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DIV OF LOCAL GOVERNMENT

SERVICE PLAN
FOR
VILLAGE EAST COMMUNITY METROPOLITAN DISTRICT
TOWN OF FREDERICK, COLORADO

Prepared

by

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I. INTRODUCTION

A. Purpose and Intent.

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

It is anticipated that a homeowners association (HOA), separate from the District, may operate and maintain certain Public Improvements that are owned by the District.

It is also anticipated that all streets constructed and/or improved by the District will be conveyed to and maintained by the Town. The District and/or the HOA shall not be permitted to provide ongoing maintenance of any street improvements, whether for Exterior Roads or Interior Roads, except by written agreement with the Town. Services not being assumed by the Town or other governmental entities will be provided by the District and/or the HOA.

B. Need for the District.

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

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

The Town's objective in approving the Service Plan for the District is to authorize the District to provide for the planning, design, acquisition, construction, installation, relocation, maintenance and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the District subject to the following limitations: all Debt is to be repaid by taxes at a tax mill levy no higher than the Limited Mill Levy, and Development Fees, if imposed, subject to Section VI.D. It is the intent of this Service Plan to assure that the Limited Mill Levy shall apply even under bankruptcy or other unusual situations. Generally, the costs of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District. Debt which is issued within these parameters (as further described in the Financial Plan) will insulate property owners from excessive tax burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with the Project and those regional

improvements necessitated by the Project. Unless otherwise agreed, the Town will not be required to pay for or construct any of the Public Improvements for the Project. Ongoing operational and maintenance activities shall be allowed, but only as specifically set forth in the Intergovernmental Agreement.

It is the intent of the District to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt and for the performance of ongoing operational services of the District. Alternatively, if the District has operational service obligations under or as permitted by the Intergovernmental Agreement and no other entity has assumed the responsibility to provide such services, the District shall remain in existence solely to perform such services and to impose and collect taxes or fees to pay for the costs of such services.

II. DEFINITIONS

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

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

Board: means the board of directors of the District.

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

Capital Plan: means the Capital Plan described in Section V.B.

Contribution Mill Levy: is defined in Section VI.C.

Debt Mill Levy: is defined in Section VI.C.

Development Fee: means the one-time development or system development fee described in Section VI.D. of this Service Plan.

District: means the Village East Community Metropolitan District.

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

District Boundary Map: means the map attached hereto as **Exhibit C**, describing the District Boundaries.

Exterior Roads: means the following roads which are located outside of the District Boundaries, are currently owned and maintained by the Town, and which the District shall not be permitted to acquire or maintain except in accordance with Section V.A.2. herein: Weld County Road 16 (1st Street/Tipple Parkway) and Weld County Road 15 (Ridgeway Boulevard).

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

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

Intergovernmental Agreement: means: (i) the intergovernmental agreement required by Article 14 of the Town Land Use Code and attached hereto as **Exhibit G**, and any amendments or supplements thereto; and (ii) any other intergovernmental agreement entered into by the Town and the District.

Interior Roads: means roads that are located inside of the District Boundaries which will be conveyed by the District to the Town and which the District shall not be permitted to acquire or maintain except in accordance with Section V.A.2.

Limited Mill Levy: is defined in Section VI.C.

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

Operating Mill Levy: is defined in Section VI.C.

Project: means the development or property commonly referred to as the Village East Community.

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

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped, and maintained as part of an Approved Development Plan and financed as generally permitted by the Special District Act and other applicable Colorado law, except as specifically limited herein, to serve the future taxpayers and inhabitants of the Service Area as determined by the Board of the District.

Service Area: means the property within the District Boundaries, as such boundaries may be changed from time to time pursuant to this Service Plan.

Service Plan: means this Service Plan for the District approved by the Town Board.

Service Plan Amendment: means an amendment to the Service Plan approved by the Town Board in accordance with Article 14 of the Town Land Use Code and applicable State law.

Special District Act: means Article 1 of Title 32 of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

Town: means the Town of Frederick, Colorado.

Town Board: means the Board of Trustees of the Town of Frederick, Colorado.

Town Code: means the Town of Frederick Municipal Code, as amended.

Town Land Use Code: means the Town of Frederick Land Use Code, as amended.

III. BOUNDARIES

The area of the District Boundaries includes approximately eighty and seven hundredths (80.07) acres. No area is currently identified as an "inclusion area." A legal description of the District Boundaries is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the District Boundaries is attached hereto as **Exhibit C**. Proof of Ownership for all properties within the District Boundaries is attached hereto as **Exhibit I**. It is anticipated that the District Boundaries may change from time to time as they undergo inclusions and exclusions pursuant to Parts 4 and 5 of the Special District Act, subject to the limitations set forth herein.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The District Boundaries consist of approximately eighty and seven hundredths (80.07) acres of land. The current assessed valuation of the Service Area is assumed to be \$0.00 for purposes of this Service Plan and, at build-out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The proposed use is two hundred twelve (212) single family detached residential units and up to 50 attached townhome residential units. In the event expectations change and the number of residential units increases or decreases, such changes shall not constitute a material modification of the Service Plan.

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

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES: SERVICE PLAN AMENDMENT

A. Powers of the District.

The District shall have the power and authority to provide the Public Improvements within and without the District Boundaries, and to exercise all power and authority vested in special districts under the Special District Act and other applicable statutes, common law, and the Constitution, subject to the limitations set forth in this Section V.A.

1. **Operations and Maintenance Limitation.** The purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop, operate, maintain, and finance the Public Improvements. The District shall either retain ownership of or dedicate the Public Improvements to the Town or other appropriate entity or jurisdiction in a manner consistent with the Approved Development Plan, other rules and regulations of the Town, and applicable provisions of the Town Code. The District shall provide for the operation and maintenance of any part or all of the Public Improvements of which it retains ownership and which are not operated and maintained by the HOA, as specifically provided for in the Intergovernmental Agreement. The District may impose an Operating Mill Levy that is subject to the Limited Mill Levy restrictions set forth in Section VI.C., as necessary, to provide for administrative and general operating expenses, operating and maintaining Public Improvements retained by the District or prior to their conveyance to the Town or other entity, and financing Public Improvements on a cash-flow basis. The District shall have the authority to provide covenant enforcement services, pursuant to Section 32-1-1004(8), C.R.S. Sanitation facilities will be conveyed to the St. Vrain Sanitation District.

2. **Street Limitation.** The District shall be authorized to plan for, design, construct, install, relocate, redevelop, and finance street improvements pursuant to an Intergovernmental Agreement with the Town. In no event shall the District be permitted to permanently acquire or provide ongoing maintenance of any Interior Roads or Exterior Roads without a prior written agreement with the Town; provided, however, that nothing contained

herein shall limit the District's ability to reimburse the developer of the Project for costs incurred in providing for the street improvements, including those related to Interior Roads and/or Exterior Roads.

3. Sanitation Limitation. The District shall not, to the extent prohibited by law, duplicate the services provided by the St. Vrain Sanitation District within the District Boundaries in any area of overlap except as may be consented to, and approved by, the St. Vrain Sanitation District's Board of Directors as expressed through the execution of an intergovernmental agreement between the District and the St. Vrain Sanitation District. The District's Board will execute such intergovernmental agreement at the initial meeting of the Board after the entry of the order of formation by the District Court for and in Weld County, Colorado. Along with the other Service Plan requirements, the District shall comply with Section V.A.18. of this Service Plan.

4. Water Limitation. Water service to the Project will be provided by the Town. The District shall be authorized to plan for, design, construct, install, relocate, redevelop, finance, operate, and maintain both potable and non-potable water facilities within the Project, including the enforcement of related covenants, if necessary, pursuant to an Intergovernmental Agreement with the Town. The District shall be authorized to acquire the non-potable water facilities, but shall not be authorized to acquire any potable water facilities or to provide potable water service; provided, however, that nothing contained herein shall limit the District's ability to reimburse the developer of the Project for costs incurred in providing any water facilities, whether potable or non-potable.

5. Park and Recreation Limitation. The District shall be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate, and maintain park and recreation facilities or programs, including, but not limited to, trails, open space, landscaping, irrigation facilities, and all necessary incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the District Boundaries. It is currently anticipated that certain park and recreation improvements may be owned by the District and operated and maintained by the HOA. The District shall not, to the extent prohibited by law, duplicate the services provided by the Carbon Valley Park and Recreation District within the District Boundaries in any area of overlap except as may be consented to by the Carbon Valley Park and Recreation District's Board of Directors as expressed through the signing of a letter or agreement consenting to the overlapping boundaries.

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

7. Television Relay and Translation Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of

conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an Intergovernmental Agreement with the Town.

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

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

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

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

10. Inclusion and Exclusion Limitation. The District shall not include within its boundaries any property from outside the District Boundaries, or exclude any property from its boundaries, without the prior written consent of the Town Board. Notice of all inclusions or exclusions shall be provided to the Town pursuant to the annual report filed in accordance with Sec. VII.A. of this Service Plan.

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

12. Total Debt Issuance Limitation. The District shall not issue Debt in excess of Nine Million Two Hundred Thousand Dollars (\$9,200,000).

13. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities for which the Town is eligible to apply for, except pursuant to an Intergovernmental Agreement with the Town. This Section shall

not apply to specific ownership taxes, which shall be distributed to and a revenue source for the District without any limitation.

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

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

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

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

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

16. Revenue Bond Limitation. The District shall not issue revenue bonds, except as set forth in this Section. Prior to issuing any revenue bonds, the District shall submit all relevant details of such issuance to the Town Manager, who shall determine whether the issuance of revenue bonds constitutes a material modification of the Service Plan. If it is determined that the issuance of revenue bonds constitutes a material modification of the Service Plan, the District shall then proceed to amend the Service Plan in accordance with Section 32-1-207, C.R.S., prior to issuing the revenue bonds.

17. Eminent Domain Limitation. The District shall not exercise its statutory power of eminent domain without the prior written consent of the Town Board.

18. Overlapping Districts. The Town shall be held harmless if St. Vrain Sanitation District refuses to authorize services; and from any claims brought by St. Vrain Sanitation District for improvements constructed or installed or services provided prior to receiving consent from St. Vrain Sanitation District.

19. Covenant Enforcement. The District shall have the power to provide covenant enforcement services within its territorial boundaries, subject to the requirements and limitations set forth in Section 32-1-1004(8), C.R.S.

B. Capital Plan.

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance and financing of the Public Improvements within and without the boundaries of the District, as limited by this Service Plan, and to be more specifically defined in an Approved Development Plan. Public Improvements are currently expected to include streets, sewer, drainage, water, parks, and trails. A Capital Plan is attached hereto as **Exhibit D**. A Map Depicting Public Improvements within the District is attached hereto as **Exhibit E**. As shown in the Capital Plan, the current estimated cost of the Public Improvements within the District Boundaries which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained, or financed by the District is approximately Nine Million Seven Hundred Ninety-Five Thousand Dollars (\$9,795,000) in 2015 dollars. The District shall be permitted to allocate costs between such categories of the Public Improvements as deemed necessary in its discretion.

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

C. Service Plan Amendment.

1. This Service Plan is general in nature and does not include specific detail in some instances because development plans have not been finalized. The Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. Modification of the general types of services and facilities making up the Public Improvements, and changes in proposed configurations, locations or dimensions of the Public Improvements shall be permitted to accommodate development needs consistent with the then-current Approved Development Plan(s) for the Project. The District is an independent unit of local government, separate and distinct from the Town, and its activities are subject to review by the Town only insofar as they may constitute a material modification from the requirements of the Service Plan. The following shall constitute a material modification:

(a) Default in the payment of principal or interest of any District bonds, notes, certificates, debentures, contracts or other evidences of indebtedness or borrowing issued or incurred by the District which:

(i) Persists for a period of one hundred twenty (120) days or more; and

(ii) The defaulted payment aggregates either Fifty Thousand Dollars (\$50,000) or ten percent (10%) of the outstanding principal balance of the indebtedness, whichever is less; and

(iii) The creditors have not agreed in writing with the District to forbear from pursuit of legal remedies.

(b) The failure of the District to develop, cause to be developed, or consent to the development by others of any capital facility proposed in its Service Plan when necessary to service approved development within the District.

(c) Failure of the District to realize at least seventy-five percent (75%) of the development revenues (including developer contributions, loans, or advances) projected in the financial portion of the Service Plan for repayment of debt during the three-year period ending with the report year, where development revenue is defined as fees, exactions, and charges imposed by the District on residential and commercial development, excluding taxes, provided that the disparity between projected and realized revenue exceeds Fifty Thousand Dollars (\$50,000).

(d) The development of any capital facility in excess of One Hundred Thousand Dollars (\$100,000) in cost, which is not either identified in the Service Plan or authorized by the Town in the course of a separate development approval, excluding bona fide cost projection miscalculations; and State or federally mandated improvements, particularly water or sanitation facilities.

(e) The occurrence of any event or condition which is defined under the Service Plan or Intergovernmental Agreement as necessitating a Service Plan Amendment.

(f) The material default by the District under any Intergovernmental Agreement with the Town.

(g) Any of the events or conditions enumerated in Section 32-1-207(2), C.R.S., as amended.

2. Amendment of this Service Plan shall be pursuant to Section 14.6 of the Town Land Use Code.

VI. FINANCIAL PLAN

A. General.

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation, operation, maintenance, redevelopment, and/or financing of the Public Improvements, subject to the limitations set forth in this Service Plan, from its revenues and by and through the proceeds of Debt to be issued by the District. The Financial

Plan for the District shall be to issue such Debt as the District can reasonably pay from revenues derived from the Limited Mill Levy and other legally available revenues. The total Debt that the District shall be permitted to issue shall not exceed Nine Million Two Hundred Thousand Dollars (\$9,200,000). Debt shall be permitted to be issued on a schedule and in such year or years as the District determines shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general *ad valorem* taxes to be imposed upon all taxable property of the District. The District will also rely upon various other revenue sources authorized by law. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time, and as limited by the Service Plan. The Debt that the District may issue for Public Improvements is supported by the Financial Plan prepared by D.A. Davidson & Co., attached hereto as **Exhibit F**. The Financial Plan sets forth reasonably estimated projections regarding issuance of Debt, and such projections shall not serve as limitations on the issuance of Debt except as otherwise expressly set forth in the Service Plan.

In accordance with this Service Plan, the District may convey any or all of the Public Improvements to other jurisdictions, but shall provide for the operation and maintenance of the Public Improvements of which it retains ownership and which are not operated and maintained by the HOA. Pursuant to the financial model presented in **Exhibit F**, it is anticipated that a Debt Mill Levy of thirty-seven (37) mills and an Operating Mill Levy of ten (10) mills will produce sufficient revenue to support debt service and operations and maintenance expenses throughout the repayment period.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. The proposed maximum interest rate on any Debt is twelve percent (12%). The proposed maximum underwriting discount will be four percent (4%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Limited Mill Levy.

“Limited Mill Levy” shall mean an *ad valorem* mill levy (a mill being equal to 1/10 of 1¢) imposed upon all taxable property of the District each year in an amount that does not exceed a combined total of fifty (50) mills for the Debt Mill Levy, Contribution Mill Levy, and Operating Mill Levy; provided that if, on or after January 1, 2015, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to offset such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2015, are neither diminished nor enhanced as a result of such changes. The Limited Mill Levy, or any component mill levy thereof, may be adjusted at any time with the prior written consent of the Town Board.

1. The Debt Mill Levy shall be imposed in an amount sufficient to pay the principal of, premium if any, and interest on Debt as the same become due and payable, and to make up any deficiencies in any debt service reserve for the Debt and shall not exceed fifty (50) mills, including the Contribution Mill Levy of three (3) mills to the Town.

2. Without increasing the Debt Mill Levy, at any time the District imposes a mill levy for debt service purposes, the District shall impose a Contribution Mill Levy of three (3) mills for purposes of financing capital improvements or for financing operations and maintenance expenses associated with Town capital improvements, which revenues shall be remitted to the Town upon the District's receipt. The revenues received by the Town from the Contribution Mill Levy may be applied to any Town capital improvement so long as the capital improvement is one that the District could otherwise finance (e.g., streets, traffic safety controls, street lighting, water, sanitary sewer, storm drainage, landscaping improvements, and parks and recreation). The District's imposition of the three (3) mills for Town capital improvements or operation and maintenance of Town capital improvements shall be memorialized in the Intergovernmental Agreement and the District's failure to levy, collect, and remit the three (3) mills shall constitute a material modification of this Service Plan. In the event that the District does not impose a Debt Mill Levy, the District shall have no obligation to levy, collect, or pay over to the Town the three (3) mills set forth herein.

3. The Operating Mill Levy shall be imposed by the District to fund administrative, operating, and facilities maintenance expenses, as required, including the repayment of any advances provided to the District for such purposes, and shall not be imposed in an amount that, when combined with the Debt Mill Levy and Contribution Mill Levy, exceeds fifty (50) mills.

4. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S., and all other requirements of State law.

D. Debt Repayment Sources.

The District may impose a mill levy on all taxable property of the District as a primary source of revenue for repayment of debt service and for operations and maintenance, subject to Section V.A.1. of the Service Plan. In no event shall the Debt Mill Levy in the District exceed the Limited Mill Levy, except with the prior written consent of the Town Board.

The District may also impose and collect a Development Fee to assist with the planning and development of the Public Improvements, as allowed and limited by Colorado law, which Development Fee, if imposed, shall be a one-time fee collected by the District at or prior to the issuance of a building permit and shall not exceed the following limits:

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

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

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

The Development Fee set forth in this Service Plan may increase by up to the Consumer Price Index for Denver-Boulder, all items, all urban consumers (or its successor index for any years for which Consumer Price Index is not available) each year thereafter (as an inflation adjustment) commencing on January 1, 2016. If imposed, the Development Fee shall be collected by the District at or prior to the issuance of a building permit for a unit or structure. In the event the Town issues a building permit prior to payment of an applicable Development Fee, in whole or in part, the District shall continue to be entitled to collect unpaid Development Fees notwithstanding the fact that a building permit has been issued. The Development Fee shall constitute a perpetual lien pursuant to Section 32-1-1001(1)(j), C.R.S.

E. Debt Instrument Disclosure Requirement.

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

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

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the District.

F. Security for Debt.

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

G. TABOR Compliance.

The District will comply with the provisions of Article X, Section 20 of the Colorado Constitution ("TABOR"). In the discretion of the Board, the District may set up enterprises to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of the District's Board.

H. District's Operating Costs.

The estimated cost of engineering services, legal services and other services related to the District's organization and initial operations, which will be eligible for reimbursement from Debt proceeds, are anticipated to not exceed One Hundred Thousand Dollars (\$100,000).

In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained, as such maintenance is addressed in the Intergovernmental Agreement. The first year's operating budget is estimated to be Sixty Thousand Dollars (\$60,000), which is anticipated to be derived from developer advances and other available revenues.

The District may impose an Operating Mill Levy as necessary to provide for administrative and general operating expenses, operating and maintaining Public Improvements that are retained by the District or prior to their conveyance to the Town or other entity, and financing Public Improvements on a cash-flow basis.

The Operating Mill Levy shall be subject to the Limited Mill Levy restrictions contained in Section VI.C.

I. Subdistricts.

The District may only organize subdistricts or areas as allowed by Section 32-1-1101(1)(f), C.R.S., with the prior written approval of the Town Board; provided, however, that any such subdistrict(s) or area(s) shall be subject to all limitations on Debt and other provisions of the Service Plan as if combined with the District. Neither the Limited Mill Levy nor any Debt limit shall be increased as a result of creation of a subdistrict. Subject to obtaining Town approval, and in accordance with Section 32-1-1101(1)(f)(I), C.R.S., the District shall notify the Town prior to establishing any such subdistrict(s) or area(s), and shall provide the Town with details regarding the purpose, location, financing, and relationship of the subdistrict(s) or area(s).

VII. ANNUAL REPORT

A. General. In accordance with Section 14.3(a) of Town Land Use Code, as it may be amended, the District shall file an annual report with the Town Clerk no later than September 1, which annual report shall reflect activity and financial events of the District through the preceding December 31 (the "report year").

B. Reporting of Significant Events.

The annual report shall include the following:

1. A narrative summary of the progress of the District in implementing its Service Plan for the report year;

2. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the District for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operations (i.e., revenues and expenditures) for the report year. If exempt from audit, the District shall provide a copy of the Request for Exemption and the State's approval for the exemption;

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

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

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

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

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

8. Certification of the Board that no action, event or condition enumerated in Section 14.4 of the Town Land Use Code (Material Modification) has occurred in the report year, or certification that such event has occurred but that an amendment to the Service Plan that allows such event has been approved by Town Board; and

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

VIII. DISSOLUTION

Upon an independent determination of the Town Board that the purposes for which the District was created have been accomplished, the District shall file petitions in the District Court for and in Weld County, Colorado, for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations, and, if applicable, the assumption by another entity reasonably acceptable to the Town of the responsibility to provide any service obligations of the District as required pursuant to State statutes.

IX. DISCLOSURE TO PURCHASERS

The District shall provide written and recorded notice of the total (overlapping) tax burden, including the Limited Mill Levy, in the form set forth in **Exhibit H** attached hereto. The notice shall be recorded against all property within the District.

X. INTERGOVERNMENTAL AGREEMENTS

A proposed form of the Intergovernmental Agreement required by Article 14 of the Town Land Use Code, relating to the limitations imposed on the District's activities, as modified to conform with this Service Plan, is attached hereto as **Exhibit G**. The District shall approve the Intergovernmental Agreement at its first Board meeting after its organizational election and prior to the issuance of any Debt, in the same form as is attached and with any revisions as approved by the Town Board. Failure of the District to execute the Intergovernmental Agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The Town Board may approve the Intergovernmental Agreement at the public hearing approving the Service Plan. Except as otherwise determined by the Town Board, any subsequent amendment to the Intergovernmental Agreement approved by the Town Board shall not constitute a material modification of this Service Plan.

The District also expects to obtain a consent letter from or enter into an agreement with the Carbon Valley Park and Recreation District, and to enter into an intergovernmental agreement with the St. Vrain Sanitation District, concerning the terms under which such districts consent to the District's overlap of boundaries.

XI. CONCLUSION

It is submitted that this Service Plan for the District, to the extent required by Section 32-1-203(2), C.R.S., and as required by Section 14.16(b) of the Town Land Use Code, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District.
2. The existing service in the area to be served by the District is inadequate for present and projected needs.
3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries.
4. The area to be included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
5. Adequate service is not, and will not be, available to the area through the Town or County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.

6. The facility and service standards of the District are compatible with the facility and service standards of the Town.
7. The proposal is in substantial compliance with the Town's Master Plan.
8. The proposal is in compliance with any duly adopted Town, regional or State long-range water quality management plan for the area.
9. The creation of the District is in the best interests of the area proposed to be served.
10. The creation of the District is in the best interests of the residents and future residents of the area proposed to be served.
11. The proposal is in substantial compliance with Article 14 of the Town Land Use Code.
12. The proposal will not foster urban development that is remote or incapable of being integrated with existing urban areas, and will not place a burden on the Town or adjacent jurisdictions to provide urban services to residents of the District.

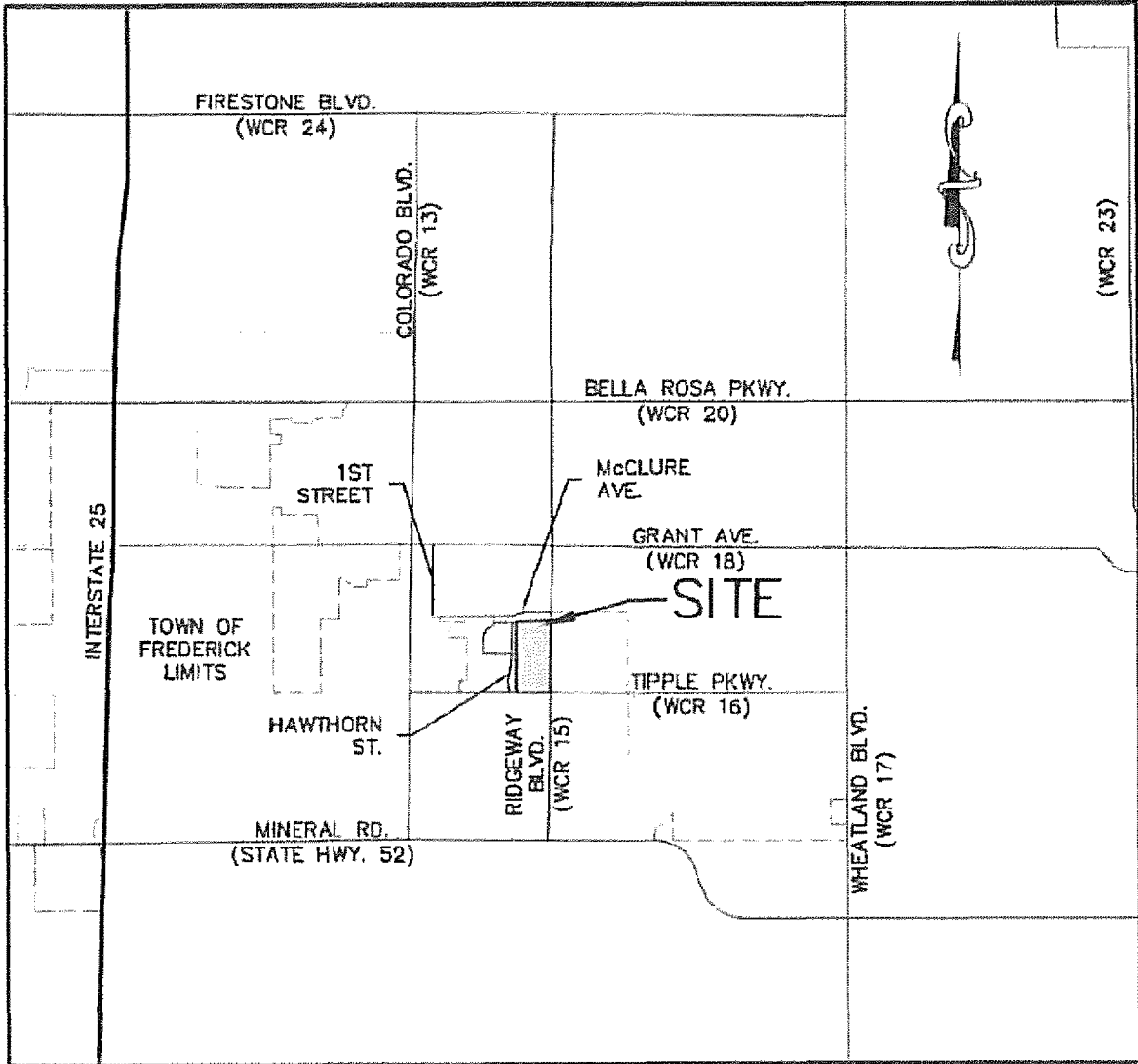
EXHIBIT A

LEGAL DESCRIPTION OF DISTRICT BOUNDARIES

LEGAL DESCRIPTION—VILLAGE EAST COMMUNITY

The East one-half (1/2) of the Southeast quarter (1/4) of
Section 30, Township 2 North, Range 67 West of the 6th P.M.,
County of Weld, State of Colorado.

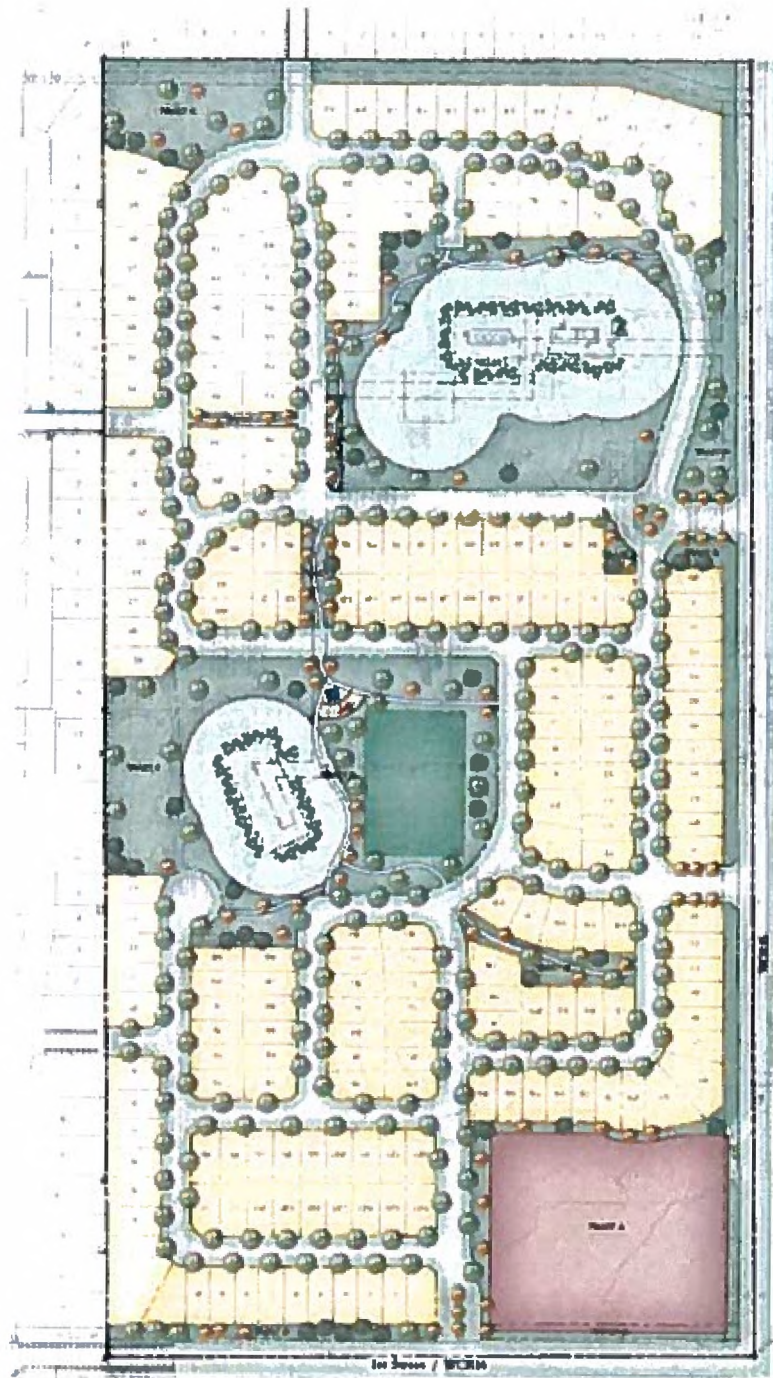
EXHIBIT B
FREDERICK VICINITY MAP



VICINITY MAP
 1" = 5000'

EXHIBIT C

DISTRICT BOUNDARY MAP



Village East Community MD
Frederick, Colorado

District Boundary
Map

EXHIBIT D
CAPITAL PLAN

Village East Community MD
Conceptual Civil Infrastructure Cost Estimate



Prepared By: Atwell, LLC.
 Date : 6/19/2015

Category	Description	Total	Comments
<u>Local Infrastructure (SF)</u>	No SF Lots/Units	212	
	Grading	\$486,000	
	Streets	\$3,786,142	
	Sanitary Sewer	\$1,228,048	
	Water Main	\$1,195,900	
	Storm Sewer/Drainage	\$711,538	
	Gas line	\$119,650	
	Dry Utilities	\$678,400	
	Soft Costs	\$249,100	
	Onsite Hard Costs Sub-Total	\$8,454,778	
<u>Local Infrastructure (MF)</u>	No MF Units	50	
	Onsite Hard Costs Sub-Total	\$450,000	Est. \$100,000/acre
	10% Contingency	\$890,478	
	Total Infrastructure Costs	\$9,795,255	
	Cost/SF Lot	\$43,869	

Notes:

- 1) Excludes Over Excavation
- 2) Artifact mitigation expense excluded from estimate.
- 3) Unit costs are preliminary.
- 4) Excludes sleeving for dry utilities.
- 5) Excludes Landscaping and Irrigation

Village East Community MD
Conceptual Civil Infrastructure Cost Estimate



Project: Village East Community
Date: June 19, 2015

Prepared By: ML
Job Number: 14.74

Grading

Overall SF Area	Quantity	Unit	Unit Cost	Item Cost	Description
Total Onsite Earthwork (Cut to Fill)	135,000	CY	\$3.00	\$405,000.00	
Allowance for Erosion Control	1	LS	\$81,000.00	\$81,000.00	20% of Earthwork Cost
			Total Grading	\$486,000.00	

Street Improvements

Street	Onsite Quantity	Unit	Unit Cost	Onsite	Item Cost	Description
2' Vertical Curb & Gutter	4,693	LF	\$18.00	\$84,474.00	\$84,474.00	Entrance Road, WCR 15 & WCR 16
1' Vertical Curb & Gutter	166	LF	\$15.00	\$2,490.00	\$2,490.00	Entrance Road Median
5' Detached Sidewalk	4,693	LF	\$22.50	\$105,592.50	\$105,592.50	Entrance Road, WCR 15 & WCR 16
18" Road Base w/ subgrade prep	13,334	SY	\$20.00	\$266,680.00	\$266,680.00	WCR 15 & WCR 16
6" Asphalt Paving with raised valves and manholes	13,334	SY	\$35.00	\$466,690.00	\$466,690.00	WCR 15 & WCR 17
9" Road Base w/ subgrade prep	39,970	SY	\$11.00	\$439,670.00	\$439,670.00	Local Road Section
4" Asphalt Paving with raised valves and manholes	39,970	SY	\$25.00	\$999,250.00	\$999,250.00	Local Road Section
Monolithic C&G and Walk w/ Subgrade prep	20,065	LF	\$35.00	\$702,275.00	\$702,275.00	Local Road Section
Concrete Crosspan	5,200	SF	\$58.00	\$301,600.00	\$301,600.00	
8' Wide Concrete Trail	3,116	SY	\$45.00	\$140,220.00	\$140,220.00	Internal Trails
Corner Handicap Ramp	45	EA	\$1,700.00	\$76,500.00	\$76,500.00	
Midblock Ramp	22	EA	\$1,500.00	\$33,000.00	\$33,000.00	
Street Lights	25	EA	\$3,000.00	\$75,000.00	\$75,000.00	Local Street Light
Traffic Signal	1	LS	\$87,500.00	\$87,500.00	\$87,500.00	25% of total Traffic Signal Cost \$350,000
			Sub-Total Streets	\$3,786,141.50		

Sanitary Sewer

Description	Quantity	Unit	Unit Cost	Cost	Description
8" PVC w/air, deflection test & jet, video	10,362	LF	\$45.00	\$466,290.00	
Sanitary Manhole	41	EA	\$4,200.00	\$172,200.00	
Connect to Existing	2	EA	\$3,500.00	\$7,000.00	
4" Sewer Service	212	EA	\$1,800.00	\$381,600.00	
6" PVC underdrain - same trench	10,362	LF	\$9.00	\$93,258.00	
Underdrain cleanout in MH	41	EA	\$300.00	\$12,300.00	
4" Underdrain Service - same trench	212	EA	\$450.00	\$95,400.00	
Sub-Total Sanitary Sewer				\$1,228,048.00	

Water

Description	Quantity	Unit	Unit Cost	Cost	Description
8" PVC w/clear water, pressure test, restraints	11,067	LF	\$50.00	\$553,350.00	
8"x8" Tee	15	EA	\$600.00	\$9,000.00	
8" Bend	28	EA	\$525.00	\$14,700.00	
8"x8" Cross	1	EA	\$800.00	\$800.00	
3/4" Copper Service	212	EA	\$1,950.00	\$413,400.00	
Connect to Existing 8" W/L	2	EA	\$6,000.00	\$12,000.00	
8" Plug	4	EA	\$525.00	\$2,100.00	
Hydrant Assembly and Tee	13	EA	\$6,000.00	\$78,000.00	
Master Meter	1	LS	\$25,000.00	\$25,000.00	50% of total cost for meter - \$50,000
RAW W/L	1,595	LF	\$50.00	\$79,750.00	
Connect to Existing RAW W/L	1	EA	\$6,000.00	\$6,000.00	Southwest Corner of site
RAW W/L Plug	2	EA	\$600.00	\$1,200.00	
RAW W/L Tee	1	EA	\$600.00	\$600.00	
Sub-Total Water				\$1,195,900.00	

Note: Unit price includes valves and fittings. Detailed design has not been performed at this time to determine valve and fitting detail.

Storm Sewer & Drainage

Drainage	Quantity	Unit	Unit Cost	Item Cost	Description
<u>Storm Sewer</u>					
18" RCP Storm	185	LF	\$51.00	\$9,435.00	
24" RCP Storm	2,524	LF	\$80.00	\$201,920.00	
24" RCP Storm	400	LF	\$70.00	\$28,000.00	Northwest Pond Outfall
30" RCP Storm	512	LF	\$85.00	\$43,520.00	
36" RCP Storm	309	LF	\$112.00	\$34,608.00	
24" FES	2	EA	\$2,500.00	\$5,000.00	
30" FES	1	EA	\$2,750.00	\$2,750.00	
36" FES	2	EA	\$3,000.00	\$6,000.00	
5' Storm Sewer Manhole	18	EA	\$4,185.00	\$75,330.00	
5' Type R Inlet	3	EA	\$5,700.00	\$17,100.00	
10' Type R Inlet	12	EA	\$7,500.00	\$90,000.00	
15' Type R Inlet	1	EA	\$9,200.00	\$9,200.00	
Low Flow Channel	687	LF	\$25.00	\$17,175.00	
Pond Outlet Structure	2	EA	\$10,000.00	\$20,000.00	
Type L Riprap	25	CY	\$60.00	\$1,500.00	
Detention Pond	2	EA	\$75,000.00	\$150,000.00	Includes Forebay, Mircopools, Emergency Overflow Wall
Total Storm Sewer/Drainage				<u>\$711,538.00</u>	

Gas line

Gas Lines	Quantity	Unit	Unit Cost	Item Cost	Description
External Gas Line Relocation	550	LF	\$50.00	\$27,500.00	Along WCR 15
Internal Gas Line Relocation	1,843	LF	\$50.00	\$92,150.00	
			Gas Lines	Improv. Total	<u>\$119,650.00</u>

Note: Excludes sleeving for dry utilities.

Dry Utilities

Dry Utilities	Quantity	Unit	Unit Cost	Item Cost	Description
Electric, Phone, CATV	212	Lot	\$2,500.00	\$530,000.00	
Gas	212	Lot	\$700.00	\$148,400.00	

Note: Excludes sleeving for dry utilities.

Dry Utilities Improv. Total \$678,400.00

Single Family Residential Area: Soft Costs

Consulting / Soft Costs⁽¹⁾

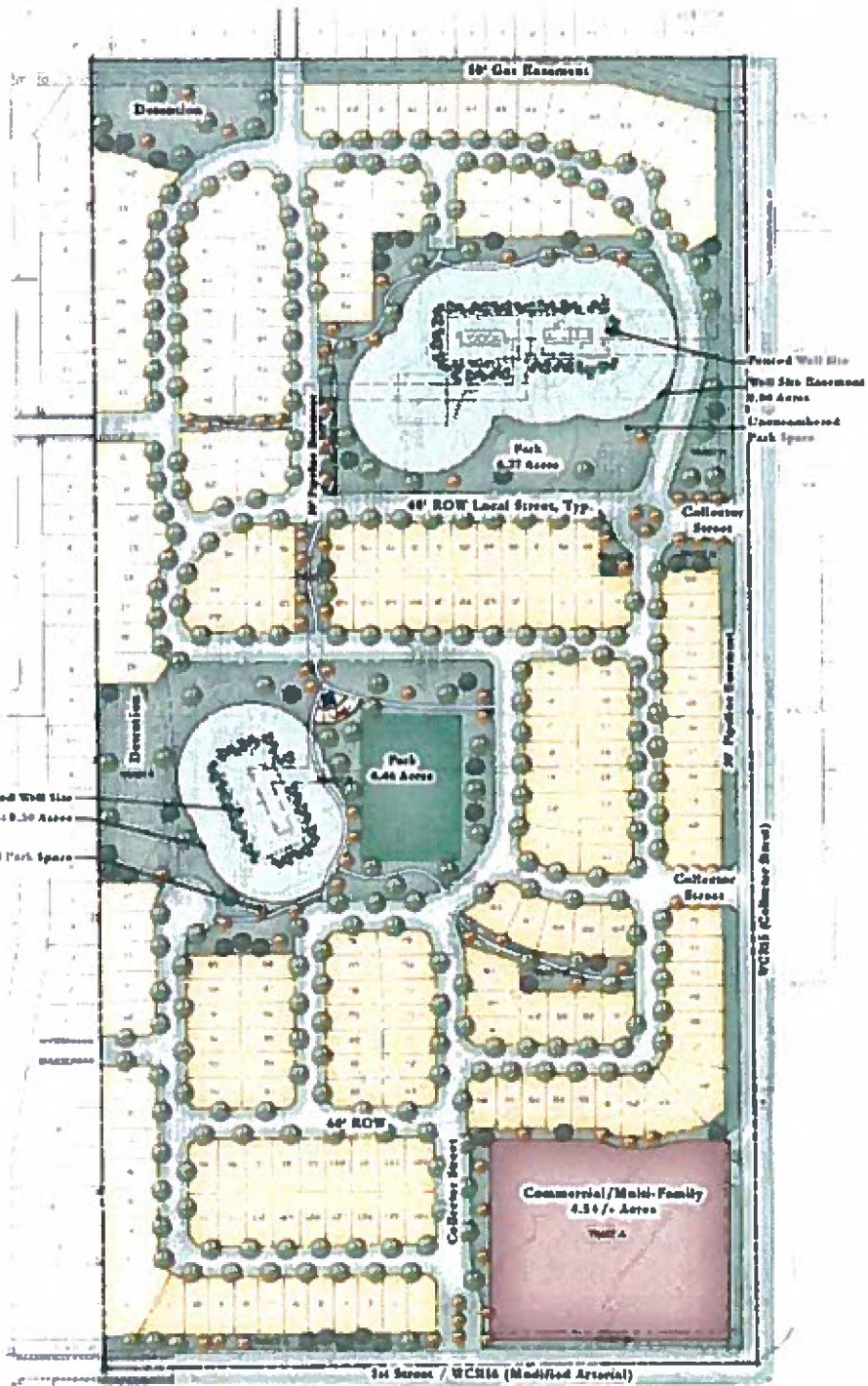
Consulting	Quantity	Unit	Unit Cost	Item Cost	Description
Construction Staking	212	Lot	\$375.00	\$79,500.00	
Soils/Pavement Report/Materials Testing	212	Lot	\$350.00	\$74,200.00	
Construction Management	212	Lot	\$450.00	\$95,400.00	

Consulting Total \$249,100.00

(1) Construction Soft Costs Only. Excludes Civil Engineering and Design Survey Work, Traffic Engineering, and Landscape Design

EXHIBIT E

MAP DEPICTING PUBLIC IMPROVEMENTS



Land Use Summary

- Total Acres = 83.07
- 60' x 110' Lots = 73
- 30' x 110' Lots = 10
- Total Units = 313
- 3.65 DUPs / Acre Gross Density
- Parks = 12.64 Acres
- Well Site Encasement = 1.36 Acres
- Detention = 2.87 Acres
- Required Open Space = 15% of Acreage (20 acres for a PLD)
- Provided Open Space = 5.33 Acres
- 4.5 Acres Commercial / Multi-Family
- 61.82 Net Area
- 1.80 DUPs/Acre Net Density

**Village East
Community MD**
Frederick, Colorado

Conceptual Site Plan

 August 20, 2014

Prepared by:
 **THE HENRY DESIGN GROUP**
 1000 GLENN DRIVE • SUITE 100 • FREDERICK, COLORADO 80101
 P: 304.444.2300 | C: 304.444.2350

EXHIBIT F
FINANCIAL PLAN



The following is a summary of the primary risks associated with bond financing for the proposed Village East Community Metropolitan District.

Risks to Tax Payers:

- Development is slower than anticipated
- Biennial inflation on assessed values is less than 2%
- District imposes maximum mill levy of 47 debt service mills (50 total mills, including Town Contribution of 3 mills, and up from the target of 37 mills for debt service and 10 for operations)

The primary risk to tax payers is that the District issues bonds to finance infrastructure and then the absorption of additional property, or its valuation by the Assessor, lags modeled expectations. If that occurs, then the District may need to levy the maximum debt service mill levy of 47 mills (potentially bringing the total Limited Mill Levy to 50 mills).

Risks to Bondholders:

- Development is slower than anticipated
- Biennial inflation on assessed values is less than 2%
- Assurance of the continuation of development is not assured
- Reliance on Federal Tax Code and State laws governing municipal finance and special districts

The primary risk to Bondholders is the development does not occur as fast as originally projected and that the revenues generated from the Limited Mill Levy (50 mills) are not sufficient to meet the District's financial obligations. These risks are mitigated by funding a capitalized interest and debt service reserve fund at closing. In addition, these bonds are anticipated to be marketed only to sophisticated investors who understand the risks involved in the transaction.

VILLAGE EAST COMMUNITY METROPOLITAN DISTRICT

Development Projection at 37.00 (target) District Mills

Series 2019, General Obligation Bonds, Non-Rated, 30-yr. Maturity

YEAR	<<<<<<< Residential >>>>>>>>				< Platted/Developed Lots >			Total Assessed Value	District	District	District	Total Available Revenue
	Total Res'l Units	Mkt Value Biennial Reasses'mt @ 2.0%	Cumulative Market Value	As'ed Value @ 7.96% of Market (2-yr lag)	Cumulative Market Value	As'ed Value @ 29.00% of Market (2-yr lag)	D/S Mill Levy [37.00 Target] [50.00 Cap]		D/S Mill Levy Collections @ 98%	S.O. Taxes Collected @ 6%		
2015	0		0		3,595,500		\$0					0
2016	111		36,674,100		3,117,500		0	37.000	\$0	\$0		0
2017	91		69,108,570	0	1,380,000	1,042,695	1,042,695	37.000	37,808	2,268		40,077
2018	40	1,382,171	85,135,412	2,919,258	690,000	904,075	3,823,333	37.000	138,634	8,318		146,952
2019	20		92,604,194	5,501,042	0	400,200	5,901,242	37.000	213,979	12,839		226,818
2020	0	1,852,084	94,456,278	6,778,779	0	200,100	6,976,879	37.000	252,982	15,179		268,161
2021	0		94,456,278	7,371,294	0	0	7,371,294	37.000	267,283	16,037		283,320
2022	0	1,889,126	96,345,403	7,518,720	0	0	7,518,720	37.000	272,629	16,358		288,987
2023	0		96,345,403	7,518,720	0	0	7,518,720	37.000	272,629	16,358		288,987
2024	0	1,928,908	98,272,311	7,669,094	0	0	7,669,094	37.000	278,081	16,685		294,766
2025	0		98,272,311	7,669,094	0	0	7,669,094	37.000	278,081	16,685		294,766
2026	0	1,965,446	100,237,757	7,822,476	0	0	7,822,476	37.000	283,643	17,019		300,662
2027	0		100,237,757	7,822,476	0	0	7,822,476	37.000	283,643	17,019		300,662
2028	0	2,004,755	102,242,513	7,978,925	0	0	7,978,925	37.000	289,316	17,359		306,675
2029	0		102,242,513	7,978,925	0	0	7,978,925	37.000	289,316	17,359		306,675
2030	0	2,044,850	104,287,363	8,138,504	0	0	8,138,504	37.000	295,102	17,706		312,808
2031	0		104,287,363	8,138,504	0	0	8,138,504	37.000	295,102	17,706		312,808
2032	0	2,085,747	106,373,110	8,301,274	0	0	8,301,274	37.000	301,004	18,060		319,064
2033	0		106,373,110	8,301,274	0	0	8,301,274	37.000	301,004	18,060		319,064
2034	0	2,127,462	108,500,572	8,467,300	0	0	8,467,300	37.000	307,024	18,421		325,446
2035	0		108,500,572	8,467,300	0	0	8,467,300	37.000	307,024	18,421		325,446
2036		2,170,011	110,670,584	8,636,646	0	0	8,636,646	37.000	313,165	18,790		331,955
2037			110,670,584	8,636,646	0	0	8,636,646	37.000	313,165	18,790		331,955
2038		2,213,412	112,883,995	8,809,378	0	0	8,809,378	37.000	319,428	19,166		338,594
2039			112,883,995	8,809,378	0	0	8,809,378	37.000	319,428	19,166		338,594
2040		2,257,680	115,141,675	8,985,566	0	0	8,985,566	37.000	325,817	19,549		345,366
2041			115,141,675	8,985,566	0	0	8,985,566	37.000	325,817	19,549		345,366
2042		2,302,834	117,444,509	9,165,277	0	0	9,165,277	37.000	332,333	19,940		352,273
2043			117,444,509	9,165,277	0	0	9,165,277	37.000	332,333	19,940		352,273
2044		2,348,890	119,793,399	9,348,583	0	0	9,348,583	37.000	338,980	20,339		359,318
2045			119,793,399	9,348,583	0	0	9,348,583	37.000	338,980	20,339		359,318
2046		2,395,868	122,189,267	9,535,555	0	0	9,535,555	37.000	345,759	20,746		366,505
2047			122,189,267	9,535,555	0	0	9,535,555	37.000	345,759	20,746		366,505
2048		2,443,785	124,633,052	9,726,266	0	0	9,726,266	37.000	352,674	21,160		373,835
2049			124,633,052	9,726,266	0	0	9,726,266	37.000	352,674	21,160		373,835
	262	33,411,030							9,620,596	577,236		10,197,832



VILLAGE EAST COMMUNITY METROPOLITAN DISTRICT

Development Projection at 37.00 (target) District Mills

Series 2019, General Obligation Bonds, Non-Rated, 30-yr. Maturity

YEAR	Net Available for Debt Svc	Ser. 2019 \$4,590,000 Par [Net \$3,784 MM] Net Debt Service	Annual Surplus	Surplus Release @ 50% D/A to \$459,000	Cumulative Surplus to \$459,000 Target	Debt/ Assessed Ratio	Debt/ Act'l Value Ratio	Cov. of Net DS: @ 37.00 Target	Cov. of Net DS: @ 50.00 Mill Cap
2015	0		n/a			n/a	n/a	0.0%	0.0%
2016	0		n/a		0	0%	0%	0.0%	0.0%
2017	40,077		n/a		0	0%	0%	0.0%	0.0%
2018	146,952		n/a		0	0%	0%	0.0%	0.0%
2019	226,818	50	226,818		226,818	0%	0%	0.0%	0.0%
2020	268,161	0	268,161	35,978	459,000	66%	5%	0.0%	0.0%
2021	283,320	281,708	1,612	1,612	459,000	62%	5%	100.6%	135.9%
2022	288,987	285,058	3,929	3,929	459,000	61%	5%	101.4%	137.0%
2023	288,987	289,133	854	854	459,000	60%	5%	100.3%	135.5%
2024	294,766	290,933	3,833	3,833	459,000	58%	5%	101.3%	136.9%
2025	294,766	293,458	1,308	1,308	459,000	58%	5%	100.4%	135.7%
2026	300,662	295,708	4,954	4,954	459,000	56%	4%	101.7%	137.4%
2027	300,662	297,683	2,979	2,979	459,000	55%	4%	101.0%	136.5%
2028	306,675	304,383	2,292	2,292	459,000	54%	4%	100.8%	138.2%
2029	306,675	305,533	1,142	1,142	459,000	53%	4%	100.4%	135.6%
2030	312,808	311,408	1,400	1,400	459,000	51%	4%	100.4%	135.7%
2031	312,808	311,733	1,075	1,075	459,000	50%	4%	100.3%	135.6%
2032	319,064	316,783	2,282	2,282	459,000	48%	4%	100.7%	136.1%
2033	319,064	316,283	2,782	2,782	459,000	46%	4%	100.9%	136.3%
2034	325,446	320,508	4,938	4,938	459,000	44%	3%	101.5%	137.2%
2035	325,446	324,183	1,263	1,263	459,000	43%	3%	100.4%	135.7%
2036	331,955	327,308	4,647	4,647	459,000	41%	3%	101.4%	137.1%
2037	331,955	329,883	2,072	2,072	459,000	39%	3%	100.6%	136.0%
2038	338,594	336,908	1,686	1,686	459,000	37%	3%	100.5%	135.8%
2039	338,594	338,108	486	486	459,000	35%	3%	100.1%	135.3%
2040	345,366	343,758	1,608	1,608	459,000	32%	3%	100.5%	135.8%
2041	345,366	343,583	1,783	1,783	459,000	30%	2%	100.5%	135.8%
2042	352,273	347,858	4,415	4,415	459,000	27%	2%	101.3%	136.9%
2043	352,273	351,308	965	965	459,000	25%	2%	100.3%	135.5%
2044	359,318	358,933	386	386	459,000	22%	2%	100.1%	135.3%
2045	359,318	355,458	3,861	3,861	459,000	20%	2%	101.1%	136.6%
2046	366,505	361,433	5,072	5,072	459,000	17%	1%	101.4%	137.0%
2047	366,505	361,308	5,197	5,197	459,000	14%	1%	101.4%	137.1%
2048	373,835	370,358	3,477	3,477	459,000	10%	1%	100.9%	136.4%
2049	373,835	371,933	1,902	460,902	0	7%	1%	100.5%	135.8%
	10,197,832	9,441,626	559,177	569,177					

[6Feb2315 18vrb8]

PV to '19 @ 0.0%:
\$104,602

VILLAGE EAST COMMUNITY METROPOLITAN DISTRICT

Operations Revenue and Expense Projection

YEAR	Total Assessed Value	Oper'n's Mill Levy	Total Collections @ 98%	S.O. Taxes Collected @ 5%	Total Available For O&M	Total Mills
2015						
2016	0	10.000	0	0	0	47.000
2017	1,042,695	10.000	10,218	613	10,832	47.000
2018	3,823,333	10.000	37,469	2,248	39,717	47.000
2019	5,901,242	10.000	57,832	3,470	61,302	47.000
2020	6,976,879	10.000	68,373	4,102	72,476	47.000
2021	7,371,294	10.000	72,239	4,334	76,573	47.000
2022	7,518,720	10.000	73,683	4,421	78,104	47.000
2023	7,518,720	10.000	73,683	4,421	78,104	47.000
2024	7,669,094	10.000	75,157	4,509	79,667	47.000
2025	7,669,094	10.000	75,157	4,509	79,667	47.000
2026	7,822,476	10.000	76,660	4,600	81,260	47.000
2027	7,822,476	10.000	76,660	4,600	81,260	47.000
2028	7,978,925	10.000	78,193	4,692	82,885	47.000
2029	7,978,925	10.000	78,193	4,692	82,885	47.000
2030	8,138,504	10.000	79,757	4,785	84,543	47.000
2031	8,138,504	10.000	79,757	4,785	84,543	47.000
2032	8,301,274	10.000	81,352	4,881	86,234	47.000
2033	8,301,274	10.000	81,352	4,881	86,234	47.000
2034	8,467,300	10.000	82,980	4,979	87,958	47.000
2035	8,467,300	10.000	82,980	4,979	87,958	47.000
2036	8,636,646	10.000	84,639	5,078	89,717	47.000
2037	8,636,646	10.000	84,639	5,078	89,717	47.000
2038	8,809,378	10.000	86,332	5,180	91,512	47.000
2039	8,809,378	10.000	86,332	5,180	91,512	47.000
2040	8,985,566	10.000	88,059	5,284	93,342	47.000
2041	8,985,566	10.000	88,059	5,284	93,342	47.000
2042	9,165,277	10.000	89,820	5,389	95,209	47.000
2043	9,165,277	10.000	89,820	5,389	95,209	47.000
2044	9,348,583	10.000	91,616	5,497	97,113	47.000
2045	9,348,583	10.000	91,616	5,497	97,113	47.000
2046	9,535,555	10.000	93,448	5,607	99,055	47.000
2047	9,535,555	10.000	93,448	5,607	99,055	47.000
2048	9,726,266	10.000	95,317	5,719	101,036	47.000
2049	9,726,266	10.000	95,317	5,719	101,036	47.000
			4,544,636	272,678	4,817,314	

VILLAGE EAST COMMUNITY METROPOLITAN DISTRICT
 Development Projection - Buildout Plan (updated 6/18/15)

YEAR	Residential Development														Residential Summary							
	SFDs / 60'							SFDs / 50'							TH				Total Residential Market Value	Total Res'l Units	Value of Plotted & Developed Lots	
	Incr(Decr) in Finished Lot		# Units Completed	Price Inflated @ 2%	Market Value	Incr(Decr) in Finished Lot		# Units Completed	Price Inflated @ 2%	Market Value	Incr(Decr) in Finished Lot		# Units Completed	Price Inflated @ 2%	Market Value	Adjustment ¹	Adjusted Value					
	# Lots Devel'd	Value @ 10%				# Lots Devel'd	Value @ 10%				# Lots Devel'd	Value @ 10%										
2015	36	1,350,000		\$375,000	0	39	1,345,500		\$345,000	0	36	900,000		\$250,000	0	0	0	3,595,500				
2016	37	37,500	36	382,500	13,770,000	40	34,500	39	351,900	13,724,100	14	(550,000)	36	255,000	9,180,000	0	111	0	(478,000)			
2017	0	(1,387,500)	37	390,160	14,435,550	40	0	40	358,938	14,357,520	0	(350,000)	14	260,100	3,641,400	0	91	0	(1,737,500)			
2018	0	0	0	397,953	0	20	(890,000)	40	366,117	14,644,670	0	0	0	265,302	0	0	40	0	(890,000)			
2019	0	0	0	405,912	0	0	(680,000)	20	373,439	7,468,782	0	0	0	270,608	0	0	20	0	(690,000)			
2020	0	0	0	414,030	0	0	0	0	380,908	0	0	0	0	276,020	0	0	0	0	0			
2021	0	0	0	422,311	0	0	0	0	388,528	0	0	0	0	281,541	0	0	0	0	0			
2022	0	0	0	430,757	0	0	0	0	396,297	0	0	0	0	287,171	0	0	0	0	0			
2023	0	0	0	439,372	0	0	0	0	404,222	0	0	0	0	292,915	0	0	0	0	0			
2024	0	0	0	448,160	0	0	0	0	412,307	0	0	0	0	298,773	0	0	0	0	0			
2025	0	0	0	457,123	0	0	0	0	420,553	0	0	0	0	304,749	0	0	0	0	0			
2026	0	0	0	466,265	0	0	0	0	428,964	0	0	0	0	310,844	0	0	0	0	0			
2027	0	0	0	475,591	0	0	0	0	437,543	0	0	0	0	317,060	0	0	0	0	0			
2028	0	0	0	485,102	0	0	0	0	446,294	0	0	0	0	323,402	0	0	0	0	0			
2029	0	0	0	494,805	0	0	0	0	455,220	0	0	0	0	329,870	0	0	0	0	0			
2030	0	0	0	504,701	0	0	0	0	464,325	0	0	0	0	336,467	0	0	0	0	0			
2031	0	0	0	514,795	0	0	0	0	473,611	0	0	0	0	343,196	0	0	0	0	0			
2032	0	0	0	525,091	0	0	0	0	483,083	0	0	0	0	350,060	0	0	0	0	0			
2033	0	0	0	535,592	0	0	0	0	492,745	0	0	0	0	357,062	0	0	0	0	0			
2034	0	0	0	546,304	0	0	0	0	502,600	0	0	0	0	364,203	0	0	0	0	0			
2035	0	0	0	557,230	0	0	0	0	512,652	0	0	0	0	371,487	0	0	0	0	0			
	73	0	73		28,205,550	139	0	139		50,195,072	50	(0)	50		12,821,400		202	0	0			

[1] Adj to actual/prem AV



SOURCES AND USES OF FUNDS

VILLAGE EAST COMMUNITY METROPOLITAN DISTRICT GENERAL OBLIGATION BONDS, SERIES 2019

37.00 (target) Mills
Non-Rated, 30-yr. Maturity
[Preliminary -- for discussion only]

Dated Date 12/01/2019
Delivery Date 12/01/2019

Sources:

Bond Proceeds:	
Par Amount	4,590,000.00
	<hr/>
	4,590,000.00

Uses:

Project Fund Deposits:	
Project Fund (Restricted*)	3,783,780.85
Other Fund Deposits:	
Capitalized Interest	251,519.15
Debt Service Reserve Fund	371,100.00
	<hr/>
	622,619.15
Delivery Date Expenses:	
Cost of Issuance (est.)	183,600.00
	<hr/>
	4,590,000.00

BOND SUMMARY STATISTICS

**VILLAGE EAST COMMUNITY METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019**

37.00 (target) Mills

Non-Rated, 30-yr. Maturity

[Preliminary -- for discussion only]

Dated Date	12/01/2019
Delivery Date	12/01/2019
First Coupon	06/01/2020
Last Maturity	12/01/2049
Arbitrage Yield	5.500000%
True Interest Cost (TIC)	5.500000%
Net Interest Cost (NIC)	5.500000%
All-In TIC	5.841107%
Average Coupon	5.500000%
Average Life (years)	21.773
Duration of Issue (years)	12.427
Par Amount	4,590,000.00
Bond Proceeds	4,590,000.00
Total Interest	5,496,700.00
Net Interest	5,496,700.00
Bond Years from Dated Date	99,940,000.00
Bond Years from Delivery Date	99,940,000.00
Total Debt Service	10,086,700.00
Maximum Annual Debt Service	743,775.00
Average Annual Debt Service	336,223.33
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Term Bond due 2049	4,590,000.00	100.000	5.500%	21.773	6,701.40
	4,590,000.00			21.773	6,701.40

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,590,000.00	4,590,000.00	4,590,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts		-183,600.00	
Target Value	4,590,000.00	4,406,400.00	4,590,000.00
Target Date	12/01/2019	12/01/2019	12/01/2019
Yield	5.500000%	5.841107%	5.500000%

BOND DEBT SERVICE
VILLAGE EAST COMMUNITY METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019
37.00 (target) Mills
Non-Rated, 30-yr. Maturity
[Preliminary -- for discussion only]

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2020			126,225.00	126,225.00	
12/01/2020			126,225.00	126,225.00	252,450
06/01/2021			126,225.00	126,225.00	
12/01/2021	30,000	5.500%	126,225.00	156,225.00	282,450
06/01/2022			125,400.00	125,400.00	
12/01/2022	35,000	5.500%	125,400.00	160,400.00	285,800
06/01/2023			124,437.50	124,437.50	
12/01/2023	40,000	5.500%	124,437.50	164,437.50	288,875
06/01/2024			123,337.50	123,337.50	
12/01/2024	45,000	5.500%	123,337.50	168,337.50	291,675
06/01/2025			122,100.00	122,100.00	
12/01/2025	50,000	5.500%	122,100.00	172,100.00	294,200
06/01/2026			120,725.00	120,725.00	
12/01/2026	55,000	5.500%	120,725.00	175,725.00	296,450
06/01/2027			119,212.50	119,212.50	
12/01/2027	60,000	5.500%	119,212.50	179,212.50	298,425
06/01/2028			117,562.50	117,562.50	
12/01/2028	70,000	5.500%	117,562.50	187,562.50	305,125
06/01/2029			115,637.50	115,637.50	
12/01/2029	75,000	5.500%	115,637.50	190,637.50	306,275
06/01/2030			113,575.00	113,575.00	
12/01/2030	85,000	5.500%	113,575.00	198,575.00	312,150
06/01/2031			111,237.50	111,237.50	
12/01/2031	90,000	5.500%	111,237.50	201,237.50	312,475
06/01/2032			108,762.50	108,762.50	
12/01/2032	100,000	5.500%	108,762.50	208,762.50	317,525
06/01/2033			106,012.50	106,012.50	
12/01/2033	105,000	5.500%	106,012.50	211,012.50	317,025
06/01/2034			103,125.00	103,125.00	
12/01/2034	115,000	5.500%	103,125.00	218,125.00	321,250
06/01/2035			99,962.50	99,962.50	
12/01/2035	125,000	5.500%	99,962.50	224,962.50	324,925
06/01/2036			96,525.00	96,525.00	
12/01/2036	135,000	5.500%	96,525.00	231,525.00	328,050
06/01/2037			92,812.50	92,812.50	
12/01/2037	145,000	5.500%	92,812.50	237,812.50	330,625
06/01/2038			88,825.00	88,825.00	
12/01/2038	160,000	5.500%	88,825.00	248,825.00	337,650
06/01/2039			84,425.00	84,425.00	
12/01/2039	170,000	5.500%	84,425.00	254,425.00	338,850
06/01/2040			79,750.00	79,750.00	
12/01/2040	185,000	5.500%	79,750.00	264,750.00	344,500
06/01/2041			74,662.50	74,662.50	
12/01/2041	195,000	5.500%	74,662.50	269,662.50	344,325
06/01/2042			69,300.00	69,300.00	
12/01/2042	210,000	5.500%	69,300.00	279,300.00	348,600
06/01/2043			63,525.00	63,525.00	
12/01/2043	225,000	5.500%	63,525.00	288,525.00	352,050
06/01/2044			57,337.50	57,337.50	
12/01/2044	245,000	5.500%	57,337.50	302,337.50	359,675
06/01/2045			50,600.00	50,600.00	
12/01/2045	255,000	5.500%	50,600.00	305,600.00	356,200
06/01/2046			43,587.50	43,587.50	
12/01/2046	275,000	5.500%	43,587.50	318,587.50	362,175
06/01/2047			36,025.00	36,025.00	
12/01/2047	290,000	5.500%	36,025.00	326,025.00	362,050
06/01/2048			28,050.00	28,050.00	
12/01/2048	315,000	5.500%	28,050.00	343,050.00	371,100
06/01/2049			19,387.50	19,387.50	
12/01/2049	705,000	5.500%	19,387.50	724,387.50	743,775
	4,590,000		5,496,700.00	10,086,700.00	10,086,700

NET DEBT SERVICE

**VILLAGE EAST COMMUNITY METROPOLITAN DISTRICT
 GENERAL OBLIGATION BONDS, SERIES 2019**

**37.00 (target) Mills
 Non-Rated, 30-yr. Maturity**

[Preliminary -- for discussion only]

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest	Net Debt Service
12/01/2020		252,450	252,450		-252,450	
12/01/2021	30,000	252,450	282,450	-742.20		281,707.80
12/01/2022	35,000	250,800	285,800	-742.20		285,057.60
12/01/2023	40,000	248,875	288,875	-742.20		288,132.80
12/01/2024	45,000	246,675	291,675	-742.20		290,932.80
12/01/2025	50,000	244,200	294,200	-742.20		293,457.80
12/01/2026	55,000	241,450	296,450	-742.20		295,707.80
12/01/2027	60,000	238,425	298,425	-742.20		297,682.80
12/01/2028	70,000	235,125	305,125	-742.20		304,382.80
12/01/2029	75,000	231,275	306,275	-742.20		305,532.80
12/01/2030	85,000	227,150	312,150	-742.20		311,407.80
12/01/2031	90,000	222,475	312,475	-742.20		311,732.80
12/01/2032	100,000	217,525	317,525	-742.20		316,782.80
12/01/2033	105,000	212,025	317,025	-742.20		316,282.80
12/01/2034	115,000	206,250	321,250	-742.20		320,507.80
12/01/2035	125,000	199,925	324,925	-742.20		324,182.80
12/01/2036	135,000	193,050	328,050	-742.20		327,307.80
12/01/2037	145,000	185,625	330,625	-742.20		329,882.80
12/01/2038	160,000	177,650	337,650	-742.20		336,907.80
12/01/2039	170,000	168,850	338,850	-742.20		338,107.80
12/01/2040	185,000	159,500	344,500	-742.20		343,757.80
12/01/2041	195,000	149,325	344,325	-742.20		343,582.80
12/01/2042	210,000	138,600	348,600	-742.20		347,857.80
12/01/2043	225,000	127,050	352,050	-742.20		351,307.80
12/01/2044	245,000	114,675	359,675	-742.20		358,932.80
12/01/2045	255,000	101,200	356,200	-742.20		355,457.80
12/01/2046	275,000	87,175	362,175	-742.20		361,432.80
12/01/2047	290,000	72,050	362,050	-742.20		361,307.80
12/01/2048	315,000	56,100	371,100	-742.20		370,357.80
12/01/2049	705,000	38,775	743,775	-371,842.20		371,932.80
	4,590,000	5,496,700	10,086,700	-392,623.80	-252,450	9,441,626.20

EXHIBIT G

FORM OF INTERGOVERNMENTAL AGREEMENT

TOWN OF FREDERICK

INTERGOVERNMENTAL AGREEMENT BETWEEN

THE TOWN OF FREDERICK, COLORADO

AND THE

VILLAGE EAST COMMUNITY METROPOLITAN DISTRICT

THIS AGREEMENT is made and entered into as of this ____ day of _____, 201_, by and between the TOWN OF FREDERICK, a statutory town of the State of Colorado (the "Town"), and the VILLAGE EAST COMMUNITY METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"). The Town and the District are collectively referred to as the Parties.

WITNESSETH:

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

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District's Service Plan approved by the Town on _____, 2015 (the "Service Plan"); and

WHEREAS, the Service Plan makes reference to the execution of an Intergovernmental Agreement between the Town and the District, as required by Article 14 of the Town Land Use Code; and

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

WHEREAS, the Parties have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement ("Agreement").

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

1. Application of Local Laws. The District shall be subject to and shall comply with all applicable provisions of the Town's ordinances, resolutions, municipal code, rules, regulations, engineering specifications, standards, and policies, as the same may be amended from time to time. The foregoing includes, but is not limited to, requirements that must be met before improvements are accepted by the Town.

2. Operations and Maintenance. The District shall either retain ownership of or dedicate the Public Improvements to the Town or other appropriate entity or jurisdiction in a manner consistent with the Approved Development Plan for the Project, other rules and regulations of the Town, and applicable provisions of the Town Code. The District shall provide

for the operation and maintenance of any part or all of the Public Improvements of which it retains ownership and which are not operated and maintained by the HOA. The District may impose an Operating Mill Levy that is subject to the Limited Mill Levy restrictions set forth in the Service Plan, as necessary, to provide for administrative and general operating expenses, operating and maintaining Public Improvements retained by the District or prior to their conveyance to the Town or other entity, and financing Public Improvements on a cash-flow basis. The District shall have the authority to provide covenant enforcement services, pursuant to Section 32-1-1004(8), C.R.S. Sanitation facilities will be conveyed to the St. Vrain Sanitation District.

3. Streets. The District shall be authorized to plan for, design, construct, install, relocate, redevelop, and finance street improvements, but shall not be permitted to permanently acquire or to provide ongoing maintenance of any Interior Roads or Exterior Roads; provided, however, that nothing contained herein shall limit the District's ability to reimburse the developer of the Project for costs incurred in providing for the street improvements, including those related to Interior Roads and/or Exterior Roads.

4. Sanitation. The District shall not, to the extent prohibited by law, duplicate the services provided by the St. Vrain Sanitation District within the District Boundaries in any area of overlap except as may be consented to, and approved by, the St. Vrain Sanitation District's Board of Directors as expressed through the execution of an intergovernmental agreement between the District and St. Vrain Sanitation District. The District's Board will execute such intergovernmental agreement at the initial meeting of the Board after the entry of the order of formation by the District Court for and in Weld County, Colorado. In addition to all other parts of the Service Plan, the District shall comply with Section V.A.18. of the Service Plan.

5. Water. Water service to the Project will be provided by the Town. The District shall be authorized to plan for, design, construct, install, relocate, redevelop, finance, operate, and maintain both potable and non-potable water facilities within the Project, pursuant to this Agreement, including the enforcement of related covenants, if any. The District shall be authorized to acquire the non-potable water facilities, but shall not be authorized to acquire any potable water facilities or to provide potable water service; provided, however, that nothing contained herein shall limit the District's ability to reimburse the developer of the Project for costs incurred in providing any water facilities, whether potable or non-potable.

a. The District shall be required to meet the Town's water rights dedication requirement pursuant to Sec. 13-55.3 of the Town Code, as amended from time to time (the "**Water Rights Dedication Ordinance**"). The Town's Engineering Department will approve the water rights dedication alternative applicable to the Project (the "**Village East Community Water Dedication Requirement**"). Options available to the District for meeting the Village East Community Water Dedication Requirement may include:

i. Purchasing Colorado-Big Thompson ("**C-BT**") units on the open market to meet potable demands, and either C-BT units or native water rights for non-potable demands, then transferring such units or native water rights, as applicable, to the Town at no cost to the Town; or

ii. Paying cash-in-lieu (“CIL”) in an amount that is acceptable to the Town in accordance with the Water Rights Dedication Ordinance so that the Town may purchase some or all of the required water to meet demand within the District.

b. Properties within the District are subject to Town-wide watering restrictions as may be imposed by the Town Board under Section 13-81 of the Town Code, as amended from time to time.

6. Park and Recreation. The District shall be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate, and maintain park and recreation facilities or programs, including, but not limited to, trails, open space, landscaping, irrigation facilities, and all necessary incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the District Boundaries. Certain park and recreation improvements may be retained by the District and operated and maintained by the HOA. The District shall not, to the extent prohibited by law, duplicate the services provided by the Carbon Valley Park and Recreation District, except as may be consented to by the Carbon Valley Park and Recreation District’s Board of Directors as expressed through the signing of a letter or agreement consenting to the overlapping boundaries or services.

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

8. Television Relay and Translation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless specifically provided for in this Agreement or a separate agreement with the Town.

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

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

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

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

11. Inclusions and Exclusions. The District shall not include within its boundaries any property from outside the District Boundaries, or exclude any property from its boundaries, without the prior written consent of the Town Board. Notice of all inclusions or exclusions shall be provided to the Town pursuant to the annual report filed in accordance with Sec. VII.A. of the Service Plan.

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

13. Total Debt Issuance. The District shall not issue Debt in excess of Nine Million Two Hundred Thousand Dollars (\$9,200,000).

14. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the Town is eligible to apply for, unless specifically provided for herein. This Section shall not apply to specific ownership taxes which shall be distributed to and constitute a revenue source for the District without any limitation.

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

16. Bankruptcy Limitation. All of the limitations contained in the Service Plan, including, but not limited to, those pertaining to the Limited Mill Levy, have been established under the authority of the Town to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

a. shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment that is approved by the Town Board; and

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

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

17. Revenue Bond Limitation. The District shall not issue revenue bonds, except as set forth in this Section. Prior to issuing any revenue bonds, the District shall submit all relevant details of such issuance to the Town Manager, who shall determine whether the issuance of revenue bonds constitutes a material modification of the Service Plan. If it is determined that the issuance of revenue bonds constitutes a material modification of the Service Plan, the District shall then proceed to amend the Service Plan in accordance with Section 32-1-207, C.R.S., prior to issuing the revenue bonds.

18. Eminent Domain Limitation. The District shall not exercise its statutory power of eminent domain without the prior written consent of the Town Board.

19. Overlapping Districts. The Town shall be held harmless if St. Vrain Sanitation District refuses to authorize services; and from any claims brought by St. Vrain Sanitation District for improvements constructed or installed or services provided prior to receiving consent from St. Vrain Sanitation District.

20. Covenant Enforcement. The District shall have the power to provide covenant enforcement services within its territorial boundaries, subject to the requirements and limitations set forth in Section 32-1-1004(8), C.R.S.

21. Service Plan Amendment Requirement. Any action of the District which violates the limitations set forth in Sections V.A.1-19 or VI.B-H of the Service Plan, or which constitutes a material modification under Section 14.4 of the Town Land Use Code, as it may be amended from time to time, shall be deemed to be a material modification to the Service Plan and the Town shall be entitled to all remedies available under State and local law to enjoin any such action(s) of the District. The Town may also seek damages for breach of this Agreement arising from violations by the District of any provision of the Service Plan.

22. Annual Report. In accordance with Section 14.3(a) of the Town Land Use Code, as it may be amended from time to time, the District shall file an annual report (“**Annual Report**”) with the Town Clerk each year following the year in which the Order and Decree creating the District has been issued by the District Court for and in Weld County, Colorado, containing the information set forth in Section VII of the Service Plan.

23. Contribution Mill Levy. Without increasing the Limited Mill Levy, at any time the District imposes a mill levy for debt service purposes, the District shall impose a Contribution Mill Levy of three (3) mills for purposes of financing capital improvements or for financing operations and maintenance expenses associated with Town capital improvements, which revenues shall be remitted to the Town upon the District’s receipt. The revenues received by the Town from the Contribution Mill Levy may be applied to any Town capital improvement so long as the capital improvement is one that the District could otherwise finance (e.g., streets,

traffic safety controls, street lighting, water, sanitary sewer, storm drainage, landscaping improvements, and parks and recreation). In the event that the District does not impose a Debt Mill Levy, the District shall have no obligation to levy, collect, or pay over to the Town the three (3) mills set forth herein.

24. Operating Mill Levy. The District may impose an ad valorem mill levy to fund administrative and general operating expenses, operating and maintaining Public Improvements that are retained by the District or prior to their conveyance to the Town or other entity, financing Public Improvements on a cash-flow basis, and repaying any advances provided to the District for such purposes. The Operating Mill Levy shall be subject to the Limited Mill Levy restrictions contained in Section VI.C. of the Service Plan.

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

To District: Village East Community Metropolitan District
c/o McGeady Sisneros, P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203-1254
Attn: MaryAnn McGeady
Phone: (303) 592-4380
Fax: (303) 592-4385

To the Town: Town of Frederick
401 Locust Street
P.O. Box 435
Frederick, CO 80530
Attn: Town Attorney
cc: Planning Director
Phone: (720) 382-5500
Fax: (720) 382-5520

With a Copy to: Reif & Hunsaker, P.C.
273 North Grant Street
Canby, OR 97013
Attn: James M. Hunsaker
Phone: (503) 266-3456
Fax: (503) 266-8555

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice

thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

26. Miscellaneous.

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

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

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

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

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

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

g. Default/Remedies. In the event of a breach or default of this Agreement by any party, the non-defaulting party shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

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

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

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

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

l. Entirety. Except for the Service Plan, this Agreement merges and supersedes all prior negotiations, representations, and agreements between the Parties hereto relating to the subject matter hereof and constitutes the entire Agreement between the Parties concerning the subject matter hereof.

[SIGNATURE PAGES FOLLOW]

**[SIGNATURE PAGE 1 OF 2 TO INTERGOVERNMENTAL AGREEMENT
BETWEEN THE TOWN OF FREDERICK, COLORADO AND THE
VILLAGE EAST COMMUNITY METROPOLITAN DISTRICT]**

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

TOWN OF FREDERICK, COLORADO

By: _____
Tony Carey, Mayor

Attest:

Meghan C. Martinez, Town Clerk

APPROVED AS TO FORM:

Town Attorney

**[SIGNATURE PAGE 2 OF 2 TO INTERGOVERNMENTAL AGREEMENT
BETWEEN THE TOWN OF FREDERICK, COLORADO AND THE
VILLAGE EAST COMMUNITY METROPOLITAN DISTRICT]**

**VILLAGE EAST COMMUNITY
METROPOLITAN DISTRICT**, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: _____
President

Attest:

Secretary

EXHIBIT H

FORM OF MILL LEVY DISCLOSURE

**VILLAGE EAST COMMUNITY
METROPOLITAN DISTRICT**

WELD COUNTY, COLORADO

DISCLOSURE STATEMENT

As required pursuant to Section 32-1-104.8 of the Colorado Revised Statutes (“C.R.S.”), this Public Disclosure Document has been prepared by the Village East Community Metropolitan District (the “District”), Town of Frederick, Weld County, Colorado, to provide information regarding the District.

DISTRICT ORGANIZATION

The District, 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, Article 1, Colorado Revised Statutes. The District was declared an organized and existing metropolitan district on _____, 2015, pursuant to a Findings, Order and Decree Creating the Village East Community Metropolitan District, 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 _____, 20__ at Reception # _____.

The District is located entirely within the corporate limits of the Town of Frederick, Colorado, in Weld County. The legal description and map of the property forming the boundaries of the District is described in Exhibit A attached hereto and incorporated herein by reference.

DISTRICT’S SERVICE PLAN:

The District’s Service Plan, which can be amended from time to time, includes a description of the District’s powers and authority. A copy of the District’s Service Plan is available from the Division of Local Government in the State Department of Local Affairs (“Division”) and at the office of the Town Clerk, Town of Frederick, 401 Locust Street, Post Office Box 435, Frederick, Colorado 80530.

The Village East Community Metropolitan District is authorized by Title 32 of the Colorado Revised Statutes to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution (“TABOR”), include issuing debt, levying taxes, and imposing fees and charges. Information concerning District directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), C.R.S., which can be found at the District office, on file at the Division, or on file at the office of the Clerk and Recorder of Weld County.

DISTRICT PURPOSE:

The powers of the District, as authorized by Section 32-1-1004, C.R.S., and under its Service Plan, as approved by the Board of Trustees of the Town of Frederick on _____,

2015, are for the purpose of financing public improvements, including streets, sanitary sewer, storm sewer, drainage, water, parks and trails, all in accordance with its Service Plan, which improvements may be dedicated to the Town of Frederick or other governmental entities for operation and maintenance, or may be operated and maintained by the District or an owners' association formed for the development.

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. One mill equals \$1 of tax for each \$1,000 of assessed value. Except as allowed by the Service Plan, the District shall not impose a mill levy in excess of fifty (50.000) mills. The Debt Mill Levy shall be imposed in an amount sufficient to pay the principal of, premium if any, and interest on Debt as the same become due and payable, and to make up any deficiencies in any debt service reserve for the Debt and, except as allowed by the Service Plan, shall not exceed fifty (50.000) mills, including the Contribution Mill Levy of three (3.000) mills to the Town. The Operating Mill Levy shall be imposed by the District to fund administrative, operating, and facilities maintenance expenses, including the repayment of any advances provided to the District for such purposes and shall not be imposed in an amount that, when combined with the Debt Mill Levy and Contribution Mill Levy, exceeds fifty (50.000) mills, except as allowed by the Service Plan. The District shall not impose a mill levy in excess of fifty (50.000) mills, provided that the mill levy may be adjusted to account for statewide changes in the method of calculating assessed valuation of property. District taxes are collected as part of the property tax bill from Weld County. Reference is made to the Service Plan for additional information regarding the District's financial powers and limitations.

VILLAGE EAST COMMUNITY
METROPOLITAN DISTRICT

By: _____
President

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____,
20____, by _____, as President of Village East Community Metropolitan District.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF DISTRICT BOUNDARIES

The East one-half (1/2) of the Southeast quarter (1/4) of Section 30, Township 2 North, Range 67 West of the 6th P.M., County of Weld, State of Colorado.

EXHIBIT I

PROOF OF OWNERSHIP FOR ALL PROPERTIES WITHIN DISTRICT

June 26, 2015

VIA EMAIL

Town of Frederick
PO Box 435
401 Locust Street
Frederick, CO 80530

Re: Proposed District – Village East Community Metropolitan District (the “District”)

To Whom It May Concern:

Blackfox Real Estate Group, LLC is the owner of the property described in **Exhibit A** attached hereto, which constitutes all of the property within the boundaries of the District. By way of this letter, Blackfox Real Estate Group, LLC consents to the organization of the District.

Very truly yours,

Jason Hepp - MANAGER
By: Jason Hepp - MANAGER Blackfox
REAL ESTATE Group, LLC

STATE OF COLORADO)
) ss.
COUNTY OF Weld)

Jason Hepp

Subscribed and sworn to before me by Jason Hepp of Blackfox Real Estate Group on this 26th day of June, 2015.

Witness my hand and official seal.

My commission expires: 11/21/2016

KATHLEEN L. LARSON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20004031701
My Commission Expires Nov. 21, 2016

Kathleen L. Larson
Notary Public

**EXHIBIT A TO LETTER OF CONSENT
TITLE COMMITMENT**

ALTA Commitment Form
COMMITMENT FOR TITLE INSURANCE
Issued by
STEWART TITLE GUARANTY COMPANY

STEWART TITLE GUARANTY COMPANY, a Texas Corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate six months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

This Commitment shall not be valid or binding until countersigned by a validating officer or authorized signatory.

IN WITNESS WHEREOF, Stewart Title Guaranty Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

Countersigned by:


Authorized Countersignatory

stewart
title guaranty company



Matt Morris
President and CEO

Stewart Title - Longmont
1739 Terry Street, Suite B
Longmont, CO 80501
(303) 651-1401





Denise Carraux
Secretary



CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. *The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <<http://www.alta.org/>>.*

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77252.

**COMMITMENT FOR TITLE INSURANCE
SCHEDULE A**

File No.: 01330-32969- Amended No. C4

1. Effective Date: **April 21, 2015 at 8:00 A.M.**

2. Policy or Policies to be issued:

Amount of Insurance

(a) A.L.T.A. Owner's Policy 2006 (Extended)

\$1,100,000.00

Proposed Insured:

Riverstone LLC, a Colorado limited liability company

(b) A.L.T.A. Loan Policy

Proposed Insured:

3. The estate or interest in the land described or referred to in this Commitment and covered herein is:

Fee Simple

4. Title to the said estate or interest in said land is at the effective date hereof vested in:

Blackfox Real Estate Group LLC, a Colorado limited liability company

5. The land referred to in this Commitment is described as follows:

**The East one-half (1/2) of the Southeast quarter (1/4) of Section 30, Township 2 North, Range 67 West of the 6th P.M.,
County of Weld, State of Colorado**

Purported Address:

. Vacant Land
Frederick, CO

STATEMENT OF CHARGES

These charges are due and payable
before a policy can be issued

Commercial Reissue Rate	
2006 Owner's Policy:	\$1,280.00
Owner's Extended Coverage:	\$65.00
Tax Certificate:	\$25.00
Form 100.31 modified (#14):	\$256.00



COMMITMENT FOR TITLE INSURANCE
SCHEDULE B
PART I

File No.: 01330-32969- Amended No. C4

The following are the requirements to be complied with:

1. Payment to or for the account of the grantor(s) or mortgagor(s) of the full consideration for the estate or interest to be insured.
2. Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record.
3. Evidence satisfactory to Stewart Title Guaranty Company of payment of all outstanding taxes and assessments as certified by the County Treasurer.
4. Execution of Affidavit as to Debts and Liens and its return to Stewart Title Guaranty Company.

NOTE: If work has been performed on, or in connection with, the subject property (architectural drawings, soils testing, foundation work, installation of materials), please notify the Company's escrow officer within 10 days of receipt of this title commitment.

5. [Intentionally deleted.]
6. Relating to Blackfox Real Estate Group LLC, The Company requires for its review the following:
 - a) Copy of the Operating Agreement and the regulations of the limited liability company and any amendments thereof.Note: The Colorado Secretary of State shows Blackfox Real Estate Group LLC in good standing.

NOTE: Statement of Authority for Blackfox Real Estate Group, LLC recorded March 3, 2011 as Reception No. 3753749, discloses the following persons as those authorized to transact business on behalf of said entity, Jason Hepp or Brian J. Hepp or John M. Hepp, all as Managers
If there have been any amendments or changes to the management of the entity, written documentation reflecting the changes and a new Statement of Authority will be required.

7. Relating to Riverstone LLC, The Company requires for its review the following:
 - a) Copy of the Operating Agreement and the regulations of the limited liability company and any amendments thereof
 - b) Execution of Statement of Authority pursuant to the provisions of Section 38-30-172 C.R.S.Note: The Colorado Secretary of State shows Riverstone LLC in good standing.

8. [Intentionally deleted.]

9. Release by the Public Trustee of the Deed of Trust from Blackfox Real Estate Group LLC for the use of Kerr McKee Oil & Gas Onshore LP, a subsidiary of Anadarko Petroleum Company to secure \$90,000.00, recorded May 2, 2008 as Reception No. 3551493.

NOTE: Amendment of Deed of Trust recorded April 21, 2011 as Reception No. 3763963.

10. Completion of rezoning by the Town of Frederick and recordation of properly executed preliminary plat and/or a final plat and/or final development plan as set forth in the Contract Addendum governing this transaction. Said documents must be presented to Stewart Title Guaranty Company for its review.

Stewart Title Guaranty reserves the right to take exception to any adverse matters as shown on said documents, or make further inquiry or requirements relative thereto.



COMMITMENT FOR TITLE INSURANCE
SCHEDULE B
PART I

11. Partial Release by the Public Trustee of the Deed of Trust from Blackfox Real Estate Group, LLC for the use of Amfirst Bank, NA to secure \$1,135,000.00, recorded December 11, 2014 as Reception No. 4067647.
12. Deed from vested owner(s) vesting fee simple title in the purchaser(s).

NOTE: Notation of the legal address of the grantee must appear on the deed as per 1976 amendment to statute on recording of deeds CRS 38-35-109 (2).

NOTE: The vesting deed is shown as follows: Warranty Deed recorded February 4, 2008 as Reception No. 3533317.

NOTE: If the policies to be issued are in excess of \$1,000,000.00 or involve unusual risks, approval to issue such policies must be obtained from Stewart Title Guaranty Company. This commitment and any policies to be issued are subject to any additional limitations, requirements or exceptions made by Stewart Title Guaranty Company.

COMMITMENT FOR TITLE INSURANCE
SCHEDULE B
PART II

File No.: 01330-32969- Amended No. C4

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

1. Rights or claims of parties in possession, not shown by the public records.
2. Easements, or claims of easements, not shown by the public records.
3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the Land and not shown by the public records.
4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the Effective Date but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) Minerals of whatsoever kind, subsurface and surface substances, in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records or listed in Schedule B.
7. Water rights, claims or title to water.
8. Any and all unpaid taxes and assessments and any unredeemed tax sales.
9. The effect of inclusions in any general or specific water conservancy, fire protection, soil conservation or other district or inclusion in any water service or street improvement area.
10. Rights of way for ditches or canals together with any laterals, roads or appurtenances thereto.
11. Reservations and exceptions in Patents, or Acts authorizing the issuance thereof, including the reservation of the right of proprietor of a vein or lode to extract and remove his ore therefrom should the same be found to penetrate or intersect the premises as reserved in United States Patent recorded May 16, 1876 in Book 20 at Page 85.
12. Right of way for county roads 30 feet wide on either side of section and township lines, as established by the Board of County Commissioners for Weld County, recorded October 10, 1889 in Book 86 at Page 273.
13. [Intentionally deleted.]
14. Reservation of all coal and other minerals in Deed recorded December 5, 1908 in Book 289 at Page 139, together with the appurtenant rights to use the surface of the Land. The Company makes no representation as to the present ownership of this interest.
15. [Intentionally deleted.]
16. [Intentionally deleted.]



COMMITMENT FOR TITLE INSURANCE
SCHEDULE B
PART II

17. Oil, Gas and Mineral Lease recorded March 31, 1970 as Reception No. 1544576.
Affidavit of Extension of Oil and Gas Lease recorded December 4, 1992 as Reception No. 1313341.
18. Ordinance No. 148 recorded June 21, 1976 as Reception No. 1691626.
19. Right-of-Way Easement set forth in Order, Judgment and Decree recorded July 18, 1977 as Reception No. 1724788.
20. Notice Concerning Underground Facilities of Public Service Company of Colorado recorded November 9, 1981 as Reception No. 1874084.
21. Notice Concerning Underground Facilities of Panhandle Eastern Pipe Line Company recorded June 26, 1986 as Reception No. 2058722.
22. Notice Concerning Underground Facilities of United Power, Inc. recorded January 24, 1991 as Reception No. 2239296.
23. Reservation of all oil, gas, condensate and other hydrocarbons (other than hard-rock coal) in Warranty Deed recorded November 16, 2000 as Reception No. 2807280, together with the appurtenant rights to use the surface of the Land. The Company makes no representation as to the present ownership of this interest.
24. Matters as shown on ALTA/ACSM Land Title Survey dated November 12, 1998, revised February 12, 2014, by CivilArts-Drexel, Job No. 145-1:
Fences do not correspond to property lines
Gas meter & wood guard posts extend South of tract line on North side of subject property
Building restrictions around oil and gas facilities per Frederick Municipal Code
Access roads, well head, tanks and other features and facilities related to oil and gas petroleum operations
Drainage canal/channel & pond not within easement. (may fall within unrecorded easement in #31 below)
25. Notice of Mineral Interests and Surface Use recorded March 7, 2007 as Reception No. 3460542.
26. Terms and conditions of a Surface Use Agreement dated March 3, 2007 by and between Kerr-McGee Oil & Gas Onshore, LP and Actis Real Estate Group, LLC, a Memorandum of which was recorded April 24, 2007 as Reception No. 3471272.
27. Request For Notification of Pending Surface Development recorded August 6, 2007 as Reception No. 3495293.
28. Surface Use Agreement by and between Kerr-McGee Oil & Gas Onshore LP and Blackfox Real Estate Group, LLC recorded June 4, 2008 as Reception No. 3558483 and First Amendment thereto recorded April 21, 2011 as Reception No. 3763964.
29. Any and all existing leases and tenancies.
30. Agreement by and between the Town of Frederick and Blackfox Real Estate Group, LLC recorded December 5, 2013 as Reception No. 3982091.
31. Grant of Drainage Easement by Blackfox Real Estate Group, LLC to the Town of Frederick, Colorado, recorded December 5, 2013 as Reception No. 3982092.



DISCLOSURES

File No.: 01330-32969

Pursuant to C.R.S. 10-11-122, notice is hereby given that:

- A. THE SUBJECT REAL PROPERTY MAY BE LOCATED IN A SPECIAL TAXING DISTRICT;
- B. A CERTIFICATE OF TAXES DUE LISTING EACH TAXING JURISDICTION SHALL BE OBTAINED FROM THE COUNTY TREASURER OR THE COUNTY TREASURER'S AUTHORIZED AGENT;
- C. INFORMATION REGARDING SPECIAL DISTRICTS AND THE BOUNDARIES OF SUCH DISTRICTS MAY BE OBTAINED FROM THE BOARD OF COUNTY COMMISSIONERS, THE COUNTY CLERK AND RECORDER, OR THE COUNTY ASSESSOR

Note: Colorado Division of Insurance Regulations 3-5-1, Subparagraph (7) (E) requires that "Every title entity shall be responsible for all matters which appear of record prior to the time of recording whenever the title entity conducts the closing and is responsible for recording or filing of legal documents resulting from the transaction which was closed." Provided that Stewart Title - Longmont conducts the closing of the insured transaction and is responsible for recording the legal documents from the transaction, exception number 5 will not appear on the Owner's Title Policy and the Lender's Title Policy when issued.

Note: Affirmative Mechanic's Lien Protection for the Owner may be available (typically by deletion of Exception No. 4 of Schedule B, Section 2 of the Commitment from the Owner's Policy to be issued) upon compliance with the following conditions:

- A. The land described in Schedule A of this commitment must be a single-family residence, which includes a condominium or townhouse unit.
- B. No labor or materials have been furnished by mechanics or materialmen for purposes of construction on the land described in Schedule A of this Commitment within the past 6 months.
- C. The Company must receive an appropriate affidavit indemnifying the Company against unfiled Mechanic's and Materialmen's Liens.
- D. The Company must receive payment of the appropriate premium.
- E. If there has been construction, improvements or major repairs undertaken on the property to be purchased, within six months prior to the Date of the Commitment, the requirements to obtain coverage for unrecorded liens will include: disclosure of certain construction information; financial information as to the seller, the builder and/or the contractor; payment of the appropriate premium; fully executed Indemnity agreements satisfactory to the company; and, any additional requirements as may be necessary after an examination of the aforesaid information by the Company.

No coverage will be given under any circumstances for labor or material for which the insured has contracted for or agreed to pay.

To comply with the provisions of C.R.S. 10-11-123, the Company makes the following disclosure:

- a. That there is recorded evidence that a mineral estate has been severed, leased or otherwise conveyed from the surface estate and that there is a substantial likelihood that a third party holds some or all interest in oil, gas, other minerals, or geothermal energy in the property; and
- b. That such mineral estate may include the right to enter and use the property without the surface owner's permission.

NOTE: THIS DISCLOSURE APPLIES ONLY IF SCHEDULE B, SECTION 2 OF THE TITLE COMMITMENT HEREIN INCLUDES AN EXCEPTION FOR SEVERED MINERALS.

NOTHING HEREIN CONTAINED WILL BE DEEMED TO OBLIGATE THE COMPANY TO PROVIDE ANY OF THE COVERAGES REFERRED TO HEREIN, UNLESS THE ABOVE CONDITIONS ARE FULLY SATISFIED.

RECEIVED

AUG 08 2016

DIV OF LOCAL GOVERNMENT

RESOLUTION 15R58

A RESOLUTION APPROVING THE SERVICE PLAN FOR THE VILLAGE EAST COMMUNITY METROPOLITAN DISTRICT

WHEREAS, pursuant to the provisions of Article 14 of the Town of Frederick Land Use Code and the Special District Act (being Article 1 of Title 32, C.R.S.), a Service Plan dated June 24, 2015 (“**Service Plan**”) was submitted to the Town of Frederick (“**Town**”) for the creation of the Village East Community Metropolitan District (the “**District**”) whose District boundaries are wholly within the corporate limits of the Town; and

WHEREAS, the Service Plan outlines the terms and conditions under which the District will be authorized to exist; and

WHEREAS, the Service Plan provides that the District will construct infrastructure improvements which are in the best interest of the health, safety and welfare of the Town; and

WHEREAS, the Board of Trustees of the Town of Frederick (“**Board of Trustees**”) has conducted a public hearing on September 8, 2015 regarding the Service Plan in compliance with Section 14.16 of the Town Land Use Code; and

WHEREAS, the Special District Act requires that any Service Plan submitted to the District Court for the creation of a special district must first be approved by resolution of the governing body of the municipality within which the District lies; and

WHEREAS, under Section 32-1-204.5(1), C.R.S., the Town has the discretion to approve, deny or conditionally approve a Service Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF FREDERICK, COLORADO, AS FOLLOWS:

Section 1. The Board of Trustees determines that the requirements of Article 14 of the Town Land Use Code and the requirements of Sections 32-1-202(2) and 32-1-204.5, C.R.S., have been satisfied by the Village East Community Metropolitan District Service Plan.

Section 2. The Board of Trustees determines that the notification requirements of Article 14 of the Town Land Use Code and Sections 32-1-204(1) and (1.5), C.R.S., have been complied with regarding the public hearing on the Service Plan.

Section 3. The Board of Trustees hereby finds that:

- a. There is sufficient existing and projected need for organized service in the area to be served by the proposed District.
- b. The existing service in the area to be serviced by the proposed District is inadequate for present and projected needs.
- c. The proposed District is capable of providing economical and sufficient service to the area within its proposed boundaries.
- d. The area to be included within the proposed District has or will have the financial ability to discharge the proposed indebtedness on a reasonable basis.
- e. Adequate service is not and will not be available to the area through the Town or other existing quasi-municipal corporations, including existing districts, within a reasonable time and on a comparable basis.
- f. The facility and service standards of the proposed District are compatible with the facility and service standards of the Town.
- g. The Service Plan is in substantial compliance with the Town's Comprehensive Plan.
- h. The Service Plan is in substantial compliance with the county, regional or state long-range water quality management plans for the area.
- i. The creation of the proposed District will be in the best interests of the area proposed to be served.
- j. The creation of the District will be in the best interest of the residents or future residents of the area proposed to be served.
- k. The proposed Service Plan is in substantial compliance with Article 14 of the Town Land Use Code.
- l. The creation of the District will not foster urban development that is remote from or incapable of being integrated with existing urban areas, or place a burden on the Town or adjacent jurisdictions to provide urban services to residents of the proposed District.

Section 4. The Board of Trustee's findings are based upon the evidence in the Service Plan and as presented at the public hearing and the Town has not conducted any independent investigation of the evidence. The Town makes no guarantee as to the financial viability of the District or the achievability of the results.

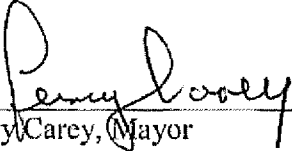
Section 5. The proposed Village East Community Metropolitan District Service Plan is hereby approved.

Section 6. The Board of Trustee's approval of the Service Plan is not a waiver or a limitation upon any power, which the Board of Trustees is legally permitted to exercise with respect to the property subject to the District.

Section 7. The approval of the Service Plan is a quasi-legislative action of the Board of Trustees.

INTRODUCED, READ, PASSED AND ADOPTED THIS 8th DAY OF SEPTEMBER, 2015.

TOWN OF FREDERICK

By: 
Tony Carey, Mayor



ATTEST:

By: 
Meghan C. Martinez, Town Clerk