Sweetgrass Metropolitan District Nos 1, 2, and 3, we have been asked to comment on the accompanying letter from Land Advisors Organization concerning the residential and commercial absorption projections.

Dacono Development Company is a part of Community Development Group (CDG) entities which has been a developer of Master Planned Communities and Mixed-Use Communities in the front range of Colorado for over 30 years. CDG has developed strong relationships with the major homebuilders in the Colorado market and has a solid understanding of the real estate market. Based on this experience, the opinions of Land Advisors appear to be reasonable and satisfactorily confirm our projections. We request that the letter from Land Advisors Organization be admitted as part of the Sweetgrass Metropolitan District Amended Service Plan.

Very truly yours,



Jon Lee

Dacono Development Company



www.landadvisors.com

5619 DTC Parkway,  
Suite 1005  
Greenwood Village, Colorado 80111

ph. 303.318.4200  
fx. 303.318.4242

December 8, 2008

City of Dacono  
516 Cherry Street  
Dacono, Colorado 80514

RE: Sweetgrass Metro District Forecast Projections

Ladies and Gentlemen,

Land Advisors has been engaged by Sweetgrass Metropolitan District to assist in the residential market analysis in connection with their preparation of the amendment to the District Service Plan. Land Advisors has developed the most comprehensive data base of current and future development projects in the Denver Metropolitan area including the historical absorption of each project. In addition, Land Advisors has become a leader in advising Banks, developers, commercial builders, and home builders on the growth of specific markets and the forecast of economic forces. We have reviewed the projections of single family, multi family, and commercial growth outlined in the Sweetgrass forecast model for Districts 2 and 3.

#### Sweetgrass Metro District 2

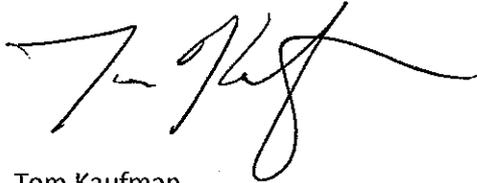
District 2 is projected to include 1109 single family homes and 555 multi-family units. The projections estimated by the district range from a low of 12 single family permits in 2008 to a peak of 180 single family permits in 2011 with the multi-family permits beginning in 2010 and reasonable steady through 2017. As we all have seen, 2006 through 2008 have been extremely difficult times in the real estate market. However, the Denver Metropolitan area has weathered this storm reasonably well due to single digit home inflation and limited inventory of new homes by the builders. There are mixed opinions as to when the real estate market returns and at which pace the market returns. The forecast used by the District is very conservative in our opinion and well below our anticipated absorptions. We believe the residential market along the 1-25 corridor south of Highway 52 will come back very strong due to the pent up demand and its location to new jobs. We believe this area will be one of the strongest in the entire Denver Metropolitan area.

#### Sweetgrass Metro District 3

District 3 is a commercial district anticipated to include approximately 837,000 square feet of retail and flex type space with approximately 85,000 square feet in place today. The projections estimated by the district anticipate absorbing 188,000 square feet every two years. Commercial development has slowed in recent years along this corridor; however, we believe this will change with the loosening of the credit markets. We believe the commercial market along the I-25 Corridor south of Highway 52 will be among the fastest growing in the State of Colorado. Excellent transportation corridors are in place, wet and dry utilities are available, the work force is sufficient to accommodate growth, and ample housing opportunities exist to meet a growing population. The district projections are again very conservative in our opinion. We would anticipate a much higher absorption from 2010 to 2015.

It should be noted that projections such as this are Land Advisors opinions based on our research of current data and historical trends of the marketplace and should be regarded as such. Please feel welcome to call anytime should you have any questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tom Kaufman', written in a cursive style.

Tom Kaufman  
Land Advisors

**EXHIBIT K**

LETTERS OF INDEMNITY – FIRST MODIFICATION

January 12, 2009

City of Dacono  
Post Office Box 186  
Dacono, Colorado 80514

**RE: Sweetgrass Metropolitan Districts Nos. 1, 2 and 3**

Ladies and Gentlemen:

Reference is made to the Consolidated Service Plan approved by the City of Dacono, Colorado (the "City") on September 24, 2001 (the "2001 Service Plan") for the undersigned Sweetgrass Metropolitan Districts Nos. 1, 2 and 3 (each a "District" and collectively the "Districts"). This Indemnity Letter (the "Indemnity Letter") is delivered by the undersigned Districts in order to induce the City to approve the First Modification to the 2001 Service Plan (the "First Modification"), dated January 12, 2009. The 2001 Service Plan as amended by the First Modification, including all exhibits and appendices and including any future amendments, is referred to herein as the "Service Plan." In consideration of the City's approval of the First Modification, the Districts, for and on behalf of themselves and their transferees, successors and assigns, represent, warrant, covenant and agree to and for the benefit of the City as follows:

1. The Districts hereby waive and release any present or future claims any of them might have against the City or the City's elected or appointed officers, employees, agents or contractors 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 Districts further hereby agree to indemnify and hold harmless the City and the City's elected and appointed officers, employees, agents and contractors, 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, or are alleged to 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 Districts, the approval of the First Modification, or any actions or omissions of any of the Districts, the Developer (as defined in the Service Plan), the City or any other person or entity in connection with any of the Districts, including, without limitation, any bonds or other financial obligations of any of the Districts or any offering documents or other disclosures made in connection therewith. The Districts further agree to investigate, handle, respond to and to provide defense for and defend against, or at the City's option to pay the attorneys' fees and expenses for counsel of the City's choice for, any such liabilities, claims, demands, suits, actions or other proceedings. It is understood and agreed that the City does not waive or intend 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, §§ 24-10-101, *et seq.*, C.R.S., as from time to time amended, or otherwise available to the City, its officers or its employees.

2. The Districts hereby (i) consent to the City Disclaimer Statement contained in Exhibit N of the Service Plan; (ii) acknowledge the City's right to modify the City Disclaimer Statement;

(iii) agree that the Districts will include such City Disclaimer Statement or any modified or substitute City Disclaimer Statement hereafter furnished by the City to the Districts in all offering materials used in connection with any bonds or other financial obligations of any District (or, if no offering materials are used, the City Disclaimer Statement will be given by each Districts to any prospective purchaser, investor or lender in connection with any bonds of other financial obligations of such District); and (iv) waive and release the City from any claims the Districts might have based on or relating to the use of or any statements or misstatements made or to be made in or any omission from such City Disclaimer Statement (including any modifications thereto).

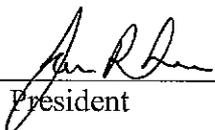
3. The Districts believe and represent that the assumptions, projections and forecasts contained in the Districts' financial plans (Article V and Exhibits G and J to the First Modification) are reasonable.

4. It is understood and agreed, and the Districts hereby expressly acknowledge, that the City, in acting to approve the First Modification, has relied upon the provisions of this Indemnity Letter. This Indemnity Letter is supplemental to, and does not limit, replace or rescind, the Districts' Indemnity Letter to the City dated August 12, 2002.

5. The provisions of this Indemnity Letter are applicable to and shall be binding upon each District, jointly and severally. This Indemnity Letter has been duly authorized and executed on behalf of each District

Very truly yours,

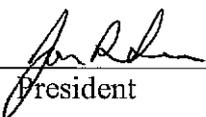
SWEETGRASS METROPOLITAN DISTRICT NO. 1

By:   
President

SWEETGRASS METROPOLITAN DISTRICT NO. 2

By:   
President

SWEETGRASS METROPOLITAN DISTRICT NO. 3

By:   
President

January 12, 2009

City of Dacono  
Post Office Box 186  
Dacono, Colorado 80514

**RE: Sweetgrass Metropolitan Districts Nos. 1, 2 and 3**

Ladies and Gentlemen:

Reference is made to the Consolidated Service Plan approved by the City of Dacono, Colorado (the "City") on September 24, 2001 (the "2001 Service Plan") for Sweetgrass Metropolitan Districts Nos. 1, 2 and 3 (each a "District" and collectively the "Districts"). This Indemnity Letter (the "Indemnity Letter") is delivered by the undersigned Dacono Properties, LLC, a Colorado limited liability company, and by the undersigned Dacono Development Company, Inc., a Colorado corporation (collectively, "Developer") in order to induce the City to approve the First Modification to the 2001 Service Plan (the "First Modification"), dated January 12, 2009. The 2001 Service Plan as amended by the First Modification, including all exhibits and appendices and including any future amendments, is referred to herein as the "Service Plan." In consideration of the City's approval of the First Modification, Developer, for and on behalf of itself and its transferees, successors and assigns, and controlled affiliates, represents, warrants, covenants and agrees to and for the benefit of the City as follows:

1. Developer hereby waives and releases any present or future claims it might have against the City or the City's elected or appointed officers, employees, agents or contractors 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 City and the City's elected and appointed officers, employees, agents and contractors, 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, or are alleged to 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 Districts, the approval of the First Modification, or any actions or omissions of Developer, any of the Districts, the City or any other person or entity in connection with any of the Districts, including, without limitation, any bonds or other financial obligations of any of the Districts 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 City's option to pay the attorneys' fees and expenses for counsel of the City's choice for, any such liabilities, claims, demands, suits, actions or other proceedings. It is understood and agreed that the City does not waive or intend 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, §§ 24-10-101, *et seq.*, C.R.S., as from time to time amended, or otherwise available to the City, its officers or its employees.

2. Developer hereby consents to the City Disclaimer Statement contained in Exhibit N of the Service Plan, acknowledges the City's right to modify the City Disclaimer Statement, and waives and releases the City from any claims Developer might have based on or relating to the use of or any statements or misstatements made or to be made in or any omission from such City Disclaimer Statement (including any modifications thereto).

3. Developer hereby represents and warrants to the City that it was and will be an accredited investor at the time of acquisition of any Developer Notes, and that Developer and its controlled affiliates will be accredited investors if and when they acquire any Developer Bonds (all as defined and as further provided in the Service Plan).

4. Developer believes and represents that the assumptions, projections and forecasts contained in the Districts' financial plans (Article V and Exhibits G and J to the First Modification) are reasonable.

5. It is understood and agreed, and Developer hereby expressly acknowledges, that the City, in acting to approve the First Modification, has relied upon the provisions of this Indemnity Letter. This Indemnity Letter is supplemental to, and does not limit, replace or rescind, the Developer's Indemnity Letter to the City dated September 24, 2001.

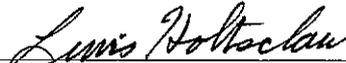
6. The provisions of this Indemnity Letter are applicable to and shall be binding upon both Dacono Properties, LLC and Dacono Development Company, Inc., jointly and severally. This Indemnity Letter has been duly authorized and executed on behalf of each of the undersigned, and Developer hereby represents and warrants to the City that it has taken and will take any and all action necessary or appropriate to make this Indemnity Letter binding on any present or future transferees, successors and assigns, and controlled affiliates.

Very truly yours,

Dacono Properties, LLC, a Colorado limited liability company

  
\_\_\_\_\_  
Authorized Representative

Dacono Development Company, Inc., a Colorado corporation

  
\_\_\_\_\_  
Authorized Representative

**EXHIBIT M**

LETTER FROM DISTRICTS' COUNSEL – FIRST MODIFICATION

GARY R. WHITE  
KRISTEN D. BEAR  
WILLIAM P. ANKELE, JR.  
K. SEAN ALLEN  
GEORGE M. ROWLEY\*  
JENNIFER GRUBER TANAKA\*\*

**WHITE • BEAR • ANKELE**  
PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW

CLINT C. WALDRON  
LISA B. SANTOS  
MARCUS R. SORENSEN  
NEIL RUTLEDGE  
ANNE K. LA PORTA  
EMILY C. JENSIK  
LAURA S. HEINRICH  
BLAIR M. DICKHONER

January 12, 2008

City of Dacono  
P.O. Box 186  
Dacono, Colorado 80514

RE: Sweetgrass Metropolitan Districts Nos. 1, 2 and 3

This firm has acted as counsel to the Sweetgrass Metropolitan Districts Nos. 1, 2 and 3 (the "Districts") in connection with the First Modification dated on or about December 18, 2008 (the "First Modification") to the Consolidated Service Plan for the Districts approved by the City of Dacono, Colorado (the "City") on September 24, 2001 (the "2001 Service Plan" and, as amended by the First Modification and together with all exhibits and appendices, the "Service Plan"). This letter confirms that the Service Plan, including the First Modification, and all petition, notice, hearing, boundary change, and other procedures in connection with the approval of the First Modification, have met the requirements of the Special District Act, §§32-1-101, et seq., Colorado Revised Statutes; and that the provisions of the Service Plan, including, without limitation, provisions as to the structure and terms of the Districts' financial obligations, mill levies and other revenue sources, as well as the form of the Amended and Restated Intergovernmental Agreement to be entered into between the City and the Districts (Exhibit I to the First Modification), are consistent with applicable provisions of Titles 11 and 32, Colorado Revised Statutes, and other applicable law.

Very truly yours,

WHITE, BEAR AND ANKELE  
Professional Corporation

  
Sean Allen

KSA:jlc

**EXHIBIT N**

FORM OF CITY DISCLAIMER – FIRST MODIFICATION

## CITY OF DACONO, COLORADO – DISCLAIMER STATEMENT

As a requirement imposed in its formation process, Sweetgrass Metropolitan District No. \_\_\_\_\_ (the “District”) is obligated to the City of Dacono (the “City”) to include this disclaimer statement in all offering materials used in connection with any bonds or other financial obligations of the District (or, if no offering materials are used, to give this disclaimer statement to any prospective purchaser, investor or lender in connection with any such bonds or other financial obligations of the District). The date of this disclaimer statement is \_\_\_\_\_ . *[Insert date of offering materials or date disclaimer statement is otherwise delivered, unless City directs a different date].*

The City has not reviewed or participated in the preparation of any offering materials or any other disclosure documentation relating to any bonds or financial obligations of the District or any other materials to which this Disclaimer Statement is appended. Other than this Disclaimer Statement, no statement of any kind is authorized to be made by or on behalf of the City in any offering materials or any other disclosure documentation relating to any bonds or other financial obligations of the District.

The City and the District are separate legal entities. The City is not a party to and is not obligated with respect to any borrowings, financings, bonds or other financial obligations of the District. As a statutory requirement for the 2001 formation of the District, the City approved a service plan containing financial and other information furnished by the District’s organizers, and in 2009 the City approved a First Modification to the service plan with new financial and information furnished by the District and its organizers. The original service plan and First Modification (collectively, the “Service Plan”) were not prepared in connection with the offering of any bonds or other financial obligations. The City’s approval of the District’s Service Plan should not be relied upon by prospective purchasers, bondholders, investors or lenders in evaluating the investment quality of the District’s bonds or other financial obligations. The Service Plan and related agreements do not impose upon the City any duties to, nor confer any rights against the City upon, any purchasers, investors, lenders, bondholders or other third parties. By purchasing or otherwise accepting any bond or other financial obligation of the District, the owner or holder thereof waives and releases any then existing or future claim against the City or the City’s elected or appointed officers, employees, agents or contractors in any manner related to or connected with the District or its Service Plan or any action or omission with respect thereto.

**APPENDIX 1**

**CITY COUNCIL RESOLUTION APPROVING FIRST MODIFICATION**

**APPENDIX 2**

**FORM OF RECORDED DISCLOSURE STATEMENT - FIRST MODIFICATION**

# SWEETGRASS METROPOLITAN DISTRICT NO. 2

WELD COUNTY, COLORADO

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## DISCLOSURE STATEMENT

Pursuant to the Consolidated Service Plan  
for Sweetgrass Metropolitan Districts Nos. 1, 2 and 3

---

### DISTRICT ORGANIZATION:

Sweetgrass Metropolitan District No. 2 (the "District"), Weld County, Colorado is a quasi-municipal corporation and political subdivision of the State of Colorado duly organized and existing as a metropolitan district pursuant to Title 32, Colorado Revised Statutes. The District was declared organized and an existing metropolitan district on July 10, 2002, pursuant to an Order and Decree Organizing District and Issuance of Certificates of Election for Sweetgrass Metropolitan District No. 2, issued in the District Court of Weld County, Colorado. The Order and Decree was recorded in the records of the Weld County Clerk and Recorder on July 29, 2002 at Reception # 2972823. The Consolidated Service Plan for Sweetgrass Metropolitan Districts Nos. 1, 2 and 3, approved by the City of Dacono, Colorado (the "City") on September 24, 2001 (the "2001 Service Plan") was amended and modified by a First Modification approved by the City on or about January 12, 2009 (the "First Modification"), which resulted in changed boundaries for Sweetgrass Metropolitan Districts Nos. 2 and 3. The 2001 Service Plan, as amended and modified by the First Modification, is herein referred to as the "Service Plan."

This Disclosure Statement replaces and supersedes any disclosure statement previously recorded for the District.

The Service Plan contains provisions requiring the District to cooperate with the City to dissolve the District under certain circumstances and further providing that such obligations are binding upon successors in title to any and all land in the District.

The District is located entirely within the corporate limits of the City of Dacono, Colorado, in Weld County. The legal description of the property forming the boundaries of the District, as changed by the First Modification, is described in **Exhibit A**.

### DISTRICT PURPOSE:

The District was organized as a "financing only" district for the purpose of financing streets, street lighting, traffic and safety controls, storm sewers and flood and surface drainage, water, landscaping, monumentation, and park and recreation improvements, all in accordance with its Service Plan approved by the City Council of Dacono. When completed, improvements shall be dedicated to the City of Dacono or other governmental entities, all for the use and benefit of residents and taxpayers, or operated and maintained by contract with a homeowners' association formed for the Sweetgrass development. The District's Service Plan is on file and available for



**EXHIBIT A**

(Legal Description of Sweetgrass Metropolitan District No. 2)

# EXHIBIT

## DISTRICT 2 LEGAL DESCRIPTION:

A PARCEL OF LAND LOCATED IN SECTION 14, TOWNSHIP 1 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF DAcono, COUNTY OF WELD, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 14;

THENCE S89°37'09"W, 30.00 FEET ALONG THE NORTHERLY LINE OF THE NORTHEAST QUARTER OF SECTION 14;

THENCE S00°05'11"E, 30.00 FEET ALONG A LINE PARALLEL WITH AND 30.00 FEET WEST OF THE EASTERLY LINE OF THE NORTHEAST QUARTER OF SECTION 14 TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID LINE S00°05'11"E, 2,578.64 FEET;

THENCE S00°12'00"E, 2,572.40 FEET ALONG A LINE PARALLEL WITH AND 30.00 FEET WEST OF THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF SECTION 14;

THENCE S88°56'56"W, 1,676.45 FEET ALONG A LINE PARALLEL WITH AND 30.00 FEET NORTH OF THE SOUTHERLY LINE OF THE SOUTHEAST QUARTER OF SECTION 14 TO THE NORTHERLY RIGHT OF WAY LINE OF THE UNION PACIFIC RAILROAD;

THENCE ALONG SAID RIGHT OF WAY LINE THE FOLLOWING THREE COURSES:

- 1) 692.13 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT, SAID ARC SUBTENDED BY A RADIUS OF 2,802.76 FEET, A CENTRAL ANGLE OF 14°08'56" AND A CHORD BEARING N42°44'04"W, 690.37 FEET;
- 2) N35°39'36"W, 674.84 FEET;
- 3) 1,536.01 FEET ALONG THE ARC OF A TANGENT CURVE TO THE LEFT, SAID ARC SUBTENDED BY A RADIUS OF 1,939.60 FEET, A CENTRAL ANGLE OF 45°22'25" AND A CHORD BEARING N58°20'49"W, 1,496.18 FEET TO THE WESTERLY LINE OF AN EASEMENT GRANTED TO WYCO PIPELINE COMPANY RECORDED NOVEMBER 01, 1947 IN BOOK 1214 AT PAGE 213;

THENCE ALONG SAID EASEMENT LINE THE FOLLOWING TWO COURSES:

- 1) N02°28'50"W, 73.42 FEET;
- 2) N03°27'10"E, 839.77 FEET;

THENCE 82.71 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, SAID ARC SUBTENDED BY A RADIUS OF 965.00 FEET, A CENTRAL ANGLE OF 04°54'40", AND A CHORD BEARING N85°22'34"W, 82.69 FEET;

THENCE N87°49'54"W, 59.45 FEET;

THENCE 144.49 FEET ALONG THE ARC OF A TANGENT CURVE TO THE LEFT, SAID ARC SUBTENDED BY A RADIUS OF 965.00 FEET, A CENTRAL ANGLE OF 08°34'44", AND A CHORD BEARING S87°52'44"W, 144.35 FEET;

THENCE S83°35'22"W, 142.92 FEET;

THENCE 165.01 FEET ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, SAID ARC SUBTENDED BY A RADIUS OF 389.00 FEET, A CENTRAL ANGLE OF 24°18'14", AND A CHORD BEARING N84°15'31"W, 163.77 FEET;

(CONTINUED)

**SWEETGRASS  
DISTRICT 2 PARCEL  
SEC. 14, T1N, R68W  
DAcono, COLORADO**

SCALE HOR. N/A  
VERT. N/A

DESIGN/APPR.

DRAWN BY BD

DATE 08/08/07



**HURST & ASSOCIATES, INC.**

CONSULTING ENGINEERS

4699 Pearl East Circle, Suite 104  
Boulder, Colorado 80501 (303) 448-9106

ORG: 05/11/04  
REV: 08/08/07

FILE G:\202038\SURVEY\LEGAL\DISTRICT5

SHEET 1 OF 2

# EXHIBIT

## DISTRICT 2 LEGAL DESCRIPTION:

(CONTINUED)

THENCE N02°44'47"E, 308.75 FEET;

THENCE N27°40'28"E, 150.84 FEET;

THENCE N38°12'18"E, 137.59 FEET;

THENCE N63°36'55"E, 135.31 FEET;

THENCE N17°45'55"E, 100.59 FEET;

THENCE N32°32'24"E, 69.36 FEET;

THENCE N41°00'50"E, 230.61 FEET;

THENCE N72°33'35"E, 74.96 FEET;

THENCE N89°28'51"E, 67.31 FEET;

THENCE N03°27'10"E, 565.23 FEET ALONG THE WESTERLY LINE OF SAID EASEMENT GRANTED TO WYCO PIPELINE COMPANY RECORDED NOVEMBER 01, 1947 IN BOOK 1214 AT PAGE 213;

THENCE S89°40'53"E, 913.65 FEET;

THENCE N24°30'22"E, 253.41 FEET;

THENCE N04°15'40"E, 658.96 FEET;

THENCE N89°38'21"E, 2.63 FEET ALONG A LINE PARALLEL WITH AND 30.00 FEET SOUTH OF THE NORTHERLY LINE OF THE NORTHWEST QUARTER OF SECTION 14;

THENCE N89°37'09"E, 2,588.83 FEET ALONG A LINE PARALLEL WITH AND 30.00 FEET SOUTH OF THE NORTHERLY LINE OF THE NORTHEAST QUARTER OF SECTION 14 TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM THE FOLLOWING PARCEL:

COMMENCING AT THE NORTHEAST CORNER OF SECTION 14;

THENCE S00°05'11"E, 1,352.85 ALONG THE EASTERLY LINE OF THE NORTHEAST QUARTER;

THENCE S89°54'49"W, 1,314.43 FEET TO A POINT, SAID POINT BEING THE CENTER OF A CIRCULAR PARCEL WITH A RADIUS OF 150.00 FEET.

NET ACREAGE: 376.37 ACRES

BASIS OF BEARINGS: THE EASTERLY LINE OF THE NORTHEAST QUARTER, S00°05'11"E, 2,608.76 FEET

**SWEETGRASS  
DISTRICT 2 PARCEL  
SEC. 14, T1N, R68W  
DACONO, COLORADO**

SCALE HOR. N/A  
VERT. N/A

DESIGN/APPR.

DRAWN BY BO

DATE 08/08/07

FILE G:\202038\SURVEY\LEGAL\DISTRICTS



**HURST & ASSOCIATES, INC**

CONSULTING ENGINEERS

4999 Pearl East Circle, Suite 100  
Boulder, Colorado 80501 (303) 449-8105

SHEET 2 OF 2

# SWEETGRASS METROPOLITAN DISTRICT NO. 3

WELD COUNTY, COLORADO

---

## DISCLOSURE STATEMENT

Pursuant to the Consolidated Service Plan  
for Sweetgrass Metropolitan Districts Nos. 1, 2 and 3

---

### DISTRICT ORGANIZATION:

Sweetgrass Metropolitan District No. 3 (the "District"), Weld County, Colorado is a quasi-municipal corporation and political subdivision of the State of Colorado duly organized and existing as a metropolitan district pursuant to Title 32, Colorado Revised Statutes. The District was declared organized and an existing metropolitan district on July 10, 2002, pursuant to an Order and Decree Organizing District and Issuance of Certificates of Election for Sweetgrass Metropolitan District No. 3, issued in the District Court of Weld County, Colorado. The Order and Decree was recorded in the records of the Weld County Clerk and Recorder on July 29, 2002 at Reception # 2972822. The Consolidated Service Plan for Sweetgrass Metropolitan Districts Nos. 1, 2 and 3, approved by the City of Dacono, Colorado (the "City") on September 24, 2001 (the "2001 Service Plan") was amended and modified by a First Modification approved by the City on or about January 12, 2009 (the "First Modification"), which resulted in changed boundaries for Sweetgrass Metropolitan Districts Nos. 2 and 3. The 2001 Service Plan, as amended and modified by the First Modification, is herein referred to as the "Service Plan."

This Disclosure Statement replaces and supersedes any disclosure statement previously recorded for the District.

The Service Plan contains provisions requiring the District to cooperate with the City to dissolve the District under certain circumstances and further providing that such obligations are binding upon successors in title to any and all land in the District.

The District is located entirely within the corporate limits of the City of Dacono, Colorado, in Weld County. The legal description of the property forming the boundaries of the District, as changed by the First Modification, is described in **Exhibit A**.

### DISTRICT PURPOSE:

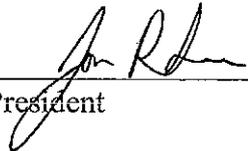
The District was organized as a "financing only" district for the purpose of financing streets, street lighting, traffic and safety controls, storm sewers and flood and surface drainage, water, landscaping, monumentation, and park and recreation improvements, all in accordance with its Service Plan approved by the City Council of Dacono. When completed, improvements shall be dedicated to the City of Dacono or other governmental entities, all for the use and benefit of residents and taxpayers, or operated and maintained by contract with a homeowners' association formed for the Sweetgrass development. The District's Service Plan is on file and available for

review at the office of White, Bear & Ankele Professional Corporation, 1805 Shea Center Drive, Suite 100, Highlands Ranch, CO 80129.

**TAX LEVY INFORMATION:**

The primary source of revenue for the District is *ad valorem* property taxes. Property taxes are determined annually by the District's Board of Directors and set by the Board of County Commissioners for Weld County as to rate or levy based upon the assessed valuation of the property within the District. The levy is expressed in terms of mills. A mill is 1/1,000 of the assessed valuation, and a levy of one mill equals \$1 of tax for each \$1,000 of assessed value. The financial forecast for the District (as set forth in its Service Plan) assumes that the District will be able to set its tax levy at approximately 22.1 mills (or less) for 2009 through 2046 for debt service and administration purposes. Except for certain adjustments permitted by the Service Plan to compensate for legally required changes to residential valuation ratios, the District shall not impose a mill levy in excess of 50 mills. District taxes are collected as part of the property tax bill from Weld County.

**SWEETGRASS METROPOLITAN DISTRICT NO. 3**

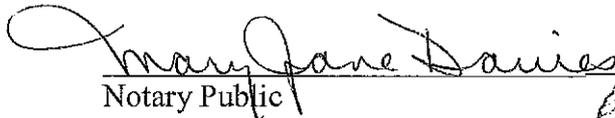
  
\_\_\_\_\_  
President

STATE OF COLORADO )  
 ) ss.  
COUNTY OF Boulder )

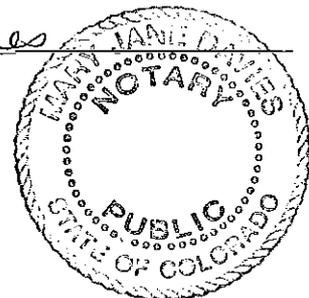
The foregoing instrument was acknowledged before me this 7 day of January 2009, by Jon Rhee as President of the Sweetgrass Metropolitan District No. 3.

WITNESS my hand and official seal.

[SEAL]

  
\_\_\_\_\_  
Notary Public

My commission expires: 11-29-2010.



**EXHIBIT A**

(Legal Description of Sweetgrass Metropolitan District No. 3)

# EXHIBIT

## DISTRICT 3 LEGAL DESCRIPTION:

A PARCEL OF LAND LOCATED IN THE WEST HALF OF SECTION 14, TOWNSHIP 1 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF DAcono, COUNTY OF WELD, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 14;

THENCE N89°38'07"E, 115.99 FEET ALONG THE NORTHERLY LINE OF THE WEST HALF OF THE NORTHWEST QUARTER;

THENCE S00°21'53"E, 48.71 FEET TO THE NORTHWESTERLY CORNER OF "PARCEL 202A" AS RECORDED 06/23/2000 AT RECEPTION NO. 277678 AND THE POINT OF BEGINNING;

THENCE N77°58'29"E, 92.56 FEET ALONG THE NORTHERLY LINE OF SAID "PARCEL 202A";

THENCE N89°38'07"E, 1,103.63 FEET ALONG A LINE PARALLEL WITH AND 30.00 FEET SOUTH OF THE NORTHERLY LINE OF THE WEST HALF OF THE NORTHWEST QUARTER;

THENCE N89°38'21"E, 1,307.63 FEET ALONG A LINE PARALLEL WITH AND 30.00 FEET SOUTH OF THE NORTHERLY LINE OF THE EAST HALF OF THE NORTHWEST QUARTER;

THENCE S04°15'40"W, 658.96 FEET;

THENCE S24°30'22"W, 253.41 FEET;

THENCE N89°40'53"W, 913.65 FEET;

THENCE S03°27'10"W, 565.23 FEET ALONG THE WESTERLY LINE OF SAID EASEMENT GRANTED TO WYCO PIPELINE COMPANY RECORDED NOVEMBER 01, 1947 IN BOOK 1214 AT PAGE 213;

THENCE S89°28'51"W, 67.31 FEET;

THENCE S72°33'35"W, 74.96 FEET;

THENCE S41°00'50"W, 230.61 FEET;

THENCE S32°32'24"W, 69.36 FEET;

THENCE S17°45'55"W, 100.59 FEET;

THENCE S63°36'55"W, 135.31 FEET;

THENCE S38°12'18"W, 137.59 FEET;

THENCE S27°40'28"W, 150.84 FEET;

THENCE S02°44'47"W, 308.75 FEET;

THENCE 165.01 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, SAID ARC SUBTENDED BY A RADIUS OF 389.00 FEET, A CENTRAL ANGLE OF 24°18'14", AND A CHORD BEARING S84°15'30"E, 163.77 FEET;

THENCE N83°35'22"E, 142.92 FEET;

(CONTINUED)

**SWEETGRASS  
DISTRICT 3 PARCEL  
W 1/2, SEC. 14, T1N, R68W  
DAcono, COLORADO**

SCALE HOR. N/A  
VERT. N/A

DESIGN/APPR.

DRAWN BY BO

DATE 08/08/07



HURST & ASSOCIATES, INC.

CONSULTING ENGINEERS

4891 Pearl East Circle, Suite 108  
Boulder, Colorado 80301 (303) 449-9105

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SHEET 1 OF 2

# EXHIBIT

## DISTRICT 3 LEGAL DESCRIPTION:

(CONTINUED)

THENCE 144.49 FEET ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, SAID ARC SUBTENDED BY A RADIUS OF 965.00 FEET, A CENTRAL ANGLE OF 08°34'44", AND A CHORD BEARING N87°52'44"E, 144.35 FEET;

THENCE 587°49'54"E, 59.45 FEET;

THENCE 82.71 FEET ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, SAID ARC SUBTENDED BY A RADIUS OF 965.00 FEET, A CENTRAL ANGLE OF 04°54'40", AND A CHORD BEARING S85°22'34"E, 82.69 FEET;

THENCE ALONG THE SAID WESTERLY LINE OF SAID EASEMENT GRANTED TO WYCO PIPELINE COMPANY RECORDED NOVEMBER 01, 1947 IN BOOK 1214 AT PAGE 213 THE FOLLOWING TWO COURSES:

- 1) S03°27'10"W, 839.77 FEET;
- 2) S02°28'50"E, 73.42 FEET;

THENCE ALONG THE NORTHERLY RIGHT OF WAY LINE OF THE UNION PACIFIC RAILROAD THE FOLLOWING FOUR COURSES:

- 1) 322.16 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, SAID ARC SUBTENDED BY A RADIUS OF 1,939.60 FEET, A CENTRAL ANGLE OF 09°31'00", AND A CHORD BEARING N85°47'28"W, 321.79 FEET;
- 2) S89°26'58"W, 467.86 FEET;
- 3) 366.41 FEET ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, SAID ARC SUBTENDED BY A RADIUS OF 1,786.98 FEET, A CENTRAL ANGLE OF 11°44'53", AND A CHORD BEARING N84°40'36"W, 365.76 FEET;
- 4) N7B°48'05"W, 181.70 FEET;

THENCE ALONG THE EASTERLY RIGHT OF WAY OF INTERSTATE 25 THE FOLLOWING THREE COURSES:

- 1) N00°21'29"E, 879.44 FEET;
- 2) N01°14'32"E, 1,046.18 FEET;
- 3) N00°22'35"E, 1,275.85 FEET TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM THE FOLLOWING PARCEL:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 14;

THENCE N89°38'07"E, 820.97 FEET ALONG THE NORTHERLY LINE OF THE WEST HALF OF THE NORTHWEST QUARTER;

THENCE S00°21'53"E, 1,817.10 FEET TO A POINT, SAID POINT BEING THE CENTER OF A CIRCULAR PARCEL WITH A RADIUS OF 150.00 FEET.

NET ACREAGE: 114.72 ACRES

BASIS OF BEARINGS: THE NORTHERLY LINE OF THE WEST HALF OF THE NORTHWEST QUARTER, N89°38'07"E, 1,310.24 FEET.

**SWEETGRASS  
DISTRICT 3 PARCEL  
W 1/2, SEC. 14, T1N, R68W  
DACONO, COLORADO**

SCALE HOR. N/A  
VERT. N/A

DESIGN/APPR.

DRAWN BY BO

DATE 08/08/07



**HURST & ASSOCIATES, INC.**

CONSULTING ENGINEERS

4999 Pearl East Circle, Suite 108  
Boulder, Colorado 80501 (303) 449-9005

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SHEET 2 OF 2