

Service Plan Staff Report

Date: July 24, 2025
To: Douglas County Planning Commission
CC: DJ Beckwith, Principal Planner
Lauren Pulver, Planning Supervisor
Kati Carter, AICP, Assistant Director of Planning Resources *K EC*
Subject: Sundown Oaks Metropolitan District – New Service Plan
Project File: SV2025-005

Planning Commission Meeting:	August 4, 2025 @ 6:00 p.m.
Board of County Commissioners Meeting:	August 26, 2025 @ 1:30 p.m.
Board of County Commissioners Hearing:	September 9, 2025 @ 2:30 p.m.

I. EXECUTIVE SUMMARY

The request is for approval of a new service plan for the Sundown Oaks Metropolitan District (District). The purpose of the service plan is to serve the public improvement and service needs of the Sundown Oaks Development (Project) which includes the Sundown and Oak Bluff subdivisions.

The Project consists of approximately 173 acres of land that is zoned Rural Residential. The property is located in the Franktown Rural Community Area of the 2040 Comprehensive Master Plan (CMP).

II. APPLICATION INFORMATION

A. Applicant

Northstar Custom Homes
10226 Dransfeldt Road
Parker, CO 80134

B. Applicant's Representative

Nicole Peykov
Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203

C. Request

Approval of a service plan for the purpose of providing the following services:

- Water Infrastructure
- Storm Sewer

- Sanitation and Wastewater Infrastructure
- Street Improvements
- Traffic Safety Protection
- Parks and Recreation
- Television Relay and Translation
- Mosquito Control
- Fire Protection
- Covenant Enforcement and Design Review
- Security

D. Process

Service plans and service plan amendments are processed in compliance with Colorado Revised Statutes (C.R.S.) Section 32-1-201 through 209 (the Control Act) and the County's Service Plan Review Procedures (Procedures).

The Procedures also provide that the Planning Commission (PC) review the service plan to determine its compliance with specific criteria set forth in the Control Act; see the discussion in Section VI – Staff Analysis.

E. Location

The District is located near the intersection of Burning Tree Drive and East Tanglewood Road, Douglas County, Colorado. Generally, the District is located north of State Highway 86 and east of Parker Road in the Franktown Rural Community as identified in the 2040 CMP.

III. CONTEXT

A. Background

The property within the District is zoned Rural Residential (RR) and is anticipated to include 37 residential lots and zero square feet of commercial space. The population of the District at build-out is expected to be 111 residents. Based upon the information provided by the applicant, each of the residential properties within the District will have an average value of approximately \$2,200,000 once developed.

B. Adjacent Land Uses and Zoning

North, east, and west of the District is privately owned land zoned RR. South of the District is privately owned land zoned RR, Large Rural Residential (LRR) and Agricultural One (A-1).

IV. SERVICES

A. Water and Sanitary Sewer

It is anticipated that the District will not provide water or sanitation services. Each home within the Project will receive water from individual groundwater wells. The District also anticipates that each home within the Project will utilize individual on-site

septic to serve as their wastewater treatment system. The service plan includes powers that allow the District to build and maintain water and sanitation infrastructure, if needed.

B. Services to be Provided by Other Governmental Entities

It is anticipated that fire protection shall be provided by Franktown Fire Protection District.

V. REFERRALS

Referrals for the proposed service plan were sent to the following agencies, and a majority of the agencies either did not respond or responded with no comment; all responses received are included in the attachments.

- AT&T Long Distance - ROW
- Bannockburn HOA
- Black Hills Energy
- Burning Tree Ranch HOA
- CenturyLink (Lumen)
- Cherry Creek Basin Water Quality Authority
- Colorado Department of Transportation CDOT-Region # 1
- Colorado Division of Water Resources
- Colorado Geological Survey
- Comcast
- CORE Electric Cooperative
- Douglas County Addressing Analyst
- Douglas County Assessor
- Douglas County Building Services
- Douglas County Conservation District
- Douglas County Engineering Services
- Douglas County Health Department
- Douglas County Libraries
- Douglas County Office of Emergency Management
- Douglas County School District RE 1
- Douglas County Sheriff's Office
- Douglas County Wildfire Mitigation
- Foxhill Metro Districts #1 & 2
- Franktown Business Area Metro District
- Franktown Citizens Coalition II Inc
- Franktown FD
- Pinery Water and Wastewater District
- RTD – Planning & Development Dept
- Rural Water Authority of Douglas County
- Town of Castle Rock

- Two Bridges Metro District
- Villages at Castle Rock Metro District 6
- Xcel Energy-Right of Way & Permits

Douglas County staff requested technical revisions to the service plan. These revisions include formatting and language changes. The applicant submitted a revised service plan to address those comments.

Douglas County Engineering Services (Engineering) reviewed the proposed service plan and requested that clarifying language be added so that storm sewer and street improvements would all be subject to the approval of Douglas County. The applicant updated the language, and Engineering had no additional comments.

Bannockburn HOA reviewed the proposed plan and commented that all lots should be five acres to coincide with current Franktown area zoning standards. Bannockburn also had concerns regarding traffic, road uses and of the use of wells in the Upper Dawson aquifer. These comments have been provided to the applicants.

Franktown Citizens Coalition II Inc. (FCC II) reviewed the proposed plan and shared concerns with the impact of a metropolitan district on the Franktown Rural Community based on the power of eminent domain and conflicting needs of the community. A representative of FCC II has met with the service plan applicants. All comments from the FCC II have been provided to the applicants.

The service plan application was also sent to the following County consultants for review:

- Hilltop Securities, Inc (financial plan review)
- BBC Research & Consulting (market study review)

Hilltop Securities, Inc (Hilltop) reviewed the proposed service plan and concluded that, given the assumptions in the Financial Plan, it is reasonable that the District will be capable of extinguishing all bonds within the parameters established in the service plan.

BBC Researching & Consulting (BBC) reviewed the submitted market study and commented that the absorption analysis in the study makes unsupported assumptions on the estimated market demand for higher priced houses and questioned whether these projections would be realized. BBC commented that if the absorption rate followed the historical patterns, it would likely result in a delay in home sales which could impair the district's ability to generate the revenues necessary to service its debt on schedule. These comments have been shared with applicants.

Public comment was submitted by residents of the proposed District. Staff received numerous letters in opposition to the District. These letters are included in the attachments.

VI. STAFF ANALYSIS

The CMP promotes the sustainability of special districts in Goal 5-3. Essentially, it looks for special districts to be financially sound and managed in the best interest of County residents.

The PC is required to evaluate information pertaining to existing zoning, development growth rates, and projections for required services necessary to demonstrate a need for the District. These, and other issues requiring analysis as identified by the Control Act, are examined in the analysis of the approval criteria.

- 1. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed special district.**

Staff Comment: The area encompassed by the District boundaries is currently zoned Rural Residential and there is a projected need for the District.

- 2. The existing service in the area to be served by the proposed special district is inadequate for present and projected needs.**

Staff Comment: The existing public service infrastructure within the proposed District's boundary area are lacking; therefore, existing services are inadequate for the projected needs of the service area.

- 3. Adequate service is not, or will not be, available to the area through the County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.**

Staff Comment: In addition to the County, the other municipal and special district entity providing services within the District's boundary area is Franktown Fire Protection District. These entities are not able, or are unwilling, to provide all the services desired within a reasonable time or on a comparable basis.

- 4. The facility and service standards of the proposed special district are compatible with the facility and service standards of each county within which the proposed special district is to be located and each municipality which is an interested party under section 31-1-204(1), C.R.S.**

Staff Comment: All facilities will be constructed in accordance with the standards of the County and any other applicable local, state, or Federal rules and regulations.

- 5. The proposal is in substantial compliance with a master plan adopted pursuant to section 30-28-106, C.R.S.**

Staff Comment: The service area of the District falls within the Franktown Rural Community of the CMP. The density of the proposed District is consistent with a density of 1 dwelling unit per 5 acres identified within the CMP, based on the standards of the Preliminary Plan approved in 2019. The CMP also outlines goals for the Franktown Rural Community that support maintaining Franktown’s historically rural character and preserving existing vegetation. The proposed development, which will be served by the proposed District, supports these concepts by setting aside 50% open space to preserve existing vegetation and natural features on the site.

Goal 5-3 of the 2040 Comprehensive Master Plan promotes the sustainability of special districts, including ensuring that special districts are financially sound through the independent evaluation of all financing plans. The County works closely with a third-party consultant to evaluate the financial feasibility of all new special districts and special district amendments.

- 6. The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area.**

Staff Comment: Based on information provided by the applicant, the District is in compliance with Colorado’s Water Quality Management Plan.

- 7. The creation of the proposed special district will be in the best interests of the area proposed to be served.**

Staff Comment: Based upon the level of services proposed for the area, and lack of service provision from existing service providers in the area, the District appears to be in the best interest of the area proposed to be served.

VII. STAFF ASSESSMENT

Should the Planning Commission find that the application meets the criteria found at C.R.S. § 32-1-203(2) & (2.5), the new service plan may be approved.

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Comprehensive Master Plan Land Use Reference Map

Comprehensive Master Plan Areas

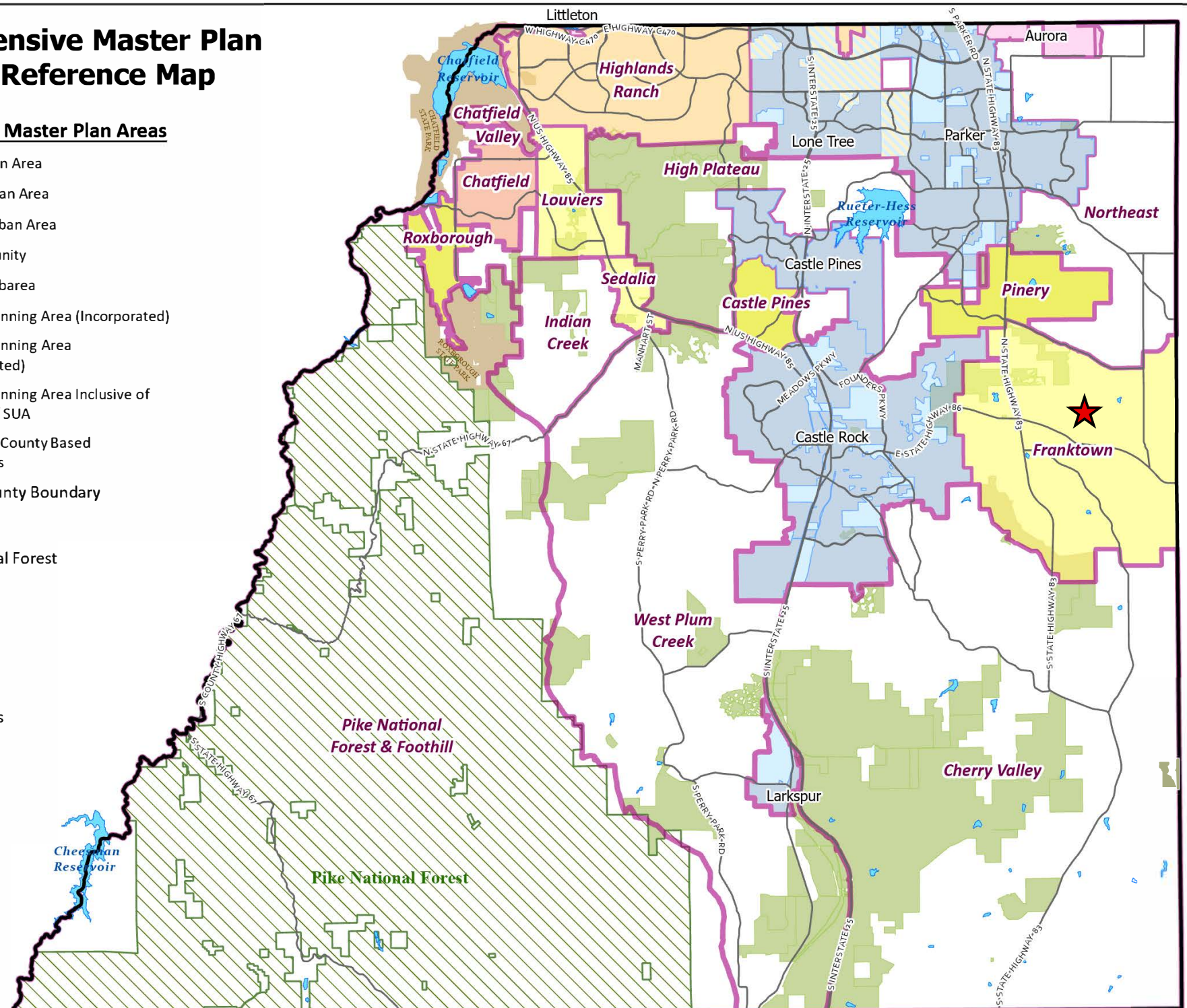
- Primary Urban Area
- Chatfield Urban Area
- Separated Urban Area
- Rural Community
- Nonurban Subarea
- Municipal Planning Area (Incorporated)
- Municipal Planning Area (Unincorporated)
- Municipal Planning Area Inclusive of County PUA / SUA
- Non-Douglas County Based Municipalities
- Douglas County Boundary

Parks

- Pike National Forest
- State Parks
- Open Space
- Lakes

Roadways

- Major Roads

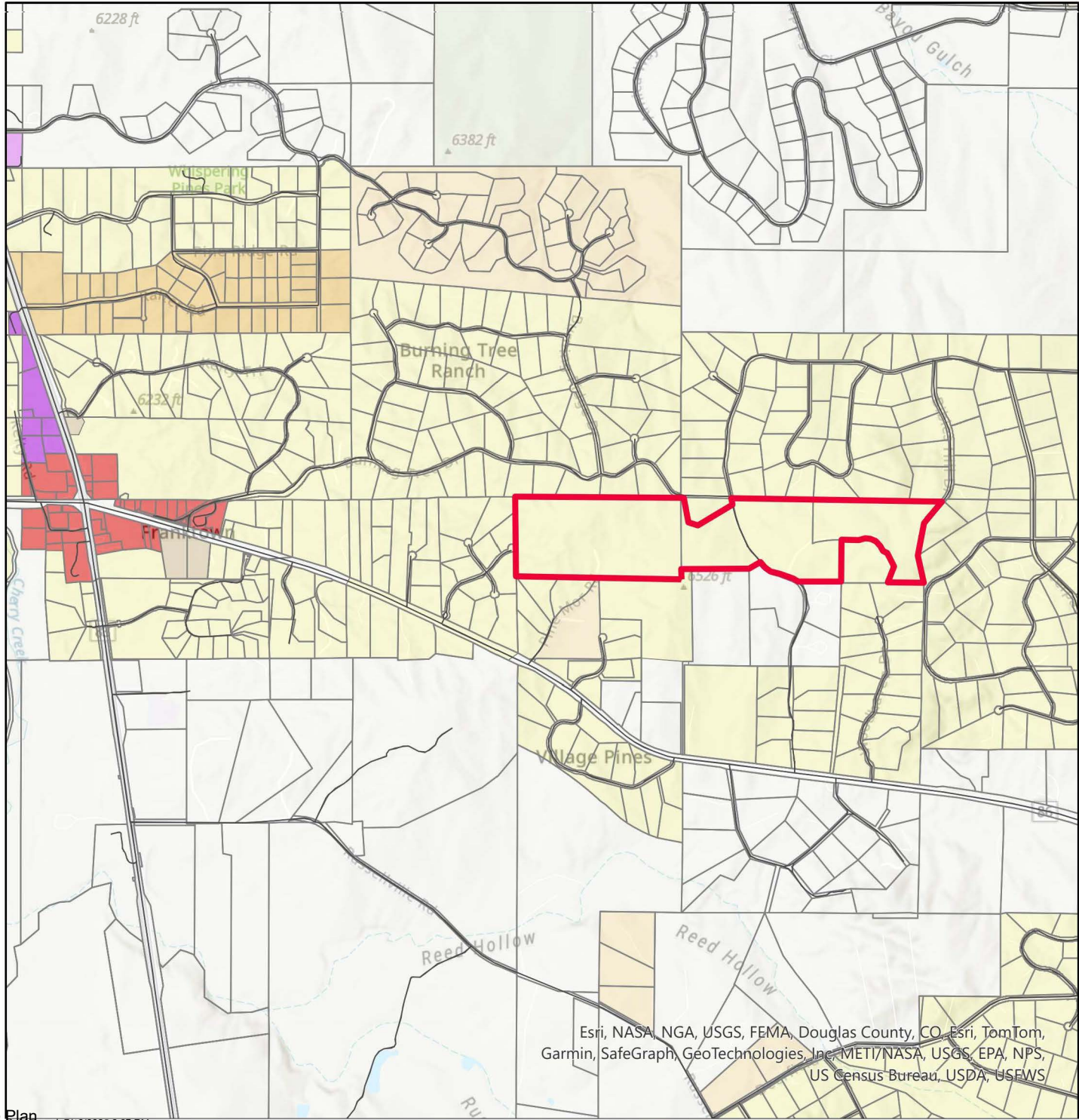


SUNDOWN OAKS
METROPOLITAN
DISTRICT

SV2025-005
ZONING MAP



- LEGEND
- Roads
 - Major Roads
 - Parcels - PARCELS
 - A1 - AGRICULTURAL ONE
 - LRR - LARGE RURAL RESIDENTIAL
 - RR - RURAL RESIDENTIAL
 - ER - ESTATE RESIDENTIAL
 - C - COMMERCIAL
 - LI - LIGHT INDUSTRIAL
 - GI - GENERAL INDUSTRIAL
 - PD - PLANNED DEVELOPMENT



Esri, NASA, NGA, USGS, FEMA, Douglas County, CO, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, USEWS



DOUGLAS COUNTY
Department of Community Development
Planning Services
100 Third Street, Castle Rock, CO 80104
(303.660.7460)
www.douglas.co.us

SPECIAL DISTRICT SERVICE PLAN APPLICATION

PLEASE FILL OUT THIS APPLICATION FORM COMPLETELY

DISTRICT NAME: Sundown Oaks Metropolitan District

LOCATION: Intersection of Burning Tree Dr. and E. Tanglewood Rd.

LEGAL DESCRIPTION: (attach))

PLANNED DEVELOPMENT
SUBDIVISION NAME(S): Sundown Oaks

FILING#: _____

SECTION#: 1 6

TOWNSHIP: 8 South 8 South

RANGE: 66 West 65 West

PROPERTY TAX PARCEL #(s): _____ PRESENT ZONING: Res./Vacant

2507-010-00-001 GROSS ACREAGE: 173

2509-060-00-040

2509-062-00-002

2509-061-00-001

APPLICANT (Petitioner not Consultant)

NAME: Northstar Custom Homes

ADDRESS: 10226 Dransfeldt Road

Parker, CO 80134

PHONE: (303) 708-9100

FAX: _____

AUTHORIZED REPRESENTATIVE

NAME: Steve Gage

ADDRESS: 10226 Dransfeldt Road

Parker, CO 80134

PHONE: (303) 708-9100

FAX: _____

LEGAL CONSULTANT

NAME: Spencer Fane LLP; Nicole Peykov

ADDRESS: 1700 Lincoln Street, Suite 2000

Denver, CO 80203

PHONE: 303-839-3715

FAX: 303-839-3838

PLANNING OFFICE USE ONLY

☐ NEW DISTRICT/PRESUBMITTAL

☐ MAJOR MODIFICATION

☒ NEW DISTRICT

☐ CONSOLIDATION

DATE COMPLETE APPLICATION SUBMITTED

COMPLETE
This service plan has been reviewed by the Douglas County Community Development Department and is considered complete for purposes of submittal to the County Clerk as a formal application for staff review and subsequent public hearings. This completeness finding is not an endorsement or approval of the service plan or special district.

PLANNER SIGNATURE

DATE

FEE (if required) \$500.00

PROJECT NO. SV2025-005

FINANCIAL CONSULTANT

NAME: RBC Capital Markets, LLC Attn. Michael Persichitte

ADDRESS: 1801 California Street, Suite 3850; Denver, CO 80202

PHONE: 303-595-1292

FAX: _____

ENGINEERING CONSULTANT

NAME: Canyon Creek Engineering, Phil Geising

ADDRESS: PO Box 3072, Parker, CO 80134

PHONE: (303) 870-0953

FAX: _____

PROPERTY OWNER (Provide separate list if more than one owner)

NAME: Sundown Subdivision, LLC; Oak Bluff Subdivision LLC

ADDRESS: 609 W. Littleton Blvd., Suite 206

Littleton, CO 80120

PHONE: _____

FAX: _____

To the best of my knowledge, the information contained on this application is true and accurate.

APPLICANT SIGNATURE

6/2/2025

DATE

SERVICE PLAN
FOR
SUNDOWN OAKS METROPOLITAN DISTRICT
DOUGLAS COUNTY, COLORADO

Prepared

by

Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203

FORMAL SUBMITTAL: July 2, 2025

APPROVAL DATE: _____, 2025

APPROVAL SUMMARY

This Service Plan for the Sundown Oaks Metropolitan District was approved by the Douglas County Board of County Commissioners on (date). Resolution No. _____, approving this Service Plan, has been recorded at Reception No. _____ on (date). The organizational and TABOR elections took place on (date). The court decree organizing the District was recorded with the Douglas County Clerk and Recorder on (date) at Reception No. _____.

Service Plan for Sundown Oaks Metropolitan District

ORGANIZERS AND CONSULTANTS

This Service Plan has been prepared by the Organizers and the following participating consultants:

<u>Organizer</u> NorthStar Custom Homes, Inc. Attn: Steven Gage 1128 Neptunite Place Castle Rock, CO 80108 Phone: 303-725-1466 Email: stevengage71@gmail.com	<u>District Counsel</u> Spencer Fane LLP Attn: Nicole Peykov 1700 Lincoln Street, Suite 2000 Denver, CO 80203 Phone: 303-839-3800 Email: npeykov@spencerfane.com
<u>Financial Advisor</u> RBC Capital Markets, LLC Attn: Michael Persichitte 1801 California Street, Suite 3850 Denver, Colorado 80202 Phone: (303) 595-1292 E-mail: michael.persichitte@rbccm.com	<u>Engineer</u> Canyon Creek Engineering Attn: Phil Giesing, P.E. P.O. Box 3072 Parker, CO 80134 Phone: 303-805-1803 Email: phil@canyoncreekengineering.com

Service Plan for Sundown Oaks Metropolitan District

EXECUTIVE SUMMARY

This service plan is for the Sundown Oaks Metropolitan District (the “District”), which will serve the public improvement needs of Sundown Oaks. The District is generally located near the intersection of Burning Tree and East Tanglewood Road and contains approximately 173 acres. The District will include 37 residential units and 0 square feet of commercial space.

The District will have a single district structure. This structure will allow the District to control both financing and services.

The District shall be authorized to provide the following services: fire protection, mosquito control, parks and recreation, safety protection, sanitation, solid waste disposal facilities or collection and transportation of solid waste, street improvement, television relay and translation, and water and other services described in C.R.S. §§ 32-1-1001 and 1004, as amended, and subject to the limitations in this Service Plan.

The total authorized debt limit for the District shall be Ten Million Dollars (\$10,000,000.00). The District anticipates the issuance of an initial series of bonds in the amount of Three Million Six Hundred and Twenty-Five Thousand Dollars (\$3,625,000) in 2027. The initial debt service mill levy will be 50.000 mills, with a Maximum Debt Service Mill Levy of 50.000 mills. The initial operations and maintenance mill levy will be 10.000 mills, with a Maximum Operations and Maintenance Mill Levy of 20.000 mills. The combined initial mill levy for the District will be 60.000 mills, with a maximum combined mill levy of 70.000 mills.

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EXHIBITS

Exhibit A	Vicinity Map
Exhibit B	Legal Description
Exhibit C	District Boundary Map
Exhibit D	Cost of Improvements
Exhibit E	Map of Improvements
Exhibit F	Financial Plan
Exhibit G	Resolution of Approval
Exhibit H	Compliance with Section 18A, Water Supply – Overlay District
Exhibit I	Compliance with Colorado’s Water Quality Management Plan
Exhibit J	Advance and Reimbursement Agreement
Exhibit K	Intergovernmental Agreements
Exhibit L	Annual Report Requirements
Exhibit M	District Court Decree

I. INTRODUCTION

This service plan (the “Service Plan”) for the Sundown Oaks Metropolitan District (the “District”) is for a special district organized under Title 32 of the Colorado Revised Statutes to serve the public improvement needs of Sundown Oaks Development (the “Project”). The District is generally located near the intersection of Burning Tree Drive and East Tanglewood Road (see **Exhibit A**, Vicinity Map) and contains approximately 173 acres (see **Exhibits B & C**, Legal Description and District Boundary Map).

Pursuant to the requirements of the Special District Control Act, C.R.S. §32-1-201, *et seq.*, as amended, and the Special District Service Plan Review Procedures for Douglas County (the “County”), the following items are included in this Service Plan:

1. A description of the powers granted to and services to be provided by the District;
2. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the District are compatible with facility and service standards of the County and of any municipalities and special districts which are interested parties;
3. A general written description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial indebtedness and estimated maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the District;
4. A summary of general conditions regarding oversight of the District by the County;
5. A legal description and map of the District’s boundaries and an estimate of the population and valuation for assessment of the District;
6. A summary of estimated costs for improvements to be financed and constructed by the District;
7. A preliminary engineering and architectural survey showing how the improvements and services are to be provided;
8. A financial plan showing how District improvements and services are to be financed, including the operating revenue for the first budget year of the District;
9. The resolution of approval adopted by the Board of County Commissioners;
10. Information demonstrating compliance with Section 18A, Water Supply – Overlay District, of the Douglas County Zoning Resolution, as amended, and compliance with Colorado’s Water Quality Management Plan;
11. A description of any advance and reimbursement agreements;
12. A description of any arrangement or agreement with any political subdivision for the performance of any services between the District and such other political subdivision; and
13. The recorded court decree organizing the District.

Exhibits A through M, attached hereto, are hereby incorporated into the Service Plan.

II. PURPOSE OF THE DISTRICT

The purpose of the District is to provide public improvements and services for the benefit of all anticipated inhabitants and taxpayers of the District, either within or without its boundaries. The District also serves to finance and oversee the construction of these public improvements and to provide for ongoing operations and maintenance services.

III. DISTRICT FRAMEWORK

The District will be organized under a single district structure and will be responsible for all aspects of financing and services authorized under this Service Plan.

IV. NEED FOR DISTRICT

There are currently no other governmental entities, including the County, located in the immediate vicinity of the District that consider it desirable, feasible, or practicable to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, and ongoing operations of the public improvements needed for the Project. Formation of the District is therefore necessary in order for the public improvements and services required for the Project to be provided in the most economical manner possible.

V. LOCATION AND BOUNDARIES

The District is located near the intersection of Burning Tree Drive and East Tanglewood Road in Douglas County. A vicinity map is attached hereto as **Exhibit A**. The area of the initial District's boundary encompasses approximately 173 acres. A legal description of the District's boundaries is attached hereto as **Exhibit B**. A map of the initial District's boundaries is attached hereto as **Exhibit C**.

It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to C.R.S. §§ 32-1-401, *et seq.*, and C.R.S. §§ 32-1-501, *et seq.*, as amended. Prior to any inclusions or exclusions, the District shall provide forty-five (45) days published notice and written notice to the Board of County Commissioners pursuant to C.R.S. § 32-1-207(3)(b). If, within such forty-five (45) day period, the Board of County Commissioners objects to the inclusion or exclusion, then the inclusion or exclusion shall be prohibited and constitute a material modification of this Service Plan requiring an amendment, pursuant to Section XIII of the Service Plan and C.R.S. § 32-1-207(2).

VI. ASSESSED VALUATION/PROJECTIONS/LAND USE/POPULATION

The property within the District is zoned vacant or Rural Residential. The current assessed value of property within the initial boundaries of the District is 0.00 as of the date of this Service Plan. The estimated assessed value at full build-out is Six Million Two Hundred and Five Thousand Six Hundred Fifty Three Dollars (\$6,205,653) and is expected

to be sufficient to reasonably discharge the debt under the Financial Plan. Initially, the District will include 37 residential units and 0 square feet of commercial space. Based upon an estimated three (3) persons per residence, the population of the District at build-out will be One Hundred Eleven (111) residents.

Approval of this Service Plan by the County does not constitute nor imply approval of the development of a specific area within the District, nor does it constitute or imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached hereto, unless such land use plans have been approved by the Board of County Commissioners as part of a separate development review process.

VII. POWERS AND RESPONSIBILITIES

The District shall have the power and authority to provide the public improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is permitted by this Service Plan and described in the Special District Act, C.R.S. Title 32, and other applicable statutes, common law, and the Colorado Constitution, subject to the limitations set forth herein.

A. General Powers

The District shall have the authority to construct, operate, and maintain the services and facilities as described in Section VIII.A of this Service Plan.

B. Miscellaneous Powers

In addition to the powers enumerated above, the District's Board shall have the power and authority:

1. To amend this Service Plan as provided for in Section XV, Modification of Service Plan;

2. To forego, reschedule, or restructure the financing and construction of certain improvements and facilities in order to better accommodate the pace of growth, resource availability, and potential inclusions and exclusions of property within the District, with prior notice to the County in accordance with C.R.S. § 32-1-202(2)(b), as amended; and

3. To have and exercise all rights and powers necessary or incidental to, or implied from, the specific powers granted to the District in this Service Plan.

4. To have and exercise the power of eminent domain, but only as necessary to construct, install, access, relocate or redevelop the public improvements identified in this Service Plan in the locations shown in Exhibit E. Any other use of eminent domain shall require the District to provide forty-five (45) days published notice and written notice to the Board of County Commissioners pursuant to C.R.S. § 32-1-207(3)(b). If, within such

forty-five (45) day period, the Board of County Commissioners objects to the use of eminent domain, then it shall be prohibited and constitute a material modification of this Service Plan requiring an amendment, pursuant to Section XIII of the Service Plan and C.R.S. § 32-1-207(2).

VIII. DISTRICT SERVICES, FACILITIES, AND IMPROVEMENTS

A. Services and Facilities

The District shall have the authority pursuant to C.R.S. §§ 32-1-1001 and 32-1-1004, as amended, to provide the following services and public improvements described in this section.

1. Water

It is anticipated that each individual home within the Project will receive water service from its own groundwater well. The District, while not providing water services, shall have the power and authority to finance, design, construct, and install, potable water and irrigation water facilities and systems, including, but not limited to, water rights, water supply, treatment, storage, transmission, and distribution systems for domestic, irrigation, fire control, and other public purposes, together with all necessary and proper reservoirs, treatment facilities, wells, equipment, and appurtenances incident thereto, which may include, but shall not be limited to, transmission lines, pipes, distribution mains and laterals, storage facilities, and ditches, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto. The District shall have the power and authority to contract with other private or governmental entities to provide any or all of the services the District is authorized or empowered to provide.

2. Storm Sewer

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for flood and surface drainage improvements, including, but not limited to, culverts, dams, retaining walls, access way inlets, detention and retention ponds, paving, roadside swales, curbs and gutters, disposal works and facilities, water quality facilities, and all necessary and proper equipment, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto, all subject to the approval of Douglas County pursuant to Douglas County rules and regulations.

Stormwater improvements subject to Colorado Discharge Permit System Regulations, if applicable, shall be owned and maintained by the District or such other governmental entity that may accept dedication. Dedication to another governmental entity of stormwater improvements subject to such regulations shall be subject to approval by the County. In no event will the District dedicate such detention ponds or facilities to a private

homeowner's association, or other property owner's association, for operations or maintenance.

3. Sanitation and Wastewater Treatment

It is anticipated that each individual home within the Project will utilize its own on-site wastewater treatment system. Nonetheless, the District shall have the power and authority to finance, design, construct, acquire, install, assess tap or other facility fees, related to wastewater facilities and appurtenant facilities, land and easements, together with extensions and improvements thereto.

4. Street Improvements

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for arterial and collector streets and roadway improvements including, but not limited to, bridges, curbs, gutters, culverts, storm sewers and drainage facilities, detention and retention ponds, retaining walls and appurtenances, sidewalks, paving, lighting, grading, landscaping, streetscaping, placement of underground utilities, snow removal, tunnels, and other street improvements, and architectural enhancements to any or all of the above, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto, all subject to the approval of Douglas County pursuant to Douglas County rules and regulations.

5. Traffic Safety Protection

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for safety protection through traffic control devices and safety controls on streets, as well as such other facilities and improvements as are necessary or prudent, including, but not limited to, signalization at intersections, traffic signs, area identification signs, directional assistance and driver information signs, with all necessary and incidental and appurtenant facilities, and land and easements, together with extensions and improvements thereto. All traffic and safety control devices will be consistent with and in compliance with County rules and regulations.

6. Parks and Recreation

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for public park and public recreation centers and other recreation facilities, services, or programs including, but not limited to, grading, soil preparation, sprinkler systems, fencing, pavilions, playgrounds, playing fields, open space, bike trails, pedestrian trails, pedestrian bridges, picnic areas, common area landscaping, streetscaping, storage buildings and facilities, weed control, paving, decorative paving, outdoor functional and decorative lighting, community events, and other services, programs and facilities, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

7. Television Relay and Translation

The District shall have the power and authority to finance, design, construct, install, acquire, operate, and maintain television relay and translator facilities, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

8. Mosquito Control

The District shall have the power and authority to finance, design, construct, acquire, install, operate, maintain, and provide for systems and methods for elimination and control of mosquitoes.

9. Fire Protection

The District shall have the power and authority to finance, design, construct, acquire, install, operate, and provide for fire cisterns.

10. Covenant Enforcement and Design Review

The District shall have the power and authority to provide covenant enforcement and design review services subject to the limitations set forth in C.R.S. § 32-1-1004(8), as amended.

11. Security

The District shall have the power and authority to provide security services within the boundaries of the District, subject to the limitations set forth in C.R.S. § 32-1-1004(7), as amended. In no way is this power and authority intended to limit or supplant the responsibility and authority of local law enforcement (i.e., the Douglas County Sheriff's Department) within the boundaries of the District.

B. Estimated Costs and Phasing of Improvements

An estimate of the costs of the public improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained, or financed was prepared based upon a preliminary engineering survey on the property and is approximately Nine Million Fifty-Seven Thousand Five Hundred and Fifty-One Dollars (\$9,057,551.00) as shown in **Exhibit D**. **Exhibit D** includes an engineer's opinion of costs in current dollars of each public improvement, together with an explanation of methods, basis, and/or assumptions used. 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 County's requirements, and construction scheduling may require. The District will continue to develop and refine cost estimates contained herein and prepare for issuance of debt. Any increase in public improvement

costs greater than twenty percent (20%), but less than forty percent (40%), of the stated amount in **Exhibit D**, exclusive of any contingency shown in **Exhibit D**, shall require an administrative review by County staff. Any increase in public improvement costs in excess of forty percent (40%) of the stated amount in **Exhibit D**, exclusive of any contingency shown in **Exhibit D**, will constitute a material modification of the Service Plan and will require review by the County and action by the Board of County Commissioners in accordance with Section XIII. All construction cost estimates assume construction to applicable local, State, or Federal requirements.

Maps showing the preliminary location of the public improvements that the District is authorized to acquire or construct are attached hereto as **Exhibit E**. Phasing of construction shall be determined by the District to meet the needs of taxpayers within its boundaries. The District shall own, maintain, and replace public improvements constructed, installed, or acquired by the District or shall dedicate such public improvements to such other entity as shall accept dedication, subject to any limitations specified in this Service Plan.

In all instances, the District shall ensure that the public improvements are designed and constructed in accordance with the standards and specifications of the County or other such entity that may have authority over such design and construction. The District shall obtain approval of civil engineering and other plans and any applicable permits for the construction and installation of public improvements from the County and/or other appropriate regulatory agencies.

C. Services to be Provided by Other Governmental Entities

The Project is located within and fire protection services will be provided by the Franktown Fire Protection District.

D. Compliance with Section 18A, Water Supply – Overlay District, of the Douglas County Zoning Resolution, as amended

It is anticipated that each individual home within the Project will receive a water supply from its own groundwater well and will utilize its own on-site wastewater treatment system. It is anticipated that the District will construct an underground cistern for fire control purposes. The District has met the requirements of Section 18A, Water Supply – Overlay District, of the Douglas County Zoning Resolution, as amended, as described in the Water Supply Plan in **Exhibit H**.

E. Compliance with Colorado's Clean Water Quality Management Plan

The Project will be served by individual septic sewer systems. Therefore, compliance with Colorado's Water Quality Management Plan is not applicable to this Project at this time.

IX. EXISTING AND PROPOSED AGREEMENTS

It is anticipated that the District may enter into an intergovernmental agreement with Franktown Fire Protection District.

X. FINANCIAL INFORMATION

A. General

This section describes the nature, basis, and method of funding and debt and mill levy limitations associated with the District's public improvements. A detailed Financial Plan and statement of assumptions is contained in **Exhibit F**.

B. Assumptions

The maximum debt limitation contained herein is based on the assumption that each of the 37 residential properties in the District will have an average value of approximately Two Million Two Hundred Thousand Dollars (\$2,200,000). The Financial Plan demonstrates that the District has the ability to finance the public improvements identified herein, will be capable of discharging the indebtedness on a reasonable basis, and will operate on a sound fiscal basis.

C. Identification of District Revenue

The District will impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt and for operations and maintenance. The District may also rely upon various other revenue sources authorized by law. At the District's discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided for in C.R.S. § 32-1-1001(1), as amended.

A Maximum Total Mill Levy of 70.000 mills is authorized to support debt service and operations and maintenance of the District. The District may request an amendment to the Service Plan, in accordance with Section XIII, to eliminate mill levy caps when the debt to assessed value ratio falls below fifty percent (50%).

If, on or after January 1, 2026, 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 and operating and maintenance expenses may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenue generated by the mill levy are neither diminished nor enhanced as a result of such changes ("Mill Levy Adjustment"). For purposes of the foregoing, a change in the ratio of actual valuation and any constitutional or legislative changes in the actual value against which the assessment rate is applied shall be deemed to be a change in the method of calculating assessed valuation.

D. Debt Service Mill Levy

A maximum mill levy of 50.000 mills is authorized to support the debt service of the District, subject to the limitation of the Maximum Total Mill Levy. An initial debt service mill levy of 50.000 mills will produce revenue sufficient to support debt service costs through the bond repayment period (see **Exhibit F**, Financial Plan).

E. Maximum Debt Service Mill Levy Imposition Term

The District shall not impose a debt service mill levy which exceeds forty (40) years after the year of the initial imposition of such debt service mill levy unless (1) a majority of the Board of Directors of the District imposing the mill levy are residents of such District, and (2) such Board of Directors has voted in favor of issuing Debt with a term which requires or contemplates the imposition of a debt service mill levy for a longer period of time than the limitation contained herein.

F. Operations and Maintenance Mill Levy

A maximum mill levy of 20.000 mills is authorized to support the operations and maintenance of District services and public improvements, subject to the limitation of the Maximum Total Mill Levy. An initial operations and maintenance mill levy of 10.000 mills will produce revenue sufficient to support the operations and maintenance of District services and public improvements (see **Exhibit F**, Financial Plan).

G. District Expenditures

The estimated cost of public improvements for the District is Nine Million Fifty-Seven Thousand Five Hundred and Fifty-seven Dollars (\$9,057,551.00). **Exhibit D** includes, in current dollars, the estimated cost of each public improvement, together with an explanation of the methods, basis, and/or assumptions used to establish such costs.

The District will require operating funds to plan and cause the public improvements contemplated herein to be constructed, operated, and maintained as permitted herein. Such costs are expected to include reimbursement of organizational costs, legal, engineering, accounting, bond issuance costs, and compliance with State budgeting, audit, and reporting, and other administrative and legal requirements. The organizational costs for the District for legal, engineering, surveying, and accounting services are estimated to be Seventy Five Thousand Dollars (\$75,000). The first year's operating budget is estimated to be Fifty Thousand Dollars (\$50,000).

H. Debt

1. Debt Limitation

The total debt limit for the District is Ten Million Dollars (\$10,000,000), inclusive of costs of issuance, inflation, and other similar costs. For purposes of this

Service Plan, debt shall be considered any outstanding bonds, notes, contracts, or other financial obligations of the District payable in whole or in part from *ad valorem* taxes or other revenues of the District for the purposes of financing, acquiring, constructing, or improving any of the public improvements contemplated herein. The debt limit shall not be increased unless approved by the County and as permitted by statute and the Colorado Constitution. Any change in debt limit shall be considered a material modification of the Service Plan, subject to the provisions of Section XIII of this Service Plan. The maximum term of any bond issue, including refunding and refinancing, shall be thirty (30) years from the original date of issuance.

2. Maximum Voted Interest Rate and Maximum Underwriting Discount

The interest rate on any debt is limited to the market rate at the time debt is issued. In the event of a default, the maximum voted interest rate on any debt shall not exceed twelve percent (12%). The maximum underwriting discount shall be five percent (5%). Debt, when issued, shall comply with all relevant requirements of this Service Plan, State law, and Federal law as is then applicable to the issuance of public securities.

XI. DEVELOPER ADVANCES AND REIMBURSEMENTS

The District anticipates receiving initial funding for both capital and ongoing administrative requirements from developer advances. Such advances may be made to the District subject to the District's obligation to reimburse the same, as may be evidenced by short-term reimbursement agreements or other acceptable agreements or resolutions. The interest rate on developer reimbursements shall not exceed the current Bond Buyer 20-Bond GO Index plus four percent (4%).

Such advances, which the Board is obligated to appropriate on an annual basis, shall count against the maximum allowable debt limit under this Service Plan and may be repaid by the District from bond proceeds or other legally available sources of revenue. Developer advances shall be subordinate to the District general obligation bonds and refinancing of the same shall not require County approval. Any amount of outstanding principal and accrued interest on such developer advances that remains unpaid as of the expiration of the Maximum Debt Service Mill Levy Imposition Term shall be deemed to be forever discharged and satisfied in full. The total developer advances are anticipated to be approximately Nine Million Dollars (\$9,000,000.00). Developer contributions, which will not be repaid by the District, are anticipated to be approximately Five Million Dollars (\$5,000,000.00).

XII. ANNUAL REPORT

The District shall be responsible for submitting an annual report to the County no later than August 1 of each year in accordance with the procedures set forth in C.R.S. § 32-1-207(3)(c) and (d), as amended. The annual report shall conform to the format attached hereto as **Exhibit L**, or in a format agreed to by the County.

XIII. MODIFICATION OF SERVICE PLAN

Pursuant to C.R.S. § 32-1-207, as amended, the District shall obtain prior written approval of the County before making any material modification to this Service Plan. Material modifications require a Service Plan amendment and include modifications of a basic or essential nature, including, but not limited to, the following: any addition to the types of services provided by the District; a decrease in the level of services; a decrease in the financial ability of the District to discharge the existing or proposed indebtedness; or a decrease in the existing or projected need for organized service in the area. Inclusion of property that is located in a county or municipality with no other territory within the District may constitute a material modification of the Service Plan.

In the event the District plans to undertake an action which may not be permitted by this Service Plan, it shall be the District's responsibility to contact County staff to seek an administrative determination as to whether the action in question is permitted by the Service Plan. If County staff determines that the action may constitute a material modification, the District shall submit a proposal for action to the Board of County Commissioners. Thereafter, the Board of County Commissioners will determine whether the proposed action constitutes a material modification. If the Board of County Commissioners determines that the proposed action constitutes a material modification, then the action shall be prohibited and constitute a material modification of this Service Plan requiring an amendment, pursuant to Section XIII of the Service Plan and C.R.S. § 32-1-207(2).

XIV. DISCLOSURE STATEMENT

The District shall provide notice to all purchasers of property in the District regarding the District's authority to levy and collect *ad valorem* taxes and to impose and collect rates, fees, tolls, and charges, by recording a disclosure statement against the property within the District with the Office of the Douglas County Clerk and Recorder. Such disclosure statement shall also provide information concerning the structure of the Board and summarize how purchasers may participate in the affairs of the Board. The disclosure statement shall be recorded within thirty (30) days following the recordation of the court decree organizing the District.

XV. DISSOLUTION

It shall be mandatory for the District to initiate dissolution proceedings when the District has neither any financial obligations nor operations and maintenance obligations. The District may file a petition in the district court for dissolution when there are no financial obligations or outstanding bonds, or any such financial obligations or outstanding bonds are adequately secured by escrow funds or securities meeting the investment requirements in C.R.S. §§ 24-75-601, *et seq.*, as amended. The District's dissolution shall be subject to approval of a plan of dissolution in the district court of the County, pursuant to C.R.S. § 32-1-704, as amended.

XVI. DEFINITIONS

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

Board: the board of directors of the District

Board of County Commissioners: the Board of County Commissioners of Douglas County, Colorado

Control Act: Part 2 of Title 32 (Special Districts) of the Colorado Revised Statutes (C.R.S.), which outlines review procedures for service plans for a special district

County: Douglas County, Colorado

Debt: any bond, note debenture, contract, or other multiple-year financial obligation of a District

Developer: the owner of the property proposing development of the project

District: the Sundown Oaks Metropolitan District

District Boundaries: the boundaries of the area described in the legal description attached hereto as **Exhibit B**

District Boundary Map: the map attached hereto as **Exhibit C**, showing the District's boundaries

Financial Plan: the Financial Plan described in Section X and attached as **Exhibit F**, which describes: (a) how the public improvements are to be financed; (b) how the debt is expected to be incurred; and (c) the estimated operating revenue derived from property taxes for the first budget year.

General Obligation Bond: bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy

Maximum Debt Service Mill Levy: the maximum mill levy the District is permitted to impose for payment of debt as set forth in Section X.D

Maximum Debt Service Mill Levy Imposition Term: the maximum number of years the District is authorized to have a debt service mill levy in place, as set forth in Section X.E. below

Maximum Operations and Maintenance Mill Levy: the maximum mill levy the District is permitted to impose for the payment of operating and maintenance expenses as set forth in Section X.E

Maximum Total Mill Levy: the maximum mill levy the District is permitted to impose for the payment of debt as set forth in Section X.D. and operating and maintenance expenses as set forth in Section X.E

Project: the development or property commonly referred to as Sundown Oaks

Public Improvements: the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped, and financed as generally described in the Special District Act to serve the future taxpayers and inhabitants of the District as determined by the Board of the District

Revenue Bond: bonds issued by the District to finance a specific project, the income from which will be used for repaying the bond

Service Plan: the service plan for the District approved by the Board of County Commissioners

Special District Act: C.R.S. § 32-1-101, *et seq.*, as amended

State: the State of Colorado

XVII. RESOLUTION OF APPROVAL

The District incorporates the Board of County Commissioner's resolution approving this Service Plan into this Service Plan to be presented to the district court attached hereto as **Exhibit G**.

XVIII. STATUTORY FINDINGS AND CONCLUSIONS

It is submitted that this Service Plan for the District, as required by C.R.S. § 32-1-203, as amended, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be served by the District;

The purpose of the District is to finance and construct certain public improvements and to provide other additional services necessary to support the Sundown Oaks development. The proposed improvements and services are not, and in good faith based upon information and belief, will not be available to the community through the County or other existing municipality or quasi-municipal corporation, including special districts, within a reasonable time and on a comparable basis.

2. The existing service in the area to be served by the District is inadequate for present and projected needs;

The proposed improvements and services are not, and in good faith based upon information and belief, will not be available to the community through the County or other existing municipality or quasi-municipal corporation, including special districts, within a reasonable time and on a comparable basis.

3. The District is capable of providing economical and sufficient service to the area within its boundaries;

The formation of the District will ensure that the public improvements and other services are sufficient and constructed within a reasonable period of time for the benefit of the property owners located in the community.

4. The area to be included in the District has, or will have, the financial ability to discharge the indebtedness on a reasonable basis.

The estimated costs of the improvements and facilities to be constructed, installed and/or acquired by the District are set forth in this Service Plan. The Financial Plan describes the anticipated issuance of debt and repayment based on the projected development within the District boundaries. The Financial Plan demonstrates the District's ability to finance the facilities identified in this Service Plan and capability of discharging the proposed indebtedness on a reasonable basis.

5. Adequate service is not, or will not be, available to the area through the County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

The proposed improvements and services are not, and in good faith based upon information and belief, will not be available to the area through the County or other existing municipality or quasi-municipal corporation, including 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 each county within which the District is to be located and each municipality which is an interested party under C.R.S. § 32-1-204(1), as amended;

As stated elsewhere in this Service Plan, all facilities and services proposed will be constructed in accordance with the standards and specifications of Douglas County, the State of Colorado, and any other appropriate jurisdictions.

7. The proposal is in substantial compliance with the Douglas County Comprehensive Master Plan, as amended, adopted pursuant to C.R.S. § 30-28-106, as amended;

The Developer has reviewed the County's Comprehensive Master Plan and is aware of the County's desire to reflect, acknowledge and balance the common values, rights, and needs of all County residents and landowners, and its desire to honor and protect the unique, diverse communities and resources within the County. It is the Developer's belief that the proposal is compatible with the community vision for the future and complies with the policies necessary to achieve sustainable growth within the County as expressed in the Comprehensive Master Plan.

8. The proposal is in compliance with Colorado's Water Quality Management Plan, as amended; and

Each individual home and homeowner within the Project will be responsible for its own on-site wastewater treatment system.

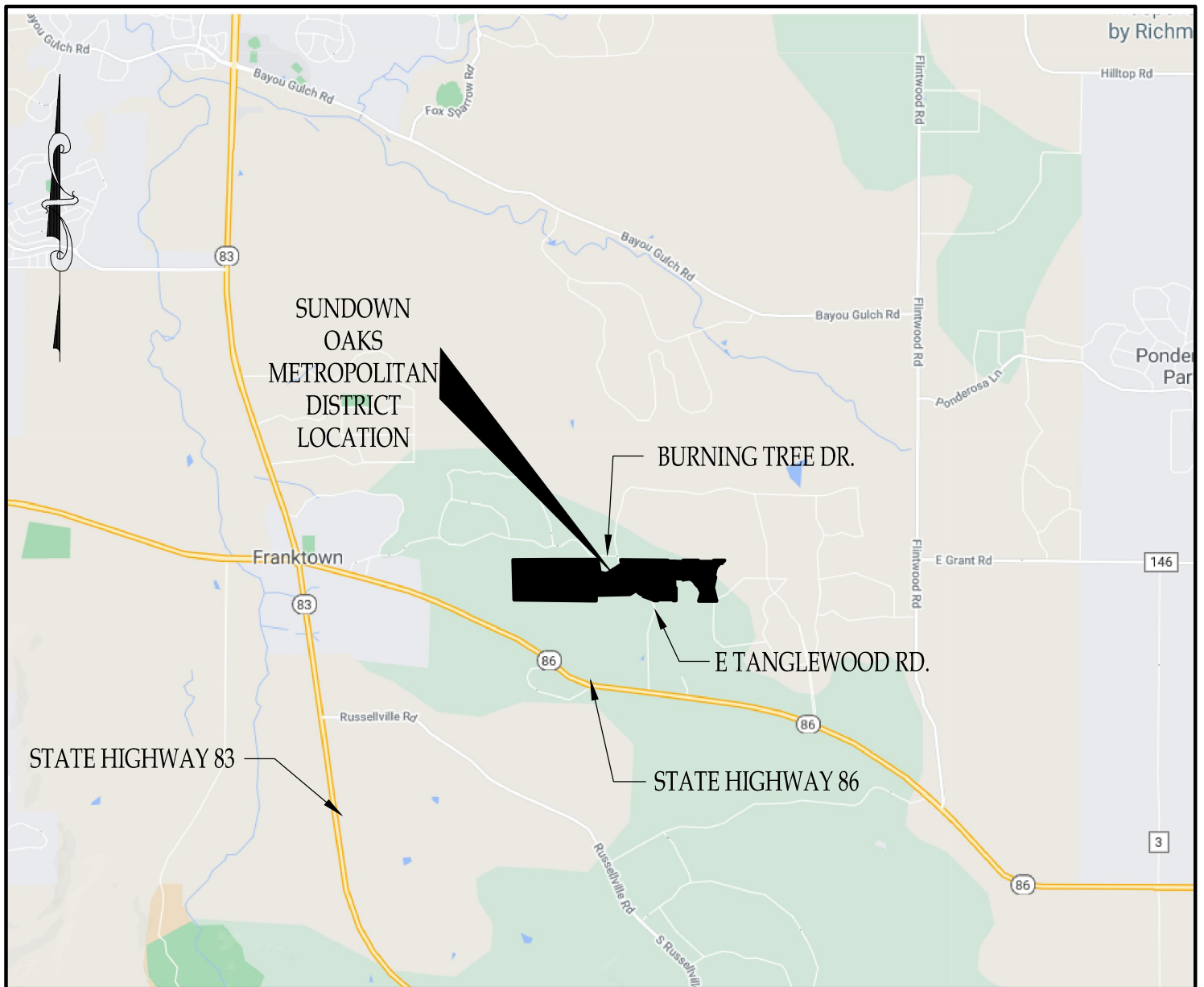
9. The creation of the District will be in the best interests of the area to be served.

As described throughout this Service Plan, the proposed improvements and services necessary to serve the Project are not, and in good faith based upon information and belief, will not be available to the area through the County or other existing municipality or quasi-municipal corporation, including special districts, within a reasonable time and on a comparable basis. The formation of the District will ensure that the public improvements and other services are sufficient and constructed within a reasonable period of time for the benefit of the property owners located in the community.

Exhibit A
Vicinity Map

Service Plan for Sundown Oaks Metropolitan District

SUNDOWN OAKS METROPOLITAN DISTRICT VICINITY MAP



SCALE: 1" = 5000'

SECTIONS-1&6 TOWNSHIP-8 S RANGES-65&66 W

Exhibit B
Legal Description

Service Plan for Sundown Oaks Metropolitan District



DAVID E. ARCHER & ASSOCIATES, INC.
PROFESSIONAL LAND SURVEYORS & ENGINEERS

105 Wilcox Street * Castle Rock, CO 80104
PHONE (303) 688-4642 * FAX (303) 688-4675 * karcher@davidearcher.com

Job No. 21-1638
August 16, 2021
Page 1 of 2 Pages

PROPERTY DESCRIPTION:

A tract of land situated in the Northeast $\frac{1}{4}$ of Section 1, Township 8 South, Range 66 West and in the North $\frac{1}{2}$ of Section 6, Township 8 South, Range 65 West of the 6th Principal Meridian, Douglas County, Colorado, more particularly described as follows: Beginning at the Northwest corner of the Northeast $\frac{1}{4}$ of Section 6 and considering the North line of said Northeast $\frac{1}{4}$ to bear S 89°29'42"E with all bearings contained herein relative thereto;

Thence S 89°29'42"E along said North line a distance of 1567.21 feet;

Thence S 42°22'33"W a distance of 350.63 feet;

Thence S 12°44'04"W a distance of 633.61 feet;

Thence S 13°28'32"E a distance of 450.11 feet;

Thence N 89°29'09"W a distance of 576.25 feet;

Thence N 18°19'51"E a distance of 278.59 feet;

Thence N 25°22'25"W a distance of 232.32 feet;

Thence Northwesterly along the arc of a curve to the right a distance of 140.13 feet, said curve has a radius of 199.00 feet, a central angle of 40°20'47" and a chord that bears N 47°22'57"W a distance of 137.25 feet to a point of tangent;

Thence N 27°12'34"W along said tangent a distance of 25.30 feet to a point of curve;

Thence Westerly along the arc of a curve to the left a distance of 290.99 feet, said curve has a radius of 230.00 feet and a central angle of 72°29'20" to a point of tangent;

Thence S 80°19'56"W along said tangent a distance of 119.06 feet to a point of curve;

Thence Westerly along the arc of a curve to the right a distance of 16.64 feet, said curve has a radius of 500.00 feet and a central angle of 01°54'26";

Thence N 88°53'53"W a distance of 230.46 feet to the East line of the Northwest $\frac{1}{4}$ of Section 6;

Thence S 01°06'41"W along said East line a distance of 674.50 feet;

Thence N 88°49'13"W a distance of 716.83 feet;

Thence Northwesterly along the arc of a curve to the left a distance of 75.70 feet, said curve has a radius of 311.60 feet, a central angle of 13°55'11" and a chord that bears N 62°10'55"W a distance of 75.52 feet to a point of curve;

Thence Northwesterly along the arc of a curve to the left a distance of 219.63 feet, said curve has a radius of 4169.13 feet and a central angle of 03°01'06" to a point of tangent;

Thence N 72°09'37"W along said tangent a distance of 112.92 feet to a point of curve;

PROPERTY DESCRIPTION (continued)

Thence Northwesterly along the arc of a curve to the right a distance of 257.09 feet, said curve has a radius of 369.42 feet and a central angle of 39°52'28";
Thence S 60°54'30"W a distance of 209.52 feet;
Thence S 89°32'31"W a distance of 1084.92 feet to the East line of the North ½ of the Northeast ¼ of Section 1;
Thence S 00°39'06"E a distance of 180.54 feet to the Southeast corner of said North ½ of the Northeast ¼;
Thence N 88°52'28"W a distance of 2654.27 feet to the Southwest corner of said North ½ of the Northeast ¼;
Thence N 00°57'30"W a distance of 1289.73 feet to the Northwest corner of said North ½ of the Northeast ¼;
Thence S 89°48'08"E a distance of 2660.19 feet to the Northeast corner of said North ½ of the Northeast ¼;
Thence S 88°55'53"E along the North line of the Northwest ¼ of Section 6 a distance of 76.85 feet;
Thence S 08°26'37"E a distance of 420.37 feet;
Thence S 76°59'00"E a distance of 190.66 feet;
Thence N 59°37'41"E a distance of 604.94 feet;
Thence N 13°01'08"W a distance of 142.81 feet to the North line of the Northwest ¼ of Section 6;
Thence S 88°55'53"E a distance of 1789.91 feet to the Point of Beginning.

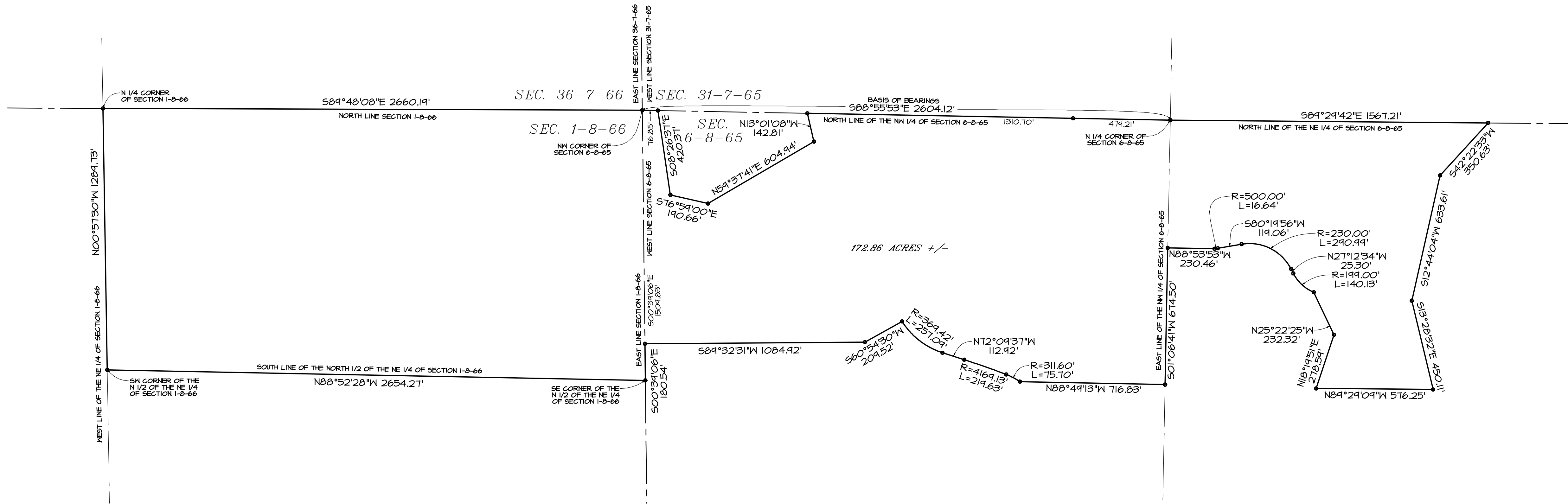
Containing a total of 172.86 acres, more or less.

This description was prepared under the direct supervision of Johnny Calvin Hicks, PLS36570 for and on behalf of David E. Archer and associates, Inc.

Exhibit C
District Boundary Map

Service Plan for Sundown Oaks Metropolitan District

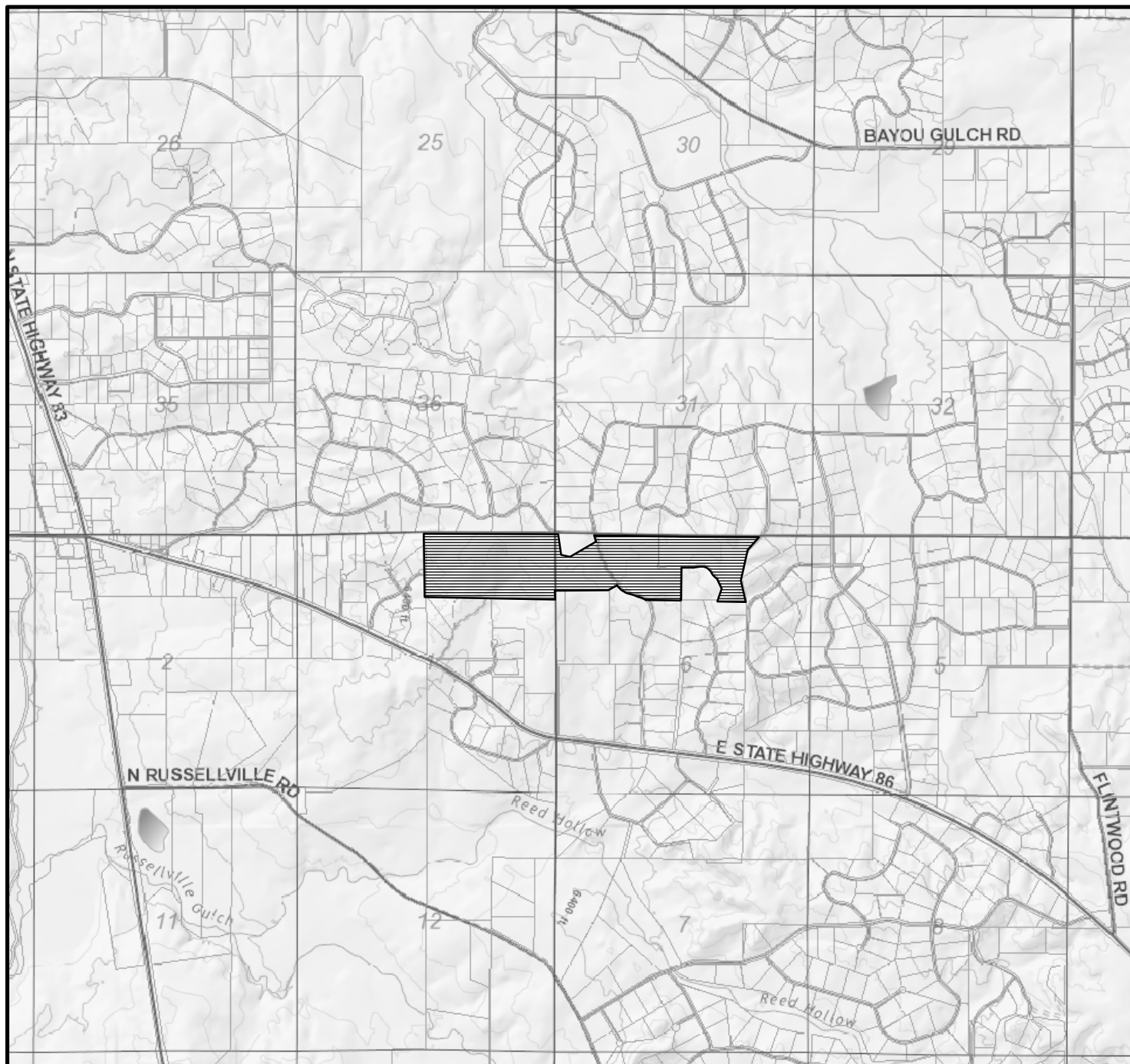
SUNDOWN OAKS METRO DISTRICT BOUNDARY
In Section 1, Township 8 South, Range 66 West, and
In Section 6, Township 8 South, Range 65 West,
6th P.M., Douglas County, Colorado



PROPERTY DESCRIPTION:

A tract of land situated in the Northeast 1/4 of Section 1, Township 8 South, Range 66 West and in the North 1/2 of Section 6, Township 8 South, Range 65 West of the 6th Principal Meridian, Douglas County, Colorado, more particularly described as follows: Beginning at the Northwest corner of the Northeast 1/4 of Section 6 and considering the North line of said Northeast 1/4 to bear S 89°29'42"E with all bearings contained herein relative thereto; Thence S 89°29'42"E along said North line a distance of 1567.21 feet; Thence S 42°22'33"W a distance of 350.63 feet; Thence S 12°44'04"W a distance of 633.61 feet; Thence S 13°28'32"E a distance of 450.11 feet; Thence N 89°29'09"W a distance of 576.25 feet; Thence N 18°19'51"E a distance of 278.59 feet; Thence N 25°22'25"W a distance of 232.32 feet; Thence Northwesterly along the arc of a curve to the right a distance of 140.13 feet, said curve has a radius of 199.00 feet, a central angle of 40°20'47" and a chord that bears N 47°22'57"W a distance of 137.25 feet to a point of tangent; Thence N 27°12'34"W along said tangent a distance of 25.30 feet to a point of curve; Thence Westerly along the arc of a curve to the left a distance of 290.99 feet, said curve has a radius of 230.00 feet and a central angle of 72°29'20" to a point of tangent; Thence S 80°19'56"W along said tangent a distance of 119.06 feet to a point of curve; Thence Westerly along the arc of a curve to the right a distance of 16.64 feet, said curve has a radius of 500.00 feet and a central angle of 01°54'26"; Thence N 88°53'53"W a distance of 230.46 feet to the East line of the Northwest 1/4 of Section 6; Thence S 01°06'41"W along said East line a distance of 674.50 feet; Thence N 88°49'13"W a distance of 716.83 feet; Thence Northwesterly along the arc of a curve to the left a distance of 75.70 feet, said curve has a radius of 311.60 feet, a central angle of 13°55'11" and a chord that bears N 62°10'55"W a distance of 75.52 feet to a point of curve; Thence Northwesterly along the arc of a curve to the left a distance of 219.63 feet, said curve has a radius of 4169.13 feet and a central angle of 03°01'06" to a point of tangent; Thence N 72°09'37"W along said tangent a distance of 112.92 feet to a point of curve; Thence Northwesterly along the arc of a curve to the right a distance of 257.09 feet, said curve has a radius of 369.42 feet and a central angle of 39°52'28"; Thence S 60°54'30"W a distance of 209.52 feet; Thence S 89°32'31"W a distance of 1084.92 feet to the East line of the North 1/2 of the Northeast 1/4 of Section 1; Thence S 00°39'06"E a distance of 180.54 feet to the Southeast corner of said North 1/2 of the Northeast 1/4; Thence N 88°52'28"W a distance of 2654.27 feet to the Southwest corner of said North 1/2 of the Northeast 1/4; Thence N 00°57'30"W a distance of 1289.73 feet to the Northwest corner of said North 1/2 of the Northeast 1/4; Thence S 89°48'08"E a distance of 2660.19 feet to the Northeast corner of said North 1/2 of the Northeast 1/4; Thence S 88°55'53"E along the North line of the Northwest 1/4 of Section 6 a distance of 76.85 feet; Thence S 08°26'37"E a distance of 420.37 feet; Thence S 76°59'00"E a distance of 190.66 feet; Thence N 59°37'41"E a distance of 604.94 feet; Thence N 13°01'08"W a distance of 142.81 feet to the North line of the Northwest 1/4 of Section 6; Thence S 88°55'53"E a distance of 1789.91 feet to the Point of Beginning.

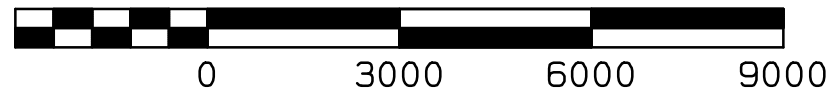
Containing a total of 172.86 acres, more or less. This description was prepared under the direct supervision of Johnny Calvin Hicks, PLS36570 for and on behalf of David E. Archer and associates, Inc.



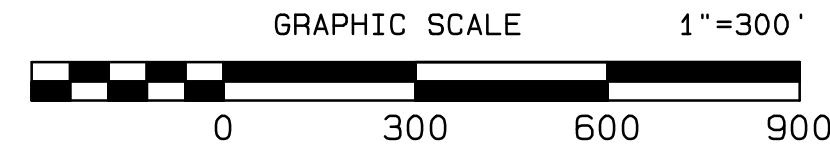
VICINITY MAP

GRAPHIC SCALE

1"=3000'



BASIS OF BEARINGS
Bearings are deduced and based on the consideration that the North line of the NW 1/4 of Section 6 bears N88°55'53"W as shown hereon between the identified monuments.



All measurements shown hereon are U.S. Survey Feet.
Conflicting boundary evidence is as shown.

REVISIONS

 DAVID E. ARCHER & ASSOCIATES, INC. LAND DEVELOPMENT CONSULTING SURVEYING & ENGINEERING PHONE (303) 688-4642 105 WILCOX ST. CASTLE ROCK, COLORADO 80104		SCALE 1"=300'	TITLE SUNDOWN OAKS METRO DISTRICT BOUNDARY
		DATE 08-16-2021	CLIENT Sundown Oaks Metro District
APPROVED: [Signature]		SHEET 1 of 1	JOB NUMBER 21-1638

Exhibit D
Cost of Improvements

Service Plan for Sundown Oaks Metropolitan District

Cost Estimate Sundown Oaks Metro District

West Side (Oak Bluffs)

East Side (Sundown)

Mobilization		30,000.00	21,000.00
Surveying/Engineering		105,000.00	85,000.00
Permits/Bonds		80,000.00	60,000.00
Supervision		180,000.00	160,000.00
Erosion Control		90,000.00	66,000.00
Demo		78,000.00	60,300.00
	Hardscapes at tie in to Tanglewood		
	Tree and Brush Mitigation		
	Wood and wire fencing		
Earthwork & Paving		570,000.00	438,500.00
	Cuts & Fills		
	Rough cut and gutter prep		
	Rough prep for paving		
	4' wide trail system		
	10' pond road D and H		
	Shape ponds A, D and H		
	Curb and Gutter	144,000.00	98,000.00
	Asphalt Paving install (6" AC over *" ABC)(includes scarify, moisture, base under curb)	555,000.00	373,000.00
Storm System		1,166,000.00	719,500.00
	36" RCP		
	24" RCP		
	24" FES (2)		
	18" RCP		
	18" FES (8)		
	5' Storm manhole (3)		
	15' Type R		

	5' Type R (2)		
	Type C		
	Forebay (3)		
	Trickle Channels		
	Outlet Structure (3)		
	Riprap installations		
Entry Gate Assembly		160,000.00	155,000.00
	Pillars, Cementm Stone, Wall		
	Gates and motors		
	Electrical Connections		
	Spillway Wall		
Landscaping		94,000.00	82,000.00
Hardscaping		26,000.00	21,000.00
Tree Mitigation for Fire		185,000.00	125,000.00
CDOT Left Turn Lane			
	Mobilization	12,000.00	12,000.00
	Erosion Control	27,000.00	27,000.00
	Earthwork & Paving	898,000.50	898,000.50
	Surveying		
	Potholing		
	Traffic Control		
	Demo Paving		
	Demo Trees		
	Cuts and Fills		
	Import Fill		
	Over X existing subgrade for new shoulder paving 2"		
	Shoulder Paving		
	Shoulder Topsoil		
	Road signs and delineator post remove and reinstall existing		
	Striping		

Temporary driveway protections

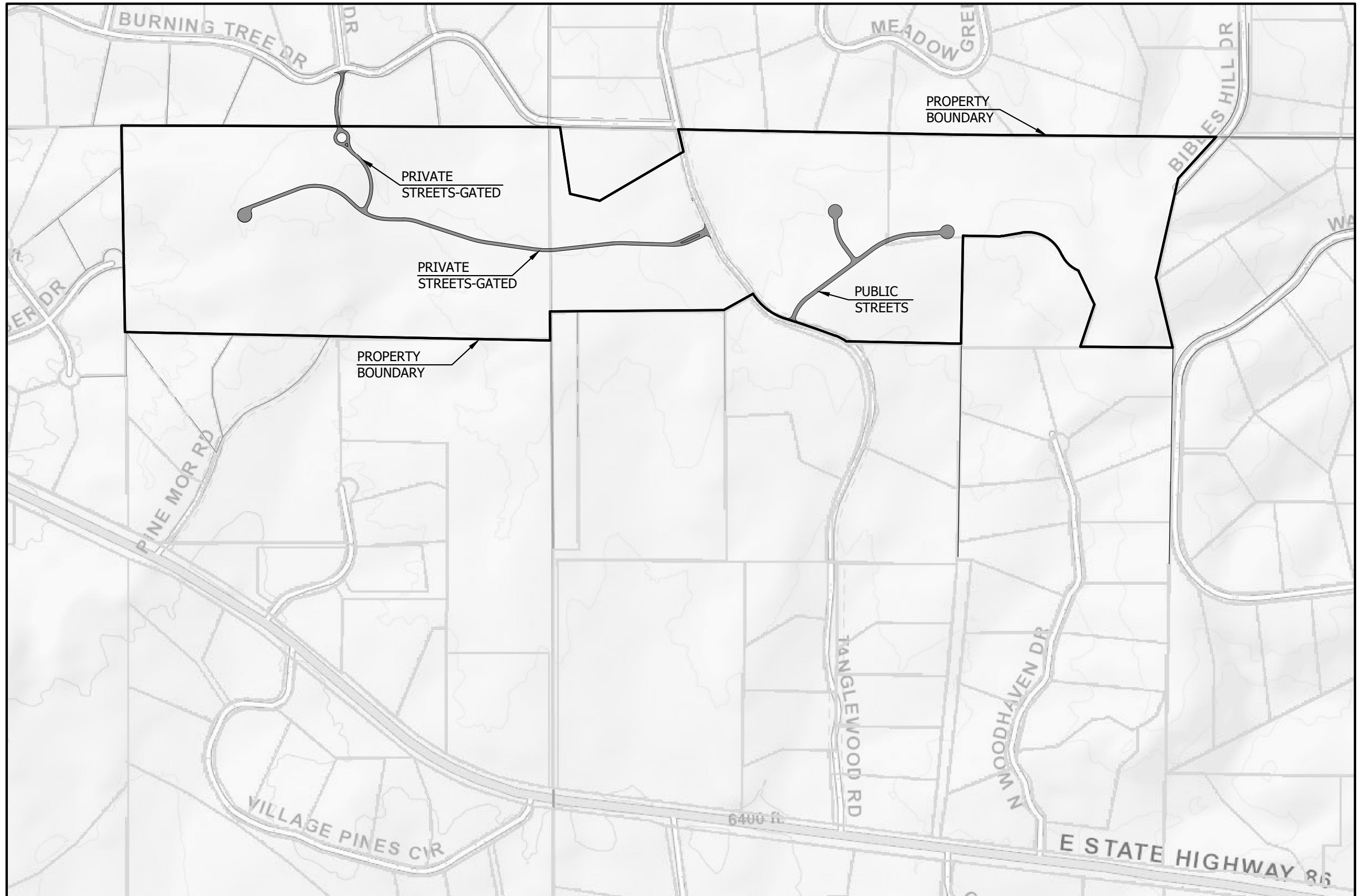
Contingency		722,250.00	534,000.00
SUBTOTAL EACH SUBDIVISION		5,122,250.50	3,935,300.50
TOTAL FOR 37 LOTS BOTH SUBDIVISIONS	9,057,551.00		

Exhibit E
Map of Improvements

Service Plan for Sundown Oaks Metropolitan District



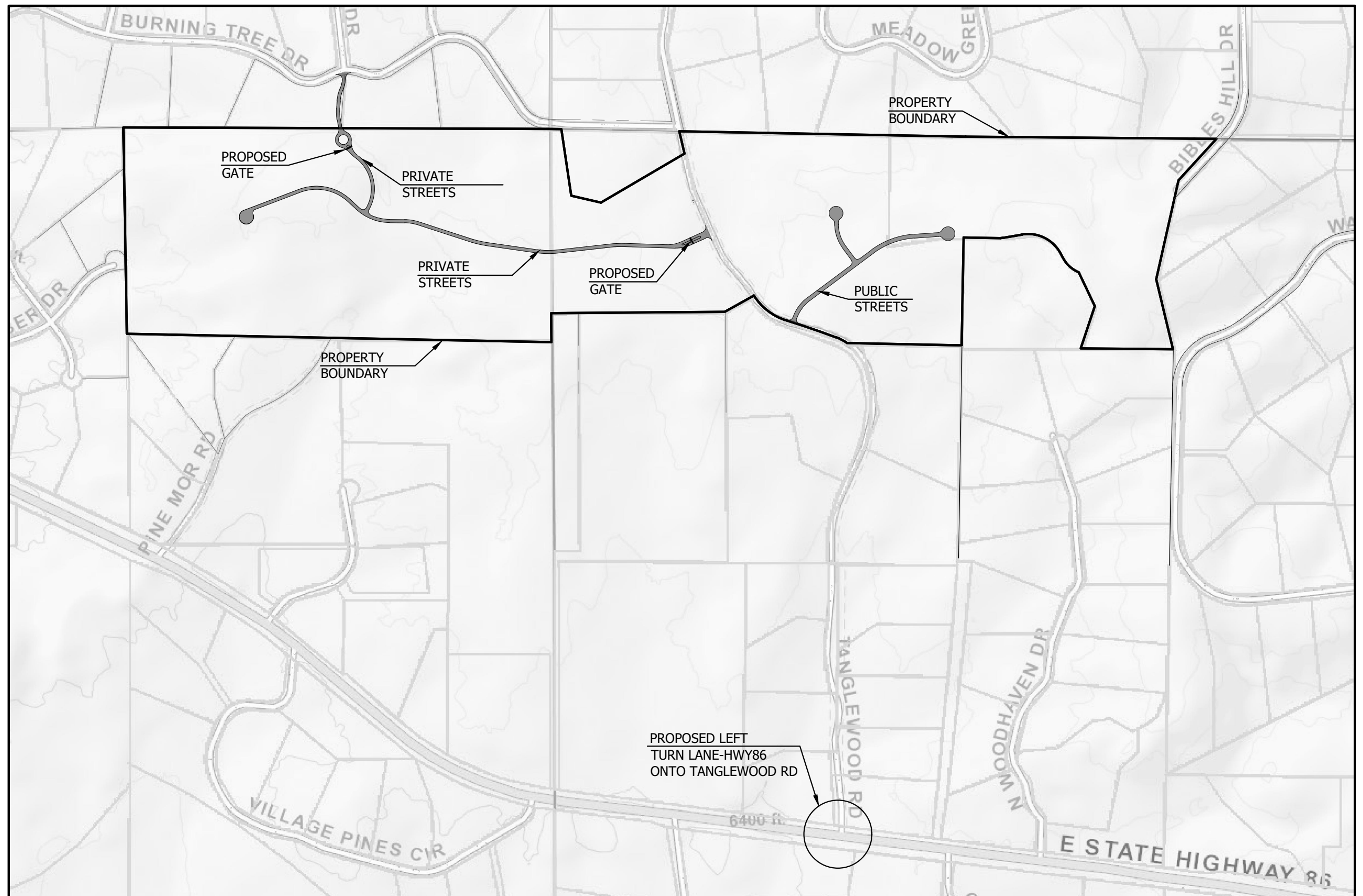
SCALE:
1" = 600'



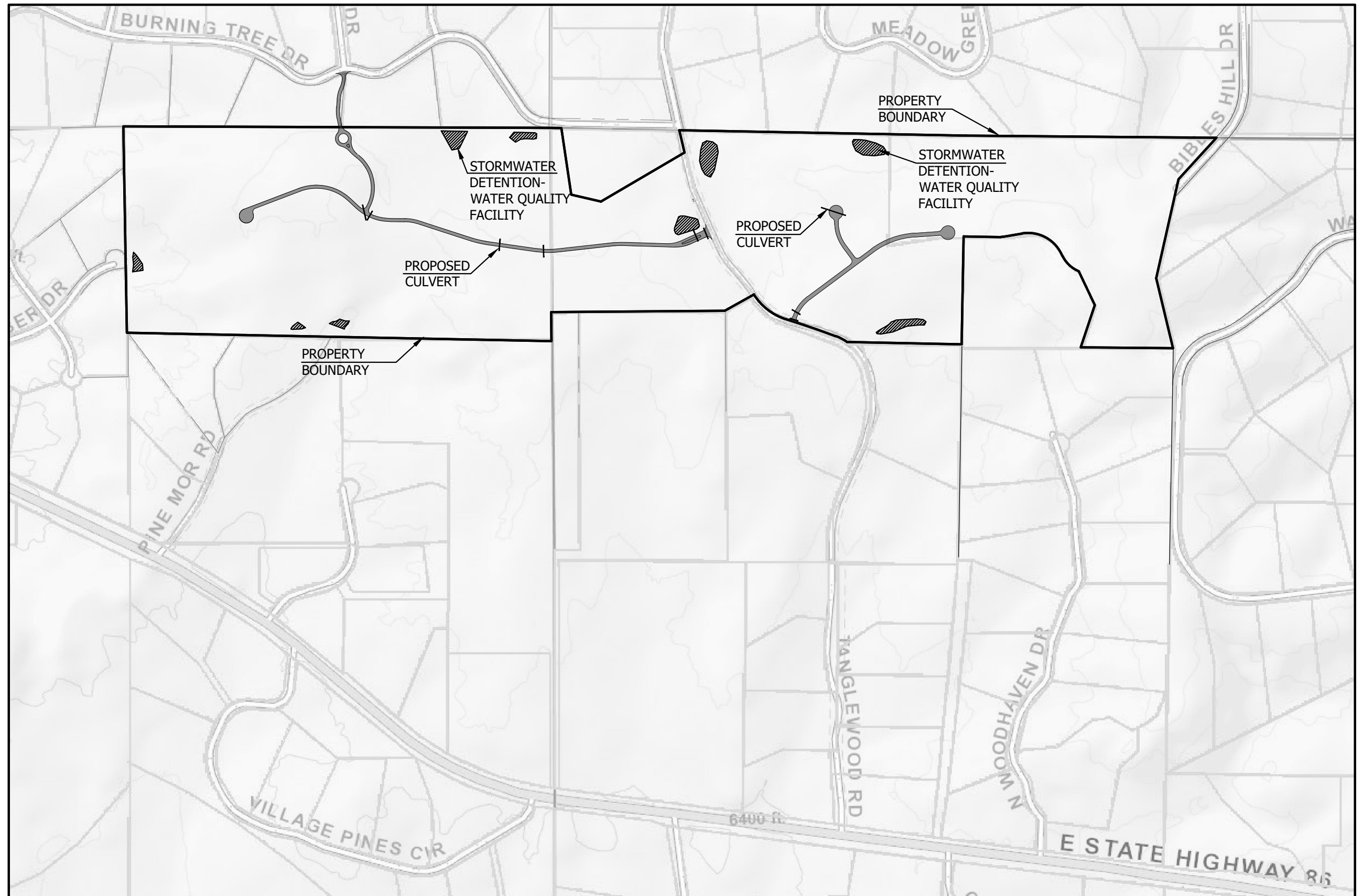
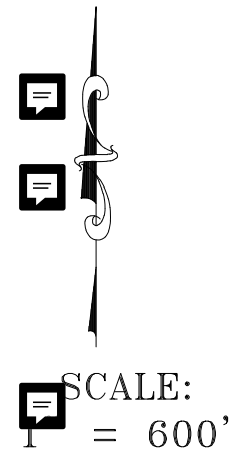
SERVICE PLAN EXHIBIT - STREETS



SCALE:
1" = 600'



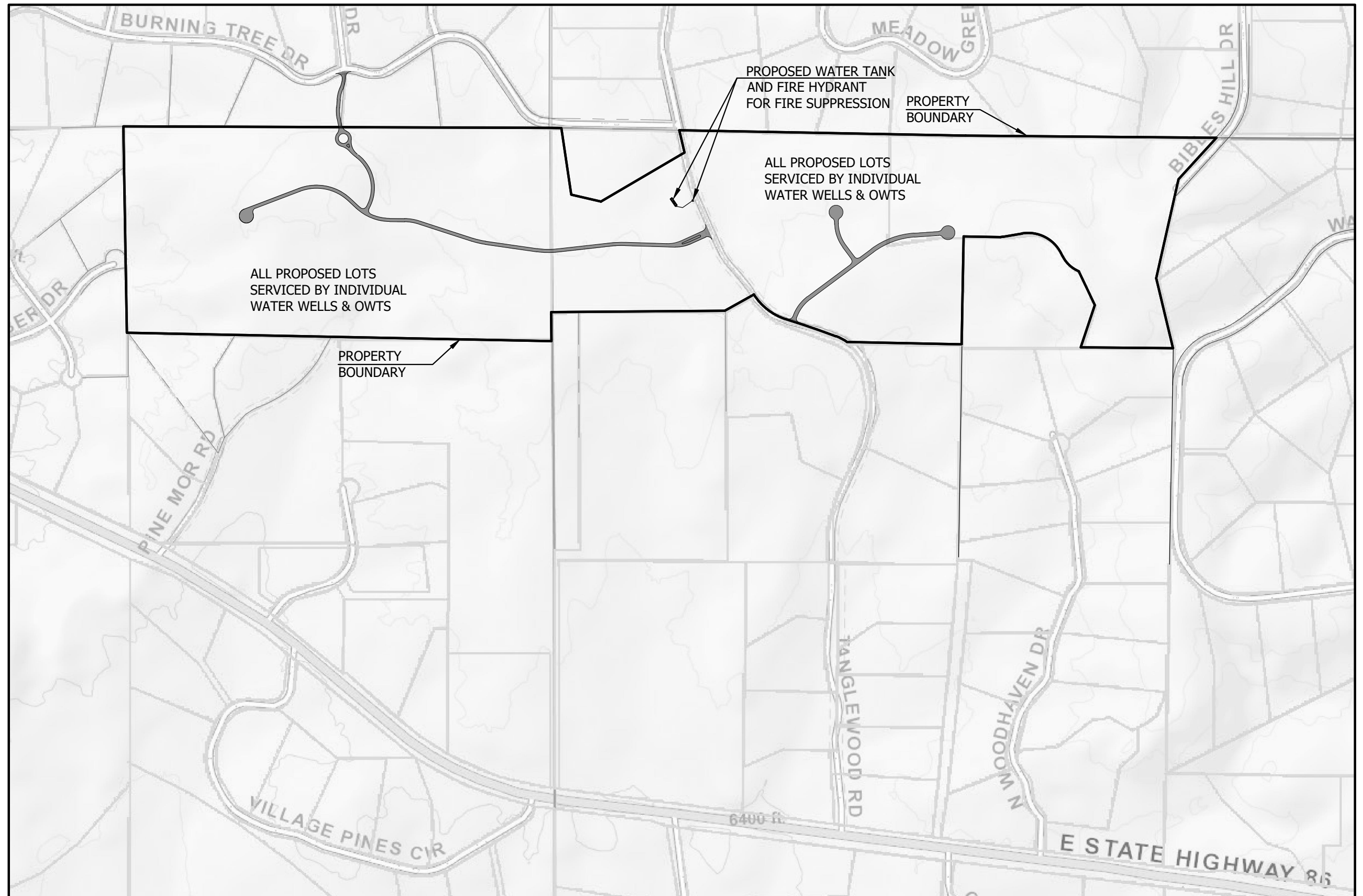
SERVICE PLAN EXHIBIT - TRAFFIC




SERVICE PLAN EXHIBIT - DRAINAGE

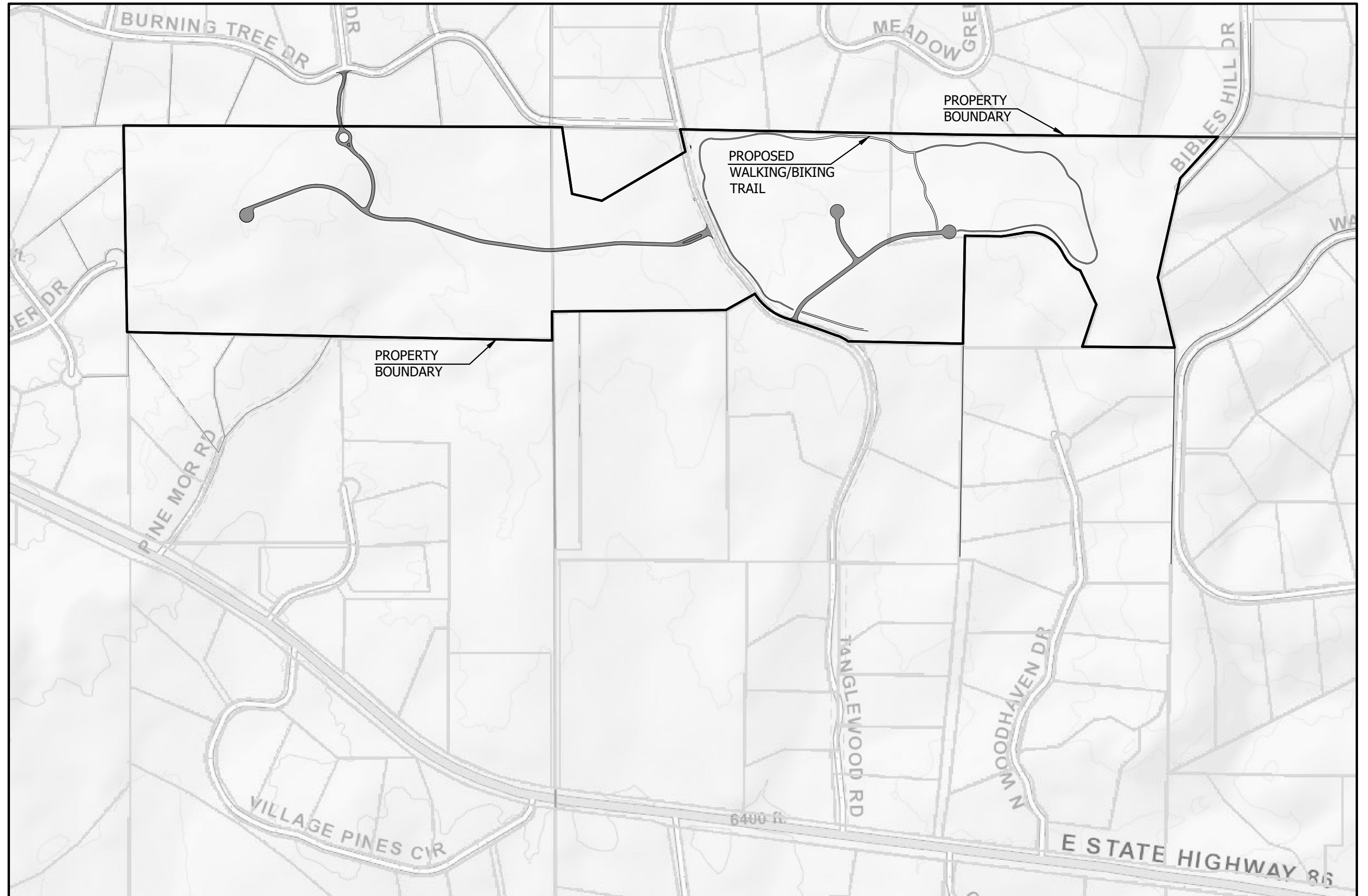


SCALE:
1" = 600'



SERVICE PLAN EXHIBIT - WATER-SEWER


 SCALE:
 1" = 600'



SERVICE PLAN EXHIBIT - PARKS & REC

Exhibit F Financial Plan

Service Plan for Sundown Oaks Metropolitan District

Sundown Oaks Metropolitan District
District Financing Analysis - DRAFT - 50 D/S MILLS
May 2025 Development Assumptions
SERVICE PLAN SUBMITTAL

Financing Summary			
Sources and Uses			Total Debt Service Summary
Sources	2027	Total	
Par Amount	3,625,000	3,625,000	Stated Term (Each Issuance) 30.0 Yrs
Premium/(Discount)	-	-	Estimated Interest Rates 6.25%
Other	-	-	
Total Sources	3,625,000	3,625,000	Senior Principal 3,625,000
			Senior Interest 5,360,808
			Total Senior Principal & Interest 8,985,808
			Less: Capitalized Interest (Principal & Earnings @ 0.00%) (400,260)
			Less: Debt Service Reserve Fund (Principal & Earnings @ 0.00%) (348,438)
			Senior Net Debt Service 8,237,110
Uses	2027	Total	
Project Fund - Released at Closing	2,703,802	2,703,802	Other Information
N/A	-	-	Total District D/S Mill Levy 50.000
Total Project Fund	2,703,802	2,703,802	Commercial Assessment % 27.90%
			Residential Assessment % 6.70%
			Property Tax Revenue % 100%
Capitalized Interest	400,260	400,260	
Debt Service Reserve Fund	348,438	348,438	
Costs of Issuance	172,500	172,500	
Total Uses	3,625,000	3,625,000	

Square Footage or Residential Units																		
Type	Builder	Product	Desc	Units	Built	To Be Built	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Commercial	TBD	Single Family - Sundown	Lots Added	17		17			6	6	5							17
	TBD	Single Family - Oaks	Lots Added	20		20			2	5	5	5	3					20
Lots Added	Total			37		37			8	11	10	5	3					37
	TBD	Single Family - Sundown	Lots Deleted	-17		-17			-3	-5	-5	-4						-17
	TBD	Single Family - Oaks	Lots Deleted	-20		-20				-2	-5	-5	-5	-3				-20
Lots Deleted	Total			-37		-37			-3	-7	-10	-9	-5	-3				-37
Annual Change									5	4		-4	-2	-3				
Residential	TBD	Single Family - Sundown	Homes Added	17		17			3	5	5	4						17
	TBD	Single Family - Oaks	Homes Added	20		20				2	5	5	5	3				20
Annual Change				37		37			3	7	10	9	5	3				37
Cumulative Residential Built Total									3	10	20	29	34	37	37	37	37	

Inflated Market Value Per Square Foot or Residential Unit @ 2.00%																		
Type	Builder	Product	Desc	2025 MV	Built	To Be Built	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Commercial	TBD	Single Family - Sundown	Lots Added	500,000		500,000			520,200	530,604	541,216							530,053
	TBD	Single Family - Oaks	Lots Added	500,000		500,000			520,200	530,604	541,216	552,040	563,081					542,447
Lots Added		Weighted Avg		500,000		500,000			520,200	530,604	541,216	552,040	563,081					536,753
	TBD	Single Family - Sundown	Lots Deleted	500,000		500,000			-520,200	-530,604	-541,216	-552,040						-536,933
	TBD	Single Family - Oaks	Lots Deleted	500,000		500,000				-530,604	-541,216	-552,040	-563,081	-574,343				-553,296
Lots Deleted		Weighted Avg		500,000		500,000			-520,200	-530,604	-541,216	-552,040	-563,081	-574,343				-545,778
Type	Builder	Product	Desc	2025 MV	Built	To Be Built	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Residential	TBD	Single Family - Sundown	Homes Added	2,200,000		2,200,000			2,288,880	2,334,658	2,381,351	2,428,978						2,362,505
	TBD	Single Family - Oaks	Homes Added	2,200,000		2,200,000				2,334,658	2,381,351	2,428,978	2,477,557	2,527,108				2,434,503
		Weighted Avg		2,200,000		2,200,000			2,288,880	2,334,658	2,381,351	2,428,978	2,477,557	2,527,108				2,401,423

Inflated Market Value - Annual Additions																		
Type	Builder	Product	Desc	2025 MV	Built	To Be Built	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Commercial	Total		Lots Added	18,500,000		18,500,000			4,161,600	5,836,644	5,412,161	2,760,202	1,689,244					19,859,850
	Total		Lots Deleted	-18,500,000		-18,500,000			-1,560,600	-3,714,228	-5,412,161	-4,968,364	-2,815,406	-1,723,029				-20,193,787
Commercial Total									2,601,000	2,122,416		-2,208,162	-1,126,162	-1,723,029				-333,937
Residential	TBD	Single Family - Sundown	Homes Added	37,400,000		37,400,000			6,866,640	11,673,288	11,906,754	9,715,911						40,162,593
	TBD	Single Family - Oaks	Homes Added	44,000,000		44,000,000				4,669,315	11,906,754	12,144,889	12,387,787	7,581,325				48,690,070
Residential Total									6,866,640	16,342,603	23,813,508	21,860,800	12,387,787	7,581,325				88,852,663
Grand Total									9,467,640	18,465,019	23,813,508	19,652,638	11,261,624	5,858,297				88,518,726

Assessed Value - Annual Additions																	
Completion Year		2025 MV	Built	To Be Built	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total	
Collection Year					2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037		
Commercial	27.90%						725,679	592,154		-616,077	-314,199	-480,725				-93,168	
Residential	6.70%	5,453,800		5,453,800			460,065	1,094,954	1,595,505	1,464,674	829,982	507,949				5,953,128	
Total Annual Additions		5,453,800		5,453,800			1,185,744	1,687,108	1,595,505	848,597	515,782	27,224				5,859,960	

Cash Flow Summary												
	12/01/2025	12/01/2026	12/01/2027	12/01/2028	12/01/2029	12/01/2030	12/01/2031	12/01/2032	12/01/2033	12/01/2034	12/01/2035	12/01/2036
Property Tax Revenue Information												
Include												
Beginning Assessed Value	-	-	-	1,185,744	2,872,852	4,525,814	5,374,411	5,997,682	6,024,905	6,205,653	6,205,653	6,391,822
Additions	-	-	1,185,744	1,687,108	1,595,505	848,597	515,782	27,224	-	-	-	-
Reappraisal Adjustments	-	-	-	-	57,457	-	107,488	-	180,747	-	186,170	-
Total District Assessed Value	-	-	1,185,744	2,872,852	4,525,814	5,374,411	5,997,682	6,024,905	6,205,653	6,205,653	6,391,822	6,391,822
District Mill Levy	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000
% Reappraisal Growth			0.00%		2.00%		2.00%		3.00%		3.00%	
District Property Tax Revenue	-	-	59,287	143,643	226,291	268,721	299,884	301,245	310,283	310,283	319,591	319,591
Specific Ownership Tax @ 7.00%	-	-	4,150	10,055	15,840	18,810	20,992	21,087	21,720	21,720	22,371	22,371
Treasurer's Fee - 2.00%	-	-	(1,186)	(3,074)	(4,843)	(5,751)	(6,418)	(6,447)	(6,640)	(6,640)	(6,839)	(6,839)
Property Tax Revenue	-	-	62,252	150,624	237,288	281,780	314,458	315,886	325,362	325,362	335,123	335,123
Capital Fee Revenue												
Capital Fee Per Lot	-	-	-	-	-	-	-	-	-	-	-	-
% Realized	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
% Growth/Inflation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Lots	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	-	-	3	7	10	9	5	3	-	-	-	-
System Development Fees	-	-	-	-	-	-	-	-	-	-	-	-
Revenue After SDF's	-	-	62,252	150,624	237,288	281,780	314,458	315,886	325,362	325,362	335,123	335,123
Total Revenue for Debt Service	-	-	62,252	150,624	237,288	281,780	314,458	315,886	325,362	325,362	335,123	335,123
Senior Debt Service Information												
Principal	-	-	-	-	-	-	15,000	15,000	25,000	25,000	35,000	40,000
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Interest Rate	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Interest	-	-	207,682	226,563	226,563	226,563	226,563	225,625	224,688	223,125	221,563	219,375
Capitalized Interest	-	-	(207,682)	(113,281)	(56,641)	(22,656)	-	-	-	-	-	-
Total Debt Service Payments	-	-	-	113,281	169,922	203,906	241,563	240,625	249,688	248,125	256,563	259,375
Debt Service Coverage				1.33	1.40	1.38	1.30	1.31	1.30	1.31	1.31	1.29
Operations Mill Levy	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000
Revenues Available for Operations	-	-	11,857	28,729	45,258	53,744	59,977	60,249	62,057	62,057	63,918	63,918
Anticipated Expenses	-	-	(11,857)	(28,729)	(45,258)	(53,744)	(59,977)	(60,249)	(62,057)	(62,057)	(63,918)	(63,918)
Net Fund Balance	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Summary

	12/01/2037	12/01/2038	12/01/2039	12/01/2040	12/01/2041	12/01/2042	12/01/2043	12/01/2044	12/01/2045	12/01/2046	12/01/2047	12/01/2048
Property Tax Revenue Information												
Include												
Beginning Assessed Value	6,391,822	6,583,577	6,583,577	6,781,084	6,781,084	6,984,517	6,984,517	7,194,052	7,194,052	7,409,874	7,409,874	7,632,170
Additions												
Reappraisal Adjustments	191,755	-	197,507	-	203,433	-	209,535	-	215,822	-	222,296	-
Total District Assessed Value	6,583,577	6,583,577	6,781,084	6,781,084	6,984,517	6,984,517	7,194,052	7,194,052	7,409,874	7,409,874	7,632,170	7,632,170
District Mill Levy	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000
% Reappraisal Growth	3.00%		3.00%		3.00%		3.00%		3.00%		3.00%	
District Property Tax Revenue	329,179	329,179	339,054	339,054	349,226	349,226	359,703	359,703	370,494	370,494	381,608	381,608
Specific Ownership Tax @ 7.00%	23,043	23,043	23,734	23,734	24,446	24,446	25,179	25,179	25,935	25,935	26,713	26,713
Treasurer's Fee - 2.00%	(7,044)	(7,044)	(7,256)	(7,256)	(7,473)	(7,473)	(7,698)	(7,698)	(7,929)	(7,929)	(8,166)	(8,166)
Property Tax Revenue	345,177	345,177	355,532	355,532	366,198	366,198	377,184	377,184	388,500	388,500	400,155	400,155
Capital Fee Revenue												
Capital Fee Per Lot	-	-	-	-	-	-	-	-	-	-	-	-
% Realized	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
% Growth/Inflation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Lots	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	-	-	-	-	-	-	-	-	-	-	-	-
System Development Fees	-	-	-	-	-	-	-	-	-	-	-	-
Revenue After SDF's	345,177	345,177	355,532	355,532	366,198	366,198	377,184	377,184	388,500	388,500	400,155	400,155
Total Revenue for Debt Service	345,177	345,177	355,532	355,532	366,198	366,198	377,184	377,184	388,500	388,500	400,155	400,155
Senior Debt Service Information												
Principal	50,000	50,000	65,000	65,000	80,000	85,000	100,000	105,000	120,000	125,000	145,000	155,000
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Interest Rate	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Interest	216,875	213,750	210,625	206,563	202,500	197,500	192,188	185,938	179,375	171,875	164,063	155,000
Capitalized Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service Payments	266,875	263,750	275,625	271,563	282,500	282,500	292,188	290,938	299,375	296,875	309,063	310,000
Debt Service Coverage	1.29	1.31	1.29	1.31	1.30	1.30	1.29	1.30	1.30	1.31	1.29	1.29
Operations Mill Levy	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000
Revenues Available for Operations	65,836	65,836	67,811	67,811	69,845	69,845	71,941	71,941	74,099	74,099	76,322	76,322
Anticipated Expenses	(65,836)	(65,836)	(67,811)	(67,811)	(69,845)	(69,845)	(71,941)	(71,941)	(74,099)	(74,099)	(76,322)	(76,322)
Net Fund Balance	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Summary										
	12/01/2049	12/01/2050	12/01/2051	12/01/2052	12/01/2053	12/01/2054	12/01/2055	12/01/2056	12/01/2057	Totals
Property Tax Revenue Information										
Property Tax Revenue Information	Include									
Beginning Assessed Value	7,632,170	7,861,135	7,861,135	8,096,969	8,096,969	8,339,878	8,339,878	8,590,074	8,590,074	
Additions										5,859,960
Reappraisal Adjustments	228,965	-	235,834	-	242,909	-	250,196	-	171,801	2,908,857
Total District Assessed Value	7,861,135	7,861,135	8,096,969	8,096,969	8,339,878	8,339,878	8,590,074	8,590,074	8,761,876	8,768,817
District Mill Levy	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	40.000	
% Reappraisal Growth	3.00%		3.00%		3.00%		3.00%		2.00%	
District Property Tax Revenue	393,057	393,057	404,848	404,848	416,994	416,994	429,504	429,504	350,475	10,470,785
Specific Ownership Tax @ 7.00%	27,514	27,514	28,339	28,339	29,190	29,190	30,065	30,065	24,533	707,431
Treasurer's Fee - 2.00%	(8,411)	(8,411)	(8,664)	(8,664)	(8,924)	(8,924)	(9,191)	(9,191)	(7,500)	(223,481)
Property Tax Revenue	412,159	412,159	424,524	424,524	437,260	437,260	450,378	450,378	367,508	10,954,734
Capital Fee Revenue										
Capital Fee Revenue	Capital Fee Per Lot									
Capital Fee Per Lot	-	-	-	-	-	-	-	-	-	
% Realized	NA	NA	NA	NA	NA	NA	NA	NA	NA	
% Growth/Inflation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Lots	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Lots	-	-	-	-	-	-	-	-	-	
System Development Fees	-	-	-	-	-	-	-	-	-	
Revenue After SDF's	412,159	412,159	424,524	424,524	437,260	437,260	450,378	450,378	343,466	
Total Revenue for Debt Service	412,159	412,159	424,524	424,524	437,260	437,260	450,378	450,378	367,508	10,954,734
Senior Debt Service Information										
Principal	170,000	185,000	205,000	215,000	240,000	255,000	280,000	300,000	475,000	3,625,000
Additions	-	-	-	-	-	-	-	-	-	
Interest Rate	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Interest	145,313	134,688	123,125	110,313	96,875	81,875	65,938	48,438	29,688	5,360,808
Capitalized Interest	-	-	-	-	-	-	-	-	(348,438)	
Total Debt Service Payments	315,313	319,688	328,125	325,313	336,875	336,875	345,938	348,438	156,250	8,237,109
Debt Service Coverage	1.31	1.29	1.29	1.30	1.30	1.30	1.30	1.29	2.35	
Operations Mill Levy	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	
Revenues Available for Operations	78,611	78,611	80,970	80,970	83,399	83,399	85,901	85,901	87,619	2,838,332
Anticipated Expenses	(78,611)	(78,611)	(80,970)	(80,970)	(83,399)	(83,399)	(85,901)	(85,901)	(87,619)	(2,838,332)
Net Fund Balance	-	-	-	-	-	-	-	-	-	-

Sundown Oaks Metropolitan District
District Financing Analysis - DRAFT - 50 D/S MILLS
May 2025 Development Assumptions

SERVICE PLAN SUBMITTAL

Debt Service Summary

Senior - 2027											
Date	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Principal	-	-	-	-	-	15,000	15,000	25,000	25,000	35,000	40,000
Coupon	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Interest	-	207,682	226,563	226,563	226,563	226,563	225,625	224,688	223,125	221,563	219,375
Total P+I	-	207,682	226,563	226,563	226,563	241,563	240,625	249,688	248,125	256,563	259,375
CAPI	-	(207,682)	(113,281)	(56,641)	(22,656)	-	-	-	-	-	-
DSRF	-	-	-	-	-	-	-	-	-	-	-
Net D/S	-	-	113,281	169,922	203,906	241,563	240,625	249,688	248,125	256,563	259,375

Senior - Total											
Date	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Principal	-	-	-	-	-	15,000	15,000	25,000	25,000	35,000	40,000
Interest	-	207,682	226,563	226,563	226,563	226,563	225,625	224,688	223,125	221,563	219,375
Total P+I	-	207,682	226,563	226,563	226,563	241,563	240,625	249,688	248,125	256,563	259,375
CAPI	-	(207,682)	(113,281)	(56,641)	(22,656)	-	-	-	-	-	-
DSRF	-	-	-	-	-	-	-	-	-	-	-
Net D/S	-	-	113,281	169,922	203,906	241,563	240,625	249,688	248,125	256,563	259,375

Sundown Oaks Metropolitan District
District Financing Analysis - DRAFT - 50 D/S MILLS
May 2025 Development Assumptions

SERVICE PLAN SUBMITTAL

Debt Service Summary											
Senior - 2027											
Date	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Principal	50,000	50,000	65,000	65,000	80,000	85,000	100,000	105,000	120,000	125,000	145,000
Coupon	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Interest	216,875	213,750	210,625	206,563	202,500	197,500	192,188	185,938	179,375	171,875	164,063
Total P+I	266,875	263,750	275,625	271,563	282,500	282,500	292,188	290,938	299,375	296,875	309,063
CAPI	-	-	-	-	-	-	-	-	-	-	-
DSRF	-	-	-	-	-	-	-	-	-	-	-
Net D/S	266,875	263,750	275,625	271,563	282,500	282,500	292,188	290,938	299,375	296,875	309,063

Senior - Total											
Date	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Principal	50,000	50,000	65,000	65,000	80,000	85,000	100,000	105,000	120,000	125,000	145,000
Interest	216,875	213,750	210,625	206,563	202,500	197,500	192,188	185,938	179,375	171,875	164,063
Total P+I	266,875	263,750	275,625	271,563	282,500	282,500	292,188	290,938	299,375	296,875	309,063
CAPI	-	-	-	-	-	-	-	-	-	-	-
DSRF	-	-	-	-	-	-	-	-	-	-	-
Net D/S	266,875	263,750	275,625	271,563	282,500	282,500	292,188	290,938	299,375	296,875	309,063

Sundown Oaks Metropolitan District
District Financing Analysis - DRAFT - 50 D/S MILLS
May 2025 Development Assumptions

SERVICE PLAN SUBMITTAL

Debt Service Summary											
Senior - 2027											
Date	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	Totals
Principal	155,000	170,000	185,000	205,000	215,000	240,000	255,000	280,000	300,000	475,000	3,625,000
Coupon	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	
Interest	155,000	145,313	134,688	123,125	110,313	96,875	81,875	65,938	48,438	29,688	5,360,807
Total P+I	310,000	315,313	319,688	328,125	325,313	336,875	336,875	345,938	348,438	504,688	8,985,807
CAPI	-	-	-	-	-	-	-	-	-	-	(400,260)
DSRF	-	-	-	-	-	-	-	-	-	(348,438)	(348,438)
Net D/S	310,000	315,313	319,688	328,125	325,313	336,875	336,875	345,938	348,438	156,250	8,237,109

Senior - Total											
Date	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	Totals
Principal	155,000	170,000	185,000	205,000	215,000	240,000	255,000	280,000	300,000	475,000	3,625,000
Interest	155,000	145,313	134,688	123,125	110,313	96,875	81,875	65,938	48,438	29,688	5,360,807
Total P+I	310,000	315,313	319,688	328,125	325,313	336,875	336,875	345,938	348,438	504,688	8,985,807
CAPI	-	-	-	-	-	-	-	-	-	-	(400,260)
DSRF	-	-	-	-	-	-	-	-	-	(348,438)	(348,438)
Net D/S	310,000	315,313	319,688	328,125	325,313	336,875	336,875	345,938	348,438	156,250	8,237,109

Exhibit G
Resolution of Approval

Service Plan for Sundown Oaks Metropolitan District

RESOLUTION NO. R-025- _____

**THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS, COLORADO**

**A RESOLUTION APPROVING THE SERVICE PLAN OF
SUNDOWN OAKS METROPOLITAN DISTRICT**

WHEREAS, on [INSERT DATE], a service plan for the proposed Sundown Oaks Metropolitan District (“Service Plan”) was filed with the Douglas County Clerk and Recorder (“Clerk”), and the Clerk, on behalf of the Board of County Commissioners (“Board”), mailed a Notice of Filing of Special District Service Plan to the Division of Local Government in the Department of Local Affairs on [INSERT DATE]; and

WHEREAS, on [INSERT DATE], the Douglas County Planning Commission recommended approval of the Service Plan to the Board; and

WHEREAS, on [INSERT DATE], the Board set a public hearing on the Service Plan for [INSERT DATE] (“Public Hearing”), and (1) ratified publication of the notice of the date, time, location and purpose of such Public Hearing, which was published in *The Douglas County News-Press* on [INSERT DATE]; and (2) caused notice of the date, time and location of the Public Hearing to be mailed on [INSERT DATE], to the governing body of the existing municipalities and special districts which have levied an *ad valorem* tax within the next preceding tax year and which have boundaries within a radius of three miles of the proposed boundaries of Sundown Oaks Metropolitan District (“District”) and, on [INSERT DATE], to the petitioners and to the property owners, pursuant to the provisions of § 32-1-204(1.5), C.R.S.; and

WHEREAS, on [INSERT DATE], a Public Hearing on the Service Plan was opened at which time all interested parties, as defined in § 32-1-204, C.R.S., were afforded an opportunity to be heard, and all testimony and evidence relevant to the Service Plan and the organization of the proposed District was heard, received and considered.

Service Plan for Sundown Oaks Metropolitan District

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS, STATE OF COLORADO, THAT:

Section 1. The Board does hereby determine that all procedural requirements of §§ 32-1-201, *et seq.*, C.R.S., relating to the Service Plan have been fulfilled and that the Board has jurisdiction in the matter.

Section 2. The Board does hereby find:

(a) that there is sufficient existing and projected need for organized service in the area to be serviced by the proposed District; and

(b) that the existing service in the area to be served by the proposed District is inadequate for present and projected needs; and

(c) that the proposed District is capable of providing economical and sufficient service to the area within the proposed boundaries; and

(d) that the area to be included in the proposed District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis; and

(e) that adequate service is not, or will not be, available to the area through Douglas County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis; and

(f) that the facility and service standards of the proposed District are compatible with the facility and service standards of Douglas County and each municipality which is an interested party under § 32-1-204, C.R.S.; and

(g) that the proposal is in substantial compliance with the Douglas County Comprehensive Master Plan; and

(h) that the proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area; and

(i) that the creation of the proposed District will be in the best interests of the area proposed to be served; and

Service Plan for Sundown Oaks Metropolitan District

(j) that the Service Plan, based upon the statements set forth in the Service Plan and upon all evidence presented at the Public Hearing on the Service Plan, meets all conditions and requirements of §§ 32-1-201, *et seq.*, C.R.S.

Section 3. The Board hereby approves the Service Plan without conditions; provided, however, that such action shall not imply the approval of any land development activity within the proposed District or its service area, or of any specific number of buildable units identified in the Service Plan, unless the Board has approved such development activity as part of a separate development review process.

Section 4. The legal description of the District shall be as provided in **Exhibit A**, attached hereto and incorporated herein by reference.

Section 5. A certified copy of this resolution shall be filed in the records of Douglas County.

PASSED AND ADOPTED this ____ day of _____, 20__, in Castle Rock, Douglas County, Colorado.

THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS, COLORADO

BY: _____
_____, Chair

ATTEST:

Deputy Clerk

Service Plan for Sundown Oaks Metropolitan District

EXHIBIT A
(Legal Description)

Service Plan for Sundown Oaks Metropolitan District

Exhibit H
Compliance with Section 18A, Water Supply – Overlay District

Service Plan for Sundown Oaks Metropolitan District

December 21, 2023

WATER PLAN for 95CW288 and 2022CW3071 decrees

Oak Bluff and Sundown Subdivisions Water Plan, approximately 179 acres

Oak Bluff subdivision consists of 21 Rural Residential home sites roughly 4.5 to 5 acres on 106 acres. Sundown subdivision consists of 17 homesites, approximately 2 acres each, on 73 acres. Combined these subdivisions are approximately 179 acres. These sites are located east of Franktown near the southwest corner of Burning Tree Drive and Tanglewood Road. The site lies in the NE quarter of Section 1, Township 8S, Range 66W and in the NW quarter of Section 6, Township 8S, Range 65W of the 6th P.M. The Rural Residential single family home sites will be served by individual well and septic systems. There are no wells currently on the property.

Source of Water

A water supply letter by Hayes Poznanovic Korver, LLC. dated 4-18-23 defines the amounts of water available under two decreed cases see attachment A. The water decreed in Case No. 95CW288 for Parcel A(190.73 acres) and in Case No. 2022CW3071 used to serve the lot owners and the Home Owner's Association (HOA). Upper Dawson water will have groundwater reserved by the HOA's for augmentation.

Aquifer	Decreed volumes in Case No. 1995CW288	<u>Prorated amount for 179 acres</u>
Upper Dawson	44.2 acre feet (NNT)	41.5 af (NNT)
Lower Dawson	24.0 acre feet (NT)	22.5 af (NT)
Denver	64.8 acre feet (NT)	60.8 af (NT)
Arapahoe	89.2 acre feet (NT)	83.7 af (NT)
Laramie-Fox Hills	55.8 acre feet (NT)	52.4 af (NT)

Aquifer	Decreed volumes in Case No. 2022CW3071
Upper Dawson	11.15 acre feet (NNT)*decreed augmentation plan, 10.8 af (NNT)

Water Demand

As per the water demand standards in Douglas County Zoning Resolution Section 18A, the home sites will require 1 acre foot of water per year, and irrigated areas will require 2.5 acre feet per acre. In addition, a 30,000 gallon water tank will be constructed and filled on Tract A, 0.1 acre foot of water demand is dedicated for use to fill the 30,000 gallon fire water storage tank as necessary (proposed for Lower Dawson well). Augmentation water for the Upper Dawson aquifer withdrawals will also be reserved in the Laramie-Fox Hills aquifer and dedicated to the Oak Bluff and Sundown Home Owner's Associations.

38 Rural Residential home sites (1 acre foot, Douglas County requirement)	38.0 acre feet
.8 acre irrigated area at 2 entries	2.0 acre feet
Fire water storage and use	<u>0.1 acre feet</u>
Total demand from development	40.1 acre feet

Water Allocation Plan

OAK BLUFF and SUNDOWN

Upper Dawson Aquifer Total Available: $41.5 + 10.8 = 52.3$ acre feet per year (100 year supply)

Although the expected use is 1 acre foot per year (100 year supply), all 38 lots will be allocated 1.3 acre feet as follows: Lots 1 through 12 in Sundown will be allocated 0.9af from Case No. 2022CW3071 for a total of 10.8af. Lots 1 through 12 Sundown will also be allocated 0.4af from Case No. 95CW288 for a total of 4.8af.

The remaining allocations are from Case No. 95CW288; Lots 13 through 17, Sundown and Lots 1 through 21, Oak Bluff will be allocated 1.3 acre feet per year. The Oak Bluff HOA will be allocated 1.6 acre feet for irrigation. The Sundown Home Owner's Association will be allocated 1.3 acre feet for irrigation or other uses allowed in the decree. The total 52.3 acre feet will be augmented with water from the Laramie-Fox Hills aquifer, if necessary, augmentation water will be reserved by the respective HOA's.

Lower Dawson Aquifer Total: 22.5 acre feet

All 38 lots will be allocated 0.5 acre feet each (19 acre feet) in the Lower Dawson Aquifer for future use, the Oak Bluff Home Owners Association will be allocated 2 acre feet and Sundown HOA allocated 1.5 acre feet for a total of 22.5 acre feet. The Oak Bluff Home Owners Association may access the Lower Dawson Aquifer for filling of the 30,000gal. fire suppression water tank, if other methods of filling the tank are not chosen.

Denver Aquifer Total: 60.8 acre feet

All 38 residential lots will be allocated 1.6 acre feet per lot for a total of 60.8 acre feet.

Arapahoe Aquifer Total: 83.7 acre feet

All 38 residential lots will be allocated 2.1 acre feet per lot (79.8 acre feet).

The Oak Bluff Home Owners Association will be allocated 2.2 acre feet and Sundown HOA will be allocated 1.7 acre feet. Total allocation of Arapahoe aquifer 83.7 acre feet per year (100yr supply).

Laramie-Fox Hills Aquifer Total: 52.4 acre feet

The Oak Bluff Home Owners Association will be allocated $27.5\text{af} + 1.6\text{af} = 29.1$ acre feet.

The Sundown Home Owner's Association will be allocated $22.3\text{af} + 1\text{af} = 23.3$ acre feet.

To be reserved by the HOA's for future augmentation.

These amounts in each aquifer will be conveyed at time of lot purchase and will remain attached to the lot and/or the respective Oak Bluff or Sundown Home Owners Associations. The property will have restrictive covenants to enforce this water plan and dedicate the water to the land owners and Home Owners Associations with the restriction the water cannot be conveyed or sold.

Attachment A Water Supply Letter

Attachment B Water decrees

Attachment C Vicinity Map

Prepared by: Phil Giesing P.E. 27384

HAYES POZNANOVIC KORVER LLC

ATTORNEYS AT LAW

700 17TH STREET, SUITE 1800
DENVER, COLORADO 80202

TELEPHONE (303) 825-1980

FACSIMILE (303) 825-1983

April 18, 2023

Douglas County Community & Development Services
100 Third St, #220
Castle Rock, CO 80104

Re: Oakbluff Minor Development
Sundown Minor Development

To Whom it May Concern:

The following provides an overview of the proposed water supplies that will serve up to thirty-eight (38) residential lots, on a total of 177.323 acres, generally located in the N1/2 of the NE1/4 of Section 1, Township 8 South, Range 66 West of the 6th P. M., and the N1/2 of the NW1/4, and the NW1/4 of the NW1/4 of Section 6, Township 8 South, Range 65 West of the 6th P.M., in Douglas County ("Subject Property"). This letter is based on amounts of groundwater decreed and the augmentation plan approved in Case Nos. 1995CW288 and 2022CW3071, District Court, Water Division 1. The groundwater appears to be owned by the Applicant. This letter provides no opinion on the actual physical supply of groundwater available and is not a title opinion. Each lot will each be served by an individual well.

Each subdivision will have the following number of single-family units:

- Oak Bluff – 21 lots
- Sundown – 17 Lots

Each subdivision will use individual wells into the Upper Dawson Aquifer.

Decreed Annual Volumes

The following volumes are available and approved for use, reuse, and successively use and, after use, leased, sold, or otherwise disposed of for the municipal, domestic, industrial, commercial, irrigation, stock watering, recreational, fish and wildlife, and any other beneficial purpose, to be used on or off the land. Said water will be produced for immediate application to said uses, for storage and subsequent application to said uses, for exchange purposes, for replacement of depletions resulting from the use of water from other sources, and for augmentation purposes both on and off the Subject Property. The groundwater in the Lower Dawson, Denver, Arapahoe, and Laramie-Fox Hills aquifers is nontributary ("NT") as defined in C.R.S. §§ 37-82-101(2) and 37-92-102(l)(b), and the groundwater in the Upper Dawson is nontributary ("NNT") as described in C.R.S. §§ 37-90-103(10.7) and 37-90-137(9)(c.5).

Decreed Volumes in Case No. 1995CW288:

Aquifer	Annual Amount (100 Years)
Upper Dawson (NNT)*	44.2 acre-feet
Lower Dawson (NT)	24.0 acre-feet
Denver (NT)	64.8 acre-feet
Arapahoe (NT)	89.2 acre-feet
Laramie-Fox Hills (NT)	55.8 acre-feet

* 12 acre-feet was reserved for future exempt wells, a portion of which was decreed in Case No. 22CW3071.

Decreed Volumes in Case No. 2022CW3071:

Aquifer	Annual Amount (100 Years)
Upper Dawson (NNT)	11.15 acre-feet

Augmentation Plans

Case No. 1995CW288:

The 1995CW288 Decree approved an augmentation plan for the use of up to 44.2 acre-feet per year of NNT Upper Dawson Aquifer groundwater for 100 years for in-house, stock watering, and irrigation uses.

Case No. 2022CW3071:

The 2022CW3071 Decree approved an augmentation plan for the use of up to 10.8 acre-feet per year NNT Upper Dawson Aquifer groundwater for 100 years for in-house, irrigation, and fire protection uses.

Water Supply Sufficiency

The amount of groundwater in the NNT Upper Dawson Aquifer underlying the Subject Property allowed to be withdrawn under the augmentation plans is sufficient to provide in-house and irrigation use on the Subject Property for up to 38 residential wells, each withdrawing up to 1.3 acre-feet per year for 100 years.

If you have any questions or comments, please feel free to call.

Sincerely,

HAYES POZNANOVIC KORVER LLC



Eric K. Trout

DISTRICT COURT, WATER DIVISION 1, COLORADO Weld County Courthouse P.O. Box 2038 Greeley, CO 80632	DATE FILED: October 27, 2022 3:36 PM CASE NUMBER: 2022CW3071 ▲ COURT USE ONLY ▲
APPLICATION FOR UNDERGROUND WATER RIGHTS AND PLAN FOR AUGMENTATION OF OAK BLUFF SUBDIVISION, LLC. and SUNDOWN SUBDIVISION, LLC., Applicants, IN DOUGLAS COUNTY	Case Number: 2022CW3071
FINDINGS OF FACT, CONCLUSIONS OF LAW, RULING OF THE REFEREE, AND JUDGMENT AND DECREE	

A claim for a plan for augmentation was filed in this case on May 26, 2022. All matters contained in the application having been reviewed, such testimony having been taken and evidence presented as was necessary, and being otherwise fully advised in the premises, it is hereby the Findings of Fact, Conclusions of Law, Ruling of the Referee, and Judgment and Decree, as follows:

FINDINGS OF FACT

1. Name and address of Applicants:

Oak Bluff Subdivision, LLC., a Colorado limited liability company
Sundown Subdivision, LLC., a Colorado limited liability company
609 W Littleton Blvd, Suite 206
Littleton, CO 80120
2. Statements of Opposition: No statements of opposition were filed and the time for filing of such statements has expired.
3. Subject Matter Jurisdiction: Timely and adequate notice of the application was published as required by statute, and the Court has jurisdiction over the subject matter of this proceeding and over the parties affected hereby, whether they have appeared or not.
4. Consultation: The Water Referee consulted with the Division Engineer, as required by C.R.S. § 37-92-302(4), on the application, on August 8, 2022, and the Division Engineer filed its summary of consultation on August 31, 2022. The amounts herein are consistent with and conform to the values and amounts referenced in the State Engineer's Determinations of Facts dated August 9, 2022.

GROUNDWATER RIGHTS

5. **Subject Property:** Approximately 177.323 acres on 4 contiguous parcels generally located in the N1/2 of the NE1/4 of Section 1, Township 8 South, Range 66 West of the 6th P.M., and the N1/2 of the NW1/4, and the NW1/4 of the NE1/4,
6. of Section 6, Township 8 South, Range 65 West of the 6th, P.M., Douglas County, State of Colorado, as shown on Exhibit A (“Subject Property”).
7. **Prior Decree Information:** The groundwater underlying the Subject Property was decreed in Case No. 1995CW288, District Court, Water Division 1 on July 25, 1996, (the “95CW288 Decree”). The groundwater was conveyed to the Applicants via the quitclaim deeds recorded at Reception Nos. 2020061315, 2020061316, 2020061328, 2020061329 on July 13, 2020, at the Douglas County Clerk and Recorder’s Office.
8. **Annual Amount:** Upper Dawson Aquifer groundwater was reserved for exempt uses under Parcel A in the 95CW288 Decree. The Subject Property is a part of Parcel A. This decree adjudicates a portion of the reserved Upper Dawson Aquifer groundwater. The volume below is based on a 100-year aquifer life:

Aquifer	Annual Amount (acre-feet)	Total Amount (acre-feet)
Upper Dawson (NNT)	11.15	1,115

7. **95CW288 Decreed Uses:** The water withdrawn from the subject aquifers will be used, reused, and successively used and, after use, leased, sold or otherwise disposed of for the municipal, domestic, industrial, commercial, irrigation, stock watering, recreational, fish and wildlife, and any other beneficial purpose, to be used on or off the land. Said water will be produced for immediate application to said uses, for storage and subsequent application to said uses, for exchange purposes, for replacement of depletions resulting from the use of water from other sources, and for augmentation purposes.
8. **Decreed Uses:** Domestic, including in-house use, commercial, irrigation, stockwatering, fire protection, and augmentation purposes, including storage, both on and off the Subject Property.

PLAN FOR AUGMENTATION

9. **Plan for Augmentation:**
 - 9.1 **Groundwater to be Augmented:** 10.8 acre-feet per year for 100 years of not-nontributary Upper Dawson Aquifer groundwater.
 - 9.2 **Water to be Used for Augmentation:** Return flows associated with use of the not-nontributary Upper Dawson Aquifer and return flows or direct discharge of nontributary groundwater.

- 9.3 The Upper Dawson Aquifer groundwater will be used on up to twelve (12) lots, in up to twelve (12) individual wells (0.9 acre-feet per well), for in-house use in one single-family residence (0.3 acre-feet per year per well, 3.6 acre-feet per year total), irrigation, including lawn, garden, and trees of up to 12,000 square-feet per lot (0.6 acre-feet per well, 7.2 acre-feet per year), and fire protection, through one or more wells on the Subject Property. Conservatively, water use in single-family dwellings will equal at least 0.2 acre-feet of water annually for in-house uses, and the use of non-evaporative septic systems typically results in consumption of approximately 10% of such use, resulting in return flows of at least 0.18 acre-feet per year from each single-family residence, and 2.16 acre-feet per year at full build-out. Various components of this plan for augmentation are predicated on these estimations, and Applicants shall be required to use a non-evaporative septic system to treat and dispose of water used for in-house use.
- 9.4 Replacement During Pumping: During pumping of the Upper Dawson Aquifer groundwater, Applicants will replace actual depletions to the affected stream system pursuant to C.R.S. § 37-90-137(9)(c.5). In the 100th year, the total depletion is 12.49% of the amount withdrawn or 1.35 acre-feet total. Return flow from in-house use of the Upper Dawson Aquifer water for the residences is at least 0.18 acre-feet per year, and 2.16 acre-feet per year at full build-out, as described above, and such return flow is sufficient to replace actual depletions for pumping of the entire 10.8 acre-feet per year for 100 years. Return flows accrue to the South Platte River system via Cherry Creek. Because return flows from all uses are estimated rather than measured, Applicants agree that such return flows shall be used only to replace depletions under this plan for augmentation and will not be sold, leased, traded, or assigned in whole or in part for any other purpose. If for any reason, sufficient return flows are not available to replace the actual depletions shown on **Exhibit B**, the Applicants, or successors in interest, are required to pump water directly into the stream in the amount that has not been replaced by return flows. If such water is withdrawn from the Upper Dawson Aquifer well(s) operated under the augmentation plan the amount of water being pumped from the well(s) for other purposes must be reduced so that the allowed annual withdrawal from the well(s) is not exceeded. Such replacement must be made prior to the irrigation season for the following year.
- 9.5 Post-pumping Depletion Augmentation: Assuming maximum pumping of 10.8 acre-feet per year for 100 years from the Upper Dawson Aquifer, the maximum total depletion to the affected stream systems is approximately 13.92% of the annual amount withdrawn or 1.50 acre-feet in the 130th year. Applicants will reserve 10.8 acre-feet per year, 1,080 acre-feet total, of the nontributary Laramie-Fox Hills Aquifer groundwater decreed in the 95CW288 Decree, owned by Applicants, for use in this plan, but reserves the right to substitute the use of other nontributary groundwater, including return flows, either underlying the Subject Property, or from another location which is legally available for such purpose, for replacement of post-pumping depletions at such time that post-pumping

depletions may begin. The Court retains continuing jurisdiction in this matter to determine if the supply is adequate.

- 9.6 Applicants will begin making post pumping replacements when (1) the Applicants or successors in interest have acknowledged in writing that all withdrawals for beneficial use of the Upper Dawson Aquifer groundwater has permanently ceased, or (2) for a period of 10 consecutive years that no Upper Dawson Aquifer groundwater has been withdrawn. Until such time as the post pumping depletions begin the Applicant must continue to replace during pumping depletions to the stream using return flows, by pumping water directly to the stream to replace such depletions or using another replacement source approved by the Division Engineer. At the time that post pumping depletions begin as described in this paragraph, Applicant or successors in interest will be required to construct a well and pump groundwater to replace post-pumping depletions, subject to the terms and conditions of Paragraph 8.5. This condition constitutes a covenant running with the land.
- 9.7 Applicants will replace post-pumping depletions for the shortest of the following periods: (1) The period provided by C.R.S. § 37-90-137(9)(c.5), or (2) the expressed period specified by the Colorado Legislature, should it specify one and providing the Applicant obtain Water Court approval for such modification, or (3) the period determined by the State Engineer, should they choose to set such a period and have jurisdiction to do so, or (4) the period established through rulings of the Colorado Supreme Court on relevant cases, or (5) until Applicant petition the Water Court and the State Engineer's Office and prove that they have complied with any statutory requirement.
10. Failure of Applicants and/or successors in interest to comply with the terms of the decree may result in an order of the Division Engineer's office to curtail or eliminate pumping of the well. This decree shall be recorded in the real property records of Elbert County so that a title examination of the property, or any part thereof, shall reveal to all future purchasers the existence of this decree.
11. Administration of Plan for Augmentation:
- 11.1 Applicants shall report to the Division Engineer for Water Division 1 upon request, a summary of the amount of water pumped by each Denver Basin well, the annual depletion, the amount of replacement water provided by each replacement source, the net impact on the stream and any other information required by the Division Engineer to properly administer the decree on an accounting form acceptable to the Division Engineer.
- 11.2 All withdrawals which are the subject of this decree will be metered.

- 11.3 Pursuant to C.R.S. § 37-92-305(8), the State Engineer shall curtail all out-of-priority diversions, the depletions from which are not so replaced as to prevent injury to vested water rights.
- 11.4 The Applicants, or successors in interest, at the direction of the Division Engineer shall make post-pumping replacements to the South Platte River stream system via Cherry Creek, or its tributaries, pursuant to the amounts referenced on the depletion curve attached on **Exhibit B**.
12. Retained Jurisdiction for Plan for Augmentation:
- 12.1 Pursuant to C.R.S. § 37-92-304(6), the Court retains continuing jurisdiction over the plan for augmentation decreed herein for reconsideration of the question whether the provisions of this decree are necessary and/or sufficient to prevent injury to vested water rights of others. The Court also has jurisdiction for the purposes of determining compliance with the terms of the augmentation plan.
- 12.2 Any party seeking to invoke the retained jurisdiction of the Court shall file a verified petition with the Court. The petition to invoke retained jurisdiction or to modify this decree shall set forth with particularity the factual basis and the requested decretal language to effect the petition. The party lodging the petition shall have the burden of going forward to establish prima facie facts alleged in the petition. If the Court finds those facts to be established, Applicants shall thereupon have the burden of proof to show: (1) that any modification sought by Applicants will avoid injury to other appropriators, or (2) that any modification sought by Objector is not required to avoid injury to other appropriators, or (3) that any term or condition proposed by Applicants in response to the objector's petition does avoid injury to other appropriators.
- 12.3 The Court retains jurisdiction for the purpose of determining whether the continued reservation of the nontributary water for use on the Subject Property is required. After notice to the State Engineer's Office, if Applicants can demonstrate to the Court that post-pumping depletions need no longer be replaced, the Court may remove the requirement that the nontributary water must be reserved.

CONCLUSIONS OF LAW

13. Full and adequate notice of the application was given, and the Court has jurisdiction over the subject matter and over the parties whether they have appeared or not.
14. Applicants have complied with all requirements and met all standards and burdens of proof, including but not limited to C.R.S. §§ 37-90-137(9)(c.5), 37-92-103(9), 37-92-302, 37-92-304(6), 37-92-305(3), (4), (6), (8), to adjudicate the plan for augmentation and are

entitled to a decree confirming and approving the plan for augmentation as described in the Findings of Fact.

15. The Water Court has jurisdiction over this proceeding pursuant to C.R.S. § 37-90-137(6). This Court concludes as a matter of law that the application herein is one contemplated by law pursuant to C.R.S. § 37-90-137(4). The application for a decree confirming Applicants' right to withdraw and use groundwater decreed herein from the Upper Dawson Aquifer should be granted pursuant to C.R.S. §§ 37-90-137(4) and (9)(c.5), subject to the provisions of this decree. The withdrawal of up to 10.8 acre-feet per year and 1,080 acre-feet total of the Upper Dawson Aquifer groundwater, and in accordance with the terms of this decree and the 95CW288 Decree, will not injuriously affect the owner of or persons entitled to use water under a vested water right or a decreed conditional water right. The remaining amount of Upper Dawson Aquifer groundwater decreed in Case No. 95CW288 and herein will not be withdrawn and used until it is included in a separate plan for augmentation.

JUDGMENT AND DECREE

16. The Findings of Fact and Conclusions of Law set forth above are hereby incorporated into the terms of this Ruling and Decree as if the same were fully set forth herein.
17. Applicants and/or successors may withdraw the subject groundwater herein through wells to be permitted by the State Engineer's Office located anywhere on the Subject Property in the average annual amounts and at the estimated average rates of flow specified herein, subject to the limitations herein and the retained jurisdiction by this Court.
18. Applicants may withdraw an average annual amount of 10.8 acre-feet per year and not more than 1,080 acre-feet total of the Upper Dawson Aquifer groundwater under the plan for augmentation decreed herein pursuant to § 37-90-137(9)(c.5), C.R.S.
19. The groundwater rights described in the Findings of Fact are hereby approved, confirmed and adjudicated, including and subject to the terms and conditions specified herein and in the 95CW288 Decree. No owners of or persons entitled to use water under a vested water right or decreed conditional water right will be injured or injuriously affected by the pumping of Applicants' groundwater resources as decreed herein.
20. Pursuant to C.R.S. § 37-92-305(5), the replacement water herein shall be of a quality so as to meet the requirements for which the water of the senior appropriator has normally used.
21. The plan for augmentation as described in the Findings of Fact is hereby approved, confirmed, and adjudicated, including and subject to the terms and conditions specified herein.

22. No owners of or person entitled to use water under a vested water right or decreed conditional water right will be injured or injuriously affected by the operation of the plan for augmentation as decreed herein.
23. Retained Jurisdiction:
- 23.1 The Court retains jurisdiction as necessary to adjust the average annual amounts of groundwater available under the Subject Property to conform to actual local aquifer characteristics as determined from adequate information obtained from wells, pursuant to C.R.S. § 37-92-305(11). Within 60 days after completion of any well decreed herein or any test hole(s), Applicants or any successor in interest to these water rights shall serve copies of such log(s) upon the State Engineer.
- 23.2 At such time as adequate data is available, any person, including the State Engineer, may invoke the Court's retained jurisdiction to make a Final Determination of Water Right. Within four months of notice that the retained jurisdiction for such purpose has been invoked, the State Engineer shall use the information available to him to make a final determination of water rights findings. The State Engineer shall submit such finding to the Water Court and the Applicants.
- 23.3 If no protest to such finding is made within 60 days, the Final Determination of Water Rights shall be incorporated into the decree by the Water Court. In the event of a protest, or in the event the State Engineer makes no determination within four months, such final determination shall be made by the Water Court after notice and hearing.
- 23.4 Except as otherwise provided in Paragraphs 23.1-23.3, above, pursuant to C.R.S. § 37-92-304(6), the plan for augmentation decreed herein shall be subject to the reconsideration of this Court on the question of material injury to vested water rights of other, for a period of five (5) years. Any person, within such period, may petition the Court to invoke its retained jurisdiction. Any person seeking to invoke the Court's retained jurisdiction shall file a verified petition with the Court setting forth with particularity the factual basis for requesting that the Court reconsider injury to petitioner's vested water rights associated with the operation of this decree, together with proposed decretal language to effect the petition. The party filing the petition shall have the burden of proof of going forward to establish a prima facie case based on the facts alleged in the petition. If the Court finds those facts are established, Applicants shall thereupon have the burden of proof to show: (i) that the petitioner is not injured, or (ii) that any modification sought by the petitioner is not required to avoid injury to the petitioner, or (iii) that any term or condition proposed by Applicants in response to the petition does avoid injury to the petitioner. The Division of Water Resources as a petitioner shall be entitled to assert injury to the vested water rights of others. If no such petition is filed within such period and the retained jurisdiction period is not extended by the

Court in accordance with the provisions of the statute, this matter shall become final under its own terms.

Continuing Jurisdiction: Pursuant to C.R.S. § 37-92-304(6), the Court retains continuing jurisdiction over the plan for augmentation decreed herein for reconsideration by the water judge on the question of injury to the vested rights of others for such period after the entry of such decision as is necessary or desirable to preclude or remedy any such injury.

24. The groundwater rights decreed herein are vested property rights appurtenant to the Subject Property and shall remain appurtenant unless expressly severed by conveyance to someone other than the property owner. If any deed for the Subject Property is silent to the conveyance of the water rights decreed herein, it is assumed that the water rights have been conveyed as an appurtenance to the Subject Property, unless all or part of the water rights have been previously severed.

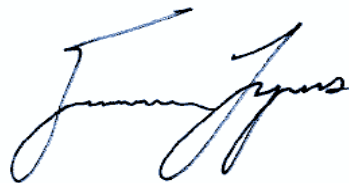
Date: October 5, 2022



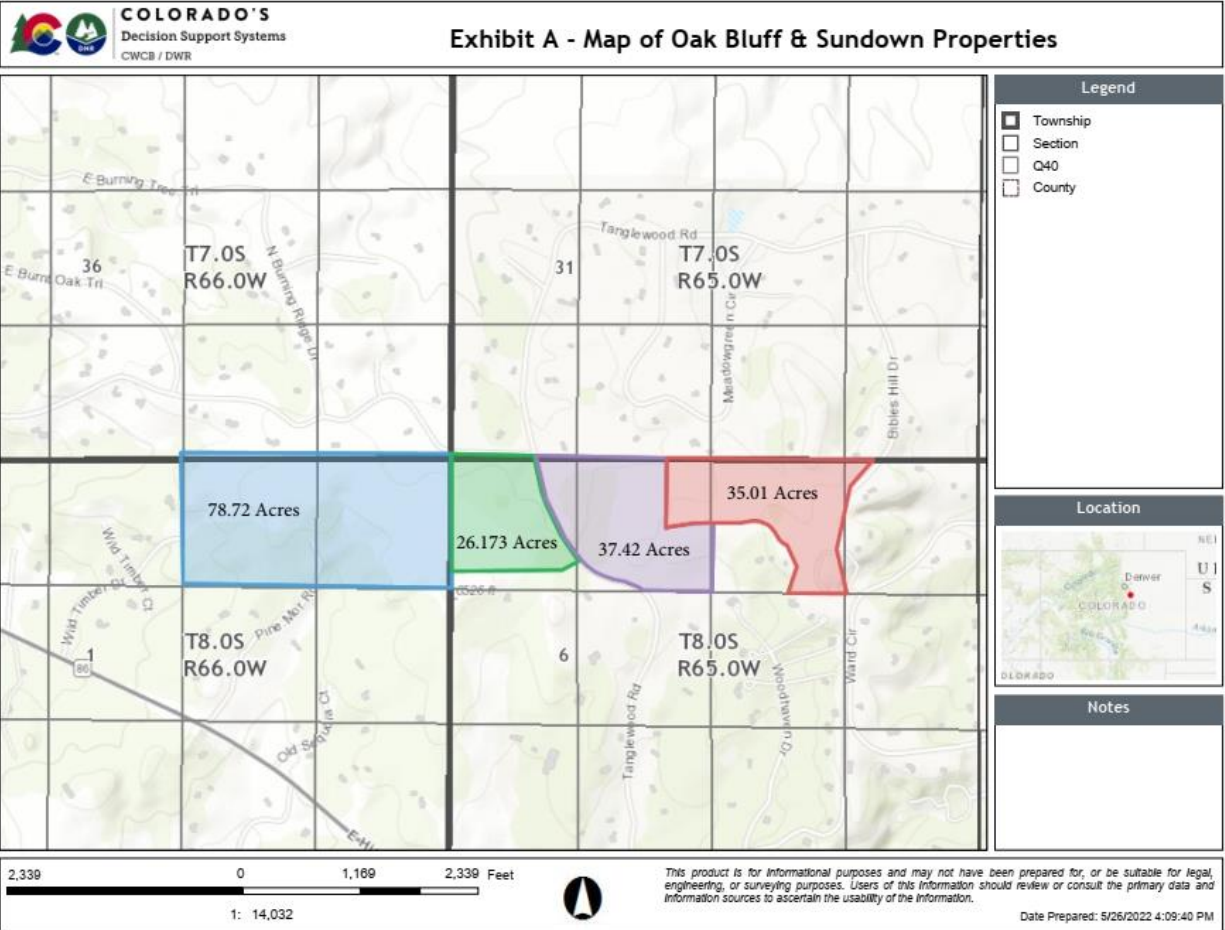
John S. Cowan
Water Referee
Water Division One

The Court finds that no protest was filed in this matter. The foregoing is confirmed and is made the judgment and decree of this Court.

Date: October 27, 2022



Shannon Lyons
Alternate Water Judge
Water Division One



Oak Bluff Subdivision, et al.
22CW3071

EXHIBIT A

Oak Bluff & Sundown Properties – Legal Descriptions

78.72 Acres – Oak Bluff Subdivision – Legal Description

N1/2 NE1/4, Section 1, Township 8 South, Range 66 West of the 6th P.M.

26.173 Acres – Oak Bluff Subdivision – Legal Description

A part of the W1/2 of Section 6, Township 8 South, Range 65 West of the 6th P.M., being more particularly described as follows: Commencing at the NW corner of said Section 6, said point being the point of beginning; thence South 88 degrees 47 minutes 54 seconds West and along the North line of the NW¼ of said Section 6, a distance of 814.21 feet to a point on the centerline of an 80.00 foot wide ingress and egress easement; thence Southerly distance of 299.99 feet to a point of curve; 2. Along a curve to the left have a delta of 11 degrees 14 minutes 18 seconds, a radius of 1,016.35 feet, a distance of 199.35 feet measured along the arc to a point of tangent; 3. South 24 degrees 07 minutes 28 seconds East, a distance of 295.52 feet to a point of curve; 4. Along a curve to the left having a delta of 22 degrees 51 minutes 10 seconds, a radius of 406.95 feet, a distance of 162.31 feet measured along the arc to a point of reverse curve; 5. Along a curve to the right having a delta of 14 degrees 49 minutes 25 seconds, a radius of 730.30 feet, a distance of 188.94 feet measured along the arc to a point of reverse curve; thence South 61 degrees 02 minutes 29 seconds West, a distance of 209.52 feet; thence South 89 degrees 40 minutes 30 seconds West, a distance of 1,088.84 feet to a point on the West line of the NW1/4 of said Section 6; thence North 00 degrees 19 minutes 25 seconds West, a distance of 1,152.05 feet to the point of beginning. Basis of bearing is the West center line of the NW1/4 of said Section 6, being considered to bear North 00 degrees 19 minutes 25 second West.

37.42 Acres – Sundown Subdivision – Legal Description

A tract of land situated in the Northwest ¼ of Section 6, Township 8 South, Range 65 West of the 6th Principal Meridian, Douglas County, Colorado, more particularly described as follows:

Commencing at the North 1/4 corner of Section 6 and considering the North line of the Northwest ¼ Section 6 to bear N

88°55'53"W with all bearings contained herein relative thereto;

Thence N 88°55'53"W along said North line a distance of 479.21 feet to the True Point of Beginning; Thence N 88°55'53"W along said North line a distance of 1310.70 feet to a point on the centerline of an 80 foot easement recorded at Book 636 at Page 142; Thence Southeasterly along said centerline the following 9 courses;

1. Thence S 13°01'07"E a distance of 300.00 feet to a point of curve;
2. Thence Southeasterly along the arc of a curve to the left a distance of 199.35 feet, said curve has a radius of 1016.35 feet, a central angle of 11 °14'18" to a point of tangent;
3. Thence S 24°15'27"E a distance of 295.52 feet to a point of curve;
4. Thence Southeasterly along the arc of a curve to the left a distance of 162.31 feet, said curve has a radius of 406.95 feet, a central angle of 22°51 '07" to a point of reverse curve;
5. Thence Southeasterly along the arc of a curve to the right a distance of 188.94 feet, said curve has a radius of 730.31 feet, a central angle of 14°49'25" to a point of reverse curve;
6. Thence Southeasterly along the arc of a curve to the left ° a distance of 257.09 feet, said curve has a radius of 369.42 feet, a central angle of 39 52'28" to a point of tangent;
7. Thence S 72°09'37"E a distance of 112.92 feet to a point of curve;
8. Thence Southeasterly along the arc of a curve to the right a distance of 219.63 feet, said curve has a radius of 4169.13 feet, a central angle of 3°01 '06" to a point of a compound curve;
9. Thence Southeasterly along the arc of a curve to the right a distance of 75.70 feet, said curve has a radius of 311.60 feet, a central angle of 13°55'11" to a point of nontangent;

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EXHIBIT A

Thence S 88°49'13"E a distance of 716.83 feet to a point on the East line of the Northwest¼ of Section 6;
Thence N 1°06'41"E along said East line a distance of 674.50 feet to a point on the South right of way line of a 60 foot easement;
Thence Westerly along said South right of way line the following 4 courses;

1. Thence N 88°53'53"W a distance of 34.04 feet to a point of curve;
2. Thence Westerly along the arc of a curve to the left a distance of 215.18 feet, said curve has a radius of 1470.00 feet, a central angle of 8°23'13" to a point of tangent;
3. Thence S 82°42'54"W a distance of 135.66 feet to a point of curve;
4. Thence Westerly along the arc of a curve to the left a distance of 99.75 feet, said curve has a radius of 420.00 feet, a central angle of 13°36'28" to a point of nontangent;

Thence N 1°04'07"E a distance of 691.60 feet to the Point of Beginning.

35.01 Acres – Sundown Subdivision – Legal Description

A tract of land situated in the North 1/2 of Section, Township 8 South, Range 65 West of the 6th Principal Meridian, Douglas County, Colorado, more particularly described as follows:

Beginning at the North 1/4 corner of Section 6 and considering the North line of the Northwest ¼ Section 6 to bear N 88°55'53"W with all bearings contained herein relative thereto;

Thence N 88°55'53"W along said North line a distance of 479.21 feet;

Thence S 1°04'07"W a distance of 691.60 to a point on the South right of way line of a 60 foot easement;

Thence Westerly along said South right of way line the following 9 courses;

1. Thence Easterly along the arc of a curve to the right a distance of 99.75 feet, said curve has a radius of 420.00 feet, a central angle of 13°36'28" and a cord that Bears N 75°54'40"E a distance of 99.52 to a point of tangent;
2. Thence N 82°42'54"E a distance of 135.66 feet to a point of curve;
3. Thence Easterly along the arc of a curve to the Right a distance of 215.18 feet, said curve has a radius of 1470.00 feet, a central angle of 8°23'13" to a point of tangent;
4. Thence S 88°53'53"E a distance of 264.50 feet to a point of curve;
5. Thence Easterly along the arc of a curve to the left a distance of 16.64 feet, said curve has a radius of 500.00 feet, a central angle of 1°54'26" to a point of tangent;
6. Thence N 80°19'56"E a distance of 119.06 feet to a point of curve;
7. Thence Southeasterly along the arc of a curve to the right a distance of 290.99 feet, said curve has a radius of 230.00 feet, a central angle of 72°29'20" to a point of tangent;
8. Thence S 27°12'34"E a distance of 25.30 feet to a point of curve;
9. Thence Southeasterly along the arc of a curve to the left a distance of 140.13 feet, said curve has a radius of 199.00 feet, a central angle of 40° 20'47" to a point of nontangent;

Thence S 25°22'25"E a distance of 232.32 feet;

Thence S 18°19'51"W a distance of 278.59 feet;

Thence S 89°29'09"E a distance of 576.25 feet;

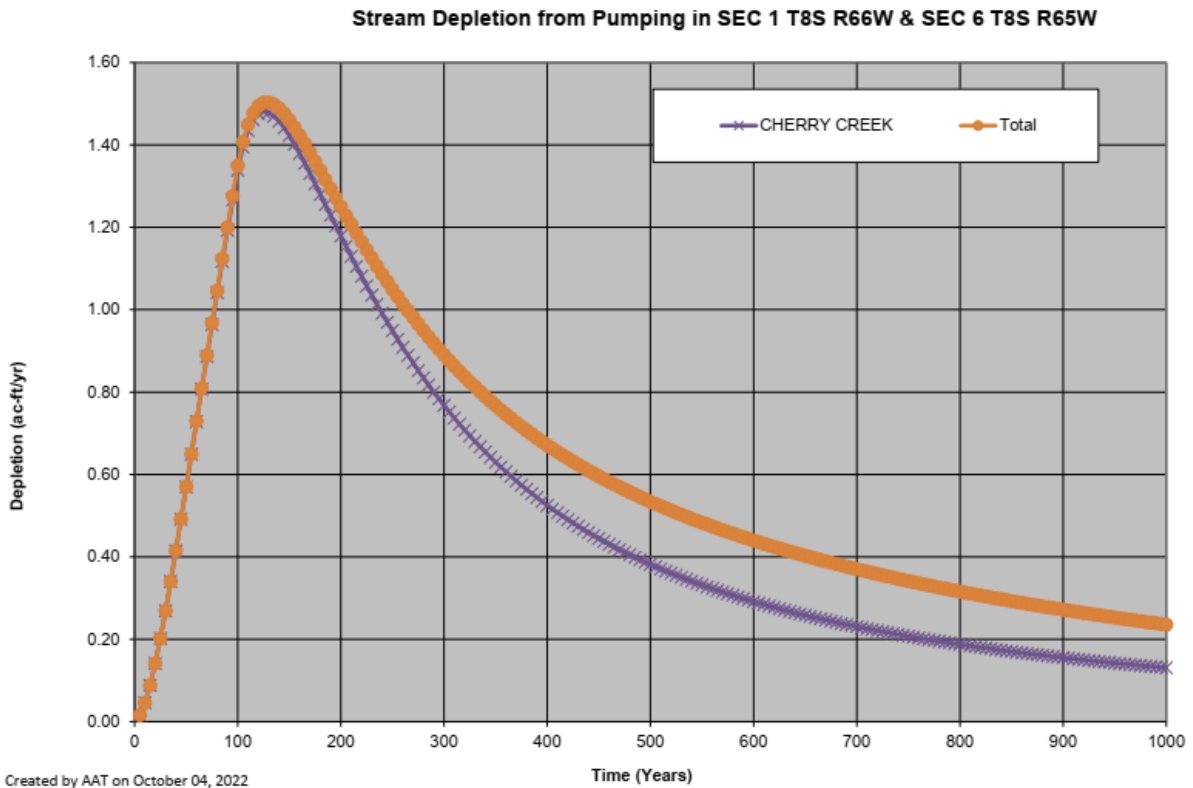
Thence N 13°28'32"W a distance of 450.11 feet;

Thence N 12°44'04"E a distance of 633.61 feet;

Thence N 42°22'33"E a distance of 350.63 feet to a point on the North line of the Northeast¼ of section 6; Thence N 89°29'42"W along said North line a distance of 1567.21 feet to the Point of Beginning.

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EXHIBIT A



Oak Bluff Subdivision, et al.
22CW3071

EXHIBIT B

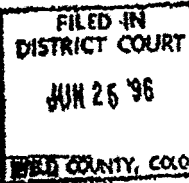
CENTRAL FILES

DISTRICT COURT, WATER DIVISION 1, COLORADO

RECEIVED

Case No. 95CW288

AUG 01 1996



WATER RESOURCES
STATE ENGINEER
COLORADO

FINDINGS OF FACT, CONCLUSIONS OF LAW, RULING OF THE REFEREE,
JUDGMENT AND DECREE

CONCERNING THE APPLICATIONS FOR WATER RIGHTS OF CARROLL LAND
COMPANY, INC. AND THE ESTATE OF WALLACE E. CARROLL,

IN DOUGLAS COUNTY.

This claim for for nontributary and not nontributary groundwater and approval of plan for augmentation, having been filed on December 29, 1995, and all matters contained in the application having been reviewed, and testimony having been taken where such testimony is necessary, and such corrections made as are indicated by the evidence presented herein, the following is hereby the Ruling of the Referee as follows:

FINDINGS OF FACT

1. Name, address and telephone number of Applicants:

Carroll Land Company, Inc. and the Estate of Wallace E. Carroll
c/o 6300, South Syracuse Way, Suite 300
Englewood, Colorado 80111
(303) 773-2800

2. No statements of opposition were filed and the time for filing of such statements has expired.

3. Subject matter jurisdiction: Timely and adequate notice of the application was published as required by statute, and the Court has jurisdiction over the subject matter of this proceeding and over the parties affected hereby, whether they have appeared or not.

APPROVAL OF GROUNDWATER RIGHTS

4. Aquifers and location of ground water: Applicants seek a decree for rights to all ground water recoverable from the not nontributary Upper Dawson and nontributary Lower Dawson, Denver, Arapahoe and Laramie-Fox Hills aquifers underlying two noncontiguous parcels of land. Parcel A is comprised of approximately 190.73 acres of land, located in parts of Section 1, T88, R66W and Section 6, T88, R65W, both of the 6th P.M., as more particularly described on Attachment A hereto. Parcel B is comprised of approximately 82.28 acres of land, located in parts of Section 2, T88, R66W of the 6th P.M., as more particularly described and shown on Attachment B hereto. Both Parcels A and B are shown on Attachment C hereto and are hereafter referred to as the "Subject Property". The Subject Property is not located within the boundaries of a designated ground water basin.

5. Well locations, pumping rates and annual amounts: The ground water may be withdrawn at rates of flow necessary to efficiently withdraw the amounts decreed herein so long as the permitted rates are not exceeded. The ground water underlying Parcel A will be withdrawn through any number of wells necessary, to be located at any location on Parcel A, and the ground water underlying Parcel B will be withdrawn through any number of wells necessary, to be located at any location on Parcel B, so long as the wells are located within 200 feet of their respective permitted locations. Applicants hereby waive any 500 foot spacing rule. Applicants may withdraw Upper Dawson groundwater decreed herein as associated with Parcel A through existing well Permit No. 103741, which well is completed into the Upper Dawson aquifer as described in the Determination of Facts for the Upper Dawson dated February 9, 1996. Applicants will apply for a new well permit for the existing well to change the well from an exempt to a fee well to withdraw the Upper Dawson groundwater decreed herein. The estimated annual amounts available for withdrawal underlying Parcels A and B are as follows:

PARCEL A

Aquifer	Saturated Thickness	Amount
Upper Dawson	150 feet	44.2 acre-feet (NNT)*
Lower Dawson	63 feet	24.0 acre-feet (NT)

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Denver	200 feet	61.8 acre-feet(NT)
Arapahoe	275 feet	89.2 acre-feet(NT)
Laramie-Fox Hills	195 feet	55.8 acre-feet(NT)

*Amount reduced for Permit No. 103741 pursuant to the Determination of Facts for this aquifer, and reduced by 12 acre-feet per year for uses which are legally available pursuant to Section 37-92-602, C.R.S., on four 47.68 acre tracts of land. The amount of excluded groundwater for use through these exempt wells is approximately 1200 acre-feet from the total amount of groundwater available in the Upper Dawson aquifer underlying Parcel A, or 6.29 acre-feet per surface acre.

PARCEL B

Aquifer	Saturated Thickness	Amount
Upper Dawson	98 feet	10.1 acre-feet(NNT) *
Lower Dawson	46 feet	7.6 acre-feet(NT)
Denver	250 feet	35.0 acre-feet(NT)
Arapahoe	270 feet	37.8 acre-feet(NT)
Laramie-Fox Hills	190 feet	23.4 acre-feet(NT)

*Amount reduced by 6 acre-feet per year for uses which are legally available pursuant to Section 37-92-602, C.R.S., on two 41.14 acre tracts of land. The amount of excluded groundwater for use through these exempt wells is approximately 600 acre-feet from the total amount of groundwater available in the Upper Dawson aquifer underlying Parcel B, or 7.29 acre-feet per surface acre.

The amounts conform with the values and amounts referenced in the State Engineer's Determination of Facts dated February 9, 1996.

6. Proposed Use: The water withdrawn from the subject aquifers will be used, reused, successively used, and after use leased, sold, or otherwise disposed of for the following beneficial purposes: municipal, domestic, industrial, commercial, irrigation, stock watering, recreational, fish and wildlife, and any other beneficial purpose, both on and off the Subject Property. Said water will be produced for immediate application to said uses, for storage and subsequent application to said uses, for exchange purposes, for replacement of depletions resulting from the use of water from other sources, and for augmentation purposes.

7. Final average annual amounts of withdrawal:

A. Final determination of the applicable average saturated sand thicknesses and resulting average annual amounts available to Applicants will be made pursuant to the retained jurisdiction of this Court, as described in paragraph 25 below. The court shall use the acre-foot

amounts in paragraph 5 herein in the interim period, until a final determination of water rights is made.

B. The allowed annual amount of ground water which may be withdrawn through the wells specified above and any additional wells, pursuant to 37-90-137(10), C.R.S., may exceed the average annual amount of withdrawal decreed herein for that aquifer, as long as the total volume of water withdrawn through such wells and any additional wells therefor subsequent to the date of this decree does not exceed the product of the number of years since the date of the issuance of any well permits or the date of this decree, whichever is earliest in time, multiplied by the average annual amount of withdrawal decreed herein for that aquifer, as specified above or as determined pursuant to the retained jurisdiction of the Court. However, amounts set forth in well permits will not be exceeded.

8. Source of ground water and limitations on consumption:

A. The ground water to be withdrawn from the Lower Dawson, Denver, Arapahoe and Laramie-Fox Hills aquifers in "nontributary groundwater" as defined in 37-90-103(10.5), C.R.S., and in the Denver Basin Rules, the withdrawal of which will not, within 100 years, deplete the flow of a natural stream, including a natural stream as defined in 37-82-101(2) and 37-92-102(1)(b), C.R.S., at an annual rate greater than 1/10 of 1% of the annual rate of withdrawal. The ground water to be withdrawn from the Upper Dawson aquifer is "not nontributary" as defined in 37-90-137(9)(c), C.R.S. and such water may be withdrawn pursuant to the plan for augmentation approved herein.

B. Applicants may not consume more than 98% of the annual quantity of water withdrawn from the nontributary Lower Dawson, Denver, Arapahoe and Laramie-Fox Hills aquifers. The relinquishment of 2% of the annual amount of water withdrawn to the stream system, as required by the Denver Basin Rules effective January 1, 1986, may be satisfied by any method selected by the Applicants and accepted as satisfactory to the State Engineer, so long as Applicants can demonstrate that an amount equal to 2% of such withdrawals (by volume) have been relinquished to the stream system.

C. There is unappropriated groundwater available for withdrawal from the subject aquifers beneath the Subject Property, and the vested water rights of others will not be materially injured by such withdrawals as described herein. Withdrawals hereunder are allowed on the basis of an aquifer life of 100 years, assuming no substantial artificial recharge within 100 years. No material injury to vested water rights of others will result from the issuance of permits for wells which will withdraw nontributary groundwater or the exercise of the rights and limitations specified in this decree.

9. Additional wells and well fields:

A. Applicants may construct additional and replacement wells in order to maintain levels of production, to meet water supply demands or to recover the entire amount of groundwater in the subject aquifers underlying the Subject Property. As additional wells are planned, applications shall be filed in accordance with 37-90-137(10), C.R.S. However, water underlying Parcels A and B will only be withdrawn through wells located on each specific parcel.

B. Two or more wells constructed into a given aquifer on a specific parcel shall be considered a well field. In effecting production of water from such well field, Applicants may produce the entire amount which may be produced from any given aquifer through any combination of wells within the well field.

C. In considering applications for permits for wells or additional wells to withdraw the groundwater which is the subject of this decree, the State Engineer shall be bound by this decree and shall issue said permits in accordance with provisions of 37-90-137(10), C.R.S., subject to paragraph 5 herein.

D. In the event that the allowed average annual amounts decreed herein are adjusted pursuant to the retained jurisdiction of the Court, Applicants shall obtain permits to reflect such adjusted average annual amounts prior to withdrawing the adjusted amounts. Subsequent permits for any wells herein shall likewise reflect any such adjustment of the average annual amounts decreed herein.

E. The water in the Upper Dawson aquifer is not nontributary and up to 54.3 acre-feet per year and no more than 54.3 acre-feet total may be withdrawn pursuant to the augmentation plan decreed herein.

APPROVAL OF PLAN FOR AUGMENTATION

10. Approval of plan for augmentation:

A. Water to be augmented: Up to 44.2 acre-feet per year and 10.1 acre-feet per year of not nontributary Upper Dawson aquifer, underlying Parcels A and B, respectively.

B. Water to be used for augmentation: Return flows associated with use of the not nontributary Upper Dawson ground water and return flows or direct discharge of not nontributary or nontributary ground water decreed herein.

C. Development and Consumptive Use: The Upper Dawson aquifer groundwater may be used on the Subject Property for inhouse, stockwatering, and irrigation uses. Approximately 90% of the amount used for inhouse use and approximately 20% of water used for irrigation will return to the stream systems. All water used for stockwatering is considered to be consumed. Sewage treatment of inhouse use will be provided by non-evaporative septic systems.

D. Replacement during pumping: During pumping of the Upper Dawson ground water, Applicants will replace depletions to Cherry Creek in an amount of water equal to the actual depletions pursuant to §37-90-137(9)(c). In the 100th year, the total depletion to the stream system from withdrawals from the Upper Dawson aquifer on the Subject Property is approximately 14.472% of the amount withdrawn on an annual basis (7.86 acre-feet). Return flows from inhouse use and irrigation use accrues to Cherry Creek and those return flows are sufficient to replace actual depletions caused by pumping of up to 54.3 acre-feet per year from the Upper Dawson aquifer while the wells are being pumped. However, if there is not enough inhouse use or land being irrigated to supply the necessary return flows, Applicants may be required to directly discharge the not nontributary groundwater underlying the Subject Property to Cherry Creek. Because return flows from all uses are estimated rather than measured, Applicants agree that such return flows shall be used only to replace depletions under this plan for augmentation, and will not be sold, traded or assigned in whole or in part for any other purpose.

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E. Postpumping Depletion Augmentation: Assuming maximum pumping of 54.3 acre-feet per year from the Upper Dawson aquifer for one hundred years, the maximum depletion based on a total withdrawal of 5430 acre-feet under this plan for augmentation is 15.8694 (8.616 acre-feet) which occurs to Cherry Creek in the 119th year. It is Applicants' position that depletions which occur after pumping ceases are not injurious. The Office of the State Engineer does not agree with this position. Nevertheless, in order to reach settlement with the Office of the State Engineer, Applicants will reserve 4420 acre-feet and 1010 acre-feet of nontributary Laramie-Fox Hills water underlying Parcels A and B, respectively, decreed herein for use in this plan. The Court retains continuing jurisdiction in this matter to determine if the supply is adequate.

F. Applicants shall replace post-pumping depletions for the shortest of the following periods: the period provided by C.R.S. 37-90-137(9)(c); the expressed period specified by the Colorado Legislature, should it specify one and providing the Applicants obtain water court approval for such modification; the period determined by the State Engineer, should he choose to set such a period and have jurisdiction to do so; the period established through rulings of the Colorado Supreme Court on relevant cases, or until Applicants petition the water court and after notice to the State Engineer and any parties in the case and proves that he has complied with any statutory requirement.

11. Applicants shall pay the cost imposed by operation of this augmentation plan. Failure of either the Applicants or successors in interest to the Subject Property to comply with the terms of the decree may result in an order of the Division Engineer's office to curtail or eliminate pumping of the Upper Dawson groundwater. This decree shall be recorded in the real property records of Douglas County so that a title examination of the property, or any part thereof, shall reveal to all future purchasers the existence of this decree.

12. Administration of plan for augmentation:

A. Applicants shall report annually to the Division Engineer for Water Division 1 and the appropriate Water Commissioner the monthly metered withdrawals of each well, on an accounting form acceptable to the Division Engineer.

Ruling and Decree 95CW288

B. All withdrawals which are the subject of this decree will be metered.

C. Pursuant to 37-92-305(8), C.R.S., the State Engineer shall curtail all out-of-priority diversions, the depletions from which are not so replaced as to prevent injury to vested water rights.

D. The Applicants at the direction of the Division Engineer, shall make post pumping replacements to the Cherry Creek stream system pursuant to the amounts referenced on the depletion curve attached hereto on Attachment D.

13. Retained jurisdiction for plan for augmentation:

A. Pursuant to 37-92-304(6), C.R.S. the Court retains continuing jurisdiction over the plan for augmentation decreed herein for reconsideration of the question whether the provisions of this decree are necessary and/or sufficient to prevent injury to vested water rights of others. The Court also has jurisdiction for the purposes of determining compliance with the terms of the augmentation plan.

B. Any person seeking to invoke the retained jurisdiction of the Court shall file a verified petition with the Court. The petition to invoke retained jurisdiction or to modify the Decree shall set forth with particularity the factual basis upon which the requested decretal language to effect the petition. The party lodging the petition shall have the burden of going forward to establish prima facie facts alleged in the petition. If the court finds those facts to be established, Applicants shall thereupon have the burden of proof to show: (1) that any modification sought by Applicants will avoid injury to other appropriators, or (2) that any modification sought by Objector is not required to avoid injury to other appropriators or (3) that any term or condition proposed by Applicants in response to the Objectors' petition does avoid injury to other appropriators.

C. The Court retains jurisdiction for the purpose of determining whether the continued reservation of the nontributary water for use on the property is required. IF

Applicants can demonstrate to the Court or by agreement with Objector that post-pumping depletions need no longer be replaced, the court may remove the requirement that the Laramie-Fox Hills nontributary water described above must be reserved.

CONCLUSIONS OF LAW

14. The Water Court has jurisdiction over this proceeding pursuant to 37-90-137(6), C.R.S. This Court concludes as a matter of law that the application herein is one contemplated by law, Section 37-90-137(4), C.R.S. The application for a decree confirming Applicant's right to withdraw and use all unappropriated ground water from the nontributary aquifers beneath the property as described herein pursuant to 37-90-137(4), C.R.S., should be granted, subject to the provisions of this decree. The application for a decree confirming Applicant's right to withdraw and use all ground water from the Upper Dawson aquifer should be granted pursuant to 37-90-137(4) and (9)(c), C.R.S., subject to the provisions of this decree. The withdrawal of up to 54.3 acre-feet annually of the Upper Dawson aquifer water in accordance with the terms of this decree will not result in material injury to vested water rights of others. Applicants shall apply for a new well permit for the existing well Permit No. 103741 to allow that well to withdraw Upper Dawson aquifer groundwater decreed herein.

15. This plan for augmentation satisfies the requirements of 37-90-137(9)(c), C.R.S. for replacement of actual depletions to the affected stream systems for withdrawals of up to 54.3 acre-feet per year and no more than 5430 acre-feet total from the Upper Dawson aquifer.

16. The rights to ground water determined herein shall not be administered in accordance with priority of appropriation. Such rights are not "conditional water rights" as defined by 37-92-103(6), C.R.S., requiring findings of reasonable diligence are not applicable to the ground water rights determined herein. The determination of ground water rights herein need not include a date of initiation of the withdrawal project. See 37-92-305(11), C.R.S.

JUDGMENT AND DECREE

The Findings of Fact and Conclusions of Law set forth above are hereby incorporated into the terms of this Ruling and Decree as if the same were fully set forth herein.

17. Full and adequate notice of the application was given and the Court has jurisdiction over the subject matter, and over the parties whether they have appeared or not.

18. For purposes of jurisdiction in this case, § 37-92-302(2), C.R.S., does not require that the application be supplemented with a well permit or evidence of its denial.

19. The Applicants may withdraw the subject ground water herein through wells to be located anywhere on the property, in the average annual amounts and at the estimated average rates of flow specified herein, subject to paragraph 5 above, and the retained jurisdiction by this Court.

20. Applicants may withdraw up to 54.3 acre-feet per year and no more than 5430 acre-feet total of net nontributary ground water from the Upper Dawson aquifer under the plan for augmentation decreed herein pursuant to § 37-90-137(9)(c), C.R.S.

21. Applicants has complied with all requirements and met all standards and burdens of proof, including but not limited to §§37-90-137(9)(a), 37-92-103(9), 37-92-302, 37-92-304(6), 37-92-305(1), (2), (3), (4), (6), (8) and (9), C.R.S., to adjudicate their plan for augmentation, and is therefore entitled to a decree confirming and approving their plan for augmentation as described in the findings of fact.

22. Pursuant to section 37-92-305(5), C.R.S., the replacement water herein shall be of a quality so as to meet the requirements for which the water of the senior appropriator has normally used.

23. The proposed plan for augmentation as described in the findings of fact, is hereby approved, confirmed and adjudicated, including and subject to the terms and conditions specified herein.

24. No owners of, or person entitled to use water under a vested water right or decreed conditional water right will be injured or injuriously affected by the operation of the plan for augmentation as decreed herein.

25. Retained Jurisdiction:

A. The Court retains jurisdiction as necessary to adjust the average annual amounts of groundwater available under the property to conform to actual local aquifer characteristics as determined from adequate information obtained from wells, pursuant to § 37-92-305(11), C.R.S. Within 60 days after completion of any well decreed herein, or any test hole(s), Applicants or any successor in interest to these water rights shall serve copies of any geophysical or other log(s) obtained from such well or test hole(s) upon the State Engineer.

B. At such time as adequate data is available, any person including the State Engineer may invoke the Court's retained jurisdiction to make a finding and determination of water rights availability. Within four months of notice that the retained jurisdiction for such purpose has been invoked, the State Engineer shall use the information available to him to make a final finding and determination of water rights availability. The State Engineer shall submit such finding to the Water Court and to the Applicants.


C. If no protest to such finding is made within 60 days, the Final Determination of Water Rights shall be incorporated into the decree by the Water Court. In the event of a protest, or in the event the State Engineer makes no determination within four months, such final determination shall be made by the Water Court after notice and hearing.

26. Continuing Jurisdiction.


A. Pursuant to § 37-92-304(6), C.R.S. the court retains continuing jurisdiction over the plan for augmentation decreed herein for reconsideration of the question whether the provisions of this decree are necessary and/or sufficient to prevent injury to vested water rights of others. The court also retains continuing jurisdiction for the purposes of determining compliance with the terms of the augmentation plan, or for the purpose of amending this decree to provide for a different type of wastewater treatment.

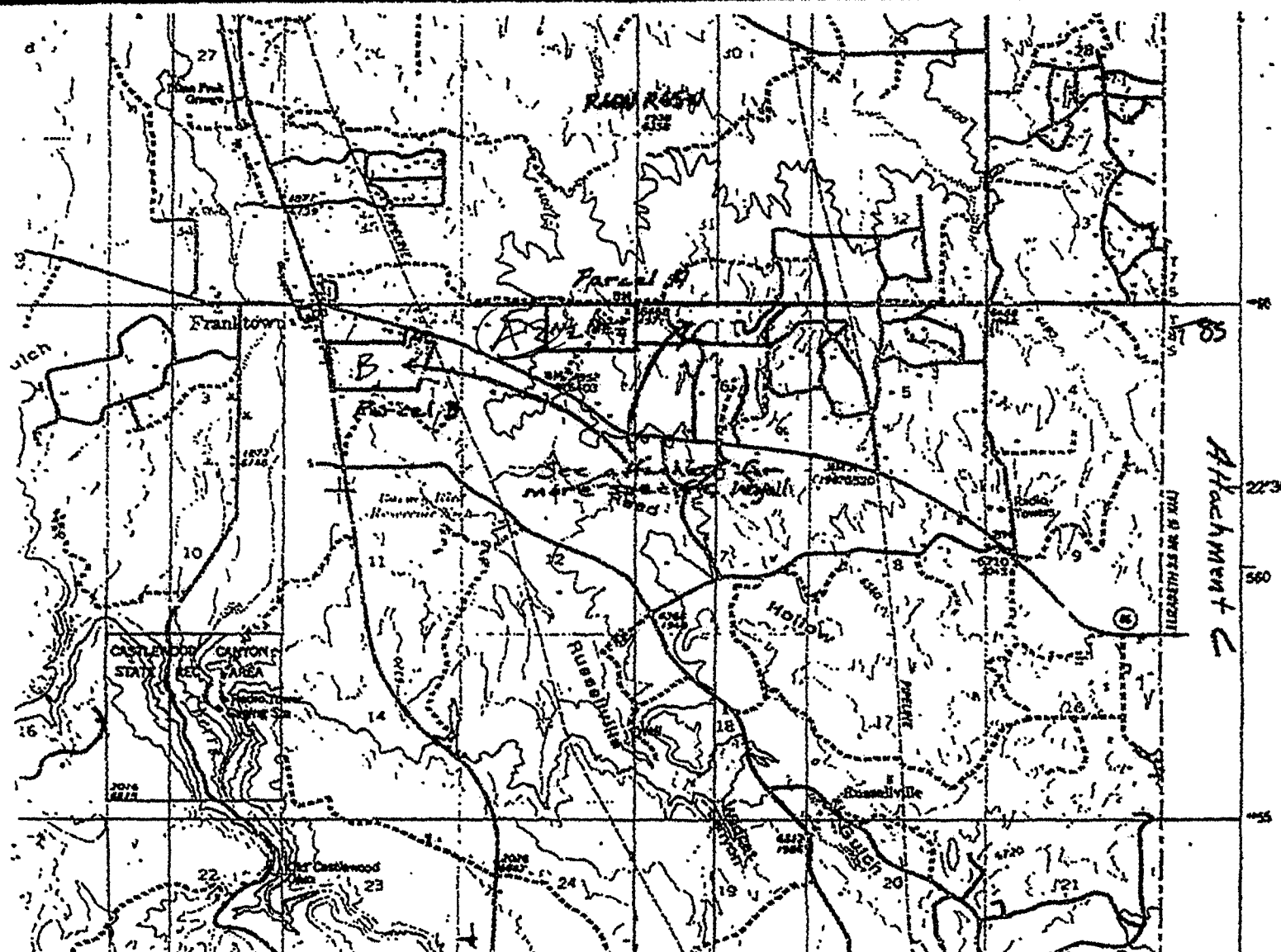
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Dated this 25 day of June, 1996.


Raymond S. Liesman
Water Referee
Water Division 1

THE COURT DOETH FIND THAT NO PROTEST WAS FILED IN THIS
MATTER, THEREFOR THE FOREGOING RULING IS CONFIRMED AND
APPROVED, AND IS HEREBY MADE THE JUDGMENT AND DECREE OF THIS
COURT.

Dated: July 25, 1996 
Jonathan W. Hays
Water Judge
Water Division 1



Attachment C

EXHIBIT B

DISTRICT COURT, WATER DIVISION 1, COLORADO Court Address: P.O. Box 2038 Greeley, Colorado 80632	DATE FILED: December 2, 2015 11:01 AM CASE NUMBER: 2015CW3059
CONCERNING THE APPLICATION FOR WATER RIGHTS OF: CARROLL LAND COMPANY AND FRANKTOWN DEVELOPMENT COMPANY, Applicants, IN DOUGLAS COUNTY.	Δ COURT USE ONLY Δ Case Number: 2015CW3059
FINDINGS OF FACT, CONCLUSIONS OF LAW, RULING OF THE REFEREE, AND JUDGMENT AND DECREE OF THE WATER COURT	

A claim for approval of change of water right was filed in this case on May 29, 2015. All matters contained in the application having been reviewed, testimony having been taken where such testimony is necessary, and such corrections made as are indicated by the evidence presented herein, the following is hereby the Ruling of the Referee:

FINDINGS OF FACT

1. Name and address of Applicant:

Carroll Land Company and Franktown Development Company
 7505 Village Square Drive, #200
 Castle Pines, CO 80108

2. Opposers: No statements of opposition have been filed, and the time for filing of such statements has expired.

3. Subject matter jurisdiction: Timely and adequate notice of the application was published as required by statute, and the Court has jurisdiction over the subject matter of this proceeding and over the parties affected hereby, whether they have appeared or not.

4. Decree information: Case No. 95CW288, Water Division 1, decreed on July 25, 1996. The property which is the subject of the decree is approximately 273 acres located in parts of Sections 1 and 2, T8S, R66W, and Section 6, T8S, R65W of the 6th P.M., as shown on Attachment A (Subject Property).

5. Decreed change: In Case No. 95CW288, an augmentation plan was approved for the use of 54.3 acre-feet per year of not nontributary Upper Dawson aquifer groundwater for in-house, stock watering and irrigation uses. The decree also requires that an equal amount of nontributary

Laramie-Fox Hills aquifer groundwater be reserved for future use in the plan. By this change the augmentation plan is revised to reduce the annual amount of Upper Dawson aquifer groundwater which may be withdrawn pursuant to the plan for augmentation decreed in Case No. 95CW288 to 18.7 acre-feet per year. Also pursuant to this change, the amount of nontributary aquifer groundwater reserved for use in the augmentation plan is reduced to 18.7 acre-feet per year and 1870 acre-feet total.

6. No other parts of the decree in Case No. 95CW288 are changed herein.

CONCLUSIONS OF LAW

7. This Court has jurisdiction over the subject matter of these proceedings and over all who may be affected thereby, whether they have chosen to appear or not pursuant to Section 37-92-302, 37-92-304, and 37-92-305, C.R.S.

8. Timely and adequate notice of the pendency of this action was given in the manner provided by law.

9. The change of water rights decreed herein is, as a matter of law, permissible and comes within the definitions authorized by statute.

10. The terms and conditions as set forth in this decree are adequate to prevent injury to the owners of, or persons entitled to use, water under a vested water right or a decreed conditional water right pursuant to Section 37-92-305, C.R.S.

11. Pursuant to Section 37-92-304(6), C.R.S., the Court retains continuing jurisdiction over the plan for augmentation as decreed in Case No. 95CW288 for reconsideration of the question of whether the provisions of this decree are necessary and/or sufficient to prevent injury to vested water rights of others. The Court also retains continuing jurisdiction for the purpose of determining compliance with the terms of the augmentation plan associated with the water herein.

JUDGMENT AND DECREE

12. The foregoing Findings of Fact and Conclusions of Law are fully incorporated herein.

Carroll Land Company, et al.
15CW3039
Page 2 of 3

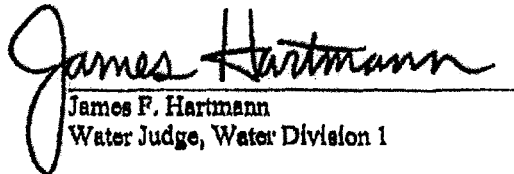
Date: November 9, 2015



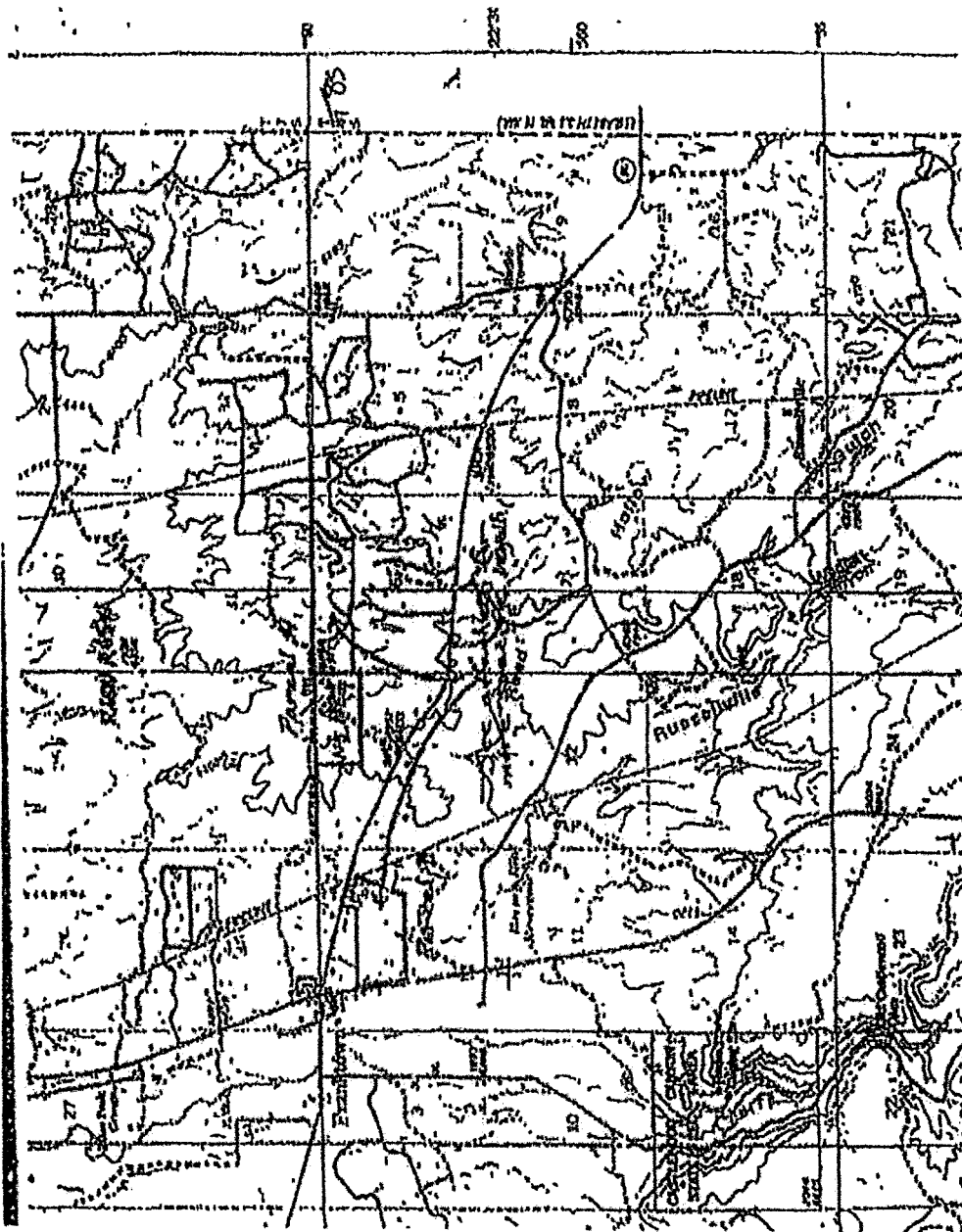
John S. Cowan
Water Referee
Water Division 1

The court finds that no protest was filed in this matter. The foregoing ruling is confirmed and approved, and is made the judgment and decree of this Court.

Date: December 2, 2015.

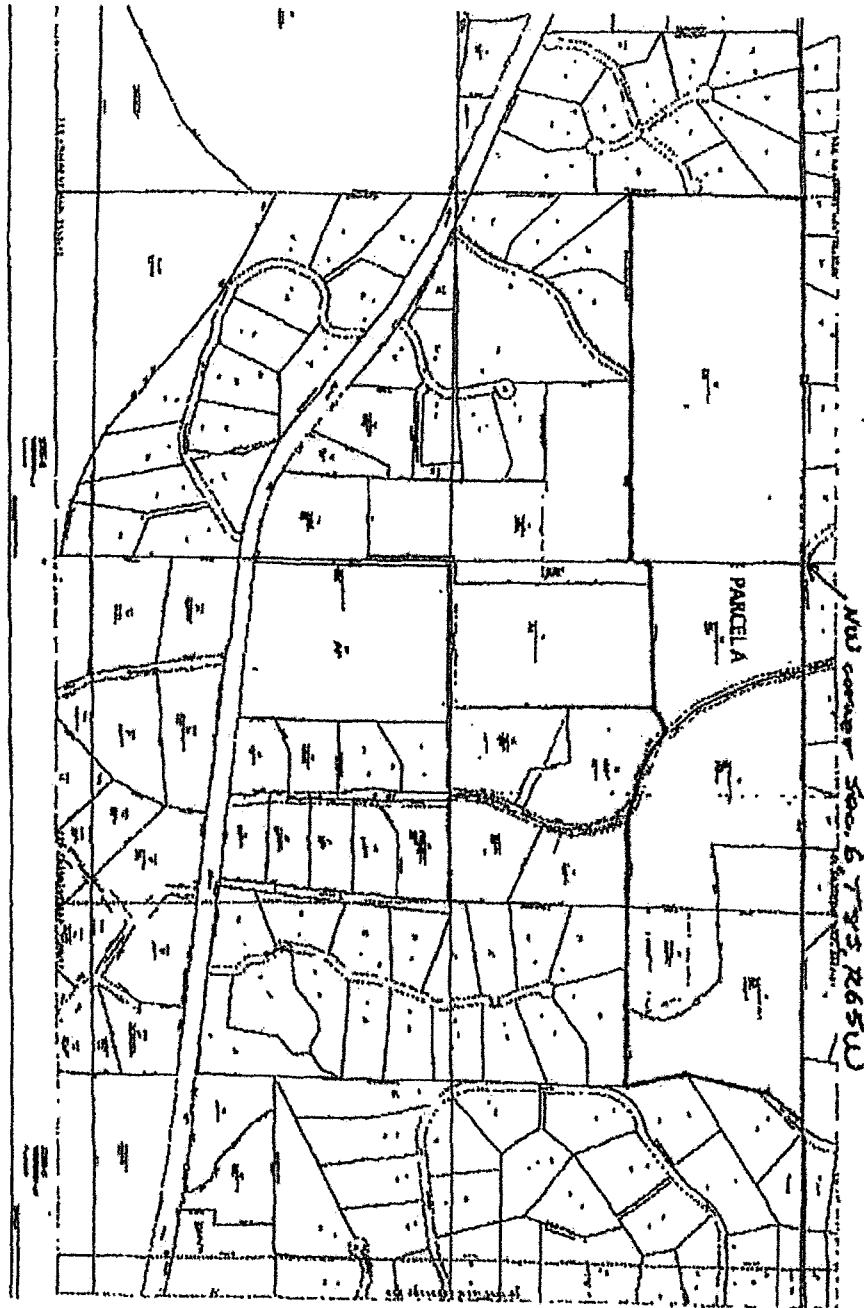

James F. Hartmann
Water Judge, Water Division 1

Carroll Land Company, et al.
15CW3059
Page 3 of 3



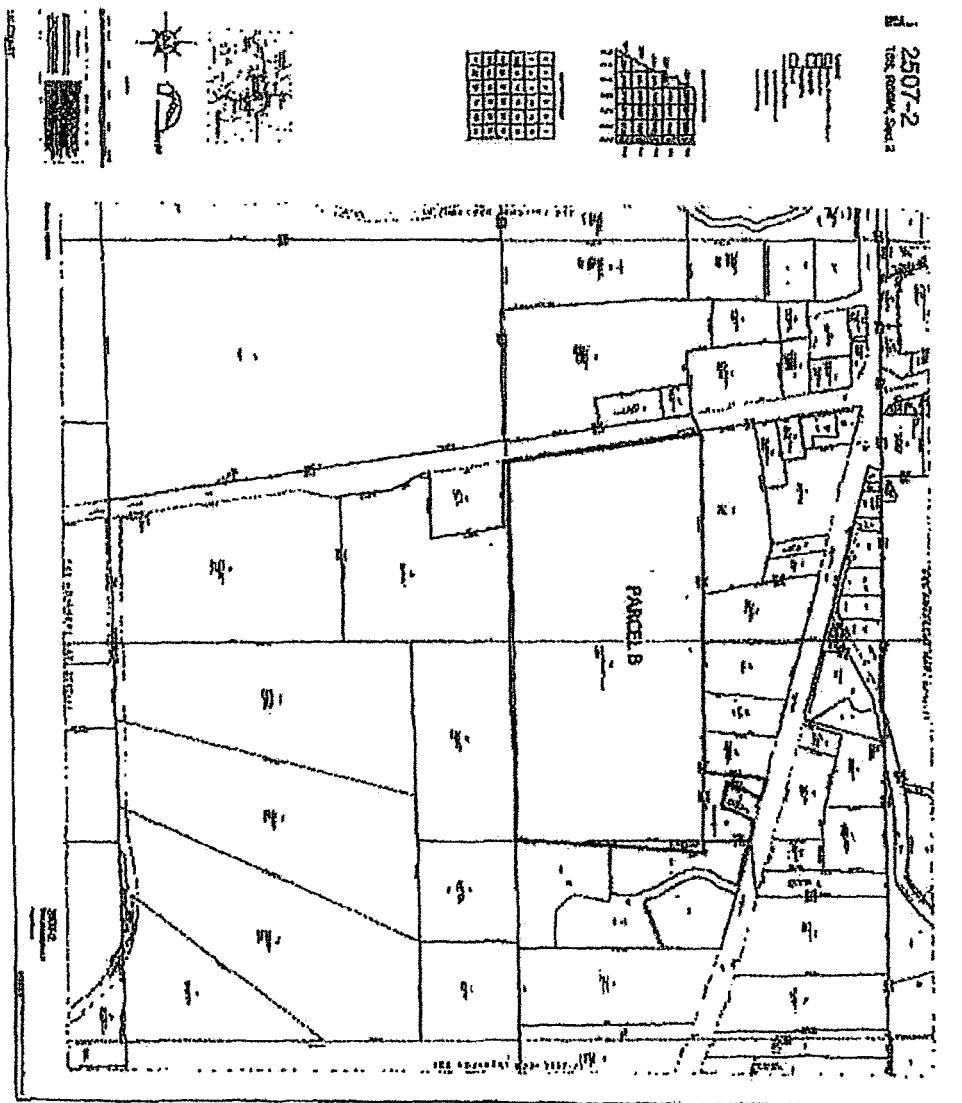
Carroll Land Company, et al.
15CW3059

ATTACHMENT A-1



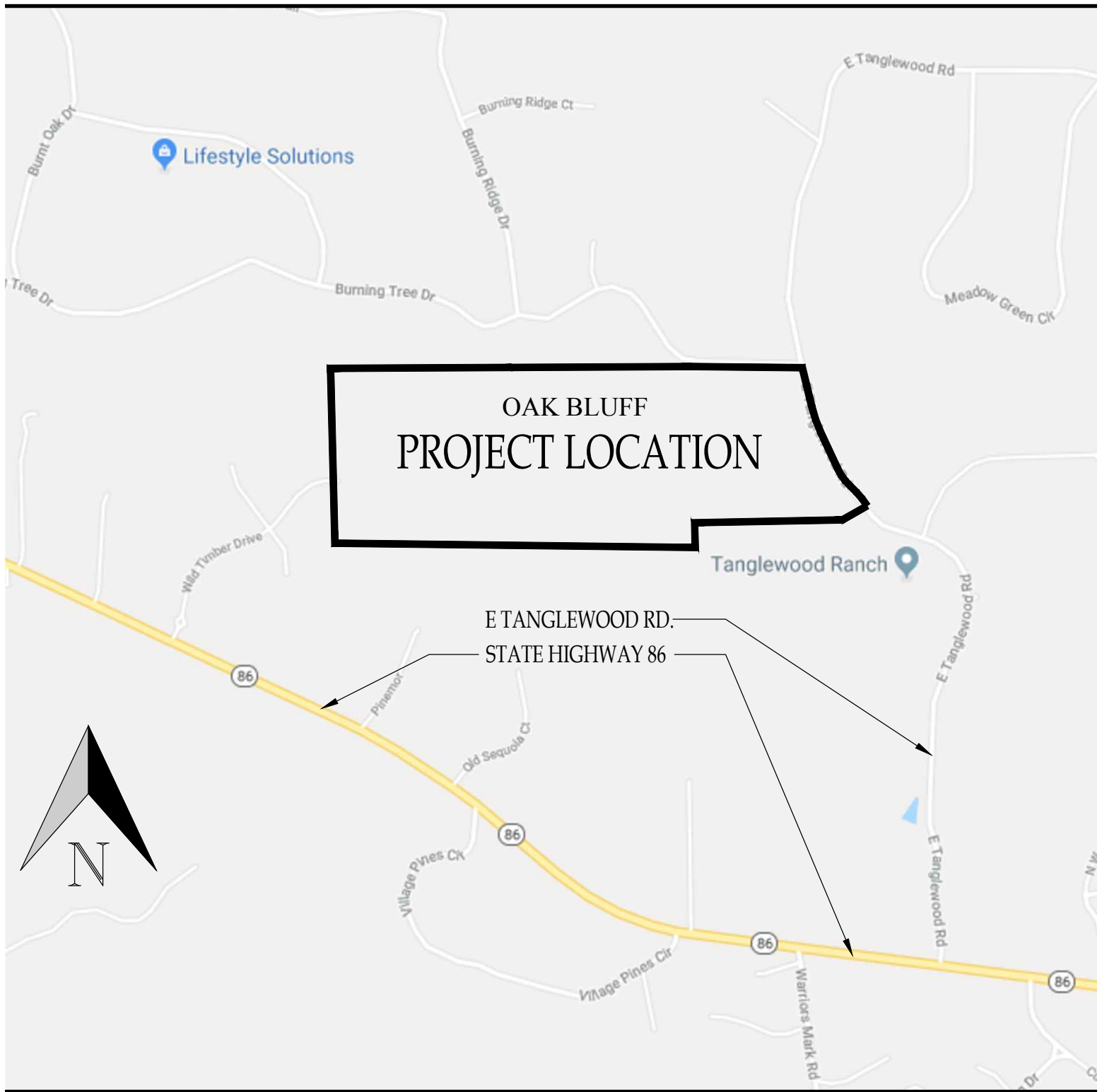
Carroll Land Company, et al.
15CW3059

ATTACHMENT A-2



Carroll Land Company, et al.
15CW3059

ATTACHMENT A-3



VICINITY MAP
SCALE: 1" = 1000'-0"
SECTIONS-1&6 TOWNSHIP-8 S
RANGES-65&66 W

Exhibit I
Compliance with Colorado's Water Quality Management Plan

There will be individual septic systems that will be installed and operated pursuant to Douglas County regulations.

Exhibit J
Advance and Reimbursement Agreement

Service Plan for Sundown Oaks Metropolitan District

REIMBURSEMENT AGREEMENT

(Operations)

THIS REIMBURSEMENT AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 2025, by and between SUNDOWN OAKS METROPOLITAN, a quasi-municipal corporations and political subdivision of the State of Colorado (the “District”); and _____, a Colorado _____ (the “Developer”).

RECITALS

WHEREAS, the District is duly and validly organized as a quasi-municipal corporation and political subdivision of the State of Colorado in accordance with the provisions of Title 32, Colorado Revised Statutes; and

WHEREAS, the Developer has an interest related to property within the District’s boundaries; and

WHEREAS, the District will use its best efforts to issue bonds to pay for certain capital expenditures, as contemplated in the Service Plan, as the same was approved by the Douglas County Board of County Commissioners; and

WHEREAS, the current financial model for the District acknowledges a deficiency in revenues expected to be generated by the District to pay costs related to the operations of the District; and

WHEREAS, the District anticipates that it will be unable to adequately fund initial administrative and operational expenses on an annual basis without financial assistance in the form of advances contemplated by this Agreement; and

WHEREAS, in order to encourage development within the boundaries of the District and to ensure the continued existence and operation of the District, the Developer anticipates providing funding to the District for the purposes of assisting with the provision of general administrative and operating functions of the District with the expectation of being reimbursed therefor; and

WHEREAS, the District intends to reimburse the Developer for the advances made to the District by the Developer on behalf of the District; and

WHEREAS, the District finds that this Agreement is in the best interests of its current and future taxpayers.

NOW, THEREFORE, for and in consideration of the premises and of the mutual representations, warranties, covenants, agreements, and undertakings set forth herein, the parties agree as follows:

COVENANTS AND AGREEMENT

1. **Expenditures.** As used in this Agreement, “Expenditures” means operating costs paid by the District to vendors of goods and services provided to or on behalf of the District. Expenditures also include those costs for which the Developer provides monetary advances to the District for administrative and operational expenses of the District, including but not limited to management fees, legal fees, financial consulting fees, engineering fees and general operations and maintenance costs related to the public purposes of the District.

2. **Reimbursement.** In consideration of advances made by the Developer to the general operating account of the District in accordance with the terms of this Agreement, the District agrees to pay reimbursements plus interest to the Developer pursuant to the terms hereof.

3. **Liability.** Subject to the terms of this Agreement, the obligations of the District to make the reimbursements plus interest (the “Reimbursement Obligation”) arise upon the receipt of any advance of funds made by the Developer to the District, which the District’s accountant shall record and track. No advance(s) shall be made until the District has advised the Developer of the amount of the requested advance(s) (the “Advance Request”) and the Developer has been provided with an opportunity to review and approve the same. The District hereby agrees that all funds requested will be used for Expenditures permitted under this Agreement. Within ten (10) business days following receipt of an Advance Request, the Developer shall approve the same and cause the full amount of the Advance Request to be deposited into the general operating account of the District. If the Developer fails to approve any Advance Request made by the District, the specific reasons for such action shall be documented in writing and shall be provided to the District in accordance with section 17 hereof.

Reimbursement for advances made by the Developer to the District in each year shall include interest on the outstanding amounts due from the District to the Developer at the annual rate of eight percent (8%) simple interest beginning on the date of advance to the date of repayment, but in no event shall interest be charged that exceeds the AAA 30-year MMD (Municipal Market Data) index interest rate by more than 400 Basis Points for the year the interest is applied. Both such date of advance and date of repayment shall be counted in the determination of the number of days for which interest is payable.

All reimbursements made by the District to the Developer shall be duly recorded in the financial records of the District. The District shall determine and document repayments of amounts due for reimbursement.

4. **No Pledge of Specific Revenues or Security.** No specific source of funds is pledged, and no other form of security is pledged, to the payment of the Reimbursement Obligation. No security in the form of letters of credit, bond insurance, stand-by credit agreements, or other form of credit enhancement shall be utilized by the District for the payment of, or as security for, the Reimbursement Obligation.

5. **No Indebtedness or Financial Obligation.** It is the intent of the District and the Developer that this Agreement shall NOT constitute a “debt” or a “multiple-fiscal year direct or

indirect district debt” or other financial obligation whatsoever of the District within the meaning of the Colorado constitution or any other Colorado law and shall be subject to annual appropriation.

Nothing herein shall be construed to pledge District revenues for future years or impose obligations that would require the use of future revenues from a tax otherwise available for general purposes.

Nothing herein, however, shall prevent the Developer and the District from entering into an agreement that includes a reimbursement obligation in the future that has the effect of renewing this Agreement in substantially the same manner that a lease-purchase agreement may be renewed. The Developer has no claim or penalty against the District in the event that this Agreement is not renewed. The Developer agrees that the District has not pledged its credit to its obligations under this Agreement.

6. Termination. This Agreement shall remain in full force and effect until December 31, 2025, and shall be automatically renewed for additional one (1) year periods unless either party provides written notice to the other party at least thirty (30) days prior to December 31 of the then effective term.

7. Not Negotiable. This Agreement is not a negotiable instrument.

8. Enforcement. This Agreement shall be enforceable by either party by actions at law or in equity, and the non-breaching party shall be entitled to any and all remedies available at law or in equity, including, but not limited to, specific performance and/or damages.

9. Amendment. This Agreement is subject to amendment only by the written consent of the parties. Such amendment shall be effective as of the date the amendment is executed by the parties or such other date as the parties shall designate.

10. Severability. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and regulations of the State of Colorado. If any provisions of this Agreement or application thereof to any person or circumstance shall for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

11. Construction of Language. The language used in this Agreement and all parts thereof shall be construed as a whole according to its fair meaning, and not strictly for nor against either party, and both parties have equally participated in the preparation of this Agreement.

12. Non-Waiver. No waiver of any conditions, remedy or provision of this Agreement shall be deemed to have been made unless expressly made in writing and signed by the party against whom such a waiver is charged; and

(a) The failure of either party to insist in any one or more cases upon the performance of any of the provisions, covenants, or conditions of this Agreement or to exercise

any option herein contained, shall not be construed as a waiver thereof or as a relinquishment for the future of any such provisions, covenants, conditions or options;

(b) The acceptance or performance of anything required by this Agreement to be performed with knowledge of the breach or failure of a covenant, condition or provision hereof shall not be deemed a waiver of such breach or failure; and

(c) No waiver by a party of a breach by the other party shall be construed as a waiver with respect to any other or subsequent breach.

13. Governing Law. The terms and provisions of this Agreement shall be governed by, and shall be construed in accordance with, the laws of the State of Colorado.

14. Assignment. This Agreement is personal to the Developer and District, and neither party has any right, power, or authority to assign all or part of this Agreement, or to delegate any duties or obligations arising hereunder unless both parties agree in writing to such assignment.

15. Captions and Headings. The headings throughout this Agreement are for convenience and reference only, and shall in no way be deemed to define, limit, or add to the meaning of any provision of this Agreement.

16. Integration. This Agreement embodies the entire agreement and understanding between the parties concerning the subject matter hereof and supersedes all prior agreements and understandings, if any, between the parties relating to the subject matter thereof.

17. Notices. All notices, requests, demands, consents and other communications hereunder shall be transmitted in writing and shall be deemed to have been duly given when hand delivered or sent by certified United States mail, postage prepaid, with return receipt requested, addressed to the parties as follows:

District: Sundown Oaks Metropolitan District
c/o Spencer Fane LLP
Attn: Nicole Peykov
1700 Lincoln Street, Suite 2000
Denver, CO 80203
Phone: 303-839-3800
Email: npeykov@spencerfane.com

Developer: _____

Attn: _____
Phone: _____
Email: _____

Either party may change the address at which it receives written notice by so notifying the other party in writing in the manner provided herein.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first above written.

SUNDOWN OAKS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

President

ATTEST:

Secretary

_____,
a Colorado limited liability company

By: _____

Name: _____

Its: _____

FACILITIES FUNDING AND ACQUISITION AGREEMENT

THIS FACILITIES FUNDING AND ACQUISITION AGREEMENT (“Agreement”) is made and entered into to be effective as of the ___ day of _____, 2025, by and between **SUNDOWN OAKS METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), _____, a Colorado _____ (the “Developer”) (collectively, the “Parties”).

RECITALS

WHEREAS, Developer is the owner or developer of certain property situated in Douglas County, Colorado, that will be developed as part of a commercial development (the “Property”); and

WHEREAS, in order to serve the future property owners and taxpayers of the Property, certain public infrastructure improvements must be acquired, constructed or installed including but not limited to water, storm sewer, sanitation and wastewater treatment, road and street improvements, park and recreation improvements, and any other public improvements authorized by the District’s Service Plan, as amended (“Improvements”); and

WHEREAS, the District does not currently have funds available for the construction and installation of the Improvements within the area to be developed by Developer; and

WHEREAS, Developer has agreed to either initially construct the Improvements to convey to the District or to initially fund the construction of the Improvements by the District; and

WHEREAS, the District and Developer have determined that for reasons of economic efficiency and timeliness it is in the best interests of the District to establish a means by which either: (1) Developer will construct or cause to have constructed by a general contractor (“Contractor”) the Improvements which the District will acquire after they have been completed; or (2) Developer will initially fund the construction and installation of the Improvements by the District subject to reimbursement as provided herein; and

WHEREAS, the District’s Service Plan authorizes the issuance of general obligation bonds in sufficient amounts to pay for all or a portion of the Improvements; and

WHEREAS, the District and Developer desire to set forth the procedures for the reimbursement of the costs related to the Improvements.

NOW, THEREFORE, in consideration of the foregoing and the respective agreements of the Parties contained herein, the Parties agree as follows:

COVENANTS AND AGREEMENTS

1. Improvements. Improvements constructed by Developer pursuant to the terms of this Agreement shall be eligible for acquisition by the District upon compliance by Developer with

the requirements of Section 2. Developer shall give notice to the District of its intent to either construct the Improvements pursuant to the provisions of Section 2 of this Agreement or advance the funds for the District to construct the Improvements pursuant to Section 3 of this Agreement.

2. Construction of Improvements. Developer agrees to design, construct, and complete the Improvements in full conformance with the design standards and specifications as established and in use by Douglas County, and any other applicable entities having jurisdiction (“Governmental Entities”) pursuant to the provisions of this Agreement. The District will retain an independent, professional engineer licensed in the State of Colorado (“Engineer”) to review the Improvements to determine if the Improvements are approved for reimbursement in accordance with the provisions of this Agreement.

A. Cost Verification Procedures. Developer agrees to advance funds to the District to allow the District to make reasonable verification of the costs and suitability of Improvements to be acquired by the District from Developer. One of the two following procedures shall be used to verify the costs of the Improvements:

(i) Prior to awarding a construction contract for any Improvements, Developer shall obtain a minimum of three (3) written bids for the Improvements. Developer shall provide the District with copies of all bids received for the Improvements prior to awarding the contract(s). In the event Developer determines that the lowest responsible bidder is not the lowest bidder on a contract, Developer shall provide documentation justifying the use of the contractor selected to the District prior to awarding the contract; or

(ii) Prior to requesting that the District acquire any Improvements pursuant to this Agreement, Developer shall obtain a certification of the Engineer that the costs for the design, construction and completion of the Improvements are reasonable and comparable for similar projects as constructed in the Denver Metropolitan Area, and complies with the requirements of Section 2.B.

B. Improvements Acquisition. Subject to the receipt of funding pursuant to Section 4 herein, the District agrees to make payment to Developer for all costs related to the Improvements, including but not limited to, organizational costs, all costs of design, testing, engineering, construction, and related consultant fees, plus simple interest thereon to be accrued at the rate of eight percent (8%) from the date of expenditure through the date of repayment. Prior to the District acquiring the Improvements, the Engineer shall certify that the costs for the design, construction, and completion of the Improvements are reasonable and comparable for similar projects as constructed in the Denver Metropolitan Area. The Engineer, in the Engineer’s sole professional discretion, may request documents and information as the Engineer deems necessary and appropriate (“Certification Documents”) from the Developer to determine if the costs of the Improvements shall be so certified.

The Developer shall only have an obligation to provide the Certification Documents to the Engineer and shall not have a contractual obligation to provide any other documents beyond the Certification Documents actually provided to the Engineer. The purpose of the Certification Documents is to allow the Engineer to examine and certify the costs of the Improvements. By

entering into this Agreement, the District has not directed or assigned to the Developer any obligation to have care, custody, or control of any District documents.

C. Dedication of Improvements. Improvements shall be dedicated as set forth in the District's Service Plan, as required with agreements with the Governmental Entities, or as otherwise directed by the District.

D. Warranty Requirements. All of the Improvements shall have at least a one (1) year warranty (or longer if required by the Governmental Entities) from the date of substantial completion of the completed Improvements and if requested by the District, a security mechanism in form approved by the District to secure the warranty if the District accepts such Improvements prior to the expiration of the warranty.

3. Construction by District/Advances from Developer. As an alternative to Developer's construction of and the District's subsequent acquisition of the Improvements in accordance with Section 2 hereof, at Developer's election, and upon notification to the District and subject to funding pursuant to Section 4, the District may construct all or a portion of the Improvements and acquire related real property interests. If Developer requests the District to construct the Improvements it shall do so subject to prior receipt of funding from Developer and compliance with notice, budget and all requirements for bidding of public improvements. In the event Developer elects to have the District construct the Improvements, the District and Developer acknowledge that until the District has moneys available to fund costs related to the construction of the Improvements, Developer will advance funds to the District to undertake the design, testing, engineering, construction, related consultant fees and construction management of the Improvements ("Construction Related Expenses"). The District shall submit a certified statement to Developer of the Construction Related Expenses based on the bids it receives, and prepared by its engineer. Developer agrees to advance funds to the District up to the amount of the certified Construction Related Expenses (the "Maximum Advance Amount"). Developer acknowledges that the District will be entering into contracts with engineers, architects, surveyors, accountants, managers, attorneys and others in reliance upon Developer's commitments herein to provide funding up to the Maximum Advance Amount. The District shall provide Developer written notice if an advance is required to cover Construction Related Expenses. Developer shall provide the requested advance, subject to the Maximum Advance Amount, within fifteen (15) business days of receipt of notice requesting such advance ("Developer Advance"). Failure of Developer to provide the Developer Advance shall be a default under this Agreement and the District may cease construction until the Developer Advance is made. In the event the cost of the Improvements exceeds the Maximum Advance Amount and the Developer will not advance sufficient funds to complete the Improvements, the District shall have no further responsibility to continue construction. Developer hereby agrees to indemnify the District against any damages caused by the Developer's failure to provide a requested Developer Advance.

A. Construction Contracts. The District agrees that it will enter into contracts for construction of the Improvements with the lowest responsible bidder, which contracts are incorporated herein by this reference ("Contracts"). References to the Contracts herein shall refer to the Contracts as may be constituted or modified by the parties thereto and shall refer to both singular and plural.

B. Construction. The District agrees to design, construct, and complete the Improvements in full conformance with the design standards and specifications as established and in use by the District and other Governmental Entities pursuant to the provisions of this Agreement and if applicable, approved by a professional engineer licensed in the State of Colorado.

C. Accounting. Within forty-five (45) days of final payment on any Contract awarded pursuant to this Agreement, the District shall conduct an accounting of the funds received pursuant to this Agreement. In the event Developer Advances deposited hereunder exceed the actual costs and expenses incurred for the Improvements, the District shall within thirty (30) days of such accounting refund such excess amounts to Developer or shall apply the remaining amounts to the unpaid balance of any other Contract.

4. Reimbursement. The Parties agree that no payment shall be required of the District for Improvements constructed and/or acquired under Section 2 hereof or for Developer Advances pursuant to Section 3 hereof unless and until the District issues bonds (“Bonds”) or other appropriate legally available instruments. The Bonds or other instrument(s) may be secured by the collection of fees the District imposes, general property tax revenues of the District, or other available revenue the District receives. The Developer acknowledges that the limit of the District’s reimbursement obligation under this Agreement shall be the amount of Bond proceeds or other revenues that can be obtained through collection of fees, property taxes or other revenues of the District, subject to the limitations of the Service Plan and applicable laws. Developer understands and agrees that any Bonds or other instrument shall comply with state statutes and regulations for registration or exemption. In the event the District is unable to reimburse Developer for Developer Advances or the acquisition of Improvements within thirty (30) years of the date of the advancement, any amount of principal and accrued interest outstanding at such time shall be deemed to be forever discharged and satisfied in full. *It is hereby agreed and acknowledged that this Agreement evidences an intent to reimburse Developer hereunder, but this Agreement shall not constitute a debt or indebtedness of the District within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple fiscal year financial obligation, and the making of any reimbursement hereunder shall be at all times subject to annual appropriation by the District in its absolute discretion.*

A. Payment. Until such time as the District issues Bonds, payments made by the District to Developer shall be credited as follows: first against accrued and unpaid interest on Developer Advances; second against the principal amount due on Developer Advances; third against accrued and unpaid interest on the acquisition of Improvements; and finally against the principal amount due for acquisition of Improvements. Once Bonds or other reimbursement instruments are issued to the Developer, the terms contained therein will control and supersede this Agreement for amounts that have been reimbursed thereby.

B. Financial Capability of District. The District may cause to be prepared a financial plan that provides an example of how the District may finance some or all of the Improvements and for reimbursing the Developer. Any such financial plan is based on assumptions provided by the Developer and others and there are no guarantees that the projections are accurate or that the District will have the ability to issue bonds in the amounts or in the timeframes described in the Service Plan.

5. Representations.

A. Developer Representations. Developer hereby represents and warrants to and for the benefit of the District:

(i) That it has the full power and legal authority to enter into this Agreement; and

(ii) Neither the execution and delivery of this Agreement nor the compliance by Developer with any of its terms, covenants, or conditions is or shall become a default under any other agreement or contract to which Developer is a party or by which Developer is or may be bound; and

(iii) Developer has taken or performed all requisite acts or actions which may be required by the organizational or operational documents to confirm its authority to execute, deliver and perform each of its obligations under this Agreement.

These representations and warranties are made as of the date hereof and shall be deemed continually made by Developer to the District for the entire term of this Agreement.

B. District Representations. The District hereby represents and warrants to and for the benefit of the Developer:

(i) That it has the full power and legal authority to enter into this Agreement; and

(ii) To the best of the District's knowledge, neither the execution and delivery of this Agreement nor the compliance by the District with any of its terms, covenants, or conditions is or shall become a default under any other agreement or contract to which the District is a party or by which the District is or may be bound; and

(iii) To the best of the District's knowledge, the District has taken or performed all requisite acts or actions which may be required by the organizational or operational documents to confirm its authority to execute, deliver and perform each of its obligations under this Agreement.

These representations and warranties are made as of the date hereof and shall be deemed continually made by the District to the Developer for the entire term of this Agreement.

6. Term. The term of this Agreement shall extend from the date hereof through and including December 31, 2054, unless terminated earlier by the mutual written agreement of the Parties.

7. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law 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, via facsimile with

a hard copy immediately following thereafter by United States mail, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the District: Sundown Oaks Metropolitan District
c/o Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203
Attention: Nicole Peykov
Phone: (303) 839-3715
Fax: (303) 839-3838
Email: npeykov@spencerfane.com

To the Developer: _____

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.

8. Assignment. Developer shall not assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of the District, which may approve or reject such assignment in its sole and absolute discretion. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

9. Default/Remedies. In the event of a breach or default of this Agreement by either 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 obtain as part of its judgment or award its reasonable attorneys' fees. Failure by Developer to provide Developer Advances as required hereunder shall be a default subject to immediate termination of this Agreement by the District.

10. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado, and any proceedings shall take place in the County wherein the District is located, and not elsewhere.

11. 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.

12. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

13. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and Developer any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and Developer shall be for the sole and exclusive benefit of the District and Developer.

14. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

15. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

16. Conditions Precedent. The performance by Developer of its obligations set forth herein shall constitute conditions precedent to the performance of the obligations of the District as set forth herein.

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

[Signature page to follow]

IN WITNESS WHEREOF, the Parties have executed this Facilities Funding and Acquisition Agreement as of the day and year first set forth above.

“DISTRICT”

SUNDOWN OAKS METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____,
_____, President

ATTEST:

_____, Secretary

“DEVELOPER”

a Colorado _____

By: _____

Name: _____

Its: _____

EXHIBIT A

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that _____, hereinafter referred to as "Grantor," for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, paid by Sundown Oaks Metropolitan District, hereinafter referred to as the "District," a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is c/o Spencer Fane LLP, 1700 Lincoln Street, Suite 2000, Denver, Colorado 80203, organized and existing under the laws of the State of Colorado, County of Douglas, has bargained and sold, and by these presents, does grant and convey unto the District, its successors and assigns, all of its right, title and interest in the improvements as described below and shown on Exhibit A attached hereto and incorporated herein by this reference.

TO HAVE AND TO HOLD the same unto the District, its successors and assigns forever; and Grantor, its successors and assigns, shall warrant and defend the sale of said property, improvements, services and facilities made unto the District, its successors or assigns, against all and every person or persons whomsoever, and warrants that the conveyance of the property, improvements, services and facilities to the District, its successors or assigns, is made free from any claim or demand whatever.

IN WITNESS WHEREOF, Grantor, by and through its authorized representatives, hereby executes this Bill of Sale and sets it seal as of this ____ day of _____, 20__.

GRANTOR

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, as _____ of _____.

Witness my hand and official seal.

My commission expires: _____

Notary Public

Exhibit K

Intergovernmental Agreements

An agreement with the Franktown Fire Protection District is anticipated in regards to specific service requirements and operation of cistern and other firefighting facilities.

Exhibit L
Annual Report Requirements

The District shall be responsible for submitting an annual report to the County no later than August 1 of each year. The annual report shall conform to the following format:

Sundown Oaks Metropolitan District

Year ANNUAL REPORT

(For Activities Completed in Year, and With Information About Prospective Years)

- I. District Description - General Information
 - a. Board members, officers' titles, and terms
 - b. Changes in board membership in past year
 - c. Name and address for official District contact
 - d. Elections held in the past year and their purpose

- II. Boundary changes for the report year and proposed changes for the coming year

- III. List of intergovernmental agreements (existing or proposed) and a brief description of each detailing the financial and service arrangements
 - a. Contracts for operations, debt, and other contractual obligations with sub-districts or operating and taxing districts
 - b. Reimbursement agreements with developers and/or builders for advances to fund capital costs and administrative/operational and maintenance costs of the District

- IV. Service Plan
 - a. List and description of services authorized in Service Plan
 - b. List and description of facilities authorized in Service Plan
 - c. List and description of any extraterritorial services, facilities, and agreements

- V. Development Progress

Service Plan for Sundown Oaks Metropolitan District

- a. Indicate the estimated year of build-out, as set forth in the Service Plan
- b. List the services provided with the date service began compared to the date authorized by the Service Plan
- c. List changes made to the Service Plan, including when the change was authorized, when it was implemented or is expected to be implemented
- d. List facilities to be acquired or constructed or leased back as set forth in the Service Plan and compare the date of completion or operation with the date authorized by the Service Plan
- e. List facilities not completed. Indicate the reason for incompleteness and provide a revised schedule, if any
- f. List facilities currently under construction with the percentage complete and an anticipated date of completion
- g. Indicate the population of the District for the previous five (5) years and provide population projections for the next five (5) years
- h. List the planned number of housing units by type and the number of commercial and industrial properties with respective square footage and anticipated dates of completion/operation. Compare the completed units and completed commercial and industrial properties to the amount planned in the Service Plan.
- i. List any enterprises created by and/or operated by or on behalf of the District, and summarize the purpose of each

VI. Financial Plan and Financial Activities

- a. Provide a copy of the audit or exemption from the audit for the reporting year.
- b. Provide a copy of the budget, showing the reporting and previous years.
- c. Show revenues and expenditures of the District for the previous five (5) years and provide projections for the next five (5) years. Include any non-District or non-governmental financial support. Include and list individually all fees, rates, tolls, etc., with a summary of the purpose of each. Show other miscellaneous tax revenue, such as specific ownership taxes.

Service Plan for Sundown Oaks Metropolitan District

For the same period, show actual and projected mill levies by purpose (showing mill levies for each individual general obligation, revenue-based obligation, or contractual obligation).

- d. List all debt that has been issued, including all individual issuances with a schedule of service until the debt is retired
- e. List individually all authorized but unissued debt, including the purpose, ballot issue letter designation and election date, and amounts authorized and unissued
- f. List the total amount of debt issued and outstanding as of the date of the annual report and compare to the maximum authorized debt level as set forth in the Service Plan
- g. Enterprises of the District
 - i. Include revenues of the enterprise, showing both direct support from the District and all other sources
 - ii. Include expenses of the enterprise, showing both direct payments to the District and all other obligations
- h. Detail contractual obligations
 - i. Describe the type of obligation, current year dollar amount, and any changes in the payment schedule, e.g. balloon payments.
 - ii. Report any inability of the District to pay current obligations that are due within the current budget year
 - iii. Describe any District financial obligations in default
- i. Actual and Assessed Valuation History
 - i. Report the annual actual and assessed valuation for the current year and for each of seven (7) years prior to current year
 - ii. For each year, compare the certified assessed value with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the certified value.

Service Plan for Sundown Oaks Metropolitan District

j. Mill Levy History

- i. Report the annual mill levy for the current year and for each of the seven (7) years prior to current year. Break the mill levies out by purpose (e.g., debt issuance and operations and maintenance)
- ii. For each year, compare the actual mill levy with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the actual mill levies.

k. Miscellaneous Taxes History

- i. Report the annual miscellaneous tax revenue for the current year and for each of the seven (7) years prior to the current year. Break the tax revenue out by purpose (e.g., general operations, revenue-based obligations, debt by issue, contractual obligations, other)
- ii. For each year, compare the actual miscellaneous tax revenue with the Service Plan estimate for that year (if provided in Plan). If the Service Plan estimates are not available, indicate the same and report the actual taxes.

l. Estimated Assessed Valuation of District at 100% Build-Out

- i. Provide an updated estimate and compare this with the Service Plan estimate.

m. Estimated Amount of Additional General Obligation Debt to be Issued by the District between the End of Current Year and 100% Build-Out.

- i. Provide an updated estimate based on current events. Do not include refunding bonds.

Exhibit M
District Court Decree

Service Plan for Sundown Oaks Metropolitan District

SERVICE PLAN

FOR

SUNDOWN OAKS METROPOLITAN DISTRICT

DOUGLAS COUNTY, COLORADO

Prepared

by

⌘
⌘
⌘

⌘

⌘

Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203

DRAFT: June 2, 2025

FORMAL SUBMITTAL: _____, 2025

APPROVAL DATE: _____, 2025

Service Plan for _____ Sundown Oaks Metropolitan District

APPROVAL SUMMARY

This Service Plan for the Sundown Oaks Metropolitan District was approved by the Douglas County Board of County Commissioners on (date). Resolution No. _____, approving this Service Plan, has been recorded at Reception No. _____ on (date). The organizational and TABOR elections took place on (date). The court decree organizing the District was recorded with the Douglas County Clerk and Recorder on (date) at Reception No. _____.

Service Plan for _____Sundown Oaks Metropolitan District

ORGANIZERS AND CONSULTANTS

This Service Plan has been prepared by the Organizers and the following participating consultants:

<u>Organizer</u> Company <u>NorthStar Custom Homes, Inc.</u> Attn: <u>Steven Gage</u> Address City, State Zip <u>1128 Neptunite Place</u> <u>Castle Rock, CO 80108</u> Phone: <u>303-725-1466</u> Fax: Email: <u>stevengage71@gmail.com</u>	<u>District Counsel</u> Company <u>Spencer Fane LLP</u> Attn: <u>Nicole Peykov</u> Address City, State Zip <u>1700 Lincoln Street, Suite 2000</u> <u>Denver, CO 80203</u> Phone: <u>303-839-3800</u> Fax: Email: <u>npeykov@spencerfane.com</u>
<u>Financial Advisor</u> Company <u>RBC Capital Markets, LLC</u> Attn: <u>Michael Persichitte</u> Address City, State Zip <u>1801 California Street, Suite 3850</u> <u>Denver, Colorado 80202</u> Phone: <u>(303) 595-1292</u> Fax: Email: <u>E-mail: michael.persichitte@rbccm.com</u>	<u>Engineer</u> Company <u>Canyon Creek Engineering</u> Attn: <u>Phil Giesing, P.E.</u> Address City, State Zip <u>P.O. Box 3072</u> <u>Parker, CO 80134</u> Phone: <u>303-805-1803</u> Fax: Email: <u>phil@canyoncreekengineering.com</u>

~~[ADDITIONAL CONSULTANTS MAY BE ADDED AT THE DISCRETION OF THE ORGANIZERS.]~~

Service Plan for Sundown Oaks Metropolitan District

EXECUTIVE SUMMARY

This service plan is for the Sundown Oaks Metropolitan District (the “District”), which will serve the public improvement needs of Sundown Oaks. The District is generally located at near the intersection of Burning Tree and East Tanglewood Road and contains approximately 173 acres. The District will include 37 residential units and 0 square feet of commercial space.

The District will have a single district structure. This structure will allow the District to control both financing and services.

The District shall be authorized to provide the following services: fire protection, mosquito control, parks and recreation, safety protection, sanitation, solid waste disposal facilities or collection and transportation of solid waste, street improvement, television relay and translation, and water and other services described in C.R.S. §§ 32-1-1001 and 1004, as amended, and subject to the limitations in this Service Plan.

The total authorized debt limit for the District shall be -\$)-Ten Million Dollars (\$10,000,000.00). The District anticipates the issuance of an initial series of bonds in the amount of -\$)-on-Three Million Six Hundred and Twenty-Five Thousand Dollars (\$3,625,000) in 2027. The initial debt service mill levy will be 50.000 mills, with a Maximum Debt Service Mill Levy of 50.000 mills. The initial operations and maintenance mill levy will be 10.000 mills, with a Maximum Operations and Maintenance Mill Levy of 20.000 mills. The combined initial mill levy for the District will be 60.000 mills, with a maximum combined mill levy of 70.000 mills.

Service Plan for Sundown Oaks Metropolitan District

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EXHIBITS

I. INTRODUCTION

This service plan (the “Service Plan”) for the Sundown Oaks Metropolitan District (the “District”) is for a special district organized under Title 32 of the Colorado Revised Statutes to serve the public improvement needs of Sundown Oaks Development (the “Project”). The District is generally located near the intersection of Burning Tree Drive and East Tanglewood Road (see **Exhibit A**, Vicinity Map) and contains approximately 173 acres (see **Exhibits B & C**, Legal Description and District Boundary Map).

Pursuant to the requirements of the Special District Control Act, C.R.S. §32-1-201, *et seq.*, as amended, and the Special District Service Plan Review Procedures for Douglas County (the “County”), the following items are included in this Service Plan:

1. A description of the powers granted to and services to be provided by the District;
2. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the District are compatible with facility and service standards of the County and of any municipalities and special districts which are interested parties;
3. A general written description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial indebtedness and estimated maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the District;
4. A summary of general conditions regarding oversight of the District by the County;
5. A legal description and map of the District’s boundaries and an estimate of the population and valuation for assessment of the District;
6. A summary of estimated costs for improvements to be financed and constructed by the District;
7. A preliminary engineering and architectural survey showing how the improvements and services are to be provided;
8. A financial plan showing how District improvements and services are to be financed, including the operating revenue for the first budget year of the District;
9. The resolution of approval adopted by the Board of County Commissioners;
10. Information demonstrating compliance with Section 18A, Water Supply – Overlay District, of the Douglas County Zoning Resolution, as amended, and compliance with the Denver Regional Council of Governments’ Colorado Clean Water Plan;
11. A description of any advance and reimbursement agreements;
12. A description of any arrangement or agreement with any political subdivision for the performance of any services between the District and such other political subdivision; and
13. The recorded court decree organizing the District.

Exhibits A through M, attached hereto, are hereby incorporated into the Service Plan.

II. PURPOSE OF THE DISTRICT

The purpose of the District is to provide public improvements and services for the benefit of all anticipated inhabitants and taxpayers of the District, either within or without its boundaries. The District also serves to finance and oversee the construction of these public improvements and to provide for ongoing operations and maintenance services.

III. DISTRICT FRAMEWORK

The District will be organized under a single district structure and will be responsible for all aspects of financing and services authorized under this Service Plan.

IV. NEED FOR DISTRICT

There are currently no other governmental entities, including the County, located in the immediate vicinity of the District that consider it desirable, feasible, or practicable to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, and ongoing operations of the public improvements needed for the Project. Formation of the District is therefore necessary in order for the public improvements and services required for the Project to be provided in the most economical manner possible.

V. LOCATION AND BOUNDARIES

The District is located near the intersection of Burning Tree Drive and East Tanglewood Road in Douglas County. A vicinity map is attached hereto as **Exhibit A**. The area of the initial District's boundary encompasses approximately 173 acres. A legal description of the District's boundaries is attached hereto as **Exhibit B**. A map of the initial District's boundaries is attached hereto as **Exhibit C**.

It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to C.R.S. §§ 32-1-401, *et seq.*, and C.R.S. §§ 32-1-501, *et seq.*, as amended. ~~Future inclusion and exclusion areas are identified in Exhibit C.~~ Prior to any inclusions or exclusions ~~that are not identified in Exhibit C~~, the District shall provide forty-five (45) days published notice and written notice to the Board of County Commissioners pursuant to C.R.S. § 32-1-207(3)(b). If, within such forty-five (45) day period, the Board of County Commissioners objects to the inclusion or exclusion, then the inclusion or exclusion shall be prohibited and constitute a material modification of this Service Plan requiring an amendment, pursuant to Section XIII of the Service Plan and C.R.S. § 32-1-207(2).

VI. ASSESSED VALUATION/PROJECTIONS/LAND USE/POPULATION

The property within the District is zoned ~~as of~~ vacant or residential. The current assessed value of property within the initial boundaries of the District is ~~(\$)~~0.00 as of the date of this Service Plan. The estimated assessed value at full build-out is ~~(\$)~~Six Million

Two Hundred and Five Thousand Six Hundred Fifty Three Dollars (\$6,205,653) and is expected to be sufficient to reasonably discharge the debt under the Financial Plan. Initially, the District will include 37 residential units and 0 square feet of commercial space. Based upon an estimated ~~three (3)~~ persons per residence, the population of the District at build-out will be ~~One Hundred Eleven (111)~~ residents.

Approval of this Service Plan by the County does not constitute nor imply approval of the development of a specific area within the District, nor does it constitute or imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached hereto, unless such land use plans have been approved by the Board of County Commissioners as part of a separate development review process.

VII. POWERS AND RESPONSIBILITIES

The District shall have the power and authority to provide the public improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is permitted by this Service Plan and described in the Special District Act, C.R.S. Title 32, and other applicable statutes, common law, and the Colorado Constitution, subject to the limitations set forth herein.

A. General Powers

The District shall have the authority to construct, operate, and maintain the services and facilities as described in Section VIII.A of this Service Plan.

B. Miscellaneous Powers

In addition to the powers enumerated above, the District's Board shall have the power and authority:

1. To amend this Service Plan as provided for in Section XV, Modification of Service Plan;
2. To forego, reschedule, or restructure the financing and construction of certain improvements and facilities in order to better accommodate the pace of growth, resource availability, and potential inclusions and exclusions of property within the District, with prior notice to the County in accordance with C.R.S. § 32-1-202(2)(b), as amended; and
3. To have and exercise all rights and powers necessary or incidental to, or implied from, the specific powers granted to the District in this Service Plan.
4. To have and exercise the power of eminent domain, but only as necessary to construct, install, access, relocate or redevelop the public improvements identified in this Service Plan in the locations shown in Exhibit E. Any other use of eminent domain shall require the District to provide forty-five (45) days published notice and written notice to

the Board of County Commissioners pursuant to C.R.S. § 32-1-207(3)(b). If, within such forty-five (45) day period, the Board of County Commissioners objects to the use of eminent domain, then it shall be prohibited and constitute a material modification of this Service Plan requiring an amendment, pursuant to Section XIII of the Service Plan and C.R.S. § 32-1-207(2).

VIII. DISTRICT SERVICES, FACILITIES, AND IMPROVEMENTS

A. Services and Facilities

The District shall have the authority pursuant to C.R.S. §§ 32-1-1001 and 32-1-1004, as amended, to provide the following services and public improvements described in this section.

1. Water

~~The~~It is anticipated that each individual home within the Project will receive water service from its own groundwater well. Nonetheless, the District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for potable water and irrigation water facilities and systems, including, but not limited to, water rights, water supply, treatment, storage, transmission, and distribution systems for domestic, irrigation, fire control, and other public purposes, together with all necessary and proper reservoirs, treatment facilities, wells, equipment, and appurtenances incident thereto, which may include, but shall not be limited to, transmission lines, pipes, distribution mains and laterals, storage facilities, and ditches, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto. The District shall have the power and authority to contract with other private or governmental entities to provide any or all of the services the District is authorized or empowered to provide.

~~As identified in the Service Plan Review Procedures, the Board of County Commissioners is interested in the provision of long-term renewable water supplies in the County. Please be prepared to discuss any plans for long-term, renewable water service (including infrastructure and financial information), if applicable.~~

2. Storm Sewer

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for flood and surface drainage improvements, including, but not limited to, culverts, dams, retaining walls, access way inlets, detention and retention ponds, paving, roadside swales, curbs and gutters, disposal works and facilities, water quality facilities, and all necessary and proper equipment, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

Stormwater improvements subject to Colorado Discharge Permit System Regulations, if applicable, shall be owned and maintained by the District or such other governmental entity that may accept dedication. Dedication to another governmental entity of stormwater improvements subject to such regulations shall be subject to approval by the County. In no event will the District dedicate such detention ponds or facilities to a private homeowner's association, or other property owner's association, for operations or maintenance.

3. Sanitation and Wastewater Treatment

~~The~~It is anticipated that each individual home within the Project will utilize its own on-site wastewater treatment system. Nonetheless, the District shall have the power and authority to finance, design, construct, acquire, install, maintain, assess tap or other facility fees, and provide for sanitary sewers and to transport wastewater to an appropriate wastewater treatment facility, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

4. Street Improvements

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for arterial and collector streets and roadway improvements including, but not limited to, bridges, curbs, gutters, culverts, storm sewers and drainage facilities, detention and retention ponds, retaining walls and appurtenances, sidewalks, paving, lighting, grading, landscaping, streetscaping, placement of underground utilities, snow removal, tunnels, and other street improvements, and architectural enhancements to any or all of the above, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

5. Traffic Safety Protection

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for safety protection through traffic control devices and safety controls on streets, as well as such other facilities and improvements as are necessary or prudent, including, but not limited to, signalization at intersections, traffic signs, area identification signs, directional assistance and driver information signs, with all necessary and incidental and appurtenant facilities, and land and easements, together with extensions and improvements thereto. All traffic and safety control devices will be consistent with and in compliance with County rules and regulations.

6. Parks and Recreation

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for public park and public recreation centers and other recreation facilities, services, or programs including, but not limited to, grading, soil preparation, sprinkler systems, fencing, pavilions, playgrounds, playing fields, open space, bike trails, pedestrian trails, pedestrian bridges, picnic areas, common area landscaping,

streetscaping, storage buildings and facilities, weed control, paving, decorative paving, outdoor functional and decorative lighting, community events, and other services, programs and facilities, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

7. Television Relay and Translation

The District shall have the power and authority to finance, design, construct, install, acquire, operate, and maintain television relay and translator facilities, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

8. Mosquito Control

The District shall have the power and authority to finance, design, construct, acquire, install, operate, maintain, and provide for systems and methods for elimination and control of mosquitoes.

9. Fire Protection

The District shall have the power and authority to ~~provide fire protection, ambulance, and emergency medical and rescue services, including necessary equipment, personnel, and facilities~~ finance, design, construct, acquire, install, operate, and provide for fire cisterns.

10. Covenant Enforcement and Design Review

The District shall have the power and authority to provide covenant enforcement and design review services subject to the limitations set forth in C.R.S. § 32-1-1004(8), as amended.

11. Security

The District shall have the power and authority to provide security services within the boundaries of the District, subject to the limitations set forth in C.R.S. § 32-1-1004(7), as amended. In no way is this power and authority intended to limit or supplant the responsibility and authority of local law enforcement (i.e., the Douglas County Sheriff's Department) within the boundaries of the District.

B. Estimated Costs and Phasing of Improvements

An estimate of the costs of the public improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained, or financed was prepared based upon a preliminary engineering survey on the property and is

approximately ~~—(\$)Nine Million Fifty-Seven Thousand Five Hundred and Fifty-One Dollars (\$9,057,551.00)~~ as shown in **Exhibit D**. **Exhibit D** includes an engineer's opinion of costs in current dollars of each public improvement, together with an explanation of methods, basis, and/or assumptions used. 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 County's requirements, and construction scheduling may require. The District will continue to develop and refine cost estimates contained herein and prepare for issuance of debt. Any increase in public improvement costs greater than twenty percent (20%), but less than forty percent (40%), of the stated amount in **Exhibit D**, exclusive of any contingency shown in **Exhibit D**, shall require an administrative review by County staff. Any increase in public improvement costs in excess of forty percent (40%) of the stated amount in **Exhibit D**, exclusive of any contingency shown in **Exhibit D**, will constitute a material modification of the Service Plan and will require review by the County and action by the Board of County Commissioners in accordance with Section XIII. All construction cost estimates assume construction to applicable local, State, or Federal requirements.

Maps showing the preliminary location of the public improvements that the District is authorized to acquire or construct are attached hereto as **Exhibit E**. Phasing of construction shall be determined by the District to meet the needs of taxpayers within its boundaries. The District shall own, maintain, and replace public improvements constructed, installed, or acquired by the District or shall dedicate such public improvements to such other entity as shall accept dedication, subject to any limitations specified in this Service Plan.

In all instances, the District shall ensure that the public improvements are designed and constructed in accordance with the standards and specifications of the County or other such entity that may have authority over such design and construction. The District shall obtain approval of civil engineering and other plans and any applicable permits for the construction and installation of public improvements from the County and/or other appropriate regulatory agencies.

C. Services to be Provided by Other Governmental Entities

The Project is located within and fire protection services will be provided by the Franktown Fire Protection District.

D. Compliance with Section 18A, Water Supply – Overlay District, of the Douglas County Zoning Resolution, as amended

~~The shall provide water supply services to the Project. [PICK ONE OF THE FOLLOWING SENTENCES, AS APPROPRIATE] (1) has met the requirements of Section 18A, Water Supply – Overlay District, of the Douglas County Zoning Resolution, as amended, as described in its letter in Exhibit H. (2) It is anticipated that each individual home within the Project will receive a water supply from its own groundwater well and~~

will utilize its own on-site wastewater treatment system. It is anticipated that the District will construct an underground cistern for fire control purposes. The District has met the requirements of Section 18A, Water Supply – Overlay District, of the Douglas County Zoning Resolution, as amended, as described in the Water Supply Plan in **Exhibit H**.

E. Compliance with DRCOG Colorado Clean Water Plan

~~has asserted its~~ The Project will be served by individual septic sewer systems. Therefore, compliance with the DRCOG Clean Water Plan as demonstrated in Exhibit H is not applicable to this Project at this time.

IX. EXISTING AND PROPOSED AGREEMENTS

_____ It is anticipated that the District may enter into an intergovernmental agreement with Franktown Fire Protection District.

X. FINANCIAL INFORMATION

A. General

This section describes the nature, basis, and method of funding and debt and mill levy limitations associated with the District's public improvements. A detailed Financial Plan and statement of assumptions is contained in **Exhibit F**.

B. Assumptions

The maximum debt limitation contained herein is based on the assumption that each of the 37 residential properties in the District will have an average value of approximately ~~(\$), and commercial space will have an average value of (\$)~~ per square foot. Two Million Two Hundred Thousand Dollars (\$2,200,000). The Financial Plan demonstrates that the District has the ability to finance the public improvements identified herein, will be capable of discharging the indebtedness on a reasonable basis, and will operate on a sound fiscal basis.

C. Identification of District Revenue

The District will impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt and for operations and maintenance. The District may also rely upon various other revenue sources authorized by law. At the District's discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided for in C.R.S. § 32-1-1001(1), as amended.

A Maximum Total Mill Levy of 70.000 mills is authorized to support debt service and operations and maintenance of the District. The District may request an amendment to the Service Plan, in accordance with Section XIII, to eliminate mill levy caps when the debt to assessed value ratio falls below fifty percent (50%).

~~In the event of legislation implementing changes in the ratio of actual valuation to assessed valuation for residential real property, pursuant to Article X, section 3(1)(b) of the Colorado Constitution, the mill levy limitations provided herein will be increased or decreased as to all taxable property in the District to reflect such changes so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes (“Gallagher Adjustment”). If, on or after January 1, 2026,~~ 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 and operating and maintenance expenses may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenue generated by the mill levy are neither diminished nor enhanced as a result of such changes— (“Mill Levy Adjustment”). For purposes of the foregoing, a change in the ratio of actual valuation and any constitutional or legislative changes in the actual value against which the assessment rate is applied shall be deemed to be a change in the method of calculating assessed valuation.

D. Debt Service Mill Levy

A maximum mill levy of 50.000 mills is authorized to support the debt service of the District, subject to the limitation of the Maximum Total Mill Levy. An initial debt service mill levy of 50.000 mills will produce revenue sufficient to support debt service costs through the bond repayment period (see **Exhibit F**, Financial Plan).

E. Operations and Maintenance Mill Levy

A maximum mill levy of 20.000 mills is authorized to support the operations and maintenance of District services and public improvements, subject to the limitation of the Maximum Total Mill Levy. An initial operations and maintenance mill levy of 10.000 mills will produce revenue sufficient to support the operations and maintenance of District services and public improvements (see **Exhibit F**, Financial Plan).

F. District Expenditures

The estimated cost of public improvements for the District is ~~(\$)-Nine Million Fifty-Seven Thousand Five Hundred and Fifty-seven Dollars (\$9,057,551.00)~~. **Exhibit D** includes, in current dollars, the estimated cost of each public improvement, together with an explanation of the methods, basis, and/or assumptions used to establish such costs.

The District will require operating funds to plan and cause the public improvements contemplated herein to be constructed, operated, and maintained as permitted herein. Such

costs are expected to include reimbursement of organizational costs, legal, engineering, accounting, bond issuance costs, and compliance with State budgeting, audit, and reporting, and other administrative and legal requirements. The organizational costs for the District for legal, engineering, surveying, and accounting services are estimated to be ~~(\$).Seventy Five Thousand Dollars (\$75,000).~~ The first year's operating budget is estimated to be ~~(\$).Fifty Thousand Dollars (\$50,000).~~

G. Debt

1. Debt Limitation

The total debt limit for the District is ~~—(\$),~~ Ten Million Dollars (\$10,000,000), inclusive of costs of issuance, inflation, and other similar costs. For purposes of this Service Plan, debt shall be considered any outstanding bonds, notes, contracts, or other financial obligations of the District payable in whole or in part from *ad valorem* taxes or other revenues of the District for the purposes of financing, acquiring, constructing, or improving any of the public improvements contemplated herein. The debt limit shall not be increased unless approved by the County and as permitted by statute and the Colorado Constitution. Any change in debt limit shall be considered a material modification of the Service Plan, subject to the provisions of Section XIII of this Service Plan. The maximum term of any bond issue, including refunding and refinancing, shall be thirty (30) years from the original date of issuance.

2. Maximum Voted Interest Rate and Maximum Underwriting Discount

The interest rate on any debt is limited to the market rate at the time debt is issued. In the event of a default, the maximum voted interest rate on any debt shall not exceed twelve percent (12%). The maximum underwriting discount shall be five percent (5%). Debt, when issued, shall comply with all relevant requirements of this Service Plan, State law, and Federal law as is then applicable to the issuance of public securities.

XI. DEVELOPER ADVANCES AND REIMBURSEMENTS

The District anticipates receiving initial funding for both capital and ongoing administrative requirements from developer advances. Such advances may be made to the District subject to the District's obligation to reimburse the same, as may be evidenced by short-term reimbursement agreements or other acceptable agreements or resolutions. The interest rate on developer reimbursements shall not exceed the current Bond Buyer 20-Bond GO Index plus four percent (4%).

Such advances, which the Board is obligated to appropriate on an annual basis, shall count against the maximum allowable debt limit under this Service Plan and may be repaid by the District from bond proceeds or other legally available sources of revenue. Developer advances shall be subordinate to the District general obligation bonds and refinancing of the same shall not require County approval. Any amount of outstanding principal and accrued interest on such developer advances that remains unpaid as of the

expiration of the Maximum Debt Service Mill Levy term shall be deemed to be forever discharged and satisfied in full. The total developer advances are anticipated to be ~~(\$)-approximately Nine Million Dollars (\$9,000,000.00).~~ Developer contributions, which will not be repaid by the District, are anticipated to be ~~-\$)-approximately Five Million Dollars (\$5,000,000.00).~~

XII. ANNUAL REPORT

The District shall be responsible for submitting an annual report to the County no later than August 1 of each year in accordance with the procedures set forth in C.R.S. § 32-1-207(3)(c) and (d), as amended. The annual report shall conform to the format attached hereto as **Exhibit L**, or in a format agreed to by the County.

XIII. MODIFICATION OF SERVICE PLAN

Pursuant to C.R.S. § 32-1-207, as amended, the District shall obtain prior written approval of the County before making any material modification to this Service Plan. Material modifications require a Service Plan amendment and include modifications of a basic or essential nature, including, but not limited to, the following: any addition to the types of services provided by the District; a decrease in the level of services; a decrease in the financial ability of the District to discharge the existing or proposed indebtedness; or a decrease in the existing or projected need for organized service in the area. Inclusion of property that is located in a county or municipality with no other territory within the District may constitute a material modification of the Service Plan.

In the event the District plans to undertake an action which may not be permitted by this Service Plan, it shall be the District's responsibility to contact County staff to seek an administrative determination as to whether the action in question is permitted by the Service Plan. If County staff determines that the action may constitute a material modification, the District shall submit a proposal for action to the Board of County Commissioners. Thereafter, the Board of County Commissioners will determine whether the proposed action constitutes a material modification. If the Board of County Commissioners determines that the proposed action constitutes a material modification, then the action shall be prohibited and constitute a material modification of this Service Plan requiring an amendment, pursuant to Section XIII of the Service Plan and C.R.S. § 32-1-207(2).

XIV. DISCLOSURE STATEMENT

The District shall provide notice to all purchasers of property in the District regarding the District's authority to levy and collect *ad valorem* taxes and to impose and collect rates, fees, tolls, and charges, by recording a disclosure statement against the property within the District with the Office of the Douglas County Clerk and Recorder. Such disclosure statement shall also provide information concerning the structure of the Board and summarize how purchasers may participate in the affairs of the Board. The disclosure statement shall be recorded within thirty (30) days following the recordation of the court decree organizing the District.

XV. DISSOLUTION

It shall be mandatory for the District to initiate dissolution proceedings when the District has neither any financial obligations nor operations and maintenance obligations. The District may file a petition in the district court for dissolution when there are no financial obligations or outstanding bonds, or any such financial obligations or outstanding bonds are adequately secured by escrow funds or securities meeting the investment requirements in C.R.S. §§ 24-75-601, *et seq.*, as amended. The District's dissolution shall be subject to approval of a plan of dissolution in the district court of the County, pursuant to C.R.S. § 32-1-704, as amended.

XVI. DEFINITIONS

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

Board: the board of directors of the District

Board of County Commissioners: the Board of County Commissioners of Douglas County, Colorado

Control Act: Part 2 of Title 32 (Special Districts) of the Colorado Revised Statutes (C.R.S.), which outlines review procedures for service plans for a special district

County: Douglas County, Colorado

Debt: any bond, note debenture, contract, or other multiple-year financial obligation of a District

Developer: the owner of the property proposing development of the project

District: the **Sundown Oaks** Metropolitan District

District Boundaries: the boundaries of the area described in the legal description attached hereto as **Exhibit B**

Service Plan Guide

District Boundary Map: the map attached hereto as **Exhibit C**, showing the District's boundaries

Financial Plan: the Financial Plan described in Section X and attached as **Exhibit F**, which describes: (a) how the public improvements are to be financed; (b) how the debt is expected to be incurred; and (c) the estimated operating revenue derived from property taxes for the first budget year.

General Obligation Bond: bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy

Maximum Debt Service Mill Levy: the maximum mill levy the District is permitted to impose for payment of debt as set forth in Section X.D

Maximum Operations and Maintenance Mill Levy: the maximum mill levy the District is permitted to impose for the payment of operating and maintenance expenses as set forth in Section X.E

Maximum Total Mill Levy: the maximum mill levy the District is permitted to impose for the payment of debt as set forth in Section X.D. and operating and maintenance expenses as set forth in Section X.E

Project: the development or property commonly referred to as **Sundown Oaks**.

Public Improvements: the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped, and financed as generally described in the Special District Act to serve the future taxpayers and inhabitants of the District as determined by the Board of the District

Revenue Bond: bonds issued by the District to finance a specific project, the income from which will be used for repaying the bond

Service Plan: the service plan for the District approved by the Board of County Commissioners

Special District Act: C.R.S. § 32-1-101, *et seq.*, as amended

State: the State of Colorado

XVII. RESOLUTION OF APPROVAL

The District incorporates the Board of County Commissioner's resolution approving this Service Plan into this Service Plan to be presented to the district court attached hereto as **Exhibit G**.

XVIII. STATUTORY FINDINGS AND CONCLUSIONS

Service Plan for Sundown Oaks Metropolitan District 13

DE 10071483.1

Service Plan Guide

It is submitted that this Service Plan for the District, as required by C.R.S. § 32-1-203, as amended, establishes that:

~~_____[PLEASE INCLUDE A PARAGRAPH WITH EACH CONCLUSION EXPLAINING HOW THE DISTRICT HAS MET THIS REQUIREMENT]~~

1. There is sufficient existing and projected need for organized service in the area to be served by the District;

The purpose of the District is to finance and construct certain public improvements and to provide other additional services necessary to support the Sundown Oaks development. The proposed improvements and services are not, and in good faith based upon information and belief, will not be available to the community through the County or other existing municipality or quasi-municipal corporation, including special districts, within a reasonable time and on a comparable basis.

2. The existing service in the area to be served by the District is inadequate for present and projected needs;

The proposed improvements and services are not, and in good faith based upon information and belief, will not be available to the community through the County or other existing municipality or quasi-municipal corporation, including special districts, within a reasonable time and on a comparable basis.

3. The District is capable of providing economical and sufficient service to the area within its boundaries;

The formation of the District will ensure that the public improvements and other services are sufficient and constructed within a reasonable period of time for the benefit of the property owners located in the community.

4. The area to be included in the District has, or will have, the financial ability to discharge the indebtedness on a reasonable basis;

The estimated costs of the improvements and facilities to be constructed, installed and/or acquired by the District are set forth in this Service Plan. The Financial Plan describes the anticipated issuance of debt and repayment based on the projected development within the District boundaries. The Financial Plan demonstrates the District's ability to finance the facilities identified in this Service Plan and capability of discharging the proposed indebtedness on a reasonable basis.

5. Adequate service is not, or will not be, available to the area through the County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

6. The proposed improvements and services are not, and in good faith based upon information and belief, will not be available to the area through the County or other existing municipality or quasi-municipal corporation, including 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 each county within which the District is to be located and each municipality which is an interested party under C.R.S. § 32-1-204(1), as amended;

As stated elsewhere in this Service Plan, all facilities and services proposed will be constructed in accordance with the standards and specifications of Douglas County, the State of Colorado, and any other appropriate jurisdictions.

7. The proposal is in substantial compliance with the Douglas County Comprehensive Master Plan, as amended, adopted pursuant to C.R.S. § 30-28-106, as amended;

The Developer has reviewed the County's Comprehensive Master Plan and is aware of the County's desire to reflect, acknowledge and balance the common values, rights, and needs of all County residents and landowners, and its desire to honor and protect the unique, diverse communities and resources within the County. It is the Developer's belief that the proposal is compatible with the community vision for the future and complies with the policies necessary to achieve sustainable growth within the County as expressed in the Comprehensive Master Plan.

8. The proposal is in compliance with the regional Clean Water Plan, as amended; and

Each individual home and homeowner within the Project will be responsible for its own on-site wastewater treatment system.

9. The creation of the District will be in the best interests of the area to be served.

As described throughout this Service Plan, the proposed improvements and services necessary to serve the Project are not, and in good faith based upon information and belief, will not be available to the area through the County or other existing municipality or quasi-municipal corporation, including special districts, within a reasonable time and on a comparable basis. The formation of the District will ensure that the public improvements and other services are sufficient and constructed within a reasonable period of time for the benefit of the property owners located in the community.

Referral Agency Response Report**Page 1 of 3****Project Name:** Sundown Oaks Metropolitan District**Project File #:** SV2025-005**Date Sent:** 06/04/2025**Date Due:** 06/18/2025

Agency	Date Received	Agency Response	Response Resolution
AT&T Long Distance - ROW	06/05/2025	See Letter: No Conflict.	No Response Required.
Bannockburn HOA	06/18/2025	See Letter: Comments provided related to concerns with lot sizes, use of ground water, increased traffic, and possible financial burdens of Metro Districts.	This comment has been forwarded to the applicant.
Black Hills Energy		No Response Received.	No Response Required.
Burning Tree Ranch HOA		No Response Received.	No Response Required.
CenturyLink (Lumen)	06/21/2025	See Letter: No Objection.	No Response Required.
Cherry Creek Basin Water Quality Authority	06/09/2025	Received: The Cherry Creek Basin Water Quality Authority (Authority) acknowledges notification from Douglas County that the proposed development plans for SV2025-005, Sundown Oaks Metropolitan District, New Service Plan Application have been or will be reviewed by Douglas County for compliance with the applicable Regulation 72 construction and post-construction requirements. Based on the Authority's current policy, the Authority will no longer routinely conduct a technical review and instead the Authority will defer to Douglas County's review and ultimate determination that the proposed development plans comply with Regulation 72. If a technical review of the proposed development plan is needed, please contact LandUseReferral@ccbwqa.org. The review may include consultation with the Authority's Technical Manager to address specific questions or to conduct a more detailed Land Use Review, if warranted. (verbatim)	No Response Required.
Colorado Department of Transportation CDOT-Region # 1	06/05/2025	See Letter: No Comment	No Response Required.

Referral Agency Response Report**Page 2 of 3****Project Name:** Sundown Oaks Metropolitan District**Project File #:** SV2025-005**Date Sent:** 06/04/2025**Date Due:** 06/18/2025

Agency	Date Received	Agency Response	Response Resolution
Colorado Division of Water Resources	07/02/2025	See Letter: No additional comments on Sundown Oaks Metropolitan District Special District service plan.	No Response Required.
Colorado Geological Survey	06/18/2025	Received: No Comment. (verbatim)	No Response Required.
Comcast		No Response Received.	No Response Required.
CORE Electric Cooperative		No Response Received.	No Response Required.
Douglas County Addressing Analyst	06/05/2025	Received: No Comment. (verbatim)	No Response Required.
Douglas County Assessor		No Response Received.	No Response Required.
Douglas County Building Services	06/06/2025	Received: No Comment. (verbatim)	No Response Required.
Douglas County Conservation District	06/16/2025	See Letter: Comments provided related to the area's high wildfire risk, recommendation that a Noxious Weed Control plan be developed, references that there is no mention of wildlife protection or corridors. Additional comment that the Conservation District does not support development proposals located in or near drainages or disturbance of wetlands.	This comment has been forwarded to the applicant.
Douglas County Engineering Services	06/18/2025	See Letter: Section VIII #2 Storm Sewer and #4 Street Improvements – First Paragraphs should end with the following: "all subject to the approval of Douglas County."	The applicant has addressed this comment.
Douglas County Health Department	06/16/2025	See Letter: Comment provided related to domestic well drinking water contamination risks and all on-site wastewater treatment systems will need to be permitted and inspected by the DCHD.	This comment has been forwarded to the applicant.
Douglas County Libraries		No Response Received.	No Response Required.
Douglas County Office of Emergency Management	06/04/2025	Received: No Comment. (verbatim)	No Response Required.
Douglas County School District RE 1		No Response Received.	No Response Required.
Douglas County Sheriff's Office		No Response Received.	No Response Required.
Douglas County Wildfire Mitigation	06/18/2025	Received: No Comment. (verbatim)	No Response Required.
Foxhill Metro Districts #1 & 2		No Response Received.	No Response Required.

Referral Agency Response Report**Page 3 of 3****Project Name:** Sundown Oaks Metropolitan District**Project File #:** SV2025-005**Date Sent:** 06/04/2025**Date Due:** 06/18/2025

Agency	Date Received	Agency Response	Response Resolution
Franktown Business Area Metro District		No Response Received.	No Response Required.
Franktown Citizens Coalition II Inc	06/04/2025	See Letters: Comments provided related to concerns with approval of a Metropolitan District in the Franktown Rural Community.	Applicant has met with a representative of FCC II. All comments have been forwarded to applicants.
Franktown FD		No Response Received.	No Response Received.
Pinery Water and Wastewater District	06/13/2025	Received: No Comment. (verbatim)	No Response Required.
RTD – Planning & Development Dept	06/17/2025	Received: Department Comments Bus Operations No exceptions Bus Stop Program No exceptions Commuter Rail No exceptions Construction Management No exceptions Engineering No exceptions Light Rail No exceptions Real Property No exceptions Service Development No exceptions Transit Oriented Development No exceptions Utilities No exceptions This review is for Design concepts and to identify any necessary improvements to RTD stops and property affected by the design. This review of the plans does not eliminate the need to acquire, and/or go through the acquisition process of any agreements, easements or permits that may be required by the RTD for any work on or around our facilities and property. (verbatim)	No Response Required.
Rural Water Authority of Douglas County		No Response Received.	No Response Required.
Town of Castle Rock	06/10/2025	Received: No Comment. (verbatim)	No Response Required.
Two Bridges Metro District		No Response Received.	No Response Required.
Villages at Castle Rock Metro District 6		No Response Received.	No Response Required.
Xcel Energy-Right of Way & Permits	06/11/2025	See Letter: No apparent conflict.	No Response Required.

DJ Beckwith

From: annb cwc64.com <annb@cwc64.com>
Sent: Thursday, June 5, 2025 12:31 PM
To: DJ Beckwith
Cc: Pam Choy (pc2914@att.com); duanew cwc64.com; jt cwc64.com
Subject: Sundown Oaks Franktown, Colorado Douglas County eReferral #SV2025-005
Attachments: Sundown Oaks Franktown, Colorado.jpg

Follow Up Flag: Follow up
Flag Status: Flagged

Hi DJ,

This is in response to your eReferral with a utility map showing any buried AT&T Long Line Fiber Optics near Sundown Oaks Franktown, Colorado. The Earth map shows the project area in red and the buried AT&T Long Line Fiber Optics in yellow. Based on the address and/or map you provided, there should be NO conflicts with the AT&T Long Line facilities.

Please feel free to contact us with any questions or concerns.

Ann Barnowski
Clearwater Consulting Group Inc
120 9th Avenue South
Suite 140
Nampa, ID 83651
Annb@cwc64.com

The attached google earth maps are intended to show approximate locations of the buried AT&T long line fiber optic cable. The maps are provided for informational purposes only. In no way should the maps be used for anything other than general guidelines as to where the fiber is or is not and any other use of these maps is strictly prohibited.

-----Original Message-----

From: dbeckwith@douglas.co.us <dbeckwith@douglas.co.us>
Sent: Wednesday, June 4, 2025 2:44 PM
To: annb cwc64.com <annb@cwc64.com>
Subject: Douglas County eReferral (SV2025-005) Is Ready For Review

There is an eReferral for your review. Please use the following link to log on to your account:
<https://apps.douglas.co.us/planning/projects/Login.aspx>

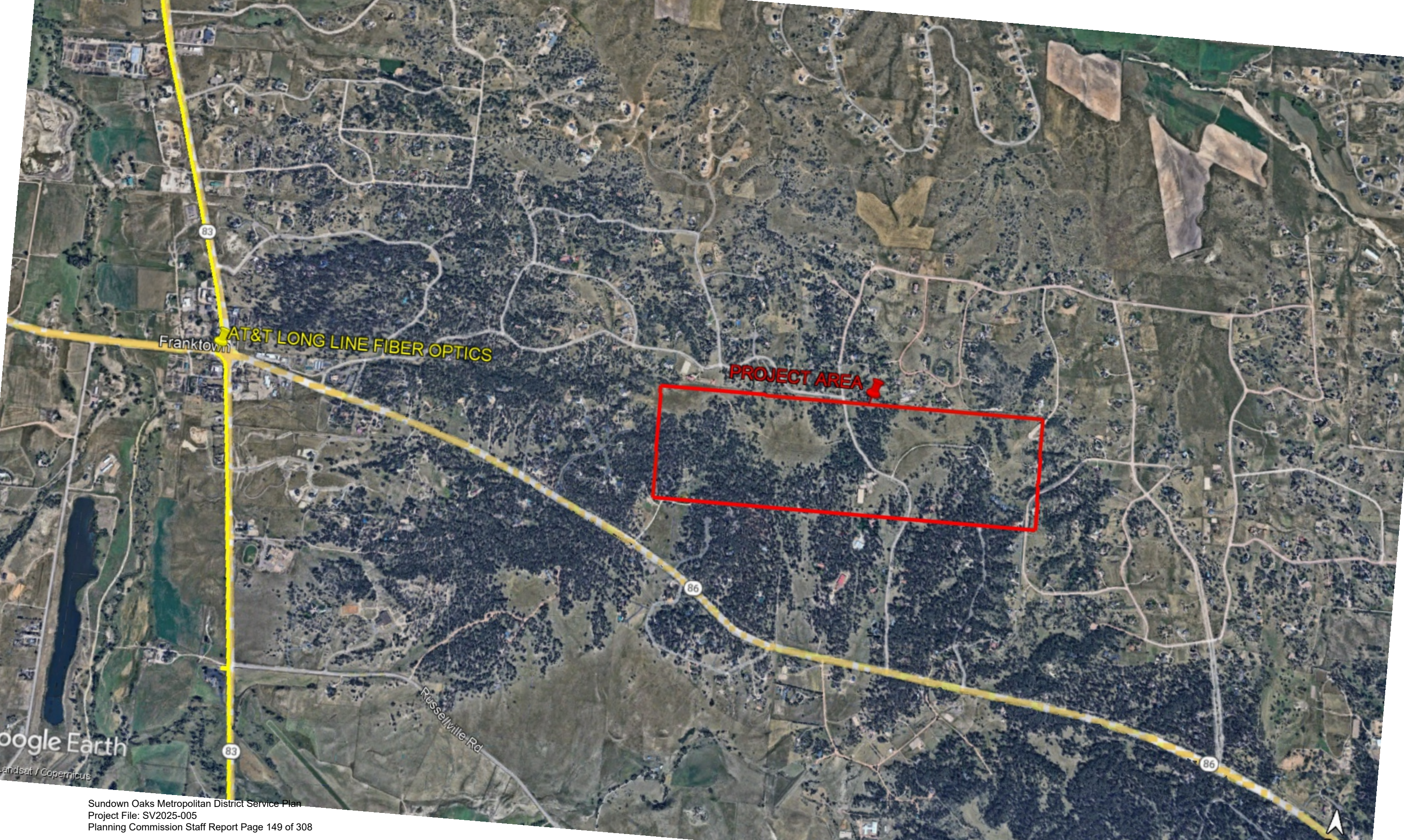
SV2025-005, Sundown Oaks Metropolitan District, new service plan application.

This referral will close on Wednesday, June, 18, 2025.

If you have any questions, please contact me.

Sincerely,

DJ Beckwith
Planning Resources



Google Earth
Landsat / Copernicus

DJ Beckwith

From: Dave Delgado <DDelgado@bannockburnhoa.org>
Sent: Wednesday, June 18, 2025 2:21 PM
To: DJ Beckwith
Subject: Bannockburn HOA input to Douglas county regarding proposed new Sundown Oaks Metropolitan District

Follow Up Flag: Follow up
Flag Status: Flagged

To whom it may concern,

On behalf of the Directors of the Bannockburn HOA, we appreciate this opportunity to provide our concerns regarding the proposed Sundown Oaks Metropolitan District, Project no. SV2025-005, which will be near our HOA. Our concerns include the following :

1. The minimum size of ALL LOTS should be five acres to coincide with current Franktown area zoning standards, as well as surrounding existing subdivision lot sizes. Therefore, we recommend a minimum five-acre lot size for ALL LOTS to be consistent with current resident preferences and zoning rules that are in support of maintaining the lifestyle already in place to current residents.
2. The Sundown Oaks Metropolitan District asserts that water to households will be provided by private wells and that there is sufficient ground water for each lot to have an individual well for both home and outdoor use. However, there is a significant concern among Franktown residents, including those in the Bannockburn HOA, that the ground source of water, the Upper Dawson aquifer, is already potentially oversubscribed/over-tapped to assure long term availability to current residents. Specifically, if new residents access this water source based on a higher density calculation, current homeowners could be required to pay costs associated with drilling deeper wells in the short term and potential future public water service connection and provision fees by a neighboring city. We find this to be an untenable financial burden to place on current homeowners in Franktown and surrounding cities and counties. We recommend that a different water source other than the Upper Dawson aquifer be identified and applied to the Project.
3. Access and roads will be significantly impacted when considering the planned Sundown Oaks Metropolitan District and other planned subdivisions in the immediate area. Costs for road enhancements and improvements are likely required to accommodate increased traffic on Tanglewood and Highway 86 that the developers should be responsible to pay in advance of development activities.
4. We are concerned that this Metropolitan District will introduce, amplify and perpetuate known issues and concerns about said "districts" since they are documented widely across Colorado as imposing long-term and in some cases indefinite negative financial impacts to new residents and the broader community.

In summary, your consideration of our concerns is appreciated. Please feel free to contact me with any questions you may have.

Best regards,

Dave Delgado
Bannockburn HOA - President

June 4, 2025

REFERRAL RESPONSE REQUEST

Comments Due By: June 18, 2025

File # / Name: SV2025-005 / Sundown Oaks Metropolitan District

Request: Metropolitan District – New Service Plan

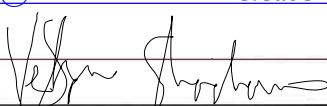
Information on the identified development proposal located in Douglas County is enclosed. Please review and comment in the space provided.

☐ No Comment

☒ Please be advised of the following concerns:

Qwest Corporation d/b/a CENTURYLINK, QC (“CenturyLink”) has reviewed the request for the subject development and have determined there are no CenturyLink facilities within the subject area.

It is the intent and understanding of CenturyLink that this development shall not reduce our rights to any other existing easements or rights we have on this site or in the area. This No objection response is submitted WITH THE STIPULATION that IF CenturyLink facilities are damaged within the area as described, the Applicant will bear the cost of relocation (<https://relocation-request.lumen.com/rmpp/#/relocationreq>) and/or repair of said facilities. - P866415

Agency: Lumen/ CenturyLink	NIS Right-of-Way Agent II Contractor - Faulk & Foster
Your Name: VeShon Sheridan (please print)	VeShon.Sheridan@Lumen.com / nre.easement@lumen.com
Your Signature: 	Date: 6/18/2025

You are encouraged to attend the hearing(s) in the Commissioner’s Hearing Room at 100 Third Street, Castle Rock. The hearing date(s) may be obtained by calling 303-660-7460. If you are unable to submit written comments by the due date or need additional materials/information, please contact this office.

Sincerely,



DJ Beckwith
Principal Planner

Enclosure

100 Third Street, Castle Rock, Colorado 80104 • 303.660.7460

DJ Beckwith

From: Varner - CDOT, Jessica <jessica.varner@state.co.us>
Sent: Thursday, June 5, 2025 8:10 AM
To: DJ Beckwith
Subject: Sundown Oaks Metropolitan District Service Plan (SV2025-005)

Follow Up Flag: Follow up
Flag Status: Flagged

Hi DJ,
I have reviewed the referral for (Sundown Oaks Metropolitan District Service Plan) and have no comment.
Thank you for the opportunity to review this referral.

--

Thank you,

Jessica Varner
Permits Unit- Region 1



P [720.541.0441](tel:720.541.0441) | F [303.757.9053](tel:303.757.9053)
2829 W. Howard Pl. 2nd Floor, Denver, CO 80204
Jessica.varner@state.co.us | www.codot.gov | www.cotrip.org



July 2, 2025

DJ Beckwith, Principal Planner
Douglas County Planning Services
Transmission via email: dbeckwith@douglas.co.us

Re: Sundown Oaks Metropolitan District - New Service Plan
Case Number: SV2025-005
Part of Sec. 1, Twp. 8S, Rng. 66W, 6th P.M. and Sec. 6, Twp. 8S, Rng. 65W,
6th P.M., Douglas County
Water Division 1, Water District 8

Dear DJ Beckwith,

We have received your June 4, 2025 referral regarding the above referenced proposal for Sundown Oaks Metropolitan District New Service Plan.

This referral does not appear to qualify as a “subdivision” as defined in Section 30-28-101(10)(a), C.R.S. Therefore, pursuant to the State Engineer’s March 4, 2005 and March 11, 2011 memorandums to county planning directors, this office will only perform a cursory review of the referral information and provide informal comments. The comments do not address the adequacy of the water supply plan for this project or the ability of the water supply plan to satisfy any County regulations or requirements. In addition, the comments provided herein cannot be used to guarantee a viable water supply plan or infrastructure, the issuance of a well permit, or physical availability of water.



The proposal seeks to create a Special District to construct, own, and operate certain public improvements for the Oak Bluff and Sundown residential development, to be known as the Sundown Oaks Metropolitan District. (hereinafter " District"). The Oak Bluff Development is for 21 single-family residential lots on 105 acres and the Sundown development is for 17 single-family residential on 71 acres.

The proposed water source for each residential lot is an individual on lots well to be constructed into the Upper Dawson aquifer to withdraw 1.0 acre-foot per year per lot, which will be operating pursuant to the decreed augmentation plans in case nos. 95CW288 and 22CW3071.

The plan for augmentation decreed in case no. 95CW288 for 190.73 acres allows for an average diversion of 44. 2 acre-feet annually for a maximum of 100 years for in house use, irrigation and stockwatering. The plan for augmentation decreed in case no. 22CW3071 allows for an average diversion of 10.8 acre-feet annually for a maximum of 100 years for use in up to 12 wells on 12 individual lots (0. 9 acre- feet per year per lot) for in-house use in one single family residence, irrigation, including lawn, garden, and trees of up to 12,000 square-feet per lot and fire protection. According to a letter dated December 21, 2023 from Canyon Creek Engineering, the HOA for Sundown will be dedicated 1.3 acre-feet from the Upper Dawson aquifer for irrigation for case no. 95CW288 and 1.5 acre-feet from the Lower Dawson aquifer for the filling of the 30,000-gallon fire water storage tank for use by Franktown Fire Department. In addition, the HOA for Oak Bluff will be dedicated 1.6 acre-feet from the Upper Dawson aquifer for irrigation for case no. 95CW288 and 2.0 acre-feet from the Lower Dawson aquifer for the filling of the 30,000-gallon fire water storage tank for use by Franktown Fire Department.

The State Engineer's Office provided comments on the water supply plan for the Sundown and Oak Bluff developments in letters dated February 6, 2004, therefore we have no additional comments on Sundown Oaks Metropolitan District Special District service plan.

Should you have any questions, please contact me at 303-866-3581 x8246 or at ioana.comaniciu@state.co.us

Sincerely,



Ioana Comaniciu, P.E.

Water Resources Engineer

Ec: Referral no. 34140



Department of Community Development

www.douglas.co.us

Planning Resources

June 4, 2025

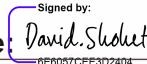
REFERRAL RESPONSE REQUEST

Comments Due By: June 18, 2025

File # / Name: SV2025-005 / Sundown Oaks Metropolitan District

Request: Metropolitan District – New Service Plan

Information on the identified development proposal located in Douglas County is enclosed. Please review and comment in the space provided.

<input type="checkbox"/> No Comment	
<input type="checkbox"/> Please be advised of the following concerns:	
<div></div> <div></div>	
<input checked="" type="checkbox"/> See letter attached for detail.	
Agency: Douglas County Conservation District	Phone #: (303) 218 - 2622
Your Name: David Shohet, President (please print)	Your Signature:  <small>Signed by: 6E0057CEE3D2404...</small> Date: 6/16/2025

You are encouraged to attend the hearing(s) in the Commissioner's Hearing Room at 100 Third Street, Castle Rock. The hearing date(s) may be obtained by calling 303-660-7460. If you are unable to submit written comments by the due date or need additional materials/information, please contact this office.

Sincerely,



DJ Beckwith
Principal Planner

Enclosure

100 Third Street, Castle Rock, Colorado 80104 • 303.660.7460



DOUGLAS
—CONSERVES—

DOUGLAS COUNTY CONSERVATION DISTRICT

PO Box 688 / 7519A E. Hwy 86 Franktown, CO 80116 / Phone 303-218-2622

DATE: June 18, 2025

RE: SV2025-005

The Douglas County Conservation District (the District) provides Douglas County subdivision reviews as directed by Senate Bill 35. District comments are made on the suitability of soils for the proposed land uses, floodwater management, and watershed protection. The District also often submits advisory comments regarding rural water supply issues, agricultural land use conversion, and endangered species protection if the development plan affects those issues.

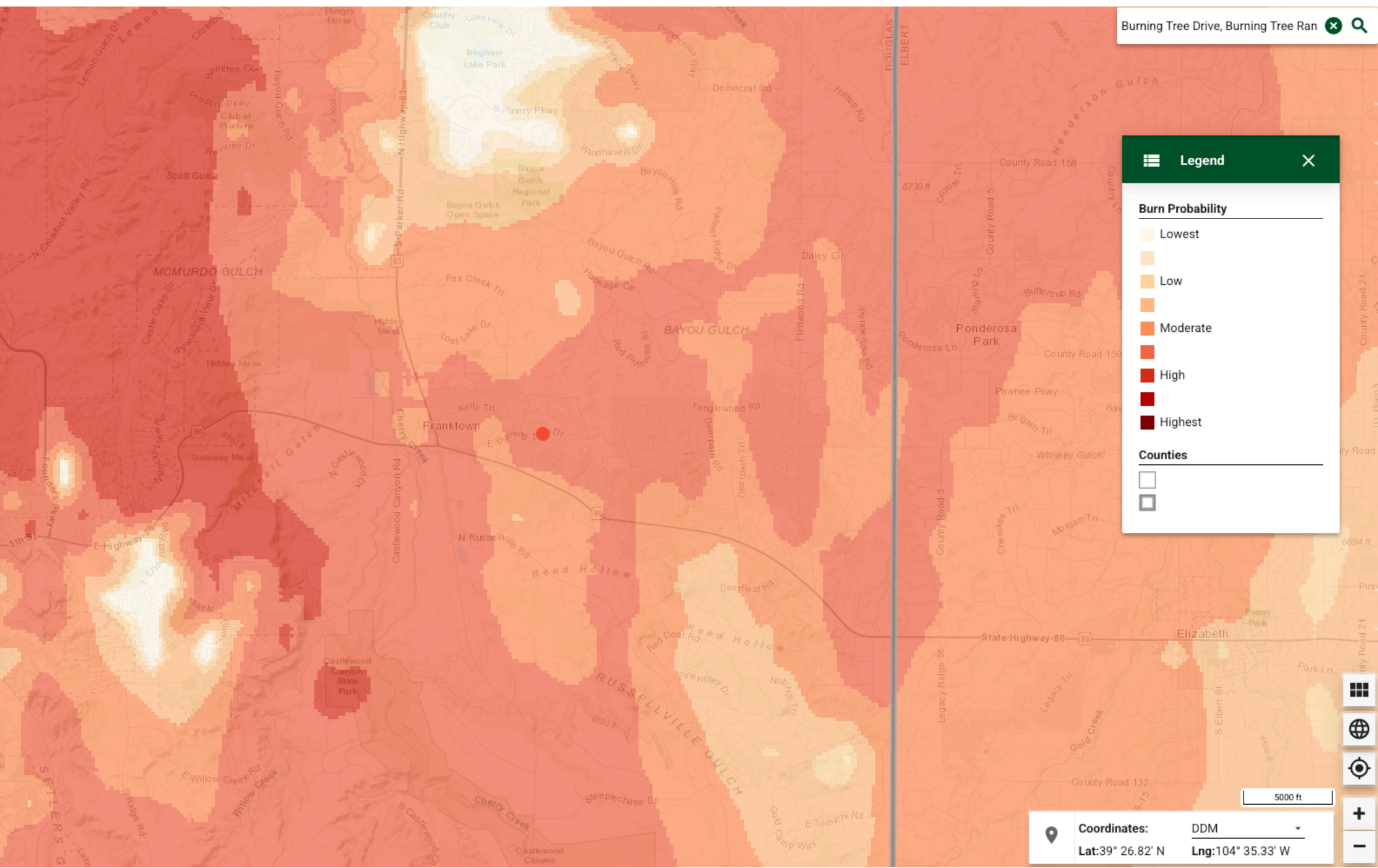
This Service Plan is for 173 acres and 37 residential units in the wildland – urban interface and carries “High” wildfire risk (attached and sourced from <https://co-pub.coloradoforestatlas.org/#/>). For more information on protecting property from wildfire <https://www.douglas.co.us/building-division/wildfire-mitigation/protect-your-home-wildfire-mitigation/> . Wildfire in this area can negatively affect the water quality downhill in Cherry Creek.

There is no Integrated Noxious Weed Control plan and it is recommended that an integrated weed management program be reviewed and approved by the Douglas County Weed Inspector and/or Weed Advisory board, the County Extension Agent, Natural Resources Conservation Service, or a qualified weed management professional prior to the land use authority approval.

There is no mention of protecting wildlife or wildlife corridors in the design of the community as defined by the Douglas County Comprehensive Master Plan, Section 9 Wildlife <https://www.douglas.co.us/planning/master-plans/comprehensive-master-plan/>.

The channels of many of the major streams are not stable and undergo substantial shifts in alignment during flood events. Upstream development increases the magnitude and frequency of local flooding. Floods that exceed the computed 100-year storm do regularly occur. The District does not support development proposals that are located in or near drainages or development that disturbs wetlands. See FEMA note above.

Thank you for the opportunity to review this project. Direct any questions to Heather Kelly, District Manager, at Admin@DouglasConserves.org or (303) 218 – 2622.



June 4, 2025

REFERRAL RESPONSE REQUEST

Comments Due By: June 18, 2025

File # / Name: SV2025-005 / Sundown Oaks Metropolitan District

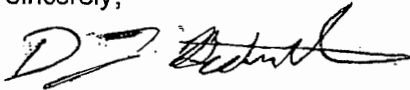
Request: Metropolitan District – New Service Plan

Information on the identified development proposal located in Douglas County is enclosed. Please review and comment in the space provided.

<input type="checkbox"/> No Comment	
<input checked="" type="checkbox"/> Please be advised of the following concerns: Section VIII #2 Storm Sewer and #4 Street Improvements - First paragraphs should end with the following: "all subject to the approval of Douglas County".	
<input type="checkbox"/> See letter attached for detail.	
Agency: Engineering	Phone #: 4318
Your Name: Al Peterson (please print)	Your Signature: <i>Allan Peterson</i> Date: 6/18/2025

You are encouraged to attend the hearing(s) in the Commissioner's Hearing Room at 100 Third Street, Castle Rock. The hearing date(s) may be obtained by calling 303-660-7460. If you are unable to submit written comments by the due date or need additional materials/information, please contact this office.

Sincerely,



DJ Beckwith
Principal Planner

Enclosure

100 Third Street, Castle Rock, Colorado 80104 • 303.660.7460

June 16, 2025

DJ Beckwith
100 Third St.
Castle Rock, CO 80104

RE: SV2025-005

Dear Mr. Beckwith

Thank you for the opportunity to review and comment on the application for a Special District Service Plan. Douglas County Health Department (DCHD) staff have reviewed the application for compliance with pertinent environmental and public health regulations. After reviewing the application, DCHD has the following comments.

Domestic Wells

Drinking water contaminated with pathogens can cause a variety of illnesses in humans. It is important to protect source water from contamination, and to treat drinking water to eliminate pathogens before it is provided for human consumption. The Colorado Division of Water Resources (DWR) is the agency that regulates well permitting. More information can be found here <https://dwr.colorado.gov/>.

On-Site Wastewater Treatment System (OWTS)

Proper wastewater management promotes effective and responsible water use, protects potable water from contaminants, and provides appropriate collection, treatment, and disposal of waste, which protects public health and the environment. DCHD has no objection to the property being served by an OWTS provided that the system is permitted, inspected and operated in accordance with DCHD's current OWTS Regulation. In order to start the process, the applicant may contact DCHD at the time of development. More information is available at <https://www.douglas.co.us/health-department/environmental-health/>.

Please contact me at 720-907-4888 or bfreyer@douglas.co.us if you have any questions about our comments.

Sincerely,



Brent Freyer
Environmental Health Specialist II
Douglas County Health Department

DJ Beckwith

From: Diana Love <rlllove1@msn.com>
Sent: Sunday, July 20, 2025 12:52 PM
To: Matt Jakubowski; DJ Beckwith
Cc: Troy Dayton; Debbie; Hyla Tryon Jenks
Subject: Renewed request for continuance of Sundown Oaks Planning Commission Hearing scheduled on August 4th

Mr. Jakubowski and Mr. Beckwith,

I am including you both because both of you have been involved with this project from two different perspectives. We have requested this continuance because of the complicated problems/issues/law with the Sundown Oaks application for a Metro District in Franktown. The significant amount of time that transpired for, and between, the time of the approval of the development that is the basis for the Metro District request, compared to the short time for the request for a Metro district, has been one of the reasons that created these complicated issues and the need for in-depth research of the application of Colorado laws. The Franktown Citizens Coalition (FCC II) requested at least a 90-day continuance of the Planning Commission hearing on August 4th. Sundown Oaks development was in the approval process for over 6 years without a request for a Metro District until just this June 2025 which gives the community very little time to prepare on the extremely complicated issues and laws.

Mr. Beckwith, your response to the FCC II's request for an extension was only that you forwarded it to the applicant but, as yet, had not received a reply. We understand and appreciated your response, but because of the shortness of time, we need a decision and so are renewing our request. We are hoping our request will be approved. To deny a continuance request from the community if the applicant either does not respond or has the authority to require our continuance request be denied, would put control of the County's hearing process in the applicant's control. This is not a balanced approach to County government where all sides' requests and issues must be equally considered and decided on.

We are also requesting an updated schedule for the whole process because there are different dates on submittals from the applicant.

Thank you very much for your consideration of this request.

Respectfully,

Diana Love
President
FCC II

DJ Beckwith

From: Diana Love <rllove1@msn.com>
Sent: Thursday, July 17, 2025 11:28 PM
To: DJ Beckwith
Subject: RE: Sundown Oaks Metro District hearings

Follow Up Flag: Follow up
Flag Status: Flagged

Mr. Beckwith,

So it's their decision alone? Constituents have no say even though the time frame picked by the applicant does not give the affected community very much time?? Something's wrong. Who would be the person at the County to reach out to in order to get the date changed?

Diana Love
President
FCC II

Sent from my T-Mobile 5G Device

----- Original message -----

From: DJ Beckwith <dbeckwith@douglas.co.us>
Date: 7/17/25 12:53 PM (GMT-07:00)
To: Diana Love <rllove1@msn.com>
Subject: RE: Sundown Oaks Metro District hearings

Greetings Ms. Love,

The proposed dates are still the same as we discussed on the phone.

- PC Meeting August 4th, 2025 @ 6pm
- BCC Hearing September 9th, 2025 @ 2:30pm

Your request to postpone has been forwarded to the applicant. At this time, the applicant has not responded to that request and has shown that they wish to proceed with the application.

All the best,

DJ Beckwith | Principal Planner
**Douglas County Department of Community Development
Planning Resources**
Address | 100 Third St., Castle Rock, CO 80104
Direct | 303-814-4330 **Main** | 303-660-7460
Email | dbeckwith@douglas.co.us

From: Diana Love <rllove1@msn.com>
Sent: Thursday, July 17, 2025 11:40 AM
To: DJ Beckwith <dbeckwith@douglas.co.us>
Subject: Sundown Oaks Metro District hearings

Mr. Beckwith,

I am reaching out for information on a couple of things please.

First: I have received no notice on the hearing dates for Sundown Oaks application for a Metro District.

Second: People in my community have sent me emails from you to them about the tentative dates already.

Third: My organization has requested a continuance due to the short turn around time that Sundown Oaks has asked for giving the community little time to prepare.

Please let me know. Thank you.

Diana Love
President
FCC II, Inc.

Sent from my T-Mobile 5G Device

DJ Beckwith

From: Diana Love <rllove1@msn.com>
Sent: Tuesday, July 8, 2025 10:40 AM
To: DJ Beckwith
Cc: TROY Dayton; hyjinx79@q.com; Debbie; snoflke18@hotmail.com; Malcolm Bedell; Bob Skowron
Subject: Sundown Oaks Proposed Metro District's requested date for Planning Commission Hearing

Follow Up Flag: Follow up
Flag Status: Flagged

Mr. Beckwith,

We are requesting an extension of proposed Planning Commission date of August 4, 2025.

The Sundown Oaks proposed Metro District presubmittal plan has requested meeting and hearing dates. The first is a meeting with the staff which can include outside agencies, etc. It's not clear when this will occur. We would respectfully like to be included in those meetings.

Also,

We would ask staff to begin their review of these first issues below. Many more issues and facts will follow in an opposition paper we will be filing.

I. SUNDOWN OAKS PROBLEMS:

A. The FCC II, after review of the proposed Sundown Oaks service plan, sees MANY issues/problems with the service plan not meeting, just for example, the statutory requirements of:

C.R.S., Section 32

And,

Douglas County's
Comprehensive Master Plan.

B. Problems with other areas:

1. Finances - the proposed financial plan is confusing and doesn't present well.
2. Service Plan has the most holes in areas dealing with: is there even a need (C.R.S 32) for a Metro District in this area? (There is NOT!). (Other C.R.S. requirements are not met, which will be addressed in our opposition paper) Issues like water quality safety (not water rights) problems are not met, etc.
3. Potential future eminent domain requests (areas that financially could have serious, negative effects)
4. Fees on top of County taxes and fees (property taxes, operation and maintenance fees, etc.)

5. Surrounding community needs that conflict with a Metro District. The controlling statute (C.R.S. 32) shows this.

6. Significant conflicts in service plan. One small example of many, see on commercial area of the service plan. Section 6, pg 3. Says "0 Sq feet of commercial space" but on the next paragraph it says "approval of the service plan does not constitute or imply approval of...the total site/floor area of commercial or industrial buildings identified in this service plan.

There are many, many more issues!

II. RESPECTFULLY, THE FCC II ASKS FOR A COPY OF ANY STAFF MEETING MINUTES WITH SUNDOWN OAKS.

III. Further comments/details will follow as issues with reviews of this plan. and facts on this, are developed. Our opposition paper will be extensive and detailed, so it will take time. Also, we are working with other Metro Districts, and experts, on the tremendous difficulties that Metro Districts cause. As you are aware, interacting with other districts takes time.

Because of that, and more, we respectfully ask that the Planning Commission date requested by the developer of August 4, 2025 not be set on that date, and it be extended 90 days, at a minimum.

Sincerely,

Diana Love
President
FCC II, Inc.

Sent from my T-Mobile 5G Device

DJ Beckwith

Subject: FW: Development in area of Metro District

From: Diana Love <rllove1@msn.com>
Sent: Tuesday, June 17, 2025 9:46 AM
To: DJ Beckwith <dbeckwith@douglas.co.us>
Subject: RE: Development in area of Metro District

Mr. Beckwith,

Thank you again for your courtesy. Please do forward my request to meet with the applicant.

Best regards,

Diana Love
President
FCC II

Sent from my T-Mobile 5G Device

----- Original message -----

From: DJ Beckwith <dbeckwith@douglas.co.us>
Date: 6/17/25 9:19 AM (GMT-07:00)
To: Diana Love <rllove1@msn.com>
Subject: RE: Development in area of Metro District

Good Morning Mrs. Love,

In response to your question on meeting with the applicant of Sundown Oaks MD. We can let the applicant know that you have reached out and would like to set time for a meeting, however, the County will not facilitate a meeting. The referral process is for the purpose of letting the applicants know what issues and concerns are present with any given project, and we forward that communication to the applicants so they are aware and can respond to those issues. The public hearings are another place to allow for public opinions to be heard and addressed by the applicant before the Planning Commission and the County Commissioners, as they make their determinations on approval of the project.

Please let me know if you would like me to forward your request to meet to the applicant.

I hope this helps clarify your question. Let me know if you have any additional questions.

All the best,
DJ Beckwith | Principal Planner

DJ Beckwith

From: Diana Love <rlllove1@msn.com>
Sent: Wednesday, June 4, 2025 4:50 PM
To: DJ Beckwith
Cc: Troy Dayton; Debbie; Hyla Tryon Jenks
Subject: RE: Douglas County eReferral (SV2025-005) Is Ready For Review

Follow Up Flag: Follow up
Flag Status: Flagged

Thank you for the referral.

This has lots of issues/problems we will be addressing in detail and getting out to the community. Even as a start, there aren't even 5 acres per residence, as required by county zoning, etc. etc! There seems to a lot of "yo yo" effects where if they don't get/like one thing, they will keep going back and forth for approvals on different things. Also, it appears there are many issues regarding the CMP, regardless of the statement that it is in "substantial compliance with the CMP 30-28-106, as amended."

The problems laid out wherein the "existing services in the area to be served by the District is inadequate for present and PROJECTED (emphasis added) needs" are just a beginning of the problems, etc. this development brings.

Much more to follow.

Thank you again. Best regards,

Diana Love
President, FCC II

Sent from my T-Mobile 5G Device

----- Original message -----

From: dbeckwith@douglas.co.us
Date: 6/4/25 2:45 PM (GMT-07:00)
To: rlllove1@msn.com
Subject: Douglas County eReferral (SV2025-005) Is Ready For Review

There is an eReferral for your review. Please use the following link to log on to your account:

<https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fapps.douglas.co.us%2Fplanning%2Fprojects%2FLogin.aspx&data=05%7C02%7C%7C6d7c4a81e0514c08cae508dda3a8bbe%7C84df9e7fe9f640afb435aaaaaaaaaaaa%7C1%7C0%7C638846667287843757%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIlwLjAuMDAwMCIslIAiOiJXaW4zMilslkFOljoITWVpbCIsIldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=i%2Fj24w%2Fer9xbT1wAXm3QBn3%2FhqACqnaip99eZoM%2BnMI%3D&reserved=0>

SV2025-005, Sundown Oaks Metropolitan District, new service plan application.

This referral will close on Wednesday, June, 18, 2025.

If you have any questions, please contact me.

Sincerely,

DJ Beckwith
Planning Resources
100 Third Street
Castle Rock, CO 80104
303-660-7460 (main)



Right of Way & Permits

1123 West 3rd Avenue
Denver, Colorado 80223
Telephone: 303.285.6612
violeta.ciocanu@xcelenergy.com

June 11, 2025

Douglas County Planning Services
100 Third Street
Castle Rock, CO 80104

Attn: DJ Beckwith

Re: Sundown Oaks Metropolitan District, Case # SV2025-005

Public Service Company of Colorado's (PSCo) Right of Way & Permits Referral Desk has reviewed the plans for **Sundown Oaks Metropolitan District** and currently has **no apparent conflict**.

As a safety precaution, PSCo would like to remind the developer to call the Utility Notification Center by dialing 811 for utility locates prior to construction.

Violeta Ciocanu (Chokanu)
Right of Way and Permits
Public Service Company of Colorado dba Xcel Energy
Office: 303-285-6612 – Email: violeta.ciocanu@xcelenergy.com

Memorandum

8055 E. Tufts Avenue, Suite 350
Denver, CO 80237
(303) 248-2518 Direct

Mattie Prodanovic
Senior Vice President
Mattie.Prodanovic@hilltopsecurities.com

Date: June 30, 2025

To: Douglas County, Colorado

Subject: Review of Proposed Service Plan for the Sundown Oaks Metropolitan District

Hilltop Securities Inc. (“Hilltop”) has been engaged by Douglas County, Colorado (the “County”) to review the proposed Service Plan for the Sundown Oaks Metropolitan District (the “District”).

Hilltop’s review is based on the assumptions provided by the Organizer and other publicly available information. Our report should not be viewed as an independent economic forecast or as a confirmation of assumptions for the cost of public infrastructure, real estate market, development cycles, current or projected property values, or construction and absorption of homes within the development.

District Overview and Summary of the Service Plan

The District will utilize a single district structure and the total Service Area of the District is approximately 173 acres, all of which is expected to be utilized for residential development. At full build out, the Organizer anticipates the District will include 37 residential units that will be developed between 2027 and 2032, with an average home value of \$2.2 million. The District’s projected assessed value at full build out for collection in 2034, assuming development is completed in 2032, is projected to be approximately \$6.2 million.

The Service Plan establishes a Maximum Total Mill Levy for the District of 70 mills, comprised of a debt service mill levy and operations and maintenance mill levy. The maximum levy for debt service is 50 mills and the maximum mill levy for operations and maintenance is 20 mills, although the Service Plan states a planned levy of 10 mills for operations and maintenance. Both District mill levies are subject to adjustment to changes in the calculation of assessed value based on changes to the calculation assuming a base year calculation of 2026. The Service Plan states that while the District can adjust its mill levies higher to account for changes in assessed value calculations that would otherwise negatively impact District revenues, it is also required to adjust mill levies lower if adjustments are made to the calculation of assessed value that increase revenues solely from the change in calculation such that any adjustment is revenue neutral.

The Service Plan limits the total amount of debt that can be issued by the District to \$10 million. This debt limit is inclusive of all new money proceeds including funds allocated for project costs and costs of issuance. It is assumed that it is also inclusive of credit enhancements such as debt service reserve funds and capitalized interest funds, although it is not expressly stated in the Service Plan. The Service Plan requires that any individual series of bonds issued by the District have a maximum term of 30 years from the date of issuance including any refunding or refinancing. This language is somewhat unclear as it could be interpreted that all bonds related to an initial new money issuance must have a final term within 30 years of the original issuance or that each individual issuance could have its own 30-year term. In the latter scenario, the District could continue to perpetually refund an original bond issuance and restart the 30-year term at each refunding given there is no limit on time that the District may impose a debt service mill levy.

The Service Plan clearly states that developer advances will be counted against the debt limit and that these advances would be subordinate to general obligation bonds issued by the District. The Service Plan notes that the developer advances to the District are expected to be approximately \$9 million, which matches the total anticipated costs as noted below and is within the debt limit established in the Service Plan. Additionally, the Service Plan notes that any developer advances remaining unpaid as of the expiration of the Maximum Debt Service Mill Levy term are deemed to be discharged. However, there is no term defined in the Service Plan for the debt service mill levy and as described above, the District’s debt could

continually be extended in the future which would provide revenues to repay developer advances.

The Service Plan limits the maximum voted interest rate on any debt to a maximum of 12.00% and interest rate on developer reimbursements is limited to the current Bond Buyer 20-Bond GO Index plus 4%. The Service Plan does not specify that interest on any debt or developer advances should be simple, meaning interest on obligations of the District is allowed to compound. The Service Plan limits the maximum underwriting discount to 5.00%.

Proposed Financial Plan

Operation and Maintenance

The Service Plan estimates the first year's operating budget of the District at \$75,000 and organizational costs to be approximately \$50,000. The Financial Plan shows revenues from the operations and maintenance mill levy are sufficient to pay the estimated first year's operating budget beginning in collection year 2030. Prior to this time, the District may utilize developer advances to cover operating and organizational costs of the District.

Debt

The District currently estimates total costs of the improvements are approximately \$9 million as detailed in Exhibit D of the Service Plan, which includes an estimated contingency of approximately 15%. The Service Plan contains language that the District will need to submit materials for administrative review if there is an increase in these costs greater than 20% but less than 40%. If costs increase in excess of 40%, it will constitute a material modification of the Service Plan and will require review by the County. The Financial Plan, included as Exhibit F, includes a bond issuance in 2027 in the aggregate par amount of \$3,625,000 (the "Series 2027 Bonds"). The table below summarizes the key results of the projected Financial Plan.

Projected Financing Results	
Par Issued	\$3,625,000
Project Fund Deposit	\$2,703,802
Other Use of Proceeds	Reserve Fund Capitalized Interest Cost of Issuance

The projected par amount of approximately \$3.6 million is within the debt limit in the Service Plan of \$10 million. The estimated total project fund deposit of approximately \$2.7 million is less than the anticipated development costs of \$9 million by approximately \$6.3 million. The Service Plan notes that it is anticipated there will be approximately \$5 million of developer contributions which may not be repaid by the District, which is approximately \$1.3 million less than the estimated shortfall. However, the Service Plan notes there will be an anticipated \$9 million of developer advances, which would cover the estimated project costs.

Capitalized interest funded with proceeds from the bonds is used to fully pay debt service on the Series 2027 Bonds in collection year 2027 and partially pay debt service in collection years 2028 through 2030. Capitalized interest usually cannot be funded for longer than three years, so it is assumed that the amounts paid for in 2030 is due to the transaction closing later in 2027, but the financing details are not provided in the Financial Plan to verify that assumption. Proceeds from the Series 2027 Bonds are also used to fund a Debt Service Reserve Fund, which is fully funded at the maximum annual debt service on the bonds. The Financial Plan projects that revenues from the debt service mill levy, along with capitalized interest funds in the years described above, are sufficient to cover debt service on the Series 2027 Bonds through final maturity in 2057. The Financial Plan shows the District is able to retire the debt service on the Series 2027 Bonds within 30 years of issuance.

Financial Plan Assumptions

The Financial Plan makes certain assumptions regarding the structure and interest rates of each of the proposed issuances and the actual results will be different from the submitted Financial Plan based on what the market conditions are at each time of issuance. The table below summarizes these key assumptions.

Financial Plan Assumptions	
Interest Rate	6.25%
Debt Service Coverage	1.30x
Final Maturity / Term	2057 (30 Years)
Structure	Current Interest
Rating / Credit	Non-Rated
Biennial Reassessment	
Residential	3.00%

The interest rate assumption and targeted debt service coverage ratio are reasonable estimates given the current market and the inclusion of a debt service reserve fund is consistent with the credit structure. If, at the time of issuance, the interest rate or credit structure of the District's bonds are different than what is currently assumed in the Financial Plan, the District may generate more or less project funds than the amount currently shown.

Conclusion

As is true with sample financial projections included in any Service Plan for metropolitan districts, these financial projections do not constitute a commitment to construct any residential development, nor do they obligate the Organizer to begin new construction on any specific timetable. The actual implementation of the debt program may vary significantly from the projections in the Financial Plan. The timing, amounts, and interest rates of the planned debt issuances will be subject to market conditions and to the credit analysis performed at the time of issuance by third-party investors. The ability to issue debt in the future will also depend on the level of development achieved within the District, and on the rate of taxes imposed by the District in relationship to the limits created by the Service Plan.

Given the assumptions in the Financial Plan, it is reasonable that the District will be capable of extinguishing all bonds within the parameters established in the Service Plan. The actual amount the District will be able to borrow for the initial costs of the public improvements or to reimburse to the developer will be impacted by changes in these assumptions, market conditions, and investor demand between now and the time of issuance.



Memorandum

8055 E. Tufts Avenue, Suite 350
Denver, CO 80237
(303) 248-2518 Direct

Mattie Prodanovic
Senior Vice President
Mattie.Prodanovic@hilltopsecurities.com

Date: July 3, 2025

To: Douglas County, Colorado

Subject: Review of Proposed Service Plan for the Sundown Oaks Metropolitan District

Hilltop Securities Inc. ("Hilltop") has been engaged by Douglas County, Colorado (the "County") to review the proposed Service Plan for the Sundown Oaks Metropolitan District (the "District").

Hilltop's review is based on the assumptions provided by the Organizer and other publicly available information. Our report should not be viewed as an independent economic forecast or as a confirmation of assumptions for the cost of public infrastructure, real estate market, development cycles, current or projected property values, or construction and absorption of homes within the development.

District Overview and Summary of the Service Plan

The District will utilize a single district structure and the total Service Area of the District is approximately 173 acres, all of which is expected to be utilized for residential development. At full build out, the Organizer anticipates the District will include 37 residential units that will be developed between 2027 and 2032, with an average home value of \$2.2 million. The District's projected assessed value at full build out for collection in 2034, assuming development is completed in 2032, is projected to be approximately \$6.2 million.

The Service Plan establishes a Maximum Total Mill Levy for the District of 70 mills, comprised of a debt service mill levy and operations and maintenance mill levy. The maximum levy for debt service is 50 mills and the maximum mill levy for operations and maintenance is 20 mills, although the Service Plan states a planned levy of 10 mills for operations and maintenance. The Service Plan also establishes a Maximum Debt Service Mill Levy Imposition Term of 40 years after initial imposition of the levy. Both District mill levies are subject to adjustment to changes in the calculation of assessed value based on changes to the calculation assuming a base year calculation of 2026. The Service Plan states that while the District can adjust its mill levies higher to account for changes in assessed value calculations that would otherwise negatively impact District revenues, it is also required to adjust mill levies lower if adjustments are made to the calculation of assessed value that increase revenues solely from the change in calculation such that any adjustment is revenue neutral.

The Service Plan limits the total amount of debt that can be issued by the District to \$10 million. This debt limit is inclusive of all new money proceeds including funds allocated for project costs and costs of issuance. It is assumed that it is also inclusive of credit enhancements such as debt service reserve funds and capitalized interest funds, although it is not expressly stated in the Service Plan. The Service Plan requires that any individual series of bonds issued by the District have a maximum term of 30 years from the date of issuance including any refunding or refinancing. This language is somewhat unclear as it could be interpreted that all bonds related to an initial new money issuance must have a final term within 30 years of the original issuance or that each individual issuance could have its own 30-year term. In the latter scenario, the District could continue to perpetually refund an original bond issuance and restart the 30-year term at each refunding given there is no limit on time that the District may impose a debt service mill levy.

The Service Plan clearly states that developer advances will be counted against the debt limit and that these advances would be subordinate to general obligation bonds issued by the District. The Service Plan notes that the developer advances to the District are expected to be approximately \$9 million, which matches the total anticipated costs as noted below and is within the debt limit established in the Service Plan. Additionally, the Service Plan notes that any developer advances remaining unpaid as of the expiration of

the Maximum Debt Service Mill Levy term are deemed to be discharged, which is 40 years as described above.

The Service Plan limits the maximum voted interest rate on any debt to a maximum of 12.00% and interest rate on developer reimbursements is limited to the current Bond Buyer 20-Bond GO Index plus 4%. The Service Plan does not specify that interest on any debt or developer advances should be simple, meaning interest on obligations of the District is allowed to compound. The Service Plan limits the maximum underwriting discount to 5.00%.

Proposed Financial Plan

Operation and Maintenance

The Service Plan estimates the first year's operating budget of the District at \$75,000 and organizational costs to be approximately \$50,000. The Financial Plan shows revenues from the operations and maintenance mill levy are sufficient to pay the estimated first year's operating budget beginning in collection year 2030. Prior to this time, the District may utilize developer advances to cover operating and organizational costs of the District.

Debt

The District currently estimates total costs of the improvements are approximately \$9 million as detailed in Exhibit D of the Service Plan, which includes an estimated contingency of approximately 15%. The Service Plan contains language that the District will need to submit materials for administrative review if there is an increase in these costs greater than 20% but less than 40%. If costs increase in excess of 40%, it will constitute a material modification of the Service Plan and will require review by the County. The Financial Plan, included as Exhibit F, includes a bond issuance in 2027 in the aggregate par amount of \$3,625,000 (the "Series 2027 Bonds"). The table below summarizes the key results of the projected Financial Plan.

Projected Financing Results	
Par Issued	\$3,625,000
Project Fund Deposit	\$2,703,802
Other Use of Proceeds	Reserve Fund Capitalized Interest Cost of Issuance

The projected par amount of approximately \$3.6 million is within the debt limit in the Service Plan of \$10 million. The estimated total project fund deposit of approximately \$2.7 million is less than the anticipated development costs of \$9 million by approximately \$6.3 million. The Service Plan notes that it is anticipated there will be approximately \$5 million of developer contributions which may not be repaid by the District, which is approximately \$1.3 million less than the estimated shortfall. However, the Service Plan notes there will be an anticipated \$9 million of developer advances, which would cover the estimated project costs.

Capitalized interest funded with proceeds from the bonds is used to fully pay debt service on the Series 2027 Bonds in collection year 2027 and partially pay debt service in collection years 2028 through 2030. Capitalized interest usually cannot be funded for longer than three years, so it is assumed that the amounts paid for in 2030 is due to the transaction closing later in 2027, but the financing details are not provided in the Financial Plan to verify that assumption. Proceeds from the Series 2027 Bonds are also used to fund a Debt Service Reserve Fund, which is fully funded at the maximum annual debt service on the bonds. The Financial Plan projects that revenues from the debt service mill levy, along with capitalized interest funds in the years described above, are sufficient to cover debt service on the Series 2027 Bonds through final maturity in 2057. The Financial Plan shows the District is able to retire the debt service on the Series 2027 Bonds within 30 years of issuance which is also within the Maximum Debt Service Mill Levy Term of 40 years as established in the Service Plan.

Financial Plan Assumptions

The Financial Plan makes certain assumptions regarding the structure and interest rates of each of the proposed issuances and the actual results will be different from the submitted Financial Plan based on what

the market conditions are at each time of issuance. The table below summarizes these key assumptions.

Financial Plan Assumptions	
Interest Rate	6.25%
Debt Service Coverage	1.30x
Final Maturity / Term	2057 (30 Years)
Structure	Current Interest
Rating / Credit	Non-Rated
Biennial Reassessment	
Residential	3.00%

The interest rate assumption and targeted debt service coverage ratio are reasonable estimates given the current market and the inclusion of a debt service reserve fund is consistent with the credit structure. If, at the time of issuance, the interest rate or credit structure of the District's bonds are different than what is currently assumed in the Financial Plan, the District may generate more or less project funds than the amount currently shown.

Conclusion

As is true with sample financial projections included in any Service Plan for metropolitan districts, these financial projections do not constitute a commitment to construct any residential development, nor do they obligate the Organizer to begin new construction on any specific timetable. The actual implementation of the debt program may vary significantly from the projections in the Financial Plan. The timing, amounts, and interest rates of the planned debt issuances will be subject to market conditions and to the credit analysis performed at the time of issuance by third-party investors. The ability to issue debt in the future will also depend on the level of development achieved within the District, and on the rate of taxes imposed by the District in relationship to the limits created by the Service Plan.

Given the assumptions in the Financial Plan, it is reasonable that the District will be capable of extinguishing all bonds within the parameters established in the Service Plan. The actual amount the District will be able to borrow for the initial costs of the public improvements or to reimburse to the developer will be impacted by changes in these assumptions, market conditions, and investor demand between now and the time of issuance.

July 15, 2025

Laura Heinrich
Spencer Fane LLP
1700 Lincoln St, Suite 2000
Denver, CO 80203

**Re: Sundown Oaks Metropolitan District – New Service Plan
Project File No. SV2025-005**

Dear Ms. Heinrich:

The following schedule has been set for the above referenced application:

ACTION	DATE
Application stamped complete, Department of Community Development	7/15/25
PC meeting	8/4/25, 6:00 pm
BCC meeting to set hearing date	8/26/25, 1:30 pm
BCC hearing	9/9/25, 2:30 pm
BCC adopts resolution of approval or provides reason for denial	9/9/25, 2:30 pm

All meetings will be held in the Board of County Commissioners' Hearing Room at 100 Third Street, Castle Rock.

Please note some additional deadlines for this application; the staff report for the Board of County Commissioners hearing is to be mailed on August 28, 2025. The final version of the Service Plan, as it is to be delivered to the Board, should be provided to our office by Monday, August 25, 2025.

To ensure the applications are processed and heard according to the above schedule, it will be important for you to provide and comply with the following requirements.

A. NOTICING

State Statutes require public notice for the Board of County Commissioners hearing. The Douglas County *Service Plan Review Procedures* ("Review Procedures") require the

applicant to fulfill the following noticing requirements. Please also refer to Section 32-1-204, C.R.S. for further information:

1. Newspaper Noticing

A notice needs to be published in the *Douglas County News-Press* at least 20 days before the BCC hearing. The notice shall include the date, time, location, purpose of the hearing, and a general description of the land contained within the boundaries of the metropolitan district and information outlining methods and procedures pursuant to Section 32-1-203 (3.5), C.R.S., concerning the filing of the petition for exclusion of territory. See the relevant section of the State Statutes and the Review Procedures for further explanation of this last issue.

Please provide Planning Resources with a copy of the draft notice before it is sent to the newspaper for publishing so we can confirm all information is included.

2. Existing Surrounding Municipalities and Special Districts

A written notice must be sent to “the governing body of any existing municipality or special district which has levied an ad valorem tax within the next preceding tax year and which has boundaries within a radius of three miles of the proposed special district boundaries” (Section 32-1-204 (1), C.R.S., as amended).

This notice needs to state the date, time and location of the Board of Commissioners’ public hearing. This notice must be sent out at least 20 days prior to the Board’s hearing. Please provide Planning Resources with a copy of the above draft notice and a list of the municipalities or special districts prior to mailing the notice.

3. Property Owners

Pursuant to Section 32-1-204(1.5), C.R.S., not more than 30 days or less than 20 days prior to the Board of County Commissioners hearing, a notice stating the date, time, location, and purpose of the Board of Commissioners public hearing, a reference to the type of special district, maximum mill levy, if any, or stating that there is no maximum that may be imposed by the proposed special district, and procedures for the filing of a petition for exclusion pursuant to Section 32-1-203(3.5), C.R.S., as amended, shall be sent to the owners of property within the proposed special district as listed on the records of the County Assessor.

Please note that Planning Resources maintains its interpretation that public notice requirements as described within State statutes are applicable to this request. Based upon the identified Board of County Commissioners’ hearing date of Tuesday, September 9, 2025, public notice to all property owners within the boundaries of the districts is required to be mailed between August 10 and August 20, 2025.

B. AFFIDAVIT OF NOTICE

Once the above noticing has been completed, an affidavit of publication will be required from the *Douglas County News-Press* to verify that the notice was published. In addition,

the Department of Community Development will need an affidavit of notice stating that the other two noticing requirements have been completed. These affidavits must be delivered to the Department of Community Development not less than five (5) business days prior to the Board of County Commissioners' hearing.

C. RESOLUTION

The applicant needs to provide the Department of Community Development a copy (electronic only is acceptable) of the resolution(s) by August 25, 2025, in time for the September 9, 2025, Board of County Commissioners' hearing.

Any revisions to the Service Plan pursuant to the conditions of approval that may be in the staff report for the September 9, 2025, hearing will need to be provided prior to the Board hearing of the same date.

If you have any questions on the above requirements, please call the undersigned at (303) 660-7460.

Sincerely,

A handwritten signature in black ink, appearing to read "DJ Beckwith", with a stylized flourish at the end.

DJ Beckwith
Principle Planner

cc: Lauren Pulver, Planning Supervisor
Katherine Carter, AICP, Assistant Director of Planning Services
Christopher Pratt, Managing County Attorney

June 23, 2025

Laura S. Heinrich
Spencer Fane LLP
1700 Lincoln St, Suite 2000
Denver, CO 80203

Re: Sundown Oaks Metropolitan District - New Service Plan
Project File No. SV2025-005

Dear Ms. Heinrich:

Thank you for the submittal of the Sundown Oaks Metropolitan District new service plan. We have completed the presubmittal review of the service plan and have comments as stated below. Additionally, copies of referral agency comments received to-date are enclosed.

General Formatting Comments:

1. Update all references to "Colorado Clean Water Plan" to "Colorado's Water Quality Management Plan."
2. In the first paragraph of Section VI, "Assessed Valuation/Projections/Land Use/Population" please Update the following language, "the property is zoned residential" to "the property is zoned Rural Residential".
3. In Section VIII, "Services, Facilities, And Improvements", A 1 and 3, please provide additional language explicitly stating that the District will not provide these services and narrow the language to include only the powers necessary for the District to build infrastructure but not provide water and sanitation services directly.
4. In Section XI, "Developer Advances and Reimbursements" first sentence of the second paragraph, please change the text style to match the rest of the service plan.

Referral Agency and County Consultant Comments:

1. Please address the comments provided by Douglas County Engineering.

If you have any questions on the above requirements, please call the undersigned at (303)-660-7460.

Sincerely,

A handwritten signature in black ink, appearing to read "DJ Beckwith". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

DJ Beckwith, Principal Planner

cc: Lauren Pulver, Planning Supervisor
Kati Carter, AICP, Assistant Director of Planning Resources
Chris Pratt, Managing County Attorney

DJ Beckwith

From: DJ Beckwith
Sent: Thursday, July 3, 2025 10:22 AM
To: Heinrich, Laura
Cc: Peykov, Nicole; Lauren Pulver
Subject: RE: Sundown Oaks Metropolitan District- Formal Submittal

Thank you Laura,

We will plan for the following schedule:

PC meeting	8/4/25, 6:00 pm
BCC meeting to set hearing date	8/26/25, 1:30 pm
BCC hearing	9/9/25, 2:30 pm
BCC adopts resolution of approval or provides reason for denial	9/9/25, 2:30 pm

That is fine to have the check deliver on July 10th.

Let me know if you have any questions.

All the best,

DJ Beckwith | Principal Planner
**Douglas County Department of Community Development
Planning Resources**

Address | 100 Third St., Castle Rock, CO 80104

Direct | 303-814-4330 **Main** | 303-660-7460

Email | dbeckwith@douglas.co.us

From: Heinrich, Laura <lheinrich@spencerfane.com>
Sent: Thursday, July 3, 2025 10:14 AM
To: DJ Beckwith <dbeckwith@douglas.co.us>
Cc: Peykov, Nicole <npeykov@spencerfane.com>; Lauren Pulver <lpulver@douglas.co.us>
Subject: RE: Sundown Oaks Metropolitan District- Formal Submittal

Hi DJ,

I am writing to confirm that we would like the dates below. Steve Gage will be able to deliver a check around July 10. I believe that you said yesterday that this will be fine, but please let me know if you need a check sooner.

Thanks,

Laura

Planning Resources

Address | 100 Third St., Castle Rock, CO 80104

Direct | 303-814-4330 **Main** | 303-660-7460

Email | dbeckwith@douglas.co.us

From: Heinrich, Laura <lheinrich@spencerfane.com>
Sent: Thursday, July 3, 2025 7:54 AM
To: DJ Beckwith <dbeckwith@douglas.co.us>
Cc: Peykov, Nicole <npeykov@spencerfane.com>
Subject: RE: Sundown Oaks Metropolitan District- Formal Submittal

Good morning, DJ,

I have one more question for you. Would it be possible for us to bump the Planning Commission date out to August 4?

Thanks,

Laura

Laura S. Heinrich | Attorney
Spencer Fane LLP

1700 Lincoln St, Suite 2000 | Denver, CO 80203
O 303.839.3979
lheinrich@spencerfane.com | spencerfane.com

From: Heinrich, Laura
Sent: Wednesday, July 2, 2025 5:00 PM
To: DJ Beckwith <dbeckwith@douglas.co.us>
Cc: Peykov, Nicole <npeykov@spencerfane.com>
Subject: FW: Sundown Oaks Metropolitan District- Formal Submittal

Hi DJ,

Is it possible for the developer to pay the \$500 fee with a credit card?

Thanks,

Laura

Laura S. Heinrich | Attorney
Spencer Fane LLP

1700 Lincoln St, Suite 2000 | Denver, CO 80203
O 303.839.3979
lheinrich@spencerfane.com | spencerfane.com

Cc: Lauren Pulver <lpulver@douglas.co.us>; Peykov, Nicole <npeykov@spencerfane.com>

Subject: Sundown Oaks Metropolitan District- Formal Submittal

Good afternoon,

Attached for formal submittal for the proposed Sundown Oaks Metropolitan District are a cover letter, an updated Service Plan, and the application. We will also be overnighting a package to your attention with these documents. A check in the amount of \$500 was previously delivered to your office. Please let us know if you need anything else.

Best,

Laura

Laura S. Heinrich | Attorney
Spencer Fane LLP

1700 Lincoln St, Suite 2000 | Denver, CO 80203
O 303.839.3979
lheinrich@spencerfane.com | spencerfane.com

From: DJ Beckwith <dbeckwith@douglas.co.us>

Sent: Tuesday, June 24, 2025 8:52 AM

To: Peykov, Nicole <npeykov@spencerfane.com>; Heinrich, Laura <lheinrich@spencerfane.com>

Cc: Lauren Pulver <lpulver@douglas.co.us>

Subject: [EXTERNAL] RE: Sundown Oaks Metropolitan District Presubmittal

[Warning] This E-mail came from an External sender. Please do not open links or attachments unless you are sure it is trusted.

Greetings Laura and Nicole,

I have attached the County's comment letter that includes all comments received from referral agencies. There will be some additional comments coming in from our financial consultant as well as from the Franktown Citizens Coalition. We will provide those comments when they are received.

Once you have reviewed the comments and are prepared to submit the final application, please mail me a hard copy of the service plan, application, and a check for \$500 made out to the Douglas County Clerk and Recorder.

Following formal submittal, we will finalize the Schedule Letter.
Please let me know if you have any questions.

All the best,

DJ Beckwith | Principal Planner
Douglas County Department of Community Development
Planning Resources

Address | 100 Third St., Castle Rock, CO 80104

Direct | 303-814-4330 **Main** | 303-660-7460

Email | dbeckwith@douglas.co.us

DJ Beckwith

From: Heinrich, Laura <lheinrich@spencerfane.com>
Sent: Tuesday, July 1, 2025 11:38 AM
To: DJ Beckwith; Lauren Pulver
Cc: Peykov, Nicole
Subject: Sundown Oaks Metropolitan District- Maximum Debt Service Mill Levy Term
Attachments: 2025a_1219_signed.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Good morning,

Pursuant to Section 2 of HB 25-1219, attached hereto, which was signed into law on May 29, 2025, we need to add a definition of “Maximum Debt Service Mill Levy Term” to the Service Plan for Sundown Oaks Metropolitan District. I prepared the definition below to include in the definitions section of the Service Plan, but we would like for you to confirm what the County’s policy is regarding the term. Our recommendation is that the number of years that we include in the definition below be between 40 - 50 years.

Maximum Debt Service Mill Levy Term: the maximum term for imposition of a debt service mill levy on any property after the initial year of imposition of such debt service mill levy, which has been determined by the County to be ____ years.

Thanks,

Laura

Laura S. Heinrich | Attorney
Spencer Fane LLP

1700 Lincoln St, Suite 2000 | Denver, CO 80203
O 303.839.3979
lheinrich@spencerfane.com | spencerfane.com



SpencerFane®

LAURA S. HEINRICH
DIRECT DIAL: 303-839-3979
lheinrich@spencerfane.com

File No. 5523490.0001

June 2, 2025

VIA FEDEX AND EMAIL

DJ Beckwith
Principal Planner
Douglas County Department of Community Development
Planning Resources
100 Third Street
Castle Rock, Colorado 80104
dbeckwith@douglas.co.us

Re: (Proposed) Sundown Oaks Metropolitan District

Dear Mr. Beckwith:

Enclosed for formal submittal are the updated Service Plan for Sundown Oaks Metropolitan District as well as the application that we previously submitted.

We reviewed your comment letter, dated June 23, 2025, as well as the referral agency and County consultant comments contained therein. We have also reviewed the memorandum from Hilltop Securities dated June 30, 2025. The following is a summary of the revisions that we made to the Service Plan:

- Addition of a “Maximum Debt Service Mill Levy Term” as Section X.E of the Service Plan to address the requirement in Section 2 of House Bill 25-1219, which was signed into law on May 29, 2025;
- Revised Section VIII.A.2 (Storm Sewer) and VIII.A.4 (Street Improvements) to add language to state that the power to install such improvements is subject to the approval of Douglas County pursuant to Douglas County rules and regulations;
- Revised Section VIII.A.1 (Water) and Section VIII.A.3 (Sanitation and Wastewater Treatment) in order to narrow the language;
- Updated all references to “Colorado Clean Water Plan” to “Colorado’s Water Quality Management Plan”; and
- Revised the references to residential zoning in the first paragraph of Section VI, “Assessed Valuation/Projections/Land Use/Population” to be “Rural Residential”.



SpencerFane®

A check in the amount of \$500 made out to the Douglas County Clerk and Recorder was previously delivered to your office.

We are hoping to be scheduled for Planning Commission and for a Board of County Commissioners Hearing as soon as possible. Please do not hesitate to contact us if you have any questions or if you need further information.

Best regards,

/s/ Laura S. Heinrich

Laura S. Heinrich

Enclosures

DE 10152882.1

DJ Beckwith

From: Heinrich, Laura <lheinrich@spencerfane.com>
Sent: Monday, June 2, 2025 3:53 PM
To: DJ Beckwith
Cc: Peykov, Nicole
Subject: Sundown Oaks Metropolitan District Presubmittal
Attachments: 2025 - Cover Letter - Sundown Oaks MD Pre-submittal(10071491.1).pdf; Application, Sundown Oaks Metropolitan District(10071524.1).pdf; Service Plan - Sundown Oaks MD, 2025-06-02(10071434.1).pdf; Redline Comparison, DC Model Service Plan to Sundown Oaks MD(10071483.1).docx; Proposed Sundown Oaks Metro - 3 Mile Radius - 5.30.2025.xlsx; November 2025 Organizational Schedule - Sundown Oaks Metropolitan District(10071551.1).pdf

Follow Up Flag: Follow up
Flag Status: Completed

Good afternoon,

Please find attached the following documents for Sundown Oaks Metropolitan District:

1. Cover Letter
2. Service Plan Application
3. Service Plan
4. Redline Comparison of Douglas County Model Service Plan to Service Plan for Sundown Oaks Metropolitan District
5. List of all Districts, Municipalities, and Counties within a 3-Mile Radius
6. Proposed Schedule

Let us know if you have any questions or need anything else from us.

Best,

Laura

[Laura S. Heinrich](#) | Attorney
Spencer Fane LLP

1700 Lincoln St, Suite 2000 | Denver, CO 80203
O 303.839.3979
lheinrich@spencerfane.com | spencerfane.com

RESIDENTIAL MARKET AND ABSORPTION ANALYSIS



SUNDOWN OAKS METROPOLITAN DISTRICT

Franktown, Colorado

PREPARED FOR:
SUNDOWN OAKS METROPOLITAN DISTRICT



Economic & Market Research / Land & Development Planning
Landscape Architecture / Community Planning & Design
Golf Feasibility Analysis

RESIDENTIAL MARKET AND ABSORPTION ANALYSIS

Sundown Oaks Metropolitan District

Franktown, Colorado

**PREPARED FOR:
SUNDOWN OAKS METROPOLITAN
DISTRICT**

**JUNE 23, 2025
THK REFERENCE #9183-000**

PREPARED BY:



**5675 DTC BOULEVARD, SUITE 200
GREENWOOD VILLAGE, COLORADO 80111
(303) 770-7201 PHONE
INFO@THKASSOC.COM**

Economic & Market Research / Land & Development Planning
Landscape Architecture / Community Planning & Design
Golf Feasibility Analysis

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EXECUTIVE SUMMARY

Executive Summary

The Sundown and Oak Bluff community is located at the intersection of Burning Tree Drive and East Tanglewood Road in Franktown/Douglas County. Sundown is located on the eastern side of East Tanglewood Road southeast of Burning Tree Drive. The Sundown subject lots are located 34.0 miles south of Denver International Airport, 31.5 miles southeast of downtown Denver, 18.0 miles southeast of Centennial Airport, 15.8 miles south of E-470, 11.0 miles east of I-25, and 4.0 miles east of Highway 83. The Sundown subject sites are very strategically positioned parcels located approximately 18.6 miles southeast of the rapidly expanding interchange of E-470 and I-25. Oak Bluff is located south of Burning Tree Drive and west of East Tanglewood Road.

The Oak Bluff subject lots are located 32.5 miles south of Denver International Airport, 28 miles southeast of downtown Denver, 14.5 miles southeast of Centennial Airport, 13.2 miles south of E-470, 7.35 miles east of I-25, and 1.6 miles east of Highway 83. The Oak Bluff subject sites are very strategically positioned parcels located approximately 14.00 miles southeast of the rapidly expanding interchange of E-470 and I-25.

This study assessed the market demand for planned and anticipated development within the Sundown Oaks development along with reasonable market and assessed values created from this project, which is located within the Sundown Oaks Metropolitan District.

The Sundown Oaks Metropolitan Community is proposed for:

- 37 Residential Units

This report analyzes each of the proposed land use types outlined above and determines the market demand and expected absorption period for each land use type based on historical, current, and projected area market conditions. This report also analyzes market values for each of the proposed land use types, which are based on market values of comparable properties for sale as provided by Douglas County assessor's offices.

The tables on the following pages summarize the Sundown Oaks Metropolitan District absorption and market values. THK has determined to be supportable by historical, current, and projected area market conditions.

EXECUTIVE SUMMARY

Sundown Oaks Proposed Land Use by Product Type

Unit Type	Total Homes	Anticipated Year of Completion	Value per Unit - 2025	Value per Lot - 2025
Single Family Detached	37	2030	\$2,200,000	\$500,000

Total	37
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Source: THK Associates, Inc.

Sundown Oaks Detached Residential Absorption Schedule

Year	PTA Annual Market Demand	Site Annual Market Demand (20%/ 25% Capture)	Single-Family Attached		Sundown Oaks	
			Site Cumulative Market Demand		Annual Absorption	Cumulative Absorption
2025	187		**** Planning and Development****			
2026	191		**** Planning and Development****			
2027	195	9	9		9	9
2028	199	9	18		9	18
2029	204	9	27		9	27
2030	209	10	37		10	37
Total	1,185	37	37		37	37

Source: THK Associates, Inc.

EXECUTIVE SUMMARY

Sundown Oaks is proposing a single-family detached development. All residential single-family detached homes are projected to be built-out by 2030. Average supportable market values for single-family detached homes are \$2,200,000. It is THK's opinion that the metro district's values are reasonable in the marketplace. The Sundown Oaks Primary Trade Area has seen an annual inflation rate of 2.5% in home prices between 2021 and 2025 year-to-date. THK expects interest rates to decrease in the near future, which will increase the home inflation rate over the years to come, therefore in our market and assessed value calculation over the next 30 years THK utilized a 3.0% inflation rate.

I. INTRODUCTION

I. Introduction

The purpose of this market analysis has been to determine future absorption by product type for the Sundown Oaks community. The Sundown and Oak Bluff community is located at the intersection of Burning Tree Drive and East Tanglewood Road in Franktown/Douglas County. The entirety of the Sundown Oaks subject community is 177-acres. The Sundown property is approximately 73-acres and is planned for 17, 2-acre sites. The Oak Bluff property is approximately 104-acres and is planned for 20 home sites, averaging 4.71-acres in size.

The study examines the absorption and market and assessed values for the proposed residential uses in the community. THK's research includes market projections for a variety of residential product types. At the conclusion of THK's analysis, an absorption estimate of the proposed residential product type at the Sundown Oaks Community is detailed.

In order to estimate future residential construction absorption and market and assessed values for the Sundown Oaks site, THK has undertaken the following research:

- Prepared an economic base analysis of the Ten County market area (Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Elbert Counties, Jefferson, Larimer, and Weld).
- Profiled submarkets within the regional environs including population and household growth, employment growth, income characteristics, permit data, housing supply, and other relevant statistics.
- Inspected the Sundown Oaks site.
- Reviewed any documents related to the Sundown Oaks Metropolitan District.
- Inventoried active and upcoming single family home communities in the Sundown Oaks Primary Trade Area.
- Identified sales of single-family homes and lots within the Sundown Oaks Primary trade area over the past four years.
- This assessment of supply and demand allowed THK to estimate the absorption and pricing of the proposed homes.
- Estimated value estimates based on competitive communities.
- Researched and opined on a reasonable bi-annual inflation rate.

II. SITE AND AREA DESCRIPTION

II. Site and Area Description

The Sundown subject sites are located 34.0 miles south of Denver International Airport, 31.5 miles southeast of downtown Denver, 18.0 miles southeast of Centennial Airport, 15.8 miles south of E-470, 11.0 miles east of I-25, and 4.0 miles east of Highway 83. The Sundown subject sites are very strategically positioned parcels located approximately 18.6 miles southeast of the rapidly expanding interchange of E-470 and I-25.

The Oak Bluff subject sites are located 32.5 miles south of Denver International Airport, 28 miles southeast of downtown Denver, 14.5 miles southeast of Centennial Airport, 13.2 miles south of E-470, 7.35 miles east of I-25, and 1.6 miles east of Highway 83. Due to the decreasing availability of affordable and available land in Metro Denver, demand for housing continues to expand beyond Denver's core. The Oak Bluff subject sites are very strategically positioned parcels located approximately 14.00 miles southeast of the rapidly expanding interchange of E-470 and I-25.

Two miles east of I-25 and E-470 and 13 miles northwest of the Sundown Oaks subject sites, is the Compark Business Campus. It has added 312 homes, an 85,000 square foot data center, 425,000 square feet of retail space, and 220,000 square feet of office space. Near the interchange of E-470 and Highway 83, 10.5 miles north of the subject site, Ryland Homes has built 500 homes in Whispering Pines, Kings Point has plans for 3,000 homes, Toll Brothers and Standard Pacific built 1,800 age 55+ homes at Inspiration. Attractions include the Rueter-Hess Reservoir 9.0 miles northwest, and the Outlets at Castle Rock shopping destination located 9.4 miles west of the Sundown Oaks community. The Outlets at Castle Rock have over 100 stores and restaurants.

Area maps, aerials, and site photos are shown on the following pages.

REGIONAL LOCATION

Figure 1- Denver Metropolitan Area Regional Location

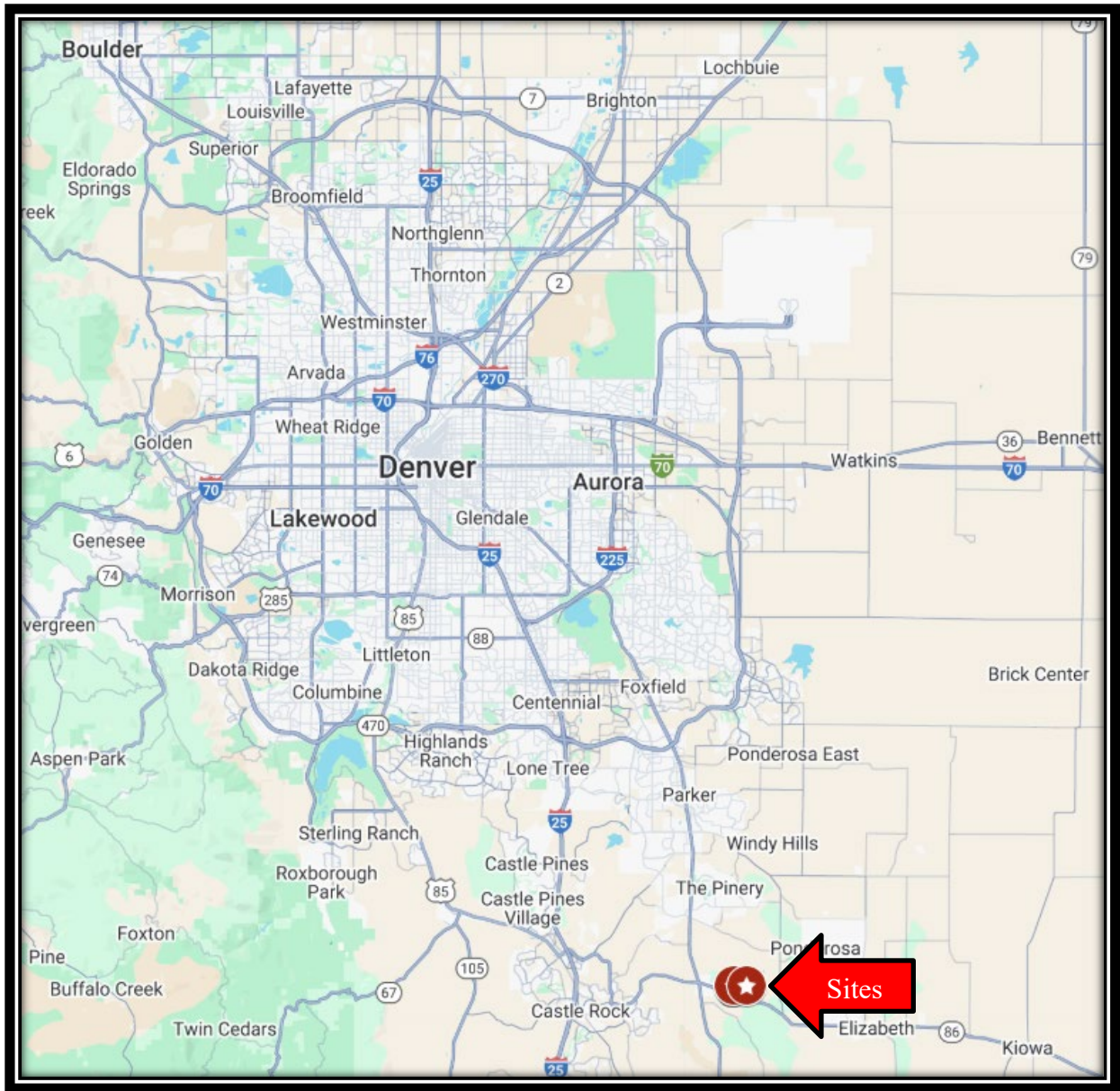


Figure 2- Sundown Oaks Regional Location

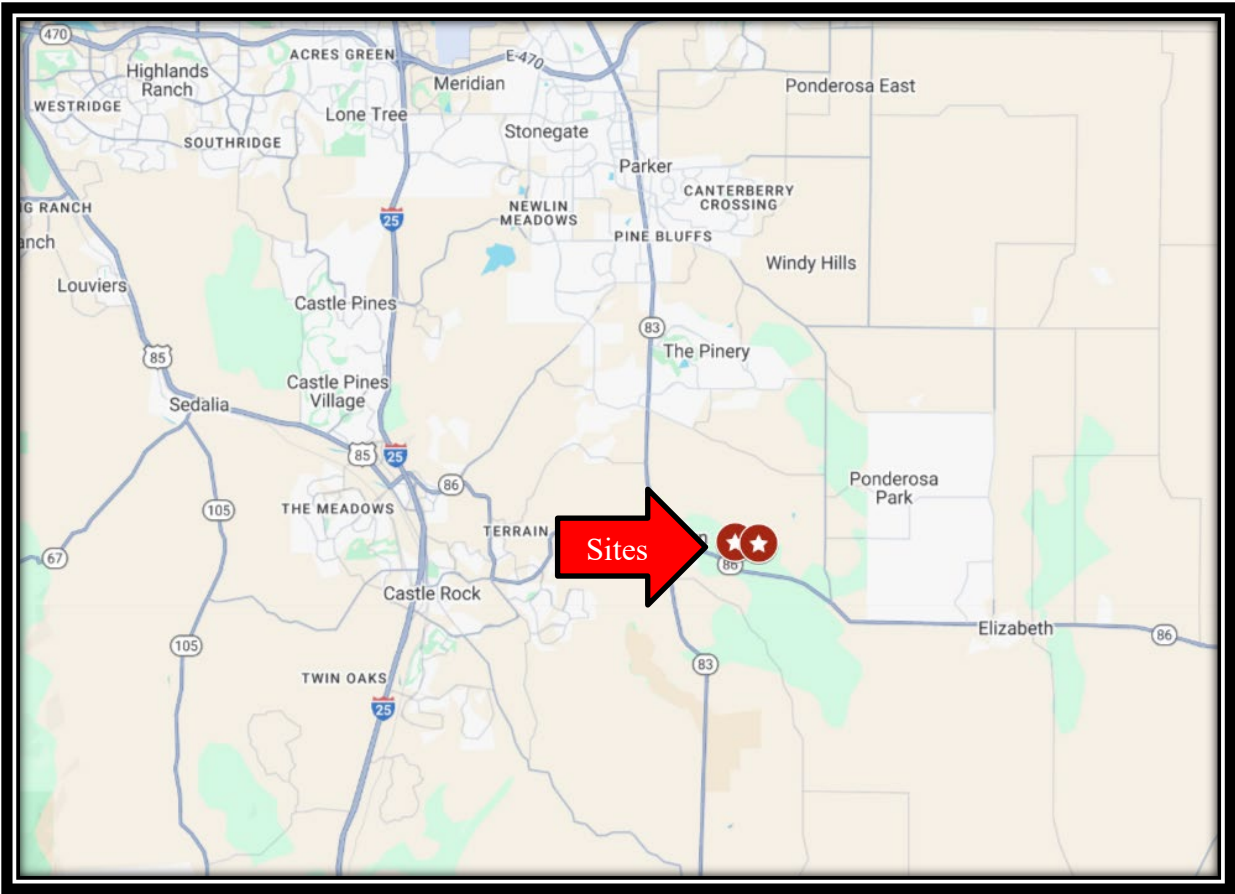


Figure 3- Sundown Oaks Site Aerial



Sundown Oaks Site



SITE PHOTOS



SITE PHOTOS



III. ECONOMIC BASE ANALYSIS

III. Economic Base Analysis

A. HISTORICAL EMPLOYMENT GROWTH

Table III-1 on the following page shows historical employment growth by year for The Ten County market area (Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Elbert, Jefferson, Larimer, and Weld counties).

Employment trends are prime indicators of the economic growth of an area. Increases in employment generate growth for most sectors of the local economy and dictate the rate at which it will expand.

Total full- and part-time employment in the Ten County market area grew from 1,152,005 in 1980 to 3,122,322 in 2025, for an average annual increase of 43,736 jobs. Over the last decade, 58,310 jobs per year were added, for an average annual growth rate of 2.3%.

ECONOMIC BASE ANALYSIS

Table III-1: Ten County Market Area Employment Trends, 1980-2025

Year	Total Employment	Annual Change	
		Numerical	Percent
1980	1,154,201	44,258	5.0%
1981	1,200,155	45,954	4.0%
1982	1,235,985	35,830	3.0%
1983	1,261,477	25,492	2.1%
1984	1,333,901	72,424	5.7%
1985	1,358,267	24,366	1.8%
1986	1,355,191	-3,076	-0.2%
1987	1,342,433	-12,758	-0.9%
1988	1,380,346	37,913	2.8%
1989	1,400,210	19,864	1.4%
1990	1,427,162	26,952	1.9%
1991	1,461,635	34,473	2.4%
1992	1,489,065	27,430	1.9%
1993	1,554,164	65,099	4.4%
1994	1,616,520	62,356	4.0%
1995	1,664,596	48,076	3.0%
1996	1,727,334	62,738	3.8%
1997	1,802,354	75,020	4.3%
1998	1,875,518	73,164	4.1%
1999	1,932,678	57,160	3.0%
2000	2,017,042	84,364	4.4%
2001	2,031,859	14,817	0.7%
2002	2,009,483	-22,376	-1.1%
2003	1,997,978	-11,505	-0.6%
2004	2,032,097	34,119	1.7%
2005	2,081,074	48,977	2.4%
2006	2,129,635	48,561	2.3%
2007	2,205,927	76,292	3.6%
2008	2,232,453	26,526	1.2%
2009	2,179,125	-53,328	-2.4%
2010	2,171,930	-7,195	-0.3%
2011	2,223,202	51,272	2.4%
2012	2,277,947	54,745	2.5%
2013	2,358,217	80,270	3.5%
2014	2,449,602	91,385	3.9%
2015	2,539,227	89,625	3.7%
2016	2,617,497	78,270	3.1%
2017	2,683,484	65,987	2.5%
2018	2,759,187	75,703	2.8%
2019	2,832,375	73,188	2.7%
2020	2,676,036	-156,339	-5.5%
2021	2,822,839	146,803	5.5%
2022	3,006,286	183,447	6.5%
2023 Estimate	3,032,439	26,153	0.9%
2024 Estimate	3,062,197	29,758	1.0%
2025 Estimate	3,122,322	60,125	2.0%
Annual Change			
1980-2025		43,736	2.2%
1990-2025		48,433	2.3%
2000-2025		44,211	1.8%
2010-2025		63,359	2.5%
2015-2025		58,310	2.3%
2020-2025		74,871	3.4%

Source: Bureau of Economic Analysis, and THK Associates, Inc.

ECONOMIC BASE ANALYSIS

B. PROJECTED EMPLOYMENT GROWTH

Table III-2, illustrates the projected job growth for the Ten County market area, which is expected to add approximately 69,582 jobs annually on average from 2025-2035.

Table III-2: Ten County Market Area Employment Projections, 2025-2035

Year	Total Employment	Annual Change	
		Numerical	Percent
2025	3,122,322	-	-
2026	3,184,259	61,937	2.0%
2027	3,247,749	63,490	2.0%
2028	3,312,843	65,094	2.0%
2029	3,379,593	66,751	2.0%
2030	3,448,056	68,462	2.0%
2031	3,518,288	70,232	2.0%
2032	3,590,348	72,061	2.0%
2033	3,664,301	73,952	2.1%
2034	3,740,210	75,909	2.1%
2035	3,818,142	77,933	2.1%
Annual Change 2025-2035		69,582	2.0%

Source: Bureau of Economic Analysis and THK Associates, Inc.

ECONOMIC BASE ANALYSIS

C. POPULATION AND HOUSEHOLD GROWTH TRENDS

Employment, population, and household growth drive demand for residential real estate development.

Table III-3 shows that in the Ten County market area, population and households have increased since 1980 by 2.0% and 2.0%, respectively. Since 2010, population has increased by 83,506 people per year to 4,612,340 in 2025, for an average annual growth rate of 2.0%.

Households in the Ten County market area have grown by 1.9% per year over the last fifteen years. Since 2010, households in the region have increased by 29,085 annually to 1,756,007 in 2025.

ECONOMIC BASE ANALYSIS

Table III-3: Estimates of Population and Households in the Denver Ten County Market Area, 1980-2025

Year	Adams County		Arapahoe County		Boulder County		Broomfield County		Denver County		Douglas County		Jefferson County		Larimer County		Weld County		Elbert County		Ten County Total	
	Pop	HH	Pop	HH	Pop	HH	Pop	HH	Pop	HH	Pop	HH	Pop	HH	Pop	HH	Pop	HH	Pop	HH	Pop	HH
1980	245,944	84,219	293,621	106,018	189,625	68,964	--	--	492,365	211,566	25,153	7,857	371,753	129,778	149,184	54,086	123,440	42,750	6,850	2,380	1,897,935	707,618
1990	257,874	93,914	391,902	155,367	208,913	82,510	25,032	8,992	467,229	210,943	60,406	20,786	437,056	166,520	186,137	70,575	131,729	47,533	9,644	3,351	2,175,922	860,491
2000	347,987	122,803	487,900	190,892	269,625	106,485	39,434	14,251	554,688	239,242	175,792	60,938	525,287	205,408	251,493	97,163	180,795	63,194	19,872	6,670	2,852,873	1,107,046
2010	441,603	153,764	572,003	224,011	294,567	119,300	55,889	21,414	600,158	263,107	285,465	102,018	534,543	218,160	299,630	120,295	252,825	89,349	23,068	8,380	3,359,751	1,319,798
2020	533,501	192,087	677,136	262,519	348,828	133,340	82,077	32,015	759,214	336,152	369,347	131,260	615,579	240,109	369,347	144,065	348,828	129,179	27,313	8,853	4,131,170	1,609,579
2025	578,829	208,407	740,631	280,204	369,771	140,720	101,496	35,008	863,616	371,470	430,487	151,573	644,683	249,695	402,029	157,289	448,881	151,364	31,916	10,345	4,612,340	1,756,077
(1980-2025):																						
Numerical	7,400	2,760	9,930	3,871	4,000	1,595	--	--	8,250	3,553	9,010	3,194	6,070	2,665	5,620	2,293	7,230	2,414	560	177	60,320	23,299
Percent	1.9%	2.0%	2.1%	2.2%	1.5%	1.6%	--	--	1.3%	1.3%	6.5%	6.8%	1.2%	1.5%	2.2%	2.4%	2.9%	2.8%	3.5%	3.3%	2.0%	2.0%
Percent of 10-County Total	12.3%	11.8%	16.5%	16.6%	6.6%	6.8%	--	--	13.7%	15.3%	14.9%	13.7%	10.1%	11.4%	9.3%	9.8%	12.0%	10.4%	0.9%	0.8%	100.0%	100.0%
(1990-2025):																						
Numerical	9,170	3,271	9,960	3,567	4,600	1,663	2,180	743	11,330	4,586	10,570	3,737	5,930	2,376	6,170	2,478	9,060	2,967	640	200	69,612	25,588
Percent	2.3%	2.3%	1.8%	1.7%	1.6%	1.5%	4.1%	4.0%	1.8%	1.6%	5.8%	5.8%	1.1%	1.2%	2.2%	2.3%	3.6%	3.4%	3.5%	3.3%	2.2%	2.1%
Percent of 10-County Total	13.2%	12.8%	14.3%	13.9%	6.6%	6.5%	3.1%	2.9%	16.3%	17.9%	15.2%	14.6%	8.5%	9.3%	8.9%	9.7%	13.0%	11.6%	0.9%	0.8%	100.0%	100.0%
(2000-2025):																						
Numerical	9,234	3,424	10,109	3,572	4,006	1,369	2,482	830	12,357	5,289	10,188	3,625	4,776	1,771	6,021	2,405	10,723	3,527	482	147	70,379	25,961
Percent	2.1%	2.1%	1.7%	1.5%	1.3%	1.1%	3.9%	3.7%	1.8%	1.8%	3.6%	3.7%	0.8%	0.8%	1.9%	1.9%	3.7%	3.6%	1.9%	1.8%	1.9%	1.9%
Percent of 10-County Total	13.1%	13.2%	14.4%	13.8%	5.7%	5.3%	3.5%	3.2%	17.6%	20.4%	14.5%	14.0%	6.8%	6.8%	8.6%	9.3%	15.2%	13.6%	0.7%	0.6%	100.0%	100.0%
(2010-2025):																						
Numerical	9,148	3,643	11,242	3,746	5,014	1,428	3,040	906	17,564	7,224	9,668	3,304	7,343	2,102	6,827	2,466	13,070	4,134	590	131	83,506	29,085
Percent	1.8%	2.0%	1.7%	1.5%	1.5%	1.1%	4.1%	3.3%	2.5%	2.3%	2.8%	2.7%	1.3%	0.9%	2.0%	1.8%	3.9%	3.6%	2.2%	1.4%	2.0%	1.9%
Percent of 10-County Total	11.0%	12.5%	13.5%	12.9%	6.0%	4.9%	3.6%	3.1%	21.0%	24.8%	11.6%	11.4%	8.8%	7.2%	8.2%	8.5%	15.7%	14.2%	0.7%	0.5%	100.0%	100.0%

Source: Bureau of Census and THK Associates, Inc.

D. TEN-COUNTY INCOME LEVELS

Table III-4 illustrates the per capita personal income level and annual change over the last 36 years for Ten County Market Area, by county, and the United States as a whole. Table III-4 illustrates an increase in wealth for the Ten County area, which will positively impact both residential and commercial real estate within the county over the next several years.

ECONOMIC BASE ANALYSIS

Table III-4: Per Capita Personal Income by County for the Ten County, 1990-2025

Year	Adams County		Arapahoe County		Boulder County		Broomfield County		Denver County		Douglas County		Jefferson County		Larimer County		Weld County		Elbert County		United States	
	Income	Annual Change	Income	Annual Change	Income	Annual Change	Income	Annual Change	Income	Annual Change	Income	Annual Change	Income	Annual Change	Income	Annual Change	Income	Annual Change	Income	Annual Change	Income	Annual Change
1990	\$16,330	--	\$24,379	--	\$22,416	--	--	--	\$23,320	--	\$25,072	--	\$21,661	--	\$17,978	--	\$15,533	--	\$17,809	--	\$19,621	--
1991	\$16,796	2.9%	\$24,876	2.0%	\$23,149	3.3%	--	--	\$23,438	0.5%	\$30,328	21.0%	\$22,760	5.1%	\$18,583	3.4%	\$16,077	3.5%	\$18,507	3.9%	\$20,030	2.1%
1992	\$17,674	5.2%	\$25,840	3.9%	\$24,790	7.1%	--	--	\$24,376	4.0%	\$32,436	7.0%	\$23,623	3.8%	\$19,581	5.4%	\$16,988	5.7%	\$20,603	11.3%	\$21,090	5.3%
1993	\$18,522	4.8%	\$26,998	4.5%	\$25,987	4.8%	--	--	\$25,277	3.7%	\$35,653	9.9%	\$24,781	4.9%	\$20,606	5.2%	\$18,168	6.9%	\$22,588	9.6%	\$21,733	3.0%
1994	\$19,377	4.6%	\$28,637	6.1%	\$27,401	5.4%	--	--	\$26,430	4.6%	\$37,723	5.8%	\$25,474	2.8%	\$21,442	4.1%	\$18,787	3.4%	\$23,813	5.4%	\$22,575	3.9%
1995	\$20,154	4.0%	\$30,209	5.5%	\$29,080	6.1%	--	--	\$28,277	7.0%	\$39,511	4.7%	\$27,051	6.2%	\$22,754	6.1%	\$19,323	2.9%	\$24,273	1.9%	\$23,607	4.6%
1996	\$20,910	3.8%	\$32,314	7.0%	\$30,835	6.0%	--	--	\$29,666	4.9%	\$39,551	0.1%	\$28,585	5.7%	\$24,327	6.9%	\$20,547	6.3%	\$25,371	4.5%	\$24,771	4.9%
1997	\$22,347	6.9%	\$33,388	3.3%	\$32,791	6.3%	--	--	\$31,002	4.5%	\$39,282	-0.7%	\$30,751	7.6%	\$25,754	5.9%	\$21,467	4.5%	\$24,671	-2.8%	\$25,993	4.9%
1998	\$23,811	6.6%	\$36,261	8.6%	\$35,192	7.3%	--	--	\$34,097	10.0%	\$39,853	1.5%	\$33,830	10.0%	\$27,099	5.2%	\$23,155	7.9%	\$26,372	6.9%	\$27,557	6.0%
1999	\$25,270	6.1%	\$38,739	6.8%	\$37,436	6.4%	--	--	\$35,915	5.3%	\$41,387	3.8%	\$35,172	4.0%	\$28,273	4.3%	\$24,333	5.1%	\$28,038	6.3%	\$28,675	4.1%
2000	\$27,118	7.3%	\$42,831	10.6%	\$41,817	11.7%	--	--	\$39,489	10.0%	\$44,194	6.8%	\$38,710	10.1%	\$31,041	9.8%	\$25,552	5.0%	\$31,240	11.4%	\$30,657	6.9%
2001	\$27,864	2.8%	\$41,679	-2.7%	\$42,333	1.2%	--	--	\$40,041	1.4%	\$42,852	-3.0%	\$41,783	7.9%	\$32,229	3.8%	\$26,116	2.2%	\$32,788	5.0%	\$31,589	3.0%
2002	\$27,982	0.4%	\$41,180	-1.2%	\$41,489	-2.0%	\$41,621	--	\$40,220	0.4%	\$38,955	-9.1%	\$40,929	-2.0%	\$31,997	-0.7%	\$24,871	-4.8%	\$31,518	-3.9%	\$31,832	0.8%
2003	\$28,307	1.2%	\$41,502	0.8%	\$42,260	1.9%	\$41,593	-0.1%	\$40,892	1.7%	\$37,614	-3.4%	\$41,040	0.3%	\$31,878	-0.4%	\$25,200	1.3%	\$31,570	0.2%	\$32,681	2.7%
2004	\$28,551	0.9%	\$40,776	-1.7%	\$43,232	2.3%	\$43,741	5.2%	\$42,033	2.8%	\$41,266	9.7%	\$42,632	3.9%	\$32,759	2.8%	\$26,905	6.8%	\$34,989	10.8%	\$34,251	4.8%
2005	\$28,932	1.3%	\$41,791	2.5%	\$46,245	7.0%	\$47,412	8.4%	\$46,511	10.2%	\$46,527	12.7%	\$43,338	1.7%	\$34,106	4.1%	\$28,569	6.2%	\$36,645	4.7%	\$35,849	4.7%
2006	\$29,751	2.8%	\$44,957	7.6%	\$49,090	6.2%	\$53,431	12.7%	\$50,786	9.2%	\$51,151	9.9%	\$44,926	3.7%	\$35,926	5.3%	\$29,898	4.7%	\$37,341	1.9%	\$38,114	6.3%
2007	\$30,849	3.7%	\$46,420	3.3%	\$50,834	3.6%	\$57,868	8.3%	\$52,270	2.9%	\$54,897	7.3%	\$46,169	2.8%	\$32,016	5.4%	\$32,016	7.1%	\$40,282	7.9%	\$39,844	4.5%
2008	\$31,761	3.0%	\$43,602	-6.1%	\$52,114	2.5%	\$62,872	8.6%	\$54,509	4.3%	\$56,270	2.5%	\$46,753	1.3%	\$38,191	0.8%	\$33,762	5.5%	\$42,293	5.0%	\$40,904	2.7%
2009	\$30,815	-3.0%	\$39,767	-8.8%	\$46,942	-9.9%	\$57,309	-8.8%	\$47,126	-13.5%	\$55,031	-2.2%	\$44,500	-4.8%	\$36,870	-3.5%	\$32,573	-3.5%	\$41,876	-1.0%	\$39,284	-4.0%
2010	\$30,754	-0.2%	\$40,980	3.1%	\$50,465	7.5%	\$54,157	-5.5%	\$49,040	4.1%	\$53,727	-2.4%	\$45,302	1.8%	\$37,455	1.6%	\$33,092	1.6%	\$39,126	-6.6%	\$40,547	3.2%
2011	\$32,392	5.3%	\$46,782	14.2%	\$52,309	3.7%	\$56,309	4.0%	\$54,236	10.6%	\$56,700	5.5%	\$47,361	4.5%	\$39,105	4.4%	\$35,055	5.9%	\$48,200	23.2%	\$42,739	5.4%
2012	\$33,917	4.7%	\$48,429	3.5%	\$54,984	5.1%	\$58,467	3.8%	\$57,896	6.7%	\$60,614	6.9%	\$49,331	4.2%	\$40,922	4.6%	\$37,088	5.8%	\$44,851	-6.9%	\$44,605	4.4%
2013	\$34,811	2.6%	\$49,668	2.6%	\$56,706	3.1%	\$55,036	-5.9%	\$61,732	6.6%	\$62,501	3.1%	\$51,347	4.1%	\$42,550	4.0%	\$38,793	4.6%	\$47,758	6.5%	\$44,860	0.6%
2014	\$36,809	5.7%	\$53,215	7.1%	\$60,575	6.8%	\$57,640	4.7%	\$68,076	10.3%	\$66,067	5.7%	\$54,588	6.3%	\$45,152	6.1%	\$42,283	9.0%	\$50,141	5.0%	\$47,071	4.9%
2015	\$38,452	4.5%	\$54,455	2.3%	\$64,287	6.1%	\$58,798	2.0%	\$67,037	-1.5%	\$67,678	2.4%	\$56,959	4.3%	\$47,007	4.1%	\$43,925	3.9%	\$52,011	3.7%	\$49,019	4.1%
2016	\$39,565	2.9%	\$55,207	1.4%	\$65,363	1.7%	\$60,556	3.0%	\$64,209	-4.2%	\$68,823	1.7%	\$57,921	1.7%	\$48,422	3.0%	\$43,745	-0.4%	\$54,434	4.7%	\$50,015	2.0%
2017	\$41,321	4.4%	\$57,116	3.5%	\$69,968	7.0%	\$63,349	4.6%	\$74,573	16.1%	\$70,383	2.3%	\$60,265	4.0%	\$51,748	6.9%	\$44,479	1.7%	\$56,017	2.9%	\$52,118	4.2%
2018	\$43,544	5.4%	\$61,906	8.4%	\$73,518	5.1%	\$68,038	7.4%	\$79,023	6.0%	\$75,255	6.9%	\$63,319	5.1%	\$54,207	4.8%	\$48,035	8.0%	\$60,057	7.2%	\$54,606	4.8%
2019	\$45,481	4.4%	\$64,477	4.2%	\$76,527	4.1%	\$70,996	4.3%	\$81,405	3.0%	\$78,455	4.3%	\$66,017	4.3%	\$55,894	3.1%	\$50,198	4.5%	\$62,554	4.2%	\$56,490	3.5%
2020	\$48,115	5.8%	\$66,691	3.4%	\$79,649	4.1%	\$67,495	-4.9%	\$85,411	4.9%	\$78,980	0.7%	\$68,829	4.3%	\$58,725	5.1%	\$52,054	3.7%	\$65,795	5.2%	\$59,510	5.3%
2021	\$49,983	3.9%	\$70,178	5.2%	\$83,544	4.9%	\$72,544	7.5%	\$91,695	7.4%	\$82,895	5.0%	\$71,541	3.9%	\$61,220	4.2%	\$54,403	4.5%	\$71,818	9.2%	\$61,556	3.4%
2022	\$52,257	4.6%	\$73,346	4.5%	\$86,626	3.7%	\$73,839	1.8%	\$94,611	3.2%	\$85,818	3.5%	\$74,412	4.0%	\$63,395	3.6%	\$56,994	4.8%	\$76,264	6.2%	\$63,990	4.0%
2023 Estimate	\$54,447	4.2%	\$76,437	4.2%	\$89,955	3.8%	\$75,624	2.4%	\$98,674	4.3%	\$88,693	3.3%	\$77,219	3.8%	\$65,741	3.7%	\$59,381	4.2%	\$79,801	4.6%	\$66,368	3.7%
2024 Estimate	\$56,648	4.0%	\$78,752	3.0%	\$93,267	3.7%	\$75,842	0.3%	\$103,015	4.4%	\$90,507	2.0%	\$79,908	3.5%	\$68,171	3.7%	\$61,186	3.0%	\$83,969	5.2%	\$68,765	3.6%
2025 Estimate	\$58,887	4.0%	\$82,456	4.7%	\$96,793	3.8%	\$78,339	3.3%	\$107,855	4.7%	\$93,894	3.7%	\$82,798	3.6%	\$70,747	3.8%	\$63,928	4.5%	\$89,232	6.3%	\$71,278	3.7%
1990-2025	\$1,216	3.7%	\$1,659	3.5%	\$2,125	4.3%	-	-	\$2,415	4.5%	\$1,966	3.8%	\$1,747	3.9%	\$1,508	4.0%	\$1,383	4.1%	\$2,041	4.7%	\$1,476	3.8%
2015-2025	\$2,043	4.4%	\$2,800	4.2%	\$3,251	4.2%	\$1,954	2.9%	\$4,082	4.9%	\$2,622	3.3%	\$2,584	3.8%	\$2,374	4.2%	\$2,000	3.8%	\$3,722	5.5%	\$2,226	3.8%
2020-2025	\$2,154	4.1%	\$3,153	4.3%	\$3,429	4.0%	\$2,169	3.0%	\$4,489	4.8%	\$2,983	3.5%	\$2,794	3.8%	\$2,404	3.8%	\$2,375	4.2%	\$4,687	6.3%	\$2,354	3.7%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, & THK Associates, Inc.

E. RESIDENTIAL CONSTRUCTION TRENDS

Tables III-5A on the following pages show the quantity of single family and multifamily permits by year in the Ten County market area. The number of building permits being issued in the Ten County market area slowed with the economic downturn in the late 2000s. Permits issued within the Ten County market area over the last forty four, ten, and five-year periods have averaged 22,833, 28,456, and 29,898 respectively. From 1980 to 2024, single family permits accounted for 65.1% of the total permits issued. Over the last three-year period, this ratio has lowered slightly to 52.8%, indicating a slight market shift towards more multi-family housing.

ECONOMIC BASE ANALYSIS

Table III-5A: Residential Building Permits Issued by County in the Metro Ten County, 1980 - 2024

Single Family																					
Year	Adams		Arapahoe		Boulder		Broomfield		Denver		Douglas		Jefferson		Larimer		Weld		Elbert		Ten County Total
	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits
1980	1,658	13.5%	4,367	35.5%	1,093	8.9%	0	0.0%	1,023	8.3%	377	3.1%	1,997	16.2%	1,309	10.6%	469	3.8%	111	0.9%	12,293
1981	951	8.3%	4,648	40.8%	825	7.2%	0	0.0%	808	7.1%	989	8.7%	2,061	18.1%	900	7.9%	210	1.8%	86	0.8%	11,392
1982	1,125	9.0%	4,753	38.1%	1,464	11.7%	0	0.0%	951	7.6%	938	7.5%	2,173	17.4%	840	6.7%	243	1.9%	117	0.9%	12,487
1983	2,139	9.8%	6,643	30.5%	2,451	11.2%	0	0.0%	1,943	8.9%	1,594	7.3%	4,632	21.2%	1,895	8.7%	507	2.3%	153	0.7%	21,804
1984	2,614	15.4%	3,546	20.9%	1,848	10.9%	0	0.0%	1,185	7.0%	1,910	11.2%	3,638	21.4%	1,794	10.6%	461	2.7%	158	0.9%	16,996
1985	2,152	15.5%	3,019	21.7%	1,359	9.8%	0	0.0%	757	5.4%	1,731	12.4%	2,777	20.0%	1,633	11.7%	486	3.5%	184	1.3%	13,914
1986	1,931	14.8%	1,778	13.6%	1,558	11.9%	0	0.0%	736	5.6%	2,171	16.6%	2,806	21.5%	1,711	13.1%	356	2.7%	225	1.7%	13,047
1987	826	9.5%	1,133	13.0%	1,259	14.5%	0	0.0%	404	4.6%	1,817	20.9%	1,748	20.1%	1,204	13.8%	317	3.6%	161	1.8%	8,708
1988	504	8.0%	565	9.0%	915	14.5%	0	0.0%	133	2.1%	1,626	25.8%	1,208	19.1%	1,085	17.2%	275	4.4%	137	2.2%	6,311
1989	413	6.9%	561	9.4%	889	14.9%	0	0.0%	149	2.5%	1,471	24.7%	1,171	19.7%	1,047	17.6%	254	4.3%	100	1.7%	5,955
1990	433	6.4%	656	9.8%	1,014	15.1%	0	0.0%	168	2.5%	1,587	23.6%	1,549	23.1%	1,053	15.7%	258	3.8%	97	1.4%	6,718
1991	691	7.5%	1,099	12.0%	1,531	16.7%	0	0.0%	278	3.0%	1,916	20.9%	2,026	22.1%	1,288	14.1%	336	3.7%	102	1.1%	9,165
1992	1,379	10.1%	1,814	13.2%	2,416	17.6%	0	0.0%	311	2.3%	2,586	18.9%	2,930	21.4%	1,772	12.9%	509	3.7%	194	1.4%	13,717
1993	1,947	11.5%	2,246	13.2%	2,864	16.9%	0	0.0%	375	2.2%	3,295	19.4%	3,060	18.0%	2,316	13.6%	868	5.1%	368	2.2%	16,971
1994	2,537	13.9%	2,348	12.9%	2,263	12.4%	0	0.0%	584	3.2%	4,042	22.2%	2,767	15.2%	2,564	14.1%	1,096	6.0%	558	3.1%	18,201
1995	2,416	13.8%	2,069	11.8%	2,154	12.3%	0	0.0%	501	2.9%	4,073	23.3%	2,707	15.5%	2,272	13.0%	1,310	7.5%	488	2.8%	17,502
1996	2,625	14.1%	2,500	13.4%	1,774	9.5%	0	0.0%	718	3.9%	4,812	25.9%	2,039	11.0%	2,458	13.2%	1,687	9.1%	416	2.2%	18,613
1997	2,667	13.2%	2,668	13.2%	2,401	11.9%	0	0.0%	1,028	5.1%	4,991	24.7%	2,294	11.4%	2,299	11.4%	1,839	9.1%	316	1.6%	20,187
1998	2,939	12.5%	3,029	12.9%	2,969	12.7%	0	0.0%	1,654	7.0%	5,286	22.5%	2,105	9.0%	2,659	11.3%	2,827	12.0%	295	1.3%	23,468
1999	3,280	12.8%	4,306	16.8%	2,383	9.3%	0	0.0%	1,966	7.7%	5,569	21.8%	2,016	7.9%	2,643	10.3%	3,403	13.3%	287	1.1%	25,566
2000	2,979	12.0%	4,246	17.1%	2,526	10.2%	0	0.0%	1,677	6.8%	4,760	19.2%	1,932	7.8%	2,748	11.1%	3,970	16.0%	317	1.3%	24,838
2001	4,446	19.0%	3,531	15.1%	1,960	8.4%	0	0.0%	1,271	5.4%	4,048	17.3%	1,524	6.5%	2,658	11.3%	3,982	17.0%	301	1.3%	23,420
2002	4,044	18.2%	3,294	14.8%	1,358	6.1%	514	2.3%	1,763	7.9%	3,516	15.8%	1,334	6.0%	2,586	11.6%	3,837	17.2%	185	0.8%	22,246
2003	4,081	19.5%	2,397	11.4%	1,165	5.6%	423	2.0%	2,122	10.1%	3,499	16.7%	1,237	5.9%	2,368	11.3%	3,682	17.6%	154	0.7%	20,974
2004	4,418	17.1%	3,071	11.9%	1,147	4.4%	615	2.4%	4,098	15.9%	4,227	16.4%	1,629	6.3%	2,758	10.7%	3,854	14.9%	219	0.8%	25,817
2005	4,197	17.1%	3,185	13.0%	824	3.4%	658	2.7%	2,081	8.5%	5,483	22.4%	1,641	6.7%	2,313	9.4%	4,120	16.8%	258	1.1%	24,502
2006	2,796	16.2%	2,747	15.9%	477	2.8%	918	5.3%	1,952	11.3%	3,279	19.0%	1,019	5.9%	1,496	8.7%	2,603	15.1%	244	1.4%	17,287
2007	1,453	13.5%	1,657	15.4%	407	3.8%	584	5.4%	1,407	13.1%	1,835	17.1%	702	6.5%	1,126	10.5%	1,556	14.5%	150	1.4%	10,727
2008	674	11.8%	755	13.2%	307	5.4%	190	3.3%	981	17.1%	926	16.2%	384	6.7%	657	11.5%	852	14.9%	57	1.0%	5,726
2009	487	12.6%	564	14.6%	142	3.7%	160	4.1%	559	14.4%	580	15.0%	296	7.7%	363	9.4%	718	18.6%	39	1.0%	3,869
2010	626	11.8%	802	15.2%	284	5.4%	232	4.4%	762	14.4%	822	15.5%	473	8.9%	499	9.4%	789	14.9%	33	0.6%	5,289
2011	537	10.0%	614	11.5%	195	3.6%	199	3.7%	852	15.9%	1,011	18.9%	440	8.2%	710	13.3%	794	14.8%	30	0.6%	5,352
2012	797	9.6%	961	11.6%	270	3.3%	162	2.0%	1,218	14.7%	1,698	20.5%	858	10.3%	1,153	13.9%	1,182	14.2%	45	0.5%	8,299
2013	1,025	9.7%	1,198	11.4%	350	3.3%	356	3.4%	1,526	14.5%	1,993	18.9%	977	9.3%	1,507	14.3%	1,611	15.3%	79	0.7%	10,543
2014	1,091	8.8%	1,260	10.1%	606	4.9%	439	3.5%	1,990	16.0%	2,224	17.9%	1,142	9.2%	1,705	13.7%	1,997	16.0%	116	0.9%	12,454
2015	1,463	10.6%	1,687	12.2%	739	5.3%	403	2.9%	1,981	14.3%	2,183	15.8%	1,431	10.3%	1,770	12.8%	2,181	15.8%	149	1.1%	13,838
2016	1,875	13.0%	2,031	14.1%	697	4.8%	533	3.7%	2,259	15.7%	2,014	14.0%	1,516	10.5%	1,650	11.5%	1,820	12.6%	120	0.8%	14,395
2017	1,874	11.9%	2,362	15.0%	710	4.5%	398	2.5%	2,560	16.3%	2,386	15.2%	1,229	7.8%	2,040	13.0%	2,166	13.8%	163	1.0%	15,725
2018	2,467	14.6%	2,186	13.0%	825	4.9%	587	3.5%	2,526	15.0%	2,723	16.2%	1,070	6.3%	1,729	10.3%	2,742	16.3%	217	1.3%	16,855
2019	2,283	14.4%	2,357	14.8%	658	4.1%	337	2.1%	2,257	14.2%	2,651	16.7%	830	5.2%	1,610	10.1%	2,911	18.3%	196	1.2%	15,894
2020	2,735	16.6%	2,918	17.7%	542	3.3%	223	1.4%	1,167	7.1%	2,816	17.1%	823	5.0%	2,193	13.3%	3,046	18.5%	296	1.8%	16,463
2021	2,823	15.0%	3,028	16.1%	343	1.8%	268	1.4%	1,550	8.3%	3,722	19.8%	1,073	5.7%	2,149	11.4%	3,814	20.3%	413	2.2%	18,770
2022	2,046	13.9%	1,552	10.5%	648	4.4%	179	1.2%	1,323	9.0%	3,219	21.8%	1,074	7.3%	1,395	9.5%	3,319	22.5%	252	1.7%	14,755
2023 Estimate	1,863	14.4%	2,265	17.5%	800	6.2%	119	0.9%	1,174	9.1%	1,988	15.4%	980	7.6%	1,266	9.8%	2,493	19.3%	349	2.7%	12,948
2024 Estimate	1,956	15.2%	2,359	18.3%	439	3.4%	57	0.4%	872	6.8%	2,120	16.4%	931	7.2%	1,370	10.6%	2,805	21.7%	780	6.0%	12,909
*2024 Permits are through December																					
44-Year Average 1980-2024	2,007	13.5%	2,373	16.0%	1,214	8.2%	193	1.3%	1,289	8.7%	2,645	17.8%	1,666	11.2%	1,709	11.5%	1,767	11.9%	203	1.4%	14,864
10-Year Average 2014-2024	2,052	13.5%	2,165	14.2%	657	4.3%	349	2.3%	1,879	12.4%	2,593	17.0%	1,117	7.3%	1,751	11.5%	2,649	17.4%	227	1.5%	15,210
5-Year Average 2020-2024	2,350	14.9%	2,424	15.4%	598	3.8%	225	1.4%	1,494	9.5%	2,879	18.3%	956	6.1%	1,723	10.9%	3,117	19.8%	301	1.9%	15,766
3-Year Average 2022-2024	2,244	14.5%	2,282	14.7%	597	3.9%	189	1.2%	1,349	8.7%	2,976	19.2%	1,042	6.7%	1,603	10.4%	3,209	20.7%	338	2.2%	15,491

ECONOMIC BASE ANALYSIS

Table III-5A: Residential Building Permits Issued by County in the Metro Ten County, 1980 - 2024

Multi-Family																					Ten County Total
	Adams		Arapahoe		Boulder		Broomfield		Denver		Douglas		Jefferson		Larimer		Weld		Elbert		
Year	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits
1980	189	3.1%	2,443	39.5%	480	7.8%	0	0.0%	1,459	23.6%	33	0.5%	1,045	16.9%	434	7.0%	104	1.7%	0	0.0%	6,187
1981	264	4.8%	2,611	47.1%	416	7.5%	0	0.0%	1,008	18.2%	0	0.0%	910	16.4%	272	4.9%	58	1.0%	0	0.0%	5,539
1982	550	6.2%	3,083	34.9%	647	7.3%	0	0.0%	2,059	23.3%	82	0.9%	1,926	21.8%	297	3.4%	202	2.3%	4	0.0%	8,846
1983	1,577	11.6%	5,412	39.9%	1,905	14.0%	0	0.0%	1,856	13.7%	296	2.2%	1,884	13.9%	528	3.9%	116	0.9%	8	0.1%	13,574
1984	1,857	13.9%	4,768	35.7%	2,076	15.5%	0	0.0%	1,240	9.3%	243	1.8%	1,976	14.8%	1,091	8.2%	107	0.8%	4	0.0%	13,358
1985	1,328	14.6%	2,988	32.8%	699	7.7%	0	0.0%	882	9.7%	431	4.7%	1,345	14.7%	1,009	11.1%	441	4.8%	0	0.0%	9,123
1986	1,592	18.7%	2,468	29.0%	543	6.4%	0	0.0%	2,004	23.5%	189	2.2%	1,135	13.3%	240	2.8%	344	4.0%	0	0.0%	8,515
1987	268	6.7%	992	24.9%	493	12.4%	0	0.0%	922	23.2%	8	0.2%	808	20.3%	347	8.7%	144	3.6%	0	0.0%	3,982
1988	4	0.2%	1,293	55.3%	72	3.1%	0	0.0%	539	23.0%	0	0.0%	206	8.8%	199	8.5%	26	1.1%	0	0.0%	2,339
1989	96	7.1%	15	1.1%	254	18.8%	0	0.0%	477	35.4%	3	0.2%	458	34.0%	26	1.9%	20	1.5%	0	0.0%	1,349
1990	0	0.0%	0	0.0%	446	59.9%	0	0.0%	30	4.0%	0	0.0%	73	9.8%	183	24.6%	13	1.7%	0	0.0%	745
1991	46	9.1%	0	0.0%	19	3.8%	0	0.0%	137	27.2%	0	0.0%	25	5.0%	255	50.7%	21	4.2%	0	0.0%	503
1992	12	0.6%	476	23.0%	383	18.5%	0	0.0%	195	9.4%	360	17.4%	472	22.8%	156	7.6%	12	0.6%	0	0.0%	2,066
1993	542	20.4%	741	27.9%	203	7.7%	0	0.0%	623	23.5%	0	0.0%	145	5.5%	302	11.4%	97	3.7%	0	0.0%	2,653
1994	525	9.4%	2,032	36.4%	360	6.4%	0	0.0%	1,257	22.5%	0	0.0%	706	12.6%	638	11.4%	68	1.2%	0	0.0%	5,586
1995	944	14.0%	1,487	22.1%	940	14.0%	0	0.0%	285	4.2%	711	10.6%	1,675	24.9%	525	7.8%	160	2.4%	6	0.1%	6,727
1996	269	4.2%	1,221	19.1%	970	15.1%	0	0.0%	714	11.1%	918	14.3%	1,115	17.4%	1,033	16.1%	169	2.6%	2	0.0%	6,409
1997	1,414	19.2%	1,463	19.9%	858	11.7%	0	0.0%	1,233	16.7%	572	7.8%	1,068	14.5%	478	6.5%	278	3.8%	0	0.0%	7,364
1998	1,344	12.2%	1,428	13.0%	2,167	19.7%	0	0.0%	3,035	27.5%	1,156	10.5%	1,088	9.9%	563	5.1%	242	2.2%	16	0.1%	11,023
1999	450	6.1%	1,493	20.2%	609	8.2%	0	0.0%	1,413	19.1%	1,595	21.5%	747	10.1%	948	12.8%	154	2.1%	4	0.1%	7,409
2000	2,500	20.0%	3,894	31.1%	254	2.0%	0	0.0%	1,972	15.8%	1,635	13.1%	1,084	8.7%	776	6.2%	399	3.2%	0	0.0%	12,514
2001	1,684	11.4%	4,404	29.9%	1,361	9.2%	0	0.0%	3,187	21.6%	2,004	13.6%	785	5.3%	1,006	6.8%	319	2.2%	4	0.0%	14,750
2002	1,787	18.8%	1,511	15.9%	359	3.8%	368	3.9%	2,863	30.2%	987	10.4%	590	6.2%	450	4.7%	574	6.0%	12	0.1%	9,489
2003	597	14.1%	959	22.6%	263	6.2%	214	5.0%	914	21.5%	194	4.6%	189	4.5%	635	15.0%	281	6.6%	12	0.3%	4,246
2004	640	14.5%	777	17.7%	225	5.1%	119	2.7%	0	0.0%	870	19.8%	715	16.3%	494	11.2%	560	12.7%	0	0.0%	4,400
2005	375	9.4%	837	21.0%	317	7.9%	113	2.8%	1,083	27.1%	80	2.0%	453	11.4%	574	14.4%	159	4.0%	0	0.0%	3,991
2006	112	1.9%	787	13.1%	269	4.5%	164	2.7%	1,900	31.6%	690	11.5%	1,025	17.1%	744	12.4%	319	5.3%	0	0.0%	6,010
2007	356	5.2%	2,224	32.5%	228	3.3%	476	6.9%	2,275	33.2%	428	6.2%	360	5.3%	215	3.1%	291	4.2%	3	0.0%	6,853
2008	108	1.8%	1,009	16.6%	715	11.8%	637	10.5%	2,199	36.2%	467	7.7%	205	3.4%	608	10.0%	128	2.1%	0	0.0%	6,076
2009	6	0.4%	608	37.3%	203	12.4%	0	0.0%	329	20.2%	271	16.6%	83	5.1%	88	5.4%	43	2.6%	0	0.0%	1,631
2010	36	1.6%	477	20.9%	373	16.4%	0	0.0%	470	20.6%	93	4.1%	104	4.6%	654	28.7%	74	3.2%	0	0.0%	2,281
2011	12	0.4%	192	5.6%	114	3.4%	0	0.0%	1,698	50.0%	284	8.4%	524	15.4%	480	14.1%	95	2.8%	0	0.0%	3,399
2012	220	2.4%	754	8.2%	479	5.2%	1,848	20.1%	4,360	47.4%	590	6.4%	172	1.9%	711	7.7%	57	0.6%	0	0.0%	9,191
2013	4	0.0%	1,881	18.7%	861	8.5%	540	5.4%	4,346	43.1%	520	5.2%	736	7.3%	870	8.6%	315	3.1%	0	0.0%	10,073
2014	24	0.2%	637	6.6%	765	7.9%	381	3.9%	3,968	41.1%	1,006	10.4%	1,377	14.3%	793	8.2%	711	7.4%	0	0.0%	9,662
2015	123	1.2%	1,143	11.4%	425	4.2%	44	0.4%	5,959	59.2%	714	7.1%	420	4.2%	664	6.6%	576	5.7%	0	0.0%	10,068
2016	171	1.2%	2,636	18.4%	1,116	7.8%	13	0.1%	5,559	38.9%	1,318	9.2%	1,096	7.7%	1,874	13.1%	514	3.6%	0	0.0%	14,297
2017	522	3.7%	395	2.8%	844	6.1%	18	0.1%	7,965	57.1%	1,309	9.4%	1,147	8.2%	888	6.4%	853	6.1%	0	0.0%	13,941
2018	289	2.1%	1,375	9.9%	2,043	14.8%	198	1.4%	5,352	38.7%	1,342	9.7%	1,070	7.7%	1,211	8.8%	958	6.9%	0	0.0%	13,838
2019	381	3.5%	1,140	10.4%	906	8.3%	6	0.1%	5,073	46.5%	508	4.7%	986	9.0%	931	8.5%	986	9.0%	0	0.0%	10,917
2020	1,111	10.6%	1,188	11.3%	998	9.5%	204	1.9%	3,892	37.0%	573	5.5%	1,338	12.7%	400	3.8%	805	7.7%	0	0.0%	10,509
2021	1,864	9.2%	2,491	12.3%	894	4.4%	233	1.2%	8,450	41.8%	2,337	11.5%	1,442	7.1%	1,072	5.3%	1,454	7.2%	0	0.0%	20,237
2022	765	4.4%	1,774	10.1%	973	5.5%	359	2.0%	6,973	39.7%	1,548	8.8%	1,132	6.5%	1,202	6.9%	2,818	16.1%	32	0.2%	17,544
2023 Estimate	954	6.3%	3,199	21.1%	846	5.6%	1,158	7.7%	4,551	30.1%	1,580	10.4%	205	1.4%	1,415	9.3%	1,226	8.1%	0	0.0%	15,134
2024 Estimate	343	4.0%	1,568	18.1%	1,249	14.4%	348	4.0%	3,122	36.0%	1,011	11.7%	240	2.8%	416	4.8%	365	4.2%	0	0.0%	8,662
*2024 Permits are through December																					
44-Year Average 1980-2024	634	7.9%	1,652	20.5%	690	8.6%	161	2.0%	2,425	30.1%	635	7.9%	819	10.2%	643	8.0%	393	4.9%	2	0.0%	8,053
10-Year Average 2014-2024	620	4.6%	1,598	11.7%	981	7.2%	261	1.9%	5,774	42.4%	1,224	9.0%	1,021	7.5%	1,045	7.7%	1,090	8.0%	3	0.0%	13,615
5-Year Average 2020-2024	1,015	6.8%	1,958	13.2%	923	6.2%	392	2.6%	5,788	38.9%	1,309	8.8%	1,021	6.9%	1,004	6.8%	1,458	9.8%	6	0.0%	14,868
3-Year Average 2022-2024	1,194	6.8%	2,488	14.1%	904	5.1%	583	3.3%	6,658	37.7%	1,822	10.3%	926	5.3%	1,230	7.0%	1,833	10.4%	11	0.1%	17,638

ECONOMIC BASE ANALYSIS

Table III-5A: Residential Building Permits Issued by County in the Metro Ten County, 1980 - 2024

Total																					Ten County Total
Year	Adams		Arapahoe		Boulder		Broomfield		Denver		Douglas		Jefferson		Larimer		Weld		Elbert		Permits
	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	Permits	Percent of Total	
1980	1,847	10.0%	6,810	36.9%	1,573	8.5%	0	0.0%	2,482	13.4%	410	2.2%	3,042	16.5%	1,743	9.4%	573	3.1%	111	0.6%	18,480
1981	1,215	7.2%	7,259	42.9%	1,241	7.3%	0	0.0%	1,816	10.7%	989	5.8%	2,971	17.5%	1,172	6.9%	268	1.6%	86	0.5%	16,931
1982	1,675	7.9%	7,836	36.7%	2,111	9.9%	0	0.0%	3,010	14.1%	1,020	4.8%	4,099	19.2%	1,137	5.3%	445	2.1%	121	0.6%	21,333
1983	3,716	10.5%	12,055	34.1%	4,356	12.3%	0	0.0%	3,799	10.7%	1,890	5.3%	6,516	18.4%	2,423	6.8%	623	1.8%	161	0.5%	35,378
1984	4,471	14.7%	8,314	27.4%	3,924	12.9%	0	0.0%	2,425	8.0%	2,153	7.1%	5,614	18.5%	2,885	9.5%	568	1.9%	162	0.5%	30,354
1985	3,480	15.1%	6,007	26.1%	2,058	8.9%	0	0.0%	1,639	7.1%	2,162	9.4%	4,122	17.9%	2,642	11.5%	927	4.0%	184	0.8%	23,037
1986	3,523	16.3%	4,246	19.7%	2,101	9.7%	0	0.0%	2,740	12.7%	2,360	10.9%	3,941	18.3%	1,951	9.0%	700	3.2%	225	1.0%	21,562
1987	1,094	8.6%	2,125	16.7%	1,752	13.8%	0	0.0%	1,326	10.4%	1,825	14.4%	2,556	20.1%	1,551	12.2%	461	3.6%	161	1.3%	12,690
1988	508	5.9%	1,858	21.5%	987	11.4%	0	0.0%	672	7.8%	1,626	18.8%	1,414	16.3%	1,284	14.8%	301	3.5%	137	1.6%	8,650
1989	509	7.0%	576	7.9%	1,143	15.6%	0	0.0%	626	8.6%	1,474	20.2%	1,629	22.3%	1,073	14.7%	274	3.8%	100	1.4%	7,304
1990	433	5.8%	656	8.8%	1,460	19.6%	0	0.0%	198	2.7%	1,587	21.3%	1,622	21.7%	1,236	16.6%	271	3.6%	97	1.3%	7,463
1991	737	7.6%	1,099	11.4%	1,550	16.0%	0	0.0%	415	4.3%	1,916	19.8%	2,051	21.2%	1,543	16.0%	357	3.7%	102	1.1%	9,668
1992	1,391	8.8%	2,290	14.5%	2,799	17.7%	0	0.0%	506	3.2%	2,946	18.7%	3,402	21.6%	1,928	12.2%	521	3.3%	194	1.2%	15,783
1993	2,489	12.7%	2,987	15.2%	3,067	15.6%	0	0.0%	998	5.1%	3,295	16.8%	3,205	16.3%	2,618	13.3%	965	4.9%	368	1.9%	19,624
1994	3,062	12.9%	4,380	18.4%	2,623	11.0%	0	0.0%	1,841	7.7%	4,042	17.0%	3,473	14.6%	3,202	13.5%	1,164	4.9%	558	2.3%	23,787
1995	3,360	13.9%	3,556	14.7%	3,094	12.8%	0	0.0%	786	3.2%	4,784	19.7%	4,382	18.1%	2,797	11.5%	1,470	6.1%	494	2.0%	24,229
1996	2,894	11.6%	3,721	14.9%	2,744	11.0%	0	0.0%	1,432	5.7%	5,730	22.9%	3,154	12.6%	3,491	14.0%	1,856	7.4%	418	1.7%	25,022
1997	4,081	14.8%	4,131	15.0%	3,259	11.8%	0	0.0%	2,261	8.2%	5,563	20.2%	3,362	12.2%	2,777	10.1%	2,117	7.7%	316	1.1%	27,551
1998	4,283	12.4%	4,457	12.9%	5,136	14.9%	0	0.0%	4,689	13.6%	6,442	18.7%	3,193	9.3%	3,222	9.3%	3,069	8.9%	311	0.9%	34,491
1999	3,730	11.3%	5,799	17.6%	2,992	9.1%	0	0.0%	3,379	10.2%	7,164	21.7%	2,763	8.4%	3,591	10.9%	3,557	10.8%	291	0.9%	32,975
2000	5,479	14.7%	8,140	21.8%	2,780	7.4%	0	0.0%	3,649	9.8%	6,395	17.1%	3,016	8.1%	3,524	9.4%	4,369	11.7%	317	0.8%	37,352
2001	6,130	16.1%	7,935	20.8%	3,321	8.7%	0	0.0%	4,458	11.7%	6,052	15.9%	2,309	6.0%	3,664	9.6%	4,301	11.3%	305	0.8%	38,170
2002	5,831	18.4%	4,805	15.1%	1,717	5.4%	882	2.8%	4,626	14.6%	4,503	14.2%	1,924	6.1%	3,036	9.6%	4,411	13.9%	197	0.6%	31,735
2003	4,678	18.5%	3,356	13.3%	1,428	5.7%	637	2.5%	3,036	12.0%	3,693	14.6%	1,426	5.7%	3,003	11.9%	3,963	15.7%	166	0.7%	25,220
2004	5,058	16.7%	3,848	12.7%	1,372	4.5%	734	2.4%	4,098	13.6%	5,097	16.9%	2,344	7.8%	3,252	10.8%	4,414	14.6%	219	0.7%	30,217
2005	4,572	16.0%	4,022	14.1%	1,141	4.0%	771	2.7%	3,164	11.1%	5,563	19.5%	2,094	7.3%	2,887	10.1%	4,279	15.0%	258	0.9%	28,493
2006	2,908	12.5%	3,534	15.2%	746	3.2%	1,082	4.6%	3,852	16.5%	3,969	17.0%	2,044	8.8%	2,240	9.6%	2,922	12.5%	244	1.0%	23,297
2007	1,809	10.3%	3,881	22.1%	635	3.6%	1,060	6.0%	3,682	20.9%	2,263	12.9%	1,062	6.0%	1,341	7.6%	1,847	10.5%	153	0.9%	17,580
2008	782	6.6%	1,764	14.9%	1,022	8.7%	827	7.0%	3,180	26.9%	1,393	11.8%	589	5.0%	1,265	10.7%	980	8.3%	57	0.5%	11,802
2009	493	9.0%	1,172	21.3%	345	6.3%	160	2.9%	888	16.1%	851	15.5%	379	6.9%	451	8.2%	761	13.8%	39	0.7%	5,500
2010	662	8.7%	1,279	16.9%	657	8.7%	232	3.1%	1,232	16.3%	915	12.1%	577	7.6%	1,153	15.2%	863	11.4%	33	0.4%	7,570
2011	549	6.3%	806	9.2%	309	3.5%	199	2.3%	2,550	29.1%	1,295	14.8%	964	11.0%	1,190	13.6%	889	10.2%	30	0.3%	8,751
2012	1,017	5.8%	1,715	9.8%	749	4.3%	2,010	11.5%	5,578	31.9%	2,288	13.1%	1,030	5.9%	1,864	10.7%	1,239	7.1%	45	0.3%	17,490
2013	1,029	5.0%	3,079	14.9%	1,211	5.9%	896	4.3%	5,872	28.5%	2,513	12.2%	1,713	8.3%	2,377	11.5%	1,926	9.3%	79	0.4%	20,616
2014	1,115	5.0%	1,897	8.6%	1,371	6.2%	820	3.7%	5,958	26.9%	3,230	14.6%	2,519	11.4%	2,498	11.3%	2,708	12.2%	116	0.5%	22,116
2015	1,586	6.6%	2,830	11.8%	1,164	4.9%	447	1.9%	7,940	33.2%	2,897	12.1%	1,851	7.7%	2,434	10.2%	2,757	11.5%	149	0.6%	23,906
2016	2,046	7.1%	4,667	16.3%	1,813	6.3%	546	1.9%	7,818	27.2%	3,332	11.6%	2,612	9.1%	3,524	12.3%	2,334	8.1%	120	0.4%	28,692
2017	2,396	8.1%	2,757	9.3%	1,554	5.2%	416	1.4%	10,525	35.5%	3,695	12.5%	2,376	8.0%	2,928	9.9%	3,019	10.2%	163	0.5%	29,666
2018	2,756	9.0%	3,561	11.6%	2,868	9.3%	785	2.6%	7,878	25.7%	4,065	13.2%	2,140	7.0%	2,940	9.6%	3,700	12.1%	217	0.7%	30,693
2019	2,664	9.9%	3,497	13.0%	1,564	5.8%	343	1.3%	7,330	27.3%	3,159	11.8%	1,816	6.8%	2,541	9.5%	3,897	14.5%	196	0.7%	26,811
2020	3,846	14.3%	4,106	15.2%	1,540	5.7%	427	1.6%	5,059	18.8%	3,389	12.6%	2,161	8.0%	2,593	9.6%	3,851	14.3%	296	1.1%	26,972
2021	4,687	12.0%	5,519	14.1%	1,237	3.2%	501	1.3%	10,000	25.6%	6,059	15.5%	2,515	6.4%	3,221	8.3%	5,268	13.5%	413	1.1%	39,007
2022	2,811	8.9%	2,555	8.1%	1,621	5.1%	538	1.7%	8,296	26.3%	4,767	15.1%	2,206	7.0%	2,597	8.2%	6,137	19.5%	284	0.9%	31,528
2023 Estimate	2,817	11.2%	2,555	10.1%	1,646	6.5%	1,277	5.1%	5,725	22.7%	3,568	14.2%	1,185	4.7%	2,681	10.7%	3,719	14.8%	349	1.4%	25,173
2024 Estimate	2,299	11.4%	2,556	12.7%	1,688	8.4%	405	2.0%	3,994	19.8%	3,131	15.5%	1,171	5.8%	1,786	8.8%	3,170	15.7%	780	3.9%	20,200

*2024 Permits are through December

44-Year Average 1980-2024	2,641	11.6%	3,942	17.3%	1,904	8.3%	354	1.6%	3,714	16.3%	3,280	14.4%	2,486	10.9%	2,352	10.3%	2,160	9.5%	206	0.9%	22,833
10-Year Average 2014-2024	2,672	9.4%	3,394	11.9%	1,638	5.8%	610	2.1%	7,653	26.9%	3,816	13.4%	2,138	7.5%	2,796	9.8%	3,739	13.1%	230	0.8%	28,456
5-Year Average 2020-2024	3,365	11.3%	3,646	12.2%	1,522	5.1%	617	2.1%	7,282	24.4%	4,188	14.0%	1,977	6.6%	2,727	9.1%	4,574	15.3%	308	1.0%	29,898
3-Year Average 2022-2024	3,438	10.8%	3,543	11.1%	1,501	4.7%	772	2.4%	8,007	25.1%	4,798	15.0%	1,969	6.2%	2,833	8.9%	5,041	15.8%	349	1.1%	31,903

Source: U.S. Department of Commerce, HUD, C-40 Reports and THK Associates, Inc.

F. HISTORICAL POPULATION AND HOUSEHOLD GROWTH TRENDS

The following Table III-6 is the projected growth in employment, population and households in the Ten County market area. By way of comparison, the Ten County area currently has an employment participation rate of 67.7%. Proportionally, average annual employment growth from 2000 to 2010 was less than population growth, effectively causing the employment participation ratio to decrease over the 2000 to 2010 time period. The drop may be attributed in large part to the Great Recession which occurred over the late to middle part of the 2000 to 2010 decade. Even though employment participation dropped from 2000 to 2020, household and population growth still remained strong. Employment, population and households in the Ten County area are projected to grow by 69,582 jobs, 78,483 people and 29,858 households, respectively, on average annually from 2025 to 2035.

ECONOMIC BASE ANALYSIS

Table III-6: Projected Permanent Population and Households in Ten County Market Area, 2025-2035

Year	Total Employment	Employment Participation Ratio	Permanent January 1, Population	Annual Population Change	Population in Group Quarters	Permanent Population In Households	Permanent Population Per Household	Households	Annual Household Change
1980	1,154,201	0.608	1,897,935	---	35,112	1,862,823	2.6325	707,618	--
1990	1,427,162	0.656	2,175,922	27,800	39,167	2,136,755	2.4832	860,491	15,290
2000	2,017,042	0.707	2,852,873	67,700	49,901	2,802,972	2.5319	1,107,046	24,660
2010	2,171,930	0.646	3,359,751	50,690	56,735	3,303,016	2.5027	1,319,798	21,280
2020	2,676,036	0.648	4,131,170	77,140	56,155	4,075,015	2.5317	1,609,579	28,980
2025	3,122,322	0.677	4,612,340	102,463	56,124	4,556,216	2.5945	1,756,077	36,625
2026	3,184,259	0.680	4,683,160	70,821	56,138	4,627,022	2.5950	1,783,033	26,956
2027	3,247,749	0.683	4,755,543	72,383	56,152	4,699,391	2.5955	1,810,581	27,548
2028	3,312,843	0.686	4,829,537	73,994	56,166	4,773,371	2.5960	1,838,739	28,158
2029	3,379,593	0.689	4,905,194	75,657	56,180	4,849,014	2.5965	1,867,527	28,788
2030	3,448,056	0.692	4,982,566	77,372	56,194	4,926,372	2.5970	1,896,964	29,437
2031	3,518,288	0.695	5,061,709	79,143	56,208	5,005,500	2.5975	1,927,072	30,108
2032	3,590,348	0.698	5,142,680	80,971	56,222	5,086,457	2.5980	1,957,872	30,800
2033	3,664,301	0.701	5,225,538	82,859	56,236	5,169,302	2.5984	1,989,387	31,515
2034	3,740,210	0.704	5,310,347	84,809	56,250	5,254,096	2.5989	2,021,641	32,254
2035	3,818,142	0.707	5,397,170	86,823	56,265	5,340,905	2.5994	2,054,657	33,016
Average Annual Change (2025-2045)									
Numerical:	69,582		78,483		14	78,469		29,858	
Percent:	2.0%		1.6%		0.0%	1.6%		1.6%	

Source: Dept of Commerce, Bureau of the Census and THK Associates, Inc.

G. TEN-COUNTY HOUSING TRENDS

Table III-7 on the following page compares data among the 2000, 2010, and 2020 U.S. Census regarding total housing units in the Ten-County market area. The table also includes an estimate for the housing stock in 2025. The total housing units are separated into total occupied housing units and of those housing units which are occupied by renters. There is also a breakdown based on unit type.

Total housing units in the Ten-County market increased from 1,145,879 to 1,826,777 during the 2000-to-2025-time frame, while simultaneously owner-occupied units went from 67% to 65% over that same period. About 69% of the housing market in the Ten-Market area was made up of single-family residents in 2000, 28% of housing was multifamily and 3% was miscellaneous. In 2025, it is estimated that 69% of the housing stock is single family, 29% is multifamily and 2% is miscellaneous.

ECONOMIC BASE ANALYSIS

Table III-7: Total Housing Units and Type, 2000, 2010 US Census & 2020 US Census, 2025 Estimate, in the Denver Ten County Market Area

	2000 US Census			2010 US Census			2020 US Census			2025 Estimate			
	Ten County Total	% of Total		Ten County Total	% of Total		Ten County Total	% of Total		Douglas County	% of Total	Ten County Total	% of Total
Total # of Housing Units	1,145,879	100%	Total # of Housing Units	1,409,063	100%	Total # of Housing Units	1,675,041	100%	Total # of Housing Units	157,041	9%	1,826,777	100%
Occupied Units	1,100,376	96%	Occupied Units	1,311,418	93%	Occupied Units	1,600,726	96%	Occupied Units	151,573	97%	1,745,732	96%
Owner Occupied	733,342	67%	Owner Occupied	869,596	66%	Owner Occupied	1,139,275	71%	Owner Occupied	119,841	79%	1,139,275	65%
Renter Occupied	367,034	33%	Renter Occupied	441,822	34%	Renter Occupied	606,458	38%	Renter Occupied	31,733	21%	606,458	35%
Unit Type Breakdown			Unit Type Breakdown			Unit Type Breakdown			Unit Type Breakdown				
Single-Family	756,403	69%	Single-Family	916,019	70%	Single-Family	1,200,684	75%	Single-Family	124,003	82%	1,200,684	69%
Multi-Family	308,576	28%	Multi-Family	361,161	28%	Multi-Family	506,758	32%	Multi-Family	26,680	18%	506,758	29%
Miscellaneous*	35,397	3%	Miscellaneous*	34,239	3%	Miscellaneous*	38,242	2%	Miscellaneous*	890	1%	38,242	2%
1 Unit - Detached	675,915	61%	1 Unit - Detached	815,638	62%	1 Unit - Detached	1,058,592	66%	1 Unit - Detached	116,422	77%	1,058,592	61%
1 Unit - Attached	80,488	7%	1 Unit - Attached	100,380	8%	1 Unit - Attached	142,092	9%	1 Unit - Attached	7,581	5%	142,092	8%
2 Units	20,385	2%	2 Units	19,271	1%	2 Units	19,119	1%	2 Units	217	0%	19,119	1%
3-4 Units	37,924	3%	3-4 Units	40,521	3%	3-4 Units	51,719	3%	3-4 Units	2,070	1%	51,719	3%
5-9 Units	53,912	5%	5-9 Units	67,454	5%	5-9 Units	82,562	5%	5-9 Units	5,755	4%	82,562	5%
10-19 Units	71,009	6%	10-19 Units	90,994	7%	10-19 Units	110,479	7%	10-19 Units	6,326	4%	110,479	6%
20+ Units	125,346	11%	20+ Units	142,920	11%	20+ Units	95,631	6%	20+ Units	12,312	8%	95,631	5%
Mobile Homes	34,862	3%	Mobile Homes	33,737	3%	Mobile Homes	147,248	9%	Mobile Homes	747	0%	147,248	8%
Boat, RV, Van, etc.	535	0%	Boat, RV, Van, etc.	502	0%	Boat, RV, Van, etc.	36,258	2%	Boat, RV, Van, etc.	144	0%	36,258	2%

*Miscellaneous housing includes mobile homes, RVs, vans, boats, etc.

Source: US Census Bureau and THK Associates, Inc.

IV. RESIDENTIAL MARKET ANALYSIS

IV. Residential Market Analysis

A. Projected Residential Demand by Unit Type

The potentials for new residential development are subject to a variety of pressures including interest rates, inflation, and social, political, and other economic influences. These influences coupled with overall growth in population and household formations create the aggregate demand for new housing. Historical trends and housing permits for new housing construction were also examined to show how past construction levels and trends have coincided with population, demographic changes, and economic conditions.

Figure 4 on the following page depicts the Sundown Oaks Primary Trade Area (PTA), which consists of an approximate 15- to 20-minute drive time from the subject site. The Sundown Oaks PTA is the geographic area where a majority of potential residential buyers at the subject site would also be expected to search.

Tables IV-1 and IV-2 highlight the historical and projected population and household growth trends in the Two County market area and the Sundown Oaks PTA. From 1990 to 2025, the population within the Two County market area rose from 60,406 to 374,074, while households climbed from 20,786 to 133,090. Since 1990, population within the Two County area averaged 5.3% annual growth, while households averaged 5.4% annual growth. During the same period, the population within the Sundown Oaks PTA grew from 10,426 to 43,863, or 4.2% annually, while households rose from 3,353 to 15,193, or 4.4% per year.

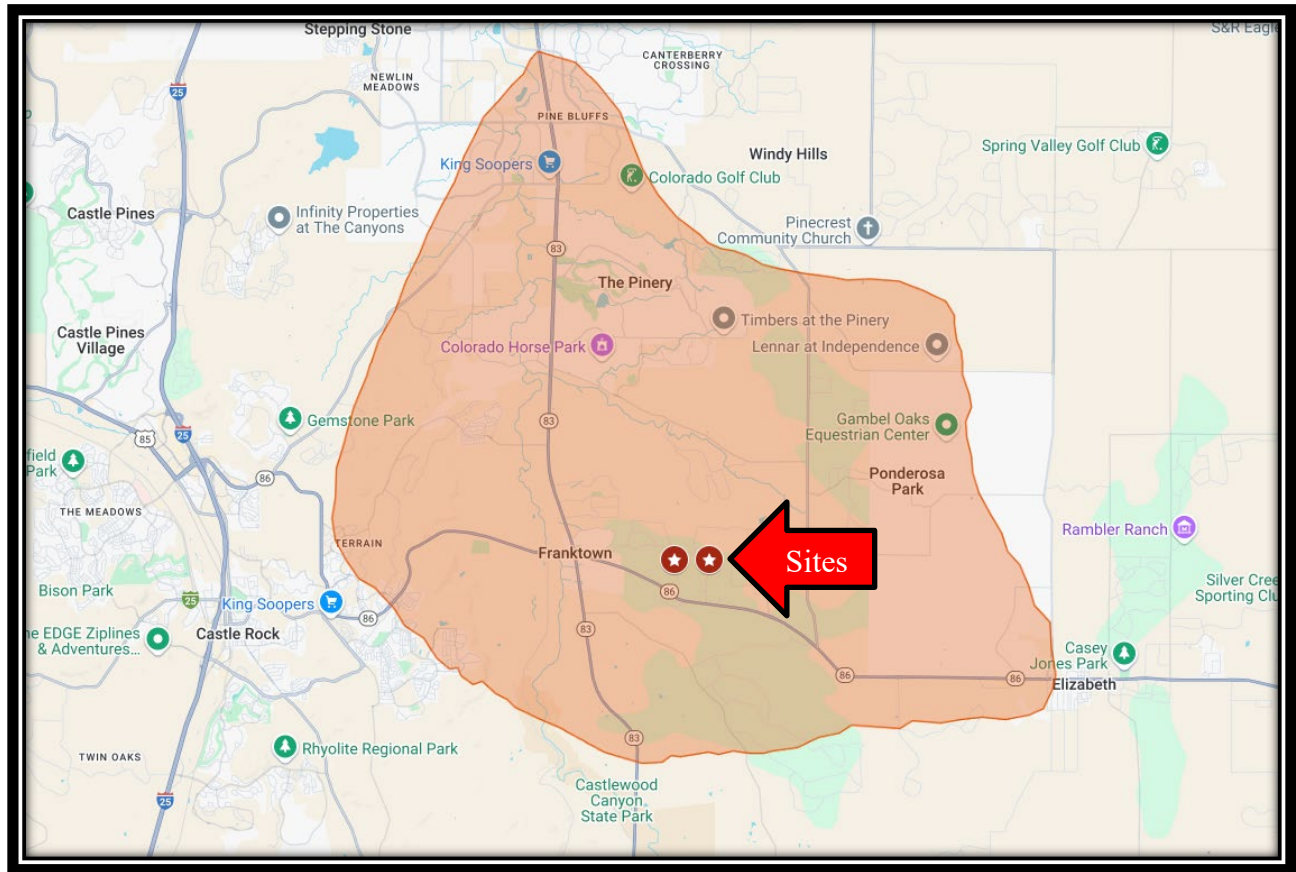
From 2025 through 2035, THK forecasts population and households within the Two County area to grow to 481,846 and 173,217, respectively, or by 2.6% and 2.7% per year, respectively. During the same timeframe, the Sundown Oaks PTA is projected to increase to 55,387 people and 19,259 households, for an average growth rate of 2.4% and 2.4% respectively, per year.

Table IV-3 summarizes the projected demand for specific residential housing types for the Two County Market Area based on annual household growth from 2025 to 2035. During this period, THK projects demand for residential housing to grow 4,116 dwellings annually, including 2,881 ownership housing units and 1,235 rental housing dwellings.

Table IV-4 summarizes the projected demand for specific residential housing types for the Sundown Oaks PTA based on annual household growth from 2025 to 2035. During this period, THK projects demand for residential housing to grow by 419 dwellings annually, including by 335 ownership housing units and 84 rental housing dwellings. Based off market trends in the PTA and historical building permit activity, THK projects that 50% of new ownership demand will be for single-family detached units and 30% is projected for attached (townhome and condominium) dwellings, for an average of 210 and 125 units per year, respectively.

RESIDENTIAL MARKET ANALYSIS

Figure 4- Sundown Oaks Primary Trade Area (PTA)



RESIDENTIAL MARKET ANALYSIS

Table IV-1: Population and Household Trends in the Two County Market Area and Sundown Oaks PTA, 1990-2025

Annual Average											
						1990-2025		2000-2025		2010-2025	
Two County Market Area	1990	2000	2010	2020	2025						
Population	60,406	175,792	285,465	366,888	374,074	8,962	5.3%	7,931	3.1%	5,907	1.8%
Households	20,786	60,938	102,018	130,534	133,090	3,209	5.4%	2,886	3.2%	2,071	1.8%
Sundown Oaks PTA											
Population	10,426	19,182	29,290	38,339	43,863	955	4.2%	987	3.4%	972	2.7%
Households	3,353	6,442	10,169	13,290	15,193	338	4.4%	350	3.5%	335	2.7%
Sundown Oaks PTA as a percent of Two County Market Area											
Population	17.3%	10.9%	10.3%	10.4%	11.7%	10.7%		12.4%		16.4%	
Households	16.1%	10.6%	10.0%	10.2%	11.4%	10.5%		12.1%		16.2%	

Source: U.S. Bureau of the Census and THK Associates, Inc.

Table IV-2: Population and Household Trends in the Two County Market Area and the Sundown Oaks, 2025-2035

				Annual Average			
				2025-2030		2025-2035	
Two County Market Area	2025	2030	2035	Numerical	Percent	Numerical	Percent
Population	374,074	423,536	481,846	9,892	2.5%	10,777	2.6%
Households	133,090	151,505	173,217	3,683	2.6%	4,013	2.7%
Sundown Oaks PTA							
Population	43,863	49,289	55,387	1,085	2.4%	1,152	2.4%
Households	15,193	17,106	19,259	383	2.4%	407	2.4%
Sundown Oaks PTA as a percent of Two County Market Area							
Population	11.7%	11.6%	11.5%	11.0%		10.7%	
Households	11.4%	11.3%	11.1%	10.4%		10.1%	

Source: U.S. Bureau of the Census, Pcenus & THK Associates, Inc.

RESIDENTIAL MARKET ANALYSIS

Table IV-3: Two County Market Area Market Projected Residential Demand, 2025-2035

Year	Households	Annual Household Growth	Total Housing Unit Demand*	Ownership Units			Rental Housing
				Total Ownership Units	Detached Single Family	Attached Single Family	
2025	133,090	3,335	3,474	2,432	1,581	851	1,042
2026	136,538	3,448	3,591	2,514	1,634	880	1,077
2027	140,099	3,561	3,709	2,596	1,687	909	1,113
2028	143,778	3,678	3,832	2,682	1,743	939	1,150
2029	147,578	3,800	3,959	2,771	1,801	970	1,188
2030	151,505	3,927	4,091	2,864	1,862	1,002	1,227
2031	155,564	4,059	4,228	2,960	1,924	1,036	1,268
2032	159,759	4,195	4,370	3,059	1,988	1,071	1,311
2033	164,096	4,337	4,518	3,163	2,056	1,107	1,355
2034	168,580	4,484	4,671	3,270	2,126	1,144	1,401
2035	173,217	4,637	4,830	3,381	2,198	1,183	1,449

**Average
Annual Demand
2025-2035**

152,164		4,116	2,881	1,873	1,008	1,235
	% of Total	100.0%	70.0%	45.5%	24.5%	30.0%

**Total Demand
2025-2035**

45,273	31,692	20,600	11,092	13,581
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* Assumes 96% Occupancy in 2025 Remains Constant

Source: THK Associates, Inc.

RESIDENTIAL MARKET ANALYSIS

Table IV-4: Sundown Oaks PTA Market Projected Residential Demand, 2025-2035

Year	Households	Annual Household Growth	Total Housing Unit Demand*	Ownership Units			Rental Housing
				Total Ownership Units	Detached Single Family	Attached Single Family	
2025	15,193	357	372	298	187	111	74
2026	15,558	365	380	304	191	113	76
2027	15,931	373	389	311	195	116	78
2028	16,313	382	398	318	199	119	80
2029	16,705	392	408	326	204	122	82
2030	17,106	401	418	334	209	125	84
2031	17,517	411	428	342	214	128	86
2032	17,937	420	438	350	220	130	88
2033	18,367	430	448	358	225	133	90
2034	18,808	441	459	367	230	137	92
2035	19,259	451	470	376	236	140	94
Average Annual Demand 2025-2035							
	17,154		419	335	210	125	84
		% of Total	100%	80%	50%	30%	20%
Total Demand 2025-2035							
			4,608	3,684	2,310	1,374	924

* Assumes 96% Occupancy in 2025 Remains Constant

Source: THK Associates, Inc.

RESIDENTIAL MARKET ANALYSIS

B. Residential Purchasing Capacity, Rental Capacity and Demand by Price Range

To better quantify the demand for new residential units in the PTA, THK breaks down the existing households by income range and then converts those income ranges into monthly purchasing and rental capacity. In determining housing affordability, THK estimates that households that purchase a home will spend approximately 30% of their gross income on housing on average, and renter households will spend approximately 30% of their gross income on housing. According to SiteWise, the median household income within the Sundown Oaks PTA is \$151,529. Based on this median household income, residents in the Sundown Oaks PTA could afford a \$700,920 home, or monthly rental payments of \$3,790. Roughly 55% of households can afford a home priced above \$700,920. This is shown in Table IV-5 below.

Table IV-5: Residential Purchasing and Rental Capacity in the Sundown Oaks PTA

Income Range		Percent of Households	Number of Households	Home Purchasing Capacity		Estimated Monthly Payment (P&I)*	Monthly Rental Capacity**	
Under	\$24,999	3%	413	Under	\$120,400	\$620	Under	\$625
\$25,000 -	\$39,999	4%	604	\$120,500 -	\$192,700	\$1,000	\$625 -	\$999
\$40,000 -	\$49,999	2%	301	\$192,700 -	\$240,900	\$1,250	\$1,000 -	\$1,249
\$50,000 -	\$59,999	3%	462	\$240,900 -	\$289,100	\$1,500	\$1,250 -	\$1,499
\$60,000 -	\$74,999	5%	776	\$289,100 -	\$361,400	\$1,880	\$1,500 -	\$1,874
\$75,000 -	\$99,999	11%	1,645	\$361,400 -	\$481,800	\$2,500	\$1,875 -	\$2,499
\$100,000 -	\$124,999	11%	1,708	\$481,800 -	\$602,300	\$3,130	\$2,500 -	\$3,124
\$125,000 -	\$149,999	10%	1,577	\$602,300 -	\$722,700	\$3,750	\$3,125 -	\$3,749
\$150,000 -	\$174,999	12%	1,813	\$722,700 -	\$843,200	\$4,380	\$3,750 -	\$4,374
\$175,000 -	\$199,999	11%	1,599	\$843,200 -	\$963,600	\$5,000	\$4,375 -	\$4,999
\$200,000 &	Above	28%	4,295	\$963,600 &	Above	\$6,250	\$5,000 &	Above
Median Income*		\$151,529	100%	15,193	\$700,920		\$3,790	

* Assumes 30% of income used for housing (before taxes and insurance), 20% down payment, 30 yr term, 6.75% interest rate

** Assumes 30% of income used for rental payment

Source: Sitewise and THK Associates, Inc.

RESIDENTIAL MARKET ANALYSIS

C. Home Sales in the Sundown Oaks PTA

THK inventoried lot sales and detached single family home sales, per ReColorado, in the Sundown Oaks PTA from January 1, 2021, through June 11, 2025. The sales showed a total of 30 and 262 sales respectively.

Table IV-6A: Lot Sales by Price in the Sundown Oaks PTA, 2021-2025 YTD

Lot Sales - Sundown Oaks PTA											
Year	Under \$299,999	Percent of Total	\$300,000 \$399,999	Percent of Total	\$400,000 \$499,999	Percent of Total	\$500,000 \$599,999	Percent of Total	\$600,000 Above	Percent of Total	Total Sales
2021	1	8.3%	3	25.0%	8	66.7%	0	0.0%	0	0.0%	12
2022	0	0.0%	0	0.0%	2	66.7%	1	33.3%	0	0.0%	3
2023	1	50.0%	0	0.0%	0	0.0%	0	0.0%	1	50.0%	2
2024	1	11.1%	1	11.1%	6	66.7%	1	11.1%	0	0.0%	9
2025 YTD *	2	50.0%	0	0.0%	1	25.0%	1	25.0%	0	0.0%	4
TOTAL	5	16.7%	4	13.3%	17	56.7%	3	10.0%	1	3.3%	30

* 2025 YTD, 6/11/2025

**2-5 acre lot sales

Source: REColorado and THK Associates, Inc.

Approximately 16.7% of lot sales during the period were for units priced below \$299,999, with the \$300,000 to \$399,999 price range comprising a further 13.3% of sales. Lots sold in the \$400,000 to \$499,999 price range comprised 56.7% of total sales, lots sold in the \$500,000 to \$599,999 price range comprised 10% of total sales. Finally, lots sold in the price range of \$600,000 and above comprised 3.3% of total sales.

Table IV-6B: Detached Single Family Home Sales by Price in the Sundown Oaks PTA, 2021-2025 YTD

Detached Single Family - Sundown Oaks PTA											
Year	Under \$749,999	Percent of Total	\$750,000 \$999,999	Percent of Total	\$1,000,000 \$1,749,999	Percent of Total	\$1,750,000 \$2,499,999	Percent of Total	\$2,500,000 Above	Percent of Total	Total Sales
2021	17	23%	15	20%	32	20%	7	9%	4	5%	75
2022	8	14%	13	22%	33	56%	1	2%	4	7%	59
2023	6	13%	7	15%	29	60%	3	6%	3	6%	48
2024	7	13%	6	11%	28	51%	9	16%	5	9%	55
2025 YTD	1	4%	6	24%	10	40%	5	20%	3	12%	25
TOTAL	39	14.9%	47	17.9%	132	50.4%	25	9.5%	19	7.3%	262

* 2025 YTD, 6/11/2025

**2-5 acre home sales

Source: REColorado and THK Associates, Inc.

Approximately 14.9% of homes sales during the period were for units priced below \$749,999, with the \$750,000 to \$999,999 price range comprising a further 17.9% of sales. Homes sold in the \$1,000,000 to \$1,749,999 price range comprised 50.4% of total sales, whereas home sold in the \$1,750,000 to \$2,499,999 price range comprised 9.5% of total sales. Finally, homes sold in the price range of \$2,500,000 and above comprised 7.3% of total sales.

RESIDENTIAL MARKET ANALYSIS

D. Representative Comparable Communities in the Sundown Oaks PTA

THK looked at representative comparable communities in the Sundown Oaks PTA. THK found three similar communities, Arrowpoint Estates, Colorado Golf Club, and Tallman Gulch.

Arrowpoint Estates

Arrowpoint Estates is a luxury large-lot residential community located in Franktown, located near the intersection of highways 83 and 86. They offer both individual lots and detached single-family homes. Each lot comprises approximately two acres and includes well and septic systems. There are 19 total lots.

Between January 1, 2021, and June 11, 2025, a total of fifteen lots were sold within the community, with prices ranging from \$400,000 to over \$600,000. Of these, nine lots sold within the \$400,000 to \$499,000 range. The remaining six sales were evenly divided, with three lots selling between \$500,000 and \$599,999, and three exceeding \$600,000.

During the same five-year period, Arrowpoint Estates also recorded three home sales, each priced between \$1,750,000 and \$2,499,999.



RESIDENTIAL MARKET ANALYSIS

Colorado Golf Club

The Colorado Golf Club is a luxury large-lot residential community located in Parker, near the intersection of Parker Road and Stroh Road. The community offers both individual lots and detached single-family homes. There are 169 total lots.

Between January 1, 2021, and June 11, 2025, a total of thirteen lots were sold within the community, with prices ranging from \$300,000 to over \$600,000. Of these, one lot sold in the \$300,000 to \$399,999 range, while ten lots sold between \$400,000 and \$499,999. The remaining two sales were divided between the \$500,000 to \$599,999 range and above \$600,000, with one sale in each category.

During the same five-year period, thirteen homes were sold in the Colorado Golf Club community. All homes sold for prices exceeding \$2,500,000.



RESIDENTIAL MARKET ANALYSIS

Tallman Gulch

Tallman Gulch is a luxury lot community located in Parker, near the intersection of Mainstreet and Hilltop Road. Residential home sales in the community began in 2017. As of January 2025, a total of 82 homes had been completed, with an additional 14 lots sold and currently under construction.

Cardel Homes has acquired the remaining lots and is constructing high-end, custom residences. The community consists of 121 total lots, with full lot sales anticipated by the end of 2026. In 2024, the average home sales price was just under \$1,850,000. As of March 2025, 14 homes were sold and under construction, with an average sales price of approximately \$2.05 million.



RESIDENTIAL MARKET ANALYSIS

E. Projected Detached Single Family Home Demand by Price Range

The projected demand for detached single family homes, broken down by price range, is illustrated in Table IV-7 below. Based on market trends, historic building permit activity, and analyses of ReColorado detached home sale data in the Sundown Oaks PTA. THK projects the following for attached homes. 7.5% of the total demand for new homes will be under \$749,999, 7.5% of the total demand for new homes will be between \$750,000 and \$999,999, 45% for homes between \$1,000,000 and \$1,749,000, 30% for homes between \$1,750,000 and \$2,499,999 and the remaining 10% of the total demand will be for homes above \$2,500,000. Based off annual average demand for detached single family homes of 210 units, as previously determined in Table IV-4, the aforementioned price ranges should have average annual demands of 16, 16, 95, 63, and 21 units per year, respectively.

Table IV-7: Average Annual Demand by Price Range Based On Income in the Sundown Oaks PTA

Price Range	Number of Units	Percentage
Detached Single Family		
Under - \$749,999	16	7.5%
\$750,000 \$999,999	16	7.5%
\$1,000,000 \$1,749,999	95	45.0%
\$1,750,000 \$2,499,999	63	30.0%
\$2,500,000 & Above	21	10.0%
Total Annual Average SF-Attached Demand	210	100%
10-Year Total SF-Attached Demand	2,310	

Source: THK Associates, Inc.

Based on the preceding analysis of residential supply and demand in the PTA, the following illustrates the recommendations for single family detached uses at the Sundown Oaks site.

RESIDENTIAL MARKET ANALYSIS

F. Single Family Residential Potentials for the Sundown Oaks PTA

Based on the preceding analysis of residential supply and demand in the PTA, the following illustrates the recommendations for single family detached uses at the Sundown Oaks site.

As demonstrated in Table IV-8, the PTA is reported to have up to 4 competitive single-family detached properties in the sole price segment.

In the \$1,750,000 to \$2,499,999 price segment, there are four competitive subdivisions, which indicate a generic capture rate of 20%.

Spencer Fane's development summary illustrates that in 2027 there will be 3 detached homes sold, however THK's absorption analysis indicated demand for 9 attached townhomes.

In the Sundown Oaks environs, a 20% capture rate on units priced between \$1,750,000 and \$2,499,999, the proposed 37 single-family detached units at the site should be fully absorbed by the year end 2030.

Overall, these capture rates are based on the number of competitive properties within the market area and factor in demand generated from the subject sites' location as well as projected development of other supporting land use types in the region.

Table IV-8: Projected Single Family Detached Unit Demand and Absorption at Sundown Oaks, 2025-2035

Unit Prices:	Under \$749,999	\$750,000 - \$999,999	\$1,000,000 - \$1,749,999	\$1,750,000 - \$2,499,999	\$2,500,000 - Above	Annual Total	Cumulative Total
Percentage Demand	7.5%	7.5%	45.0%	30.0%	10.0%	100.0%	
Annual Avg. Unit Demand in the Competitive Market Area	16	16	95	63	21	189	189
Number of Competitors:	8	10	9	4	10	41	41
Generic Site Capture Rate:	N/A	N/A	N/A	20.0%	N/A	--	--
Projected Site Capture Rate:	N/A	N/A	N/A	15.0%	N/A	--	--
Annual Absorption (Units)							
2025				***** Planning and Development *****			
2026				***** Planning and Development *****			
2027	N/A	N/A	N/A	9	N/A	9	9
2028	N/A	N/A	N/A	9	N/A	9	18
2029	N/A	N/A	N/A	9	N/A	9	27
2030	N/A	N/A	N/A	10	N/A	10	37
Total	N/A	N/A	N/A	37	N/A	37	37
Annual Average	N/A	N/A	N/A	9	N/A	9	
Monthly Sales Average	N/A	N/A	N/A	0.8	N/A	0.8	

*N/A - Price Range Not Applicable to the Subject

Source: THK Associates, Inc.

VI. ABSORPTION AND VALUE SUMMARY

VI. Absorption and Value Summary

THK Associates, Inc. has prepared an absorption schedule based on the preceding market analysis, as well as an estimate of market values that would result from the development of the 177-acre Sundown Oaks Metropolitan District community in Franktown, Douglas County, Colorado. The overall Sundown Oaks property is 177-acres, with Sundown being 73-acres and Oak Bluff being 104-acres.

The Sundown Oaks community is proposed for:

- 37 Residential Units, Including:
 - 37 Single Family Detached Homes

Based on the proposed land uses detailed above, and the market supportable absorption by land use type previously detailed in this analysis, THK was able to determine the expected build-out year.

Table VI-1 on the following page details the absorption schedule for the proposed land use type at the Sundown Oaks community.

ABSORPTION AND VALUE SUMMARY

Table VI-1: Sundown Oaks Detached Single Family Residential Absorption Schedule

Year	PTA Annual Market Demand	Single-Family Detached			
		Site Annual Market Demand (20%/ 25% Capture)	Site Cumulative Market Demand	Sundown Oaks	
				Annual Absorption	Cumulative Absorption
2025	187		**** Planning and Development****		
2026	191		**** Planning and Development****		
2027	195	9	9	9	9
2028	199	9	18	9	18
2029	204	9	27	9	27
2030	209	10	37	10	37
Total	1,185	37	37	37	37

Source: THK Associates, Inc.

ABSORPTION AND VALUE SUMMARY

With the absorption schedule for the Sundown Oaks Community, THK has estimated market values that would result from the development of the Sundown Oaks site. These values are based on the representative records for residential communities of Arrowpoint Estates, Tallman Gulch, and Colorado Golf Club. THK's estimated values do not allow for personal property.

Table VI-2 below summarizes the estimated market values of each land use type within the Metropolitan District making up the Sundown Oaks Metropolitan District.

Table VI-2: Sundown Oaks Proposed Land Use by Product Type

Unit Type	Total Homes	Anticipated Year of Completion	Value per Unit - 2025	Value per Lot - 2025
Single Family Detached	37	2030	\$2,200,000	\$500,000

Total	37
--------------	-----------

Source: THK Associates, Inc.

All residential single-family detached homes are projected to be built-out by 2030. Average supportable market values for single-family detached homes are \$2,200,000 per unit. It is THK's opinion that Sundown Oaks Metropolitan District's values are reasonable in the marketplace. Sundown Oaks Primary Trade Area has experienced a softened residential real estate market due to high interest rates, therefore the PTA has seen an annual inflation rate of 2.5% in home prices between 2021 and 2025 year-to-date. THK expects interest rates to decrease in the near future, which will increase the home inflation rate over the years to come, therefore in our market and assessed value calculation over the next 30 years THK utilized a 3.0% inflation rate.

End of Report

Prepared by:



**5675 DTC Boulevard, Suite 200
Greenwood Village, Colorado 80111
(303) 770-7201 phone
info@THKassoc.com**

MEMORANDUM

To: DJ Beckwith and Lauren Pulver, Douglas County Department of Community Development
From: Michael Verdone
Re: Sundown Oaks Metro District Market Study Review
Date: June 27, 2025

Findings

BBC Research & Consulting reviewed the assumptions, methodology, and findings of the referenced Residential Market and Absorption Analysis prepared by THK Associates, as well as the Service Plan prepared by Spencer Fane. BBC's review analyzed the study's conclusions regarding market price, price appreciation, and absorption, with attention to the financial feasibility of the proposed Sundown Oaks Metropolitan District in Douglas County, Colorado.

- The study assumes an average home price of approximately \$2.2 million. This estimate is based on pricing data from comparable developments in the primary trade area. While the comparable sales lack specific detail on home characteristics, the developments provide a reasonable market reference. BBC found the assumed pricing to be plausible, contingent upon the builder delivering a product of comparable quality and positioning.
- The analysis also assumes an average annual price appreciation rate of 3 percent. While forecasting appreciation is inherently uncertain, BBC found this assumption reasonable given current market conditions and recent U.S. Census data (as of June 2025), which supports the expectation of continued, though moderate, home price growth.
- Absorption projections in the study assume an average of nine homes sold per year over a four-year buildout period. BBC found this estimate to be potentially optimistic. The study's absorption assumptions rely on a shift in the price distribution of future home sales: specifically, that 30 percent of new homes sold in the trade area will be priced between \$1.75 million and \$2.49 million. This contrasts with historical data showing only 9.5 percent of home sales in that price range over the past four years. BBC found no supporting data or justification for this shift in demand, and highlighted that using historical sales patterns would support a much lower average annual absorption rate of about 3 homes per year. Additionally, the analysis includes an apparent contradiction between its estimates of housing demand, citing both 210 homes and 52 homes per year as baseline figures. BBC recommends that these discrepancies be reconciled and the assumptions supporting price distribution shifts be more thoroughly substantiated.

If the assumptions in the original Residential Market and Absorption Analysis were totally accurate, the district's ability to generate sufficient property tax and fee revenues to support the proposed debt structure would be assured. However, in light of BBC's findings regarding the absorption analysis—particularly the unsupported assumption of a substantial shift in demand toward higher-priced homes and the internal contradiction in estimated market demand—there is reason to question whether these projections will be realized. If the actual pace of absorption more closely reflects historical patterns, the resulting delay in home sales could impair the district's ability to generate the revenues necessary to service its debt on schedule.

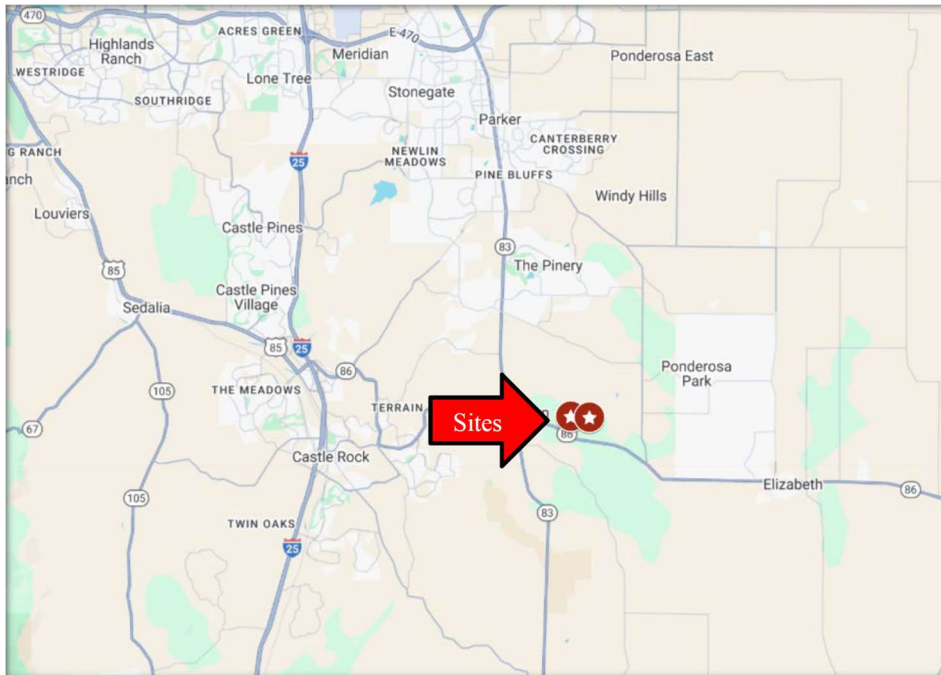
Background

BBC Research & Consulting (BBC) has been asked to review the assumptions, methodology, and findings of the referenced Residential Market and Absorption Analysis prepared by THK Associates dated June 23, 2025. In addition, BBC also reviewed information in the Service Plan for the Sundown Oaks Metropolitan District, prepared by Spencer Fane. The review is intended to provide a third-party objective evaluation to inform the creation of the proposed Sundown Oaks Metropolitan District in Douglas County, Colorado. Figures 1 and 2 provide additional financial and geographic context.

Figure 1.
Overview of Proposed Sundown Oaks Metropolitan District in Douglas County, Colorado

Developer:	Northstar Custom Homes Inc.
Organizer:	Northstar Custom Homes Inc.
Housing Product Mix:	37 large lot, detached single family lots
Average Home Value Assumptions:	\$2,200,000
Aggregate Home Value Assumptions:	\$81,400,000
Planned Public Improvements:	\$9,057,551
First Issuance Anticipated	\$3,625,000
Home Construction Start:	2026

Figure 2.
Overview of Proposed Sundown Oaks Metropolitan District in Douglas County, Colorado



Source: THK Associates

Scope of Review

BBC reviewed the data and assumptions used to estimate housing values and absorption rates in the Residential Market and Absorption Analysis prepared by THK Associates as well as the Service Plan prepared by Spencer Fane. The review centered on three primary factors that directly influence the metro district's capacity to service its debt obligations: market price, price appreciation, and absorption. Each of these parameters plays a distinct role in shaping the financial feasibility and timing of revenues tied to property sales, which in turn affect the district's ability to meet its bond or loan payments over time.

Market price is a function of both product positioning and prevailing market conditions. Developers can influence price to some extent through the quality, design, and features of the units, but these factors must be evaluated within the broader competitive landscape. Understanding where a given product sits relative to comparable offerings in the market helps establish realistic expectations for achievable sales prices. A project may aim for premium pricing, but if market demand or nearby alternatives constrain buyer willingness to pay, the actual selling price may fall short of projections. This comparative analysis is critical to ensure financial projections align with the market reality.

Price appreciation is more complex to assess because it involves forecasting future market behavior. While historical trends and supply-demand dynamics can inform these projections, the exercise is inherently speculative. Future home values are subject to a range of variables, including interest rates, inflation, employment, consumer confidence, and broader

macroeconomic shifts. Even with sound modeling, predicting appreciation is an uncertain process, and overly optimistic assumptions can expose a district to financial strain if revenues fall short of expectations.

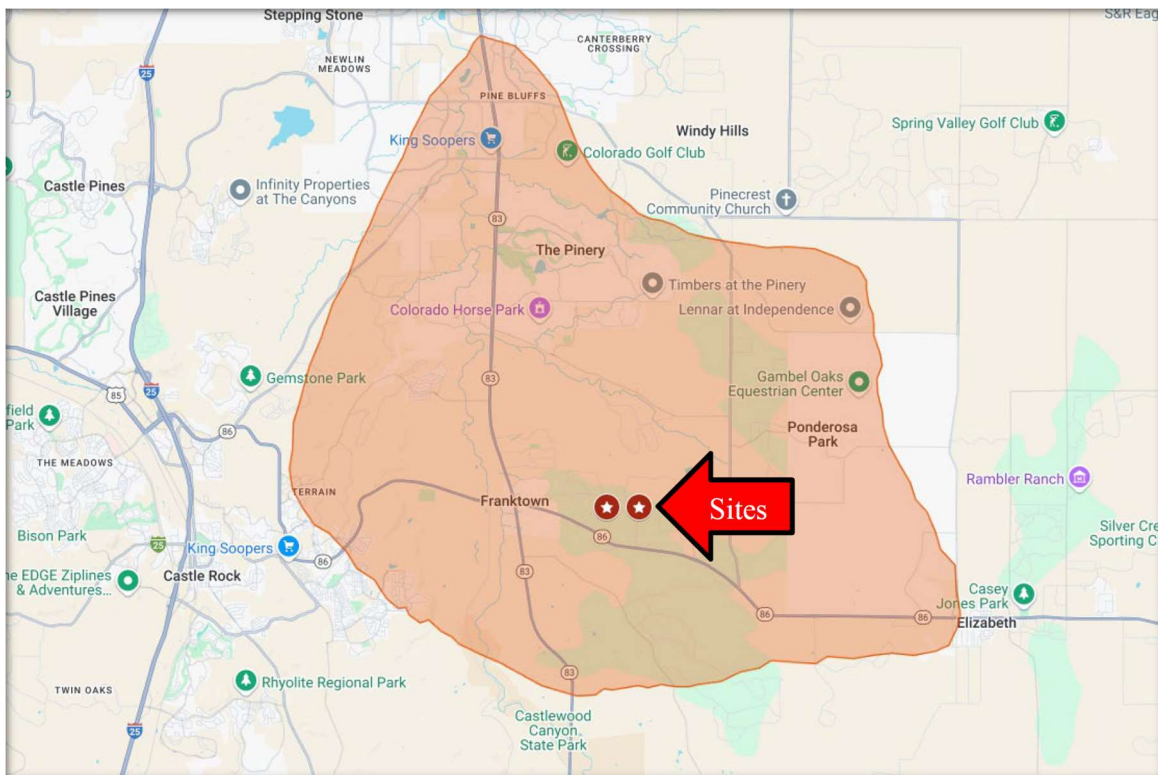
Absorption, or the rate at which homes are sold over time, is similarly challenging to forecast. While past absorption trends and current housing inventory levels provide some basis for estimates, actual sales pace is influenced by future buyer demand, competing developments, and overall market health. A slower-than-expected absorption rate can delay revenue realization, which could impair the district's ability to meet debt service schedules. For this reason, the analysis requires cautious interpretation, balancing ambition with grounded assumptions to ensure fiscal responsibility.

The remainder of this memorandum summarizes BBC's review and findings.

Competitive Market Area (Primary Trade Area)

The Residential Market and Absorption Analysis defined the primary trade area (PTA) as the area within a 15- to 20-minute drive of the subject site (Figure 3).

Figure 3.
Overview of Primary Trade Area Used in the Residential Market and Absorption Analysis of the Sundown Oaks Metropolitan District, Douglas County, Colorado



Source: THK Associates

Pricing

Unit prices. The Residential Market and Absorption Analysis compiled four years of lot and home sales data from 2021 through the first quarter of 2025 for three developments featuring homes similar to those proposed in the Sundown Oaks Metropolitan District: Tallman Gulch, Arrowpoint Estates, and Colorado Golf Club. While many parts of Douglas County include large-lot single-family subdivisions, these three developments were selected based on their recent construction activity within the PTA.

Figure 4 summarizes the sales prices of lots and newly constructed homes in each of the three developments, along with the average prices assumed for lots and completed homes in the proposed Sundown Oaks project. Over the past four years, a total of 30 homes sold across these developments, with prices ranging from a low of \$1,750,000 in Arrowpoint Estates to over \$2,500,000 in the Colorado Golf Club.

Figure 4.
Lot and Home Sales from 2021 – 2025 for Comparable Developments in the Sundown Oaks Metropolitan District Primary Trade Area

Development Name	Lots Sold	Lot Price Range	Homes Sold	Home Price Range
Sundown Oaks	-	\$500,000	37*	\$2,200,000
Arrowpoint Estates	19	\$400,000 - \$600,000	3	\$1,750,000 - \$2,499,999
Colorado Golf Club	13	\$300,000 - \$600,000	13	\$2,500,000+
Tallman Gulch	14	-	14	\$2,050,000+

Source: THK Associates

Note: *Reflects the number of units that will be brought to market.

While the comparable sales data presented in Figure 4 offers helpful context for understanding market activity in nearby luxury and semi-luxury developments, it should be interpreted with some caution due to limited detail. The analysis does not include key information such as lot sizes, home square footage, architectural style, interior finishes, or other product characteristics that significantly influence home values. As a result, while the pricing data from Arrowpoint Estates, Colorado Golf Club, and Tallman Gulch provides useful benchmarks, it does not offer a precise indication of achievable prices at the subject site.

That said, builders typically design homes to align with specific price points and target buyer segments. If the builder at Sundown Oaks delivers a product comparable in size, quality, and finish level to those in the three reference developments, it is reasonable to expect that similar price points could be attained. In this context, the comparable data serves as a meaningful reference point to inform product planning and support pricing assumptions. Based on these considerations, BBC finds the assumed average home price of \$2,200,000 to be reasonable.

Price appreciation. In addition to average home prices, the rate of home price appreciation is a core component of the Sundown Oaks Metro District's financial projections. The Residential Market and Absorption Analysis analyzed historical rates of home price appreciation and found that detached single-family homes have appreciated at an annual rate of about 2.5 percent per year since 2021. Based on that analysis, and the expectation of lower federal funds rates in the

near future, the report determined that a future rate of home price appreciation of 3 percent per year was reasonable.

It is always a difficult exercise to accurately forecast future economic conditions. However, recent data released by the U.S. Census Bureau on June 25, 2025, supports the price appreciation projections used in the Residential Market and Absorption Analysis. According to the U.S. Census release on new housing sales, the average sales price of new houses sold in May 2025 was 2.2 percent above the April 2025 price and 4.6 percent above the May 2024 price, indicating that while down from its peak in 2021, home price appreciation remains positive.¹

Absorption

The Market Study assumes an average annual absorption rate of nine units over a four-year buildout period (Figure 5). To support this estimate, the Residential Market and Absorption Analysis calculates demand for new single-family homes in the PTA based on the existing population and an assumed annual population growth rate of 2.4 percent. Based on these inputs, the analysis estimates annual demand for approximately 210 new single-family homes in the PTA.

The study then evaluates recent sales activity within the PTA from 2021 through 2025, focusing on both the volume and price distribution of new home sales (Figure 5, below). During this period, approximately 262 new homes were sold, averaging about 52 homes per year. Of those, 15 percent sold for less than \$750,000; 18 percent for \$750,000 to \$999,999; 50 percent for \$1 million to \$1.749 million; 10 percent for \$1.75 million to \$2.49 million; and 7 percent for more than \$2.5 million.

Figure 5.
Table IV-6B from THK Associates' Residential Market and Absorption Analysis Showing the Distribution of New Home Sales by Price

Table IV-6B: Detached Single Family Home Sales by Price in the Sundown Oaks PTA, 2021-2025 YTD										
Detached Single Family - Sundown Oaks PTA										
Year	Under \$749,999	Percent of Total	\$750,000 - \$999,999	Percent of Total	\$1,000,000 - \$1,749,999	Percent of Total	\$1,750,000 - \$2,499,999	Percent of Total	\$2,500,000 and Above	Percent of Total
2021	17	23%	15	20%	32	20%	7	9%	4	5%
2022	8	14%	13	22%	33	56%	1	2%	4	7%
2023	6	13%	7	15%	29	60%	3	6%	3	6%
2024	7	13%	6	11%	28	51%	9	16%	5	9%
2025 YTD	1	4%	6	24%	10	40%	5	20%	3	12%
TOTAL	39	14.9%	47	17.9%	132	50.4%	25	9.5%	19	7.3%
Total Sales										
										262

* 2025 YTD, 6/11/2025

**2-5 acre home sales

Source: THK Associates and REColorado

Using historical sales data, market trends, building permit activity, and ReColorado home sales within the Sundown Oaks PTA, the Residential Market and Absorption Analysis projects future demand for detached single-family homes by price segment. The projection estimates that 7.5 percent of new homes will be priced below \$750,000; another 7.5 percent between \$750,000

¹ <https://www.census.gov/construction/nrs/pdf/newressales.pdf>

and \$999,999; 45 percent between \$1 million and \$1.749 million; 30 percent between \$1.75 million and \$2.49 million; and 10 percent above \$2.5 million. While this segmentation provides a clear framework for estimating absorption, aspects of the analysis raise questions about the underlying assumptions and their implications for the district's financial outlook.

For example, the analysis estimates an annual demand for approximately 210 new detached single-family homes in the PTA, as shown in Table IV-4 of the Residential Market and Absorption Analysis. However, actual sales data from 2021 through 2025 (Table IV-6B of the Residential Market and Absorption Analysis) shows that an average of only 52 new detached single-family homes were sold per year in the PTA during that period. This discrepancy suggests the projected demand may be overstated relative to recent market performance.

In addition, the analysis assumes a notable shift in the price distribution of future home sales, with a significant increase in demand for higher-priced homes. Specifically, while historical data indicates that homes priced between \$1.75 million and \$2.49 million comprised just 9.5 percent of sales in recent years, the study assumes this segment will grow to 30 percent of all sales between 2026 and 2030. No clear rationale or supporting evidence is provided for this anticipated shift. Given that this assumption substantially affects the projected absorption rate and, by extension, the district's ability to service its debt, it would benefit from further explanation or empirical support.

Figures 6 and 7 illustrate the impact of these differing assumptions, comparing estimated annual absorption using the historical price distribution versus the distribution assumed in the Residential Market and Absorption Analysis. The comparison highlights how sensitive the absorption projections are to changes in the underlying assumptions about market demand.

Figure 6.
Projected Single Family Detached Unit Demand and Absorption at Sundown Oaks, 2025-2035,
Using Percentage of Demand from Historical Sales Data

Unit Prices	Unit Prices					Annual Total
	Under - \$749k	\$750k - \$999.9k	\$1M - \$1.749M	\$1.75M - \$2.49M	\$2.5M +	
Percentage of Demand	14.9%	17.9%	50.4%	9.5%	7.3%	100.00%
Annual Avg. Unit Demand in Competitive Market Area	31	38	106	20	15	211
Project Site Capture Rate				15%		
Annual Absorption						
2025						
2026						
2027				3		
2028				3		
2029				3		
2030				4		
Total				13		
Average				3		

Note: Percentage of Demand data taken from table IV-6B of the Residential Market and Absorption Analysis.

Source: THK Associates

Figure 7.
Projected Single Family Detached Unit Demand and Absorption at Sundown Oaks, 2025-2035,
Using Percentage of Demand Assumed by the Residential Market and Absorption Analysis

Unit Prices	Unit Prices					Annual Total
	Under - \$749k	\$750k - \$999.9k	\$1M - \$1.749M	\$1.75M - \$2.49M	\$2.5M +	
Percentage of Demand	7.50%	7.50%	45%	30%	10%	100.00%
Annual Avg. Unit Demand in Competitive Market Area	16	16	95	63	21	211
Project Site Capture Rate				15%		
Annual Absorption						
2025						
2026						
2027				9		
2028				9		
2029				9		
2030				10		
Total				37		
Average				9		

Note: Percentage of Demand data taken from table IV-7 of the Residential Market and Absorption Analysis.

Source: THK Associates

As shown in Figures 6 and 7, the projected absorption rate is highly sensitive to the assumed distribution of demand across price segments. If future sales follow the historical distribution where approximately 9.5 percent of homes sold fall within the \$1.75 million to \$2.49 million range, the resulting absorption rate would be closer to three homes per year. However, the Residential Market and Absorption Analysis assumes that 30 percent of future sales will occur in this price segment, leading to a projected absorption rate of nine homes per year.

The basis for this projected shift in demand from lower-priced to higher-priced homes is not clearly explained in the analysis. Specifically, the assumption that a reduction in demand for homes priced below \$1 million will be offset by increased demand for homes priced at \$1.75 million and above is a significant departure from recent market trends. Given the central role this assumption plays in the study's absorption estimates and, by extension, the district's projected revenue stream, additional justification and supporting evidence would strengthen the credibility of the analysis.

Furthermore, clarifying the discrepancy in Table IV-4—which suggests annual demand of approximately 210 homes per year—and Table IV-6B—which shows that an average of just 52 new detached single-family homes were sold annually between 2021 and 2025—would help provide a more transparent and reliable basis for evaluating the district's ability to meet its financial obligations.

DJ Beckwith

From: S Larsen <stephanielarsen23@gmail.com>
Sent: Friday, July 18, 2025 9:19 AM
To: DJ Beckwith
Subject: Re: Concern

Follow Up Flag: Follow up
Flag Status: Flagged

Yes, it is the Sundown Oaks Metro District (SV2025-005) that I oppose.

Thank you,
Stephanie Larsen
9250 Red Primrose St
Franktown, CO 80116

> On Jul 16, 2025, at 2:19 PM, DJ Beckwith <dbeckwith@douglas.co.us> wrote:
>
> Sundown Oaks Metro District (SV2025-005)?

DJ Beckwith

From: mojoincolorado@netscape.net
Sent: Wednesday, July 16, 2025 12:49 PM
To: DJ Beckwith
Subject: RE: Sundown Oaks SV2025-005

Follow Up Flag: Follow up
Flag Status: Flagged

Hello Mr Beckwith,

I can't find any other information about this subdivision development aside from the metropolitan district plan.

Simply put, it does not conform on its face to the Franktown Subarea Master Plan.

Acreage per home is too low. Financial estimates to pay back bond issues and maintenance will be higher on a "per property" basis when the development is forced to conform to master plan requirements.

How can a metro district be formed based on illegitimate conditions?

Thank you,

Michael Cunningham
POB 42
Franktown CO 80116
720-998-2503

The other arguable explanation was Columbus's use of the term "una gest in Dios" or "a people in God" which was reduced to "Indios" for every day usage by the Spaniards and later was further changed to "Indian" as the word moved north. And what's more we hear that in 1492 Columbus could not have thought he had reached the Indies because at that time there was no Indies, but they instead were called Hindustan.

<https://www.nativetimes.com/index.php/life/commentary/11389-native-american-vs-american-indian-political-correctness-dishonors-traditional-chiefs-of-old>

DJ Beckwith

From: Kristine Jensen <msmanufact@gmail.com>
Sent: Monday, July 14, 2025 6:22 AM
To: DJ Beckwith; Kristine Jensen
Subject: Opposition to Sundown Oaks Metropolitan District (Project No. SV2025-005)

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Mr. Beckwith,

I am writing to express my strong opposition to the proposed Sundown Oaks Metropolitan District (Project No. SV2025-005) in Franktown, Colorado.

As a concerned resident, I believe this development threatens the rural character, environmental sustainability, and quality of life in our community. Below are my primary concerns:

1. **Violation of Zoning Requirements:** Franktown's current zoning mandates a minimum of 5 acres per residence to preserve its rural character. The proposed development, with nearly 300 townhomes and a strip mall, disregards this requirement. Such dense development is inconsistent with the Douglas County Comprehensive Master Plan's vision for maintaining rural environments in areas like Franktown.
2. **Concerns with the Metropolitan District:** The creation of a Metropolitan District for Sundown Oaks raises significant red flags. Across Colorado, Metropolitan Districts have been linked to financial instability and governance issues, often prioritizing developer interests over those of residents. These districts wield considerable power, which could undermine local control and burden future residents with unforeseen costs.
3. **Unsustainable Water Usage:** The proposal to use Upper Dawson water, augmented by the Laramie Fox Hills aquifer, is deeply troubling. The Laramie Fox Hills aquifer is known to contain toxic elements, posing health risks to the community. Additionally, the increased water demand from a development of this scale threatens to deplete local wells, which many Franktown residents rely on, potentially disrupting our water supply and livelihoods.
4. **Traffic and Infrastructure Impacts:** The addition of hundreds of new residences and commercial spaces will significantly increase traffic at the already busy intersection of Highway 86 and Highway 83. This could overwhelm local infrastructure, exacerbate congestion, and compromise safety for residents.
5. **Threat to Franktown's Rural Character:** Franktown's small, tight-knit community of a few hundred residents values its rural charm and open spaces. Doubling the population with a large-scale development like Sundown Oaks would fundamentally alter the area's identity, straining resources and diminishing the quality of life for current and future residents.

I urge Douglas County to reject the Sundown Oaks Metropolitan District proposal and prioritize development that aligns with the Comprehensive Master Plan's goals of preserving rural character, protecting natural resources, and ensuring sustainable growth. I respectfully request that you consider the long-term impacts of this project on our community and deny its approval.

Thank you for your attention to this critical matter.

Sincerely

Kristine Jensen (Franktown Resident)

DJ Beckwith

From: Flash5219 <flash5219@yahoo.com>
Sent: Sunday, July 13, 2025 11:24 AM
To: DJ Beckwith
Subject: Sundown Oaks Metropolitan District, Project no. SV2025-005

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Sir, this Project should not be approved!

It would put more straws in the upper Dawson, more traffic on 86 already over loaded by all the projects in Elizabeth. The Franktown zoning is there for a reason and should remain 5 acres, not half acre which only benefits the developer not the people of Franktown. Then there's the the metropolitan district which should never be allowed do to it's corrupt nature and lack of transparency . Below are links to issues regarding metro districts:
<https://www.cbsnews.com/colorado/news/state-lawmakers-metro-districts-colorado-house-weighs-oversight-bill/#>
<https://pagosadailypost.com/2025/05/07/editorial-an-unsettling-story-about-colorado-metro-districts-part-seven/>

I would be fine if the developer wanted to develop his property within the current zoning of 5 acres and NOT as a metropolitan District.

Sincerely, William Davenport

DJ Beckwith

From: Karen Ralicke <kralicke@yahoo.com>
Sent: Sunday, July 13, 2025 10:53 AM
To: DJ Beckwith
Subject: Sundown Oaks Metro District proposal

Follow Up Flag: Follow up
Flag Status: Flagged

Douglas County can not sustain a new metro district, I strongly encourage a no on this plan. We don't have the infrastructure to support this and definitely not the water!

This plan to stop in it's tracks. Do not let this pass.

Karen Ralicke
11480 Antelope Lane
Parker CO 80138

DJ Beckwith

From: Christina@bigcountrypublishing.com
Sent: Tuesday, July 8, 2025 4:14 PM
To: DJ Beckwith; BOCC
Subject: Sundown Oaks Metro District

Follow Up Flag: Follow up
Flag Status: Flagged

As a resident for nearly 50 years in Douglas County, my childhood home in Surrey Ridge, my college years home in Oak Hills and I raised my kids for 20 years in Roxborough, I have now purchased a home in Franktown for it is one of few places in Douglas County that still feels rural.

I am currently serving as a member of the Douglas County Cultural Council and have done decades of volunteering in Douglas County.

I am absolutely heartbroken at the below proposal and ask for the Commissioners to stop this development.

Sincerely, Christina Winslow

Opposition to the Proposed Sundown Oaks Metropolitan District in Franktown
Dear Commissioners,

We, the undersigned and united residents of Franktown, write to express strong opposition to the proposed Sundown Oaks Metropolitan District. As members of a unique, rural, and environmentally conscious community, we urge you to deny the formation of this district due to the significant and lasting harm it would cause to our natural resources, rural character, and local governance under County Rule.

1. Environmental Impact

Franktown's identity is deeply tied to its land and ecology. The area's open spaces, wildlife corridors, and native habitats are irreplaceable. The proposed Sundown Oaks development would lead to:

Destruction of wildlife habitat and critical migration routes.

Loss of open space, which provides vital ecosystem services such as stormwater absorption, erosion control, and carbon capture.

Light pollution, disrupting nocturnal animal behavior and eliminating the dark skies that define Franktown's quiet, rural setting.

Increased risk of vector-borne diseases, such as those carried by ticks and mosquitoes, due to fragmentation of habitat and greater human-wildlife contact.

These environmental disruptions would permanently alter the character and health of our community.

2. Water Resource Concerns

Franktown depends entirely on deep, nonrenewable groundwater aquifers. These aquifers recharge extremely slowly, and many wells in the area have already experienced declining levels.

The type of high-density development enabled by a metropolitan district would dramatically increase demand on this limited water source—putting all current residents, wildlife, and agricultural uses at risk. There is no sustainable water plan in place that could support the scale of use a metropolitan district would require.

3. Threat to Rural Identity and County Rule

Franktown has consistently chosen to remain under County Rule for a reason. Residents here value low-density living, local decision-making, and protecting the rural way of life.

The formation of the Sundown Oaks Metropolitan District would transfer substantial power from residents to private developers. It would open the door to rapid, large-scale development that directly contradicts the community's long-standing planning values and the Franktown Village Subarea Plan, which emphasizes preservation of rural character, open space, and environmental stewardship.

Allowing a metro district here undermines the very fabric of how and why people live in Franktown.

We Ask That You Honor the Voice of the Community

The residents of Franktown are not against thoughtful, sustainable growth—but we are firmly opposed to development that erodes our water security, damages our natural environment, and compromises the County Rule structure that has protected this community for generations.

We respectfully request that you deny the approval of the Sundown Oaks Metropolitan District and support policies that reflect the values and concerns of Franktown residents.

Thank you for your time, service, and commitment to preserving what makes Douglas County and Franktown such a special place to call home.

Sincerely,

The Residents of Franktown, Colorado

DJ Beckwith

From: Theresa Derrick <tderrick2006@yahoo.com>
Sent: Friday, June 27, 2025 8:51 AM
To: DJ Beckwith
Subject: RE: Sundown oaks

Also 2 other wells have gone dry off of upper dawson

[Yahoo Mail: Search, Organize, Conquer](#)

On Thu, Jun 12, 2025 at 2:10 PM, DJ Beckwith
<dbeckwith@douglas.co.us> wrote:

Greetings Mrs. Derrick,

Thank you for your comment on the proposed Sundown Oaks Metro District.

Your comment will be provided to the Planning Commission and the Board of County Commissioners as they consider the application for Sundown Oaks MD.

All the best,

DJ Beckwith | Principal Planner

Douglas County Department of Community Development

Planning Resources

Address | 100 Third St., Castle Rock, CO 80104

Direct | 303-814-4330 **Main** | 303-660-7460

Email | dbeckwith@douglas.co.us

From: Theresa Derrick <tderrick2006@yahoo.com>
Sent: Wednesday, June 11, 2025 5:38 PM
To: DJ Beckwith <dbeckwith@douglas.co.us>
Subject: Sundown oaks

Do not use upper Dawson water. There are too many houses on this aquifer. I oppose this subdivision because franktown is a rural community

[Yahoo Mail: Search, Organize, Conquer](#)

DJ Beckwith

From: Marc Willency <mwillency@yahoo.com>
Sent: Wednesday, June 25, 2025 7:17 AM
To: DJ Beckwith
Subject: DISAPPROVE - Sundown Oaks Metro District - Project SV2025-005

Follow Up Flag: Follow up
Flag Status: Flagged

This would be disastrous for our community.

NO Support

DJ Beckwith

From: Debra Demijohn <dademijohn@hotmail.com>
Sent: Tuesday, June 24, 2025 11:29 AM
To: DJ Beckwith
Subject: The unincorporated Dougco area

Follow Up Flag: Follow up
Flag Status: Flagged

*Many agree that this is preposterous. Citizens of Colorado Do NOT Want this kind of "stuff as many houses in as possible" attitude towards building—especially in farm areas!
Kiowa; Franktown; Parker; and -Castle Rock are places where Nature is an important feature. Take the CALIFORNIA OUT of Colorado!
Stop this nonsense*

DJ Beckwith

From: Debra Shoemaker <debrashoemaker1979@gmail.com>
Sent: Thursday, June 19, 2025 8:47 AM
To: DJ Beckwith
Subject: Opposition to Sundown Oaks Metropolitan District Number SV2025-005

Follow Up Flag: Follow up
Flag Status: Flagged

This email is in opposition to the proposed Sundown Oaks Metropolitan District Number SV2025-005 and in opposition to a metropolitan district in the middle of Franktown. This email is written and submitted on behalf of Franktown resident, Jeffrey Revoir, residing at 395 Willow Lake Drive.

My opposition is as follows:

- Franktown is an unincorporated town and its residents including me sought out this location for its quality of life, charm, rural culture/environment, rural amenities, natural/open space, wide array of wildlife, unique geography and its enduring beauty.
- Most importantly, however, many of my fellow neighbors and residents of Franktown share the same perspective and choose to live, raise their families, work and enjoy their free time in this very community - - for the very same reasons.
- Franktown has retained this exceptionally unique quality since its existence, only because both state and local government, planners, commissions along with their leadership, decision makers, planners, business and residents have consistently worked hard to resist the temptation to convert it into a big-city or a city just like other cities!
- It takes leadership, planners and the Franktown community working together to have great insight, wisdom and foresight to resist the temptation to change and convert Franktown into what its neighboring Castle Rock and Parker cities have gone through.
- I oppose the conversion of Franktown by the addition of a metropolitan district within it.
- The addition of the Metropolitan District would tap water from the Upper Dawson water supply and use water from the Laramie Fox Hills aquifer. Each of which would strain water supplies including water supplies that are limited already due to toxins in some water supplies, which adds strain to non-toxin water supplies.
- In addition, the short and long term effects of the addition of the Metropolitan District would place unknown financial strains on the local Franktown community and its resources due to strain on water resources, added traffic congestion on roadways and public services. All of which will impact local residents and businesses.
- It is disappointing and offensive to learn that the very developers who seek and would have financial gain from the proposed addition of the Metropolitan District have gained access to and decision making ability on planning boards and commissions and will cast votes in their own self interest on these commissions and boards. This is an inherent conflict of interest and an act of self-dealing in their own interests rather than the greater interest of the Franktown community and its residents. **At a minimum, individuals with voting and decision making power should be required to disclose their actual and potential conflicts of interest and also refrain from voting on this proposal and future proposals that involve their conflicted interests.**
- For the above reasons, I oppose the addition of the Sundown Oaks Metropolitan District Number SV2025-005 in Franktown Colorado.

DJ Beckwith

From: URLING KINGERY <urling8@aol.com>
Sent: Wednesday, June 18, 2025 11:08 AM
To: DJ Beckwith
Subject: Sundown oaks metropolitan district

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Sirs, I am very opposed to the sundown Oaks metropolitan district number SV2025-005. water and congestion are my main concerns. We've already lowered our well 500 feet. The roads are more clogged every day.

Thank you,Urling Kingery, 751 Willow Lake Drive, Franktown, Co 80116

Sent from my iPad

DJ Beckwith

From: kira Piel <kirapiel@gmail.com>
Sent: Wednesday, June 18, 2025 3:44 PM
To: DJ Beckwith

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Sir or Ma'am,

We would like to formally express our concerns and disapproval regarding the proposed Sundown Oaks Subdivision. Our community believes that a metropolitan district is not suitable for our rural area. We are also concerned about the two-acre lot sizes, particularly as Franktown is developed with lots of five acres or more. We are also very concerned about our aquifers and so many homes tapping into it for water.

Could you please provide guidance on the formal channels available for submitting our objections? Thank you in advance for your assistance in this matter.

Sincerely,
Michael and Kira Piel

Kira Piel
Realtor
BTT Real Estate
303-881-1516 - cell

www.PurchaseofaLifetime.com

WIRE FRAUD! During your representation by BTT Real Estate, you will NEVER be asked, via email, to wire or send funds to ANYONE, not even a title company. DO NOT COMPLY WITH EMAIL INSTRUCTIONS TO WIRE FUNDS!

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DJ Beckwith

From: Craig Smart <castlewood.acc.president@gmail.com>
Sent: Wednesday, June 18, 2025 5:36 PM
To: DJ Beckwith
Cc: Smart Craig; Castlewood.ACC.VicePresident@gmail.com; Von Probasco
Subject: Proposed Metropolitan Development - Sundown Oaks Metropolitan District No. SV2025-005

Follow Up Flag: Follow up
Flag Status: Flagged

DJ Beck,

I have been following the Proposed Metropolitan Development - Sundown Oaks Metropolitan District No. SV2025-005 in the Franktown Area at Tanglewood Road & Burning Tree Drive for quite some time. I have great concern and firmly oppose this plan. Franktown has prided itself on being a safe and manageable rural community for many years. The Sundown Oaks Metropolitan District No. SV2025-005 would destroy Franktown by overpopulating the area, increased traffic flow, contaminating Dawson with Laramie Fox Hills Water, increased water usage and availability, and more. Our community should not be impacted by rapacious developers and small lot development.

Question: Is there a plan for wastewater? Have you considered Arapahoe?

Respectfully request you DO NOT APPROVE this project (Sundown Oaks Metropolitan District No. SV2025-005).

Very Respectfully,

Craig Smart
Castlewood ACC President & Franktown Homeowner

DJ Beckwith

From: Brad Thomann <bradthomann1@aol.com>
Sent: Wednesday, June 18, 2025 6:50 PM
To: DJ Beckwith
Subject: Against Sundown Oaks Metro District Project # SV2025-005.

Follow Up Flag: Follow up
Flag Status: Flagged

To Whom it May Concern,

My wife and I strongly oppose this project for the following reasons:

1. Franktown Master Plan is Rural and 5 acre lots. This plan calls for 21 4.5-5 acre lots and 17 homes of 2 acres each. Clearly, this developer is not abiding by the Franktown Master Plan and his plan should be rejected. Franktown is one of three rural designated areas in Douglas County. Do not lower the bar and ruin our rural look and feel. 5 acres in Franktown. Period.
2. We object to the use of any water in the Upper Dawson.
3. We do not understand why Douglas County would approve a Metro District in Franktown. Metro Districts are cash cows for the developers and should not be allowed in Colorado much less Franktown. The developer should build the infrastructure needed and put the price of that directly into the cost of the home. Make the developers put out the capital expense - like any other company - and pass the cost to the consumer's who buy their house. If the cost of the development drives up the cost of the house to where it does not make financial sense, then the developer should rethink their investment. Do not let a Metro District into Franktown. Developers should not have the right to raise taxes on the people.

Thank you for hearing us out.

Kind regards,

Brad and Brenda Thomann
173 Red Deer Road
Franktown, CO
80116

DJ Beckwith

From: wesweaver@reagan.com
Sent: Wednesday, June 18, 2025 1:36 PM
To: DJ Beckwith
Cc: Craig Smart, Castlewood ACC President; Bowles, Tom T
Subject: Project # 2V2025-005

Follow Up Flag: Follow up
Flag Status: Flagged

To the members of the Douglas County Planning .

I have become aware of a proposed development in the Franktown area. As we live in Franktown, I am genuinely concerned with the proposed Sundown Oaks development, Project # 2V2025-005.

1. Changing the density to less than 5 ac. Would cause significant impact to the already congested roads and greatly affect the whole feel of the area from a sum what rural to an extension of big city.
2. As you are aware the water in this county is of great concern. And the proposed water supply for this development is to use the upper Dawson and supplement it with water from the Laramie Fox Hills. This would be an unbelievably bad idea. The water quality of the Dawson is particularly good and does not require treatment, but the water from the Laramie Fox Hills is high in sulfur and other dissolved solids. and is not equal in the least to the Dawson.
3. I would like to know how you are going to assure equal quality.
4. Why are they not going to the Arapahoe aquifer instead? The Dawson does not provide the volume that the Arapahoe does and would require more wells and more cost, even though the Arapahoe is deeper . It would seam a better approach for all.
5. it is my request that you not approve this Project as proposed.

Sincerely ; Wesley Weaver

DJ Beckwith

From: Pat Bergin <bergin.pat@comcast.net>
Sent: Tuesday, June 17, 2025 10:22 PM
To: DJ Beckwith
Cc: Craig Smart
Subject: Opposition to Sundown Oaks Metropolitan District No. SV2025-005.

Follow Up Flag: Follow up
Flag Status: Flagged

Hello,

As residents of Franktown and homeowners in the Castlewood Canyon area, we would like to let you know that we strongly oppose Sundown Oaks Metropolitan District No. SV2025-005.

Sincerely,
Patrick and Patricia Bergin

Sent from my iPhone

DJ Beckwith

From: Matthew Jones <mdjones525@gmail.com>
Sent: Tuesday, June 17, 2025 4:43 PM
To: DJ Beckwith
Subject: Objection to Sundown Oaks Metro District
Attachments: Sundown Metro .pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Please see my dissent to the Sundown Oaks Metro District SV2025-005. Attached is my signed letter, if unable, due to county policy to open attachment, my unsigned dissent is in text form.

Matthew Jones
8576 Burning Tree Dr
Franktown, CO 80116
MDJONES525@GMAIL.COM
405-413-4130

June 17, 2025

Douglas County Board of County Commissioners
Department of Community Development
100 Third Street
Castle Rock, CO 80104

RE: Formal Objection to the Sundown Oaks Metropolitan District Service Plan (SV2025-005)

Dear Commissioners,

I am writing to submit a formal objection to the proposed Service Plan for the Sundown Oaks Metropolitan District (SV2025-005). The proposed district structure—relying on broad powers granted under C.R.S. Title 32—raises serious concerns about fiscal responsibility, environmental sustainability, and the democratic integrity of local governance.

The plan authorizes up to **\$10 million in debt** and a **70-mill property tax** on just 37 future homeowners, *none of whom have any say in the creation or governance of the district*. The initial control lies solely with the developer and associated consultants, a structure that invites abuse. The **Colorado Court of Appeals**, in *In re Landmark Towers Ass'n, Inc., 2016 COA 61*, held that a district formed without proper resident disclosure and participation could be invalidated due to procedural flaws and lack of transparency. In that case, property owners were burdened with tax liabilities they had no realistic way to oppose.

Further, a **2004 Colorado Attorney General Opinion (04-2)** cautioned against the use of metropolitan districts as financing arms for private development without adequate public benefit or oversight, highlighting the need for counties to exercise discretion when approving service plans that favor private interests over public necessity.

From an environmental standpoint, the plan calls for **individual groundwater wells and septic systems** but includes no hydrological assessment or mitigation strategy. With multiple new wells drawing from the same aquifer and no centralized treatment or containment plan, there is significant risk of **aquifer depletion and**

contamination from construction runoff and septic failure. These omissions are particularly irresponsible in a designated Water Supply Overlay District.

Additionally, the plan authorizes eminent domain powers, redundant services (e.g., fire, stormwater, and mosquito control), and large-scale developer reimbursements—all without required voter approval or sufficient County-level controls.

I respectfully urge the County to deny or delay this Service Plan until:

1. A full hydrogeologic impact study is completed;
2. A binding environmental protection plan is included; and
3. County policy is updated to prevent overreliance on statutory authority that courts and legal experts have flagged as vulnerable to misuse.

Douglas County residents deserve special districts that reflect **true public need, not speculative financing vehicles for private gain.**

Sincerely,

///signed///
Matthew Jones

DJ Beckwith

From: Patrick Naper <pnaper1@gmail.com>
Sent: Tuesday, June 17, 2025 9:39 PM
To: DJ Beckwith; rllove1@msn.com

Follow Up Flag: Follow up
Flag Status: Flagged

Sundown Oaks Metropolitan District, Project No. SV2025-005

Dear Mr. Beckwith,

Here we go again! Developers come out to the east side of Douglas County and try to find ways to skirt things that protect the property owners that are already here.

There is a reason this part of the county is designated rural. There is no 'city water'. We are on well water. As you should know, the rural designation calls for minimum 5 acre lots per residence. This is to preserve the aquifers.

The aquifers are not bottomless, yet developers are constantly coming out here and proposing standard developments where a home might have a .2 acre lot. This would allow approximately 20 homes where 1 would otherwise be.

This essentially makes these people like migratory geese. They fly in, take what they want, poop all over the place, and then leave there mess for someone else to clean up.

I guarantee, if you were to come out here, and knock on doors, you wouldn't find anybody that wants this. Your job, first and foremost, is to protect the current residents of Franktown, not cater to the desires of the latest developer looking at ways to skirt the rural designation, to line their pockets.

DO NOT APPROVE THIS.

Sincerely,

Patrick Naper
245 Pin Oak Circle
Franktown, CO 80116

DJ Beckwith

From: Kristin Ryan <KRyan@care4denver.org>
Sent: Tuesday, June 17, 2025 7:59 PM
To: DJ Beckwith
Subject: URGENT - PLEASE STOP SUNDOWN METRO IN FRANKTOWN

Follow Up Flag: Follow up
Flag Status: Flagged

Hi D Beckwith,

I am extremely concerned with the news regarding a proposed metropolitan development plan that is attempting to build in the middle of Franktown. The organization is called Sundown Metro. I just learned of these horrific plans they have in which they are attempting to contaminate our water, violate the current zoning laws, and disrupt the peace that Franktown currently offers.

I understand that the land around us will be built up, but I want to keep to the current zoning regulations as is which is set at 5 acres plus. We are all on the Upper Dawson water supply and this decision to allow this company to proceed with these plans would destroy the future of Franktown. Colorado is known for the West and the open land and beauty. Homes on land lots add the most value as opposed to just being another suburb, city, or Denver. With greedy developers with plans such as Sundown Metro, it brings more people, more damage, followed by more problems to come with it, which will require more resources (such as police etc.) while simultaneously taking away valuable resources like natural land, trees, wildlife, etc. Please put an immediate stop to this to protect the negative impact on the current high value that Franktown has to offer.

Value comes from being different than just another suburb, metropolitan city, or place like Denver. What is sold with the 5 acres and up IS Colorado (the thought of it), the West, peace, quiet, nature, wildlife, beauty, and the like. That is what gets sold. That is what people pay for. Something different than what would be considered the norm. Please focus on the high value based on improved wildlife, environmental, and custom homes. Not concrete sprawl. If more housing is needed build up, not out, or at least better managed.

If you have any questions or would like more information on this topic to stop Sundown Metro, please do not hesitate to contact me at 720-291-9568.

Kristin and Mathew Ryan
Franktown Homeowners

Kristin Ryan, MSN, RN | The Denver Hospice
Clinical Manager Inpatient Care Center & South Team
303.780.4600 Main | 720-291-9568 Mobile
Amy Davis Support Center
8289 E. Lowry Blvd | Denver, CO | 80230



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DJ Beckwith

From: Julie Warhola <juliemwarhola@gmail.com>
Sent: Monday, June 16, 2025 8:54 AM
To: DJ Beckwith
Subject: Sundown Metropolitan District Franktown SV2025-005

Good morning!

We are writing to oppose the proposed Sundown metropolitan district. This proposal contradicts the zoning and the rural nature of Franktown. This community will significantly affect water, noise and traffic in our area and ask that the county does not allow this proposal to pass.

Sincerely,

Dan and Julie Warhola
8682 Burning Tree Drive
Franktown, CO 80116

DJ Beckwith

From: Marlin <mweikum@gmail.com>
Sent: Monday, June 16, 2025 9:37 PM
To: DJ Beckwith
Subject: Sundown Oaks Metropolitan District Application (Project: SV2025-005)

Follow Up Flag: Follow up
Flag Status: Flagged

Mr Beckwith,

My name is Marlin Weikum. I have lived at 1442 Columbine Dr. Franktown, CO 80116 for over 35 years. I am emailing you in reference to the Sundown Oaks Metropolitan District application, "Project: SV2025-005" which I just became aware of while reading about it on the county's website. I have a few concerns I would like to make you aware of related to this project.

Having my residents attached to the Upper Dawson aquifer makes me concerned with the proposal of using the Upper Dawson for this project and then expecting to augment it with water from the Laramie Fox Hills aquifer to meet water requirements. My understanding is Laramie Fox Hills water is toxic so I would suggest a complete study specifically tied to this application be required to make sure all appropriate options are followed before, during and after development of the project.

I also think it would be appropriate to not allow any lots for this project to be less than the 5 acre as recommended by Douglas County Planning for rural residential zoning. All residences near this development follow that zoning. This would control the number of wells needed and also up the number of lots that could use normal rural sewer systems and eliminate corner cutting when a designed sewer system might be required. Reading the application I believe it requires both a well and sewer to be paid for and supported by a lot's owner.

Finally, and this may be premature to mention at this time, I am a bit concerned, after an initial reading of the application, where relationships between the district and developer are discussed, how the language is not very specific. I see not being more specific could lead to bigger issues as already experienced by previously approved Metropolitan Districts. If this project is to go through I would hope the developer, new district owners, county administration, as well as other Douglas County residents would desire to see a vibrant, stable district developed that would remain a strong asset of Douglas County for a long time to come.

Thank you for your time,

Marlin Weikum

DJ Beckwith

From: Rebecca Bowles <beckyhbowles@gmail.com>
Sent: Sunday, June 15, 2025 5:45 PM
To: DJ Beckwith
Subject: Proposed Development in Franktown

Attention Dbeckwith,

I am writing to you against the proposed new Metropolitan District in Franktown. There are multiple reasons why. First of all, it does not follow the Franktown area zoning which is currently 5 acres per residence. Secondly, it goes against the idea of having a "rural" area in Douglas County such as we are currently, here in Franktown. People moved here for that reason, and if we wanted a metropolitan district we would have moved to one nearby, like Parker, or Castle Rock. We fought hard to preserve the rural area and they agreed to allow it years ago. We already fought the town of Elizabeth when they attempted to annex into Douglas County along highway 86, and take our water rights, and now we are fighting suburban sprawl with our own County Commissioners!

Another very important reason is that we already are stretched thin in water provisions, there is no guarantee that we have water to support this many people from the Upper Dawson, and using the Fox Hills aquifer, which is toxic, just means they will use more of the Upper Dawson water.

Needless to say, traffic congestion is already dangerous.

We don't want big metropolitan areas overtaking our rural area and making decisions that impact all of us -and many times they are not financially sound.

I graduated from Douglas County High School and taught for the district 25 years, and I have witnessed the uncontrolled sprawl of Douglas County. I refuse to see Franktown become a "Highlands Ranch" type of environment, and we will fight it to the end.

Please, please do not allow the Metropolitan District to be approved in Franktown.

Rebecca Bowles
303-913-6642
138 S White Tail Dr.
Franktown, CO 80116

DJ Beckwith

From: James Mcardle <jm80126@yahoo.com>
Sent: Sunday, June 15, 2025 7:02 AM
To: DJ Beckwith
Subject: sundown oaks metro district project SV2025-005

We are completely opposed to this project in Franktown that will further deplete the Upper Dawson and not conform to the surrounding area Franktown. Purely urban sprawl which will impact everyone's quality of life. If this is allowed to go forward, at minimum, surrounding wells just beyond the development with select wells beyond must be monitored for a reduction in water level. The owners must then be compensated at no cost to the owners. All impacts of this development to existing services requiring expansion must be paid for by the developer, not the rest of the citizens of Franktown, or Douglas County, for that matter.

Thank you for considering this protest against proceeding with approval of this development.

James and Mary McArdle, 686 Red Deer Road, Franktown, Colorado

DJ Beckwith

From: Scott Lindberg <scott@lindberg.us>
Sent: Saturday, June 14, 2025 10:25 AM
To: DJ Beckwith
Subject: Sundown Oaks Metropolitan District, Project No. SV2025-005

Dear Douglas County Planning Department,

I am writing to express my opposition to the proposed Sundown Oaks Metropolitan District, Project No. SV2025-005. This proposal raises numerous concerns that directly threaten the rural character, environmental sustainability, and long-term financial well-being of the Franktown community.

1. Lot Sizes and Zoning Violations

The development does not adhere to the current zoning requirement for a minimum of 5 acres per residence in the Franktown area. This requirement exists to preserve the rural nature of our community and to protect essential resources—particularly water. Approving this project would set a dangerous precedent for overriding established land-use regulations in favor of high-density development that is incompatible with Franktown's identity.

2. Metropolitan District Concerns

The creation of a Metropolitan District in the heart of Franktown is deeply troubling. These districts have become notorious across Colorado for placing enormous taxing and governance power in the hands of developer-controlled boards. Too often, residents are left with long-term financial burdens and little recourse. Franktown must not be the next victim of a system that puts developer profits above community interests.

3. Critical Water Issues – Use of Upper Dawson and Laramie Fox Hills Aquifers

The Upper Dawson is already under significant stress, and further depletion risks long-term sustainability for the current residents of Franktown. The Laramie Fox Hills aquifer is known to be of concern for the issues below and would require careful testing and appropriate treatment before use—especially for drinking or augmentation purposes.

Laramie Fox Hills aquifer

- It often has **high mineral content** (TDS, sulfate) that may affect palatability and requires treatment.
- It occasionally contains **radon** or **trace contaminants** in small percentages.
- **Deeper zones** can yield **hot, sulfur-rich water** that is undesirable for drinking without treatment.

In summary, this project is wholly inconsistent with the values, zoning standards, and environmental protections that Franktown residents have long fought to uphold. I urge the County to reject Project No. SV2025-005 in the interest of protecting our land, our water, and our community.

Scott Lindberg

Mobile: 720-394-3308

2241 Burnt Oak Drive, Franktown, CO 80116

DJ Beckwith

From: Ginney <hkakita1@gmail.com>
Sent: Saturday, June 14, 2025 11:18 AM
To: DJ Beckwith
Subject: Community Development Special District Service Plan - New Service Plan (SV2025-005)

Dear Sirs:

In regard to:

- Special District Service Plan - New Service Plan (SV2025-005)

There are a number of reasons we oppose this project before the Douglas County Planning Commission. First, the proposed lots will not all be 5 acres per residence as required in the Franktown area zoning right now. And, second and probably the worst is that they are proposing a Metropolitan District in the middle of Franktown. These Metropolitan Districts are causing financial problems, and other problems, all over the state. Additionally, they are proposing to use the Upper Dawson and water from the Laramie Fox Hills aquifer to augment that use of the Upper Dawson. To be clear the Laramie Fox Hills water is toxic. Lastly, the last Metropolitan District proposed to supply water for a development in Franktown, the developer's proposed expense was no where near the correct or actual cost. Developers have a habit of proposing projects knowing it isn't Douglas Counties Planning Commission responsibility to ensure whether the criteria submitted is accurate. They simply do not have the manpower to do so or they would because it's the last thing the County needs is to have to take on expense that should have been the developers.

In numerous meetings before the Planning Commission as well as the County Commissioners the FCCII provided detailed facts as to why such a development in Franktown was and should again be denied. Over the years conditions in Franktown have not changed except for significant increase in expense to build a Metropolitan District, provide the teachers and class rooms for children, or build the roadways to accommodate additional traffic.

Please stop this project before it goes any further.

Thank you,

Robert and Virginia Regan
101593 Pine Valley Drive
Franktown, CO

DJ Beckwith

From: jackson action <arcticf72003@yahoo.com>
Sent: Thursday, June 12, 2025 12:06 PM
To: DJ Beckwith
Subject: SV 2025-005

Follow Up Flag: Follow up
Flag Status: Flagged

Couldn't be more against this. Aquifers are not infinite, you people need to stop before you screw up everyone's water supply.

[Sent from Yahoo Mail for iPhone](#)

DJ Beckwith

From: Adam Rosenberg <adamr60@hotmail.com>
Sent: Thursday, June 12, 2025 5:57 AM
To: DJ Beckwith
Subject: Sundown Oaks Metro District proposal

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Sir/Madam,

I would like to formally object to the proposed Sundown Oaks Metro district—with specific concern for the 2ac lots proposed in the plan. Maintaining low-density growth, with a minimum of 5ac lots, is in the best interest of long-term water supply for residents in Franktown.

As a long-time resident of Franktown and reliant on Upper Dawson water for my home and property, I have an acute concern for over-utilization of this finite resource.

Thank you for your consideration.

Adam

Adam Rosenberg, DVM
720-840-3243 M

DJ Beckwith

From: Theresa Derrick <tderrick2006@yahoo.com>
Sent: Wednesday, June 11, 2025 5:38 PM
To: DJ Beckwith
Subject: Sundown oaks

Follow Up Flag: Follow up
Flag Status: Flagged

Do not use upper Dawson water. There are too many houses on this aquifer. I oppose this subdivision because franktown is a rural community

[Yahoo Mail: Search, Organize, Conquer](#)

DJ Beckwith

From: Joe Call <frcall3rd@gmail.com>
Sent: Tuesday, June 10, 2025 9:34 AM
To: DJ Beckwith
Subject: Sun Oaks Metro District Project Number SV2025-005

Follow Up Flag: Follow up
Flag Status: Flagged

As residents of Douglas County and Franktown, my wife and I oppose the Sun Oaks Metro District Project. We are concerned about the effects on water and overdevelopment. We do not believe that lots smaller than five acres is in keeping with the Douglas County Master Plan for Franktown.

Sincerely,
Fred R. Call III
Commander, US Coast Guard, Ret.
5311 Fox Glen Ct, Franktown, CO 80116

DJ Beckwith

From: Diane Gray <DianeGrayCO@outlook.com>
Sent: Monday, June 9, 2025 4:10 PM
To: DJ Beckwith
Subject: Proposed project at E. Tanglewood Rd and Burning Tree Drive in Franktown.

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Madam/Sir,

I'm emailing you to express my concerns about the proposed project at E. Tanglewood Rd and Burning Tree Drive in Franktown. This project would have a direct impact on the quality of life that I have enjoyed in the rural area of Douglas County.

Thank you for considering my input, and I appreciate the work that you do to consider the community's interest

Regarding the proposed project at E Tanglewood and Burning Tree, I have several reservations.

Metropolitan Districts have a history of financial and other problems and are run by and for the benefit of the developers and not necessarily the residents. Metropolitan districts in Colorado, while intended to finance infrastructure, have faced challenges including escalating debt, conflicts of interest, and concerns about transparency and accountability. a big concern that I have is that the Metropolitan District may override the planning board and potentially be in violation of the current zoning rules of a minimum of five acres.

The project would increase traffic on Hwy 86 which is already seeing large traffic increases.

It would also further strain the limited resources of the upper Dawson. In addition school resources including teachers and classrooms are already strained with the growth in the area.

In summary, I urge you to reject the project and the establishment of a metropolitan district due to these significant concerns.

Thank you for considering my perspective

Diane Gray

**9694 Desert Paint Brush Ct
Parker CO 80134
303-646-7090**

Get [Outlook for iOS](#)

DJ Beckwith

From: Benjamin Larrabee <benlarrabee@gmail.com>
Sent: Monday, June 9, 2025 3:41 PM
To: DJ Beckwith
Subject: Sundown Oaks Metropolitan District

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Sir,

I'm emailing you in regards to this proposal to which I'm adamantly opposed. Metropolitan Districts have a history of financial and other problems and are run by and for the benefit of the developer not the residents. Metropolitan Districts in Colorado, while intended to finance infrastructure, have faced challenges including escalating debt, conflicts of interest, and concerns about transparency and accountability. The Metropolitan District would override the planning board and be in violation of the zoning rules for a minimum of five acres. The project would increase traffic on Hwy 86 and further strain the limited resources of the Upper Dawson aquifer.

For these reasons, I urge you to reject this project, particularly regarding the establishment of a metropolitan district.

Benjamin Larrabee

I lead people to true identity, through reckless love and contagious encouragement.

The state of our lives is a direct result of choosing to love.

DJ Beckwith

From: Roger Loeb <rog1loeb@gmail.com> on behalf of Roger Loeb <roger@martech.com>
Sent: Tuesday, June 10, 2025 1:35 PM
To: DJ Beckwith
Subject: RE: Sundown Oaks Metropolitan District, Project no. SV2025-005

Dear Mr. Beckwith,

I am writing to voice my strong opposition to the proposed Sundown Oaks Metropolitan District.

Metropolitan Districts shift all the risk and financial burden of subdivision development from the developer onto the future property owners. There are way too many sad stories of people being forced from their homes by excessive property taxes, and there are numerous Metropolitan Districts where the indebtedness far exceeds the value of all the real estate. Legislative attempts to "level the playing" field have been largely defused by well-paid lobbyists and generous campaign contributions.

This specific plan includes an lengthy list of services to be provided without explaining why or how. Providing TV service is ridiculous with the popularity of streaming, but Internet service, now critical, isn't mentioned. A fire department for 37 homes would be expensive to operate, and the area is well-served by Franktown Fire. I question the need for a sewer service in an area where septic systems are common. Without understanding the topology of the property, I cannot understand the need for storm drains. I won't bore you with further observations on this ridiculous service plan that probably cannot be provided within the stated maximum mil levy.

Separately, it's questionable whether Upper Dawson water is sufficient for this number of homes in the limited area. At the very least, the developer should be required to adhere to a minimum lot size of five acres.

I also question the location of such a development adjacent to properties where the dense woods are a key feature. It doesn't seem like the proposed development is consistent with the existing neighborhood.

Thank you for representing all the residents of Douglas County in this matter.

Rog

--

Roger Loeb
President & CEO
The MarTech Group, Inc.
4673 Moonshine Ridge Trail
Parker, CO 80134
(720) 244-8233
roger@martech.com

DJ Beckwith

From: Esther Long <anedlong@icloud.com>
Sent: Monday, June 9, 2025 11:23 AM
To: DJ Beckwith
Subject: Sundown Metropolitan District Project #SV2025-005

Follow Up Flag: Follow up
Flag Status: Flagged

Surely, you are kidding!!! What is wrong with keeping rural land in parts of Douglas County? Franktown doesn't need a metropolitan district. They have enough water problems with everyone being on five acres. Housing developments are already infringing along Parker Road which are going to cause horrible traffic problems. I live in The Hills of Bayou and we have a life- style we love and we want to keep it that way. I can't imagine a housing development in Franktown. Please build it someplace else.

Esther D. Long
4959 Bayou Hills Road
Parker, CO 80134

DJ Beckwith

From: Carol Schultz <carolbschultz@protonmail.com>
Sent: Monday, June 9, 2025 12:59 PM
To: DJ Beckwith
Subject: Sundown Oaks metro district

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Sir, I'm emailing you in regards to this proposal to which I'm adamantly opposed. Metropolitan districts in Colorado, while intended to finance infrastructure, have faced challenges including escalating debt, conflicts of interest, and concerns about transparency and accountability. It would override the planning board and be in violation of the zoning rules of a minimum of five acres. The project would increase traffic on Hwy 86 and further strain the limited resources of the upper Dawson. For these reasons, I urge you to reject this project particularly regarding the establishment of a metropolitan district.

I do want to point out that this is done for the developers and NOT the residents of the county. I'm sick to death of every new development saying there's plenty of water. This county is one of three in the state running out of water. And a plan by the moron commissioners to steal water from someplace else in CO is just an abomination. It's time to have them sign waivers that they will be the first to have their own water cut off when there's too little to go around.

I moved here over 20 years ago and can't even stand it anymore.

Carol B Schultz
Home: 303-805-7635
Cell: 303-917-5554

DJ Beckwith

From: kathy.sullivan@myyahoo.com
Sent: Tuesday, June 10, 2025 5:04 PM
To: DJ Beckwith
Subject: re: Sundown Oaks Metropolitan District, Project no. SV2025-005

Follow Up Flag: Follow up
Flag Status: Flagged

To Whom It May Concern,

I'm emailing you in regard to the Sundown Oaks Metropolitan District, Project no. SV2025-005 proposal to which I'm opposed. Metropolitan Districts have a history of financial and other problems and are run by and for the benefit of the developer not the residents.

Metropolitan districts in Colorado, while intended to finance infrastructure, have faced challenges including escalating debt, conflicts of interest, and concerns about transparency and accountability. It would override the planning board and be **in violation of the zoning rules of a minimum of five acres**. The project would increase traffic on Hwy 86 and further strain the limited resources of the upper Dawson aquifer. It also impedes on the rural way of life that those of us living in this area hold near and dear and why we have chosen to live in this area specifically.

For these reasons, I urge you to reject this project particularly regarding the establishment of a metropolitan district.

Kind regards,

Kathy Sullivan
4210 Bayou Hills Road
Parker, CO 80134
303-246-4052

DJ Beckwith

From: Flash5219 <flash5219@yahoo.com>
Sent: Monday, June 9, 2025 9:58 AM
To: DJ Beckwith
Subject: Sundown Oaks Metropolitan District, Project no. SV2025-005

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Sir,

I'm emailing you in regards to this proposal to which I'm adamantly opposed. Metropolitan Districts have a history of financial and other problems and are run by and for the benefit of the developer not the residents. **Metropolitan districts in Colorado, while intended to finance infrastructure, have faced challenges including** escalating debt, conflicts of interest, and concerns about transparency and accountability. It would override the planning board and be in violation of the zoning rules of a minimum of five acres. The project would increase traffic on Hwy 86 and further strain the limited resources of the upper Dawson.

For these reasons, I urge you to reject this project particularly regarding the establishment of a metropolitan district.

Sincerely, William Davenport



Audit raises questions about financial health of
Colorado metro districts
coloradonewsline.com

DJ Beckwith

From: Skip Johnson <skip.johnson@live.com>
Sent: Monday, June 9, 2025 9:59 AM
To: DJ Beckwith
Subject: Sundown Oaks Metropolitan District

Follow Up Flag: Follow up
Flag Status: Flagged

I am a long term resident in Franktown. Actually a third generation native as well. I am writing to you in opposition of the proposed Metropolitan district. Please do not proceed with this inappropriate development.

Lloyd W Johnson (Skip)

DJ Beckwith

From: cokeiths@aol.com
Sent: Monday, June 9, 2025 9:17 AM
To: DJ Beckwith
Subject: Sundown Oaks Metro District

Follow Up Flag: Follow up
Flag Status: Flagged

To: Douglas County Principal Planner and Planning Group

DJ -

Our family moved to DougCo in 1996. We chose the area because a comprehensive comparison of all ratings and attributes pushed it to the top of the greater Denver area. We've lived in the South Pinery, East Parker, owned on Hilltop and are now in Franktown (Bannockburn). We are jealous of the Franktown development concepts and wish to keep the large tract limits in place. The minimum five-acre parcel concept is THE MOST IMPORTANT factor in property values.

We understand that Sunset Oaks is a proposed development that may have smaller lot sizes. The idea of a Metropolitan District is also troubling, as it brings uncertainty to local governance and compliance and may be independent and therefore not beholden to our local development statutes.

I urge you to keep Franktown "rural." Please ensure developers maintain the 5-acre minimum and keep our local jurisdiction format - no Metropolitan Districts, please.

Thank you for your consideration and thank you to you and your group for keeping the "feel" of our corner of DougCo (large lots). We LOVE our Franktown Rural Community!

Very respectfully,
Walt and Jenny Keith
2351 Frontier Ln
[303.726.5433](tel:303.726.5433)

DJ Beckwith

From: GENE R TAYLOR <porkyboy40@aol.com>
Sent: Monday, June 9, 2025 10:17 AM
To: DJ Beckwith
Subject: Franktown Metropolitan District

Follow Up Flag: Follow up
Flag Status: Flagged

We are totally opposed to this proposal. Gene and Sharron Taylor Sent from my iPhone

DJ Beckwith

From: Tamara Thiess <tamarathiess@gmail.com>
Sent: Monday, June 9, 2025 10:52 AM
To: DJ Beckwith
Subject: Against: Sundown Oaks Metropolitan District, Project no. SV2025-005

Follow Up Flag: Follow up
Flag Status: Flagged

Hello!

We live at 8480 Burning Tree Trail, Franktown, CO 80116. We strongly oppose the [Sundown Oaks Metropolitan District, Project no. SV2025-005](#). This proposal for a Metro District is a bad idea. I'm a Realtor and I have seen the financial problems that these Metro Districts cause for both sellers and buyers along with the difficulty that sellers have selling their homes simply because they are in a Metro District.

Also, this proposal to use the Upper Dawson water and using water from the Laramie Fox Hills

Aquifer to augment that use of the Upper Dawson is a very poor plan. The Laramie Fox Hills water is toxic! Please do not let this happen!

--

Tamara Thiess

REALTOR®, SRES®, RENE, NAR, CAR

M: 720-318-7146 - feel free to text me!

Keller Williams Real Estate, LLC

Security Warning: I will never send wiring instructions via email.

Before you wire money, call me!

DJ Beckwith

From: Ray Deichsel <rldeichsel@gmail.com>
Sent: Sunday, June 8, 2025 2:02 PM
To: DJ Beckwith
Subject: Sundown Oaks Metropolitan District Project number SV2025-005

Follow Up Flag: Follow up
Flag Status: Flagged

We are totally against the above project. This project will have a devastating effect on Franktown. It will ruin the Quality of life, drain our water source (aquifer), destroy the water quality by mixing the Laramie Fox Hills Aquifer with the Upper Dawson and other negative issues plus putting in place a Metropolitan District, which will have far reaching financial and other issues for the county and the folks who call Douglas County their home.

Please don't go down this road. Please vote against this albatross.

Ray and Liz Deichsel, Franktown residents.

DJ Beckwith

From: Lynda Dirkse <lynda.dirkse@gmail.com>
Sent: Sunday, June 8, 2025 12:32 PM
To: DJ Beckwith
Subject: Sundown Oaks proposal

Follow Up Flag: Follow up
Flag Status: Flagged

We are long time residents who appreciate the master plan that preserved open areas and rural development in Douglas County. This proposed development is not in keeping with that plan or any existing developments that preserve the rural nature we have and enjoy. Please do not allow this high density development that also puts our wells at risk. Douglas County is known as one of the best counties in the nation but that will not be the case when we allow it to become just another metropolitan area with all the problems that will bring.

Lynda and David Dirkse

From: Comcast <james_goar@comcast.net>
Sent: Sunday, June 8, 2025 9:10 PM
To: DJ Beckwith
Subject: Opposition to the Formation of a Metropolitan District in Franktown

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Commissioners,

As a **Colorado native** and a **new resident of Franktown**, I am writing to express my strong opposition to the formation of the **Sundown Oaks Metropolitan District**. I moved to Franktown because it represents something rare and deeply meaningful: open land, quiet skies, a deep connection to nature, and a community governed by County Rule—where residents, not developers, shape the future.

This place still feels like Colorado. It feels like what much of the Front Range has lost. And I fear that with the approval of this metropolitan district, we stand to lose it here too.

Our Water Supply Is Not Built for This

Franktown relies on ancient aquifers for its water—closed systems that recharge extremely slowly. With no access to large-scale renewable surface water sources, increased development like that proposed under the Sundown Oaks Metropolitan District would dramatically strain our already fragile water supply.

The wells that sustain families, livestock, and native vegetation cannot support the added demand that dense development brings. Over-pumping would lead to long-term depletion that can't be undone. Water scarcity is not a hypothetical problem here—it is a very real and growing threat.

Open Spaces Are Part of Our Identity and Our Ecosystem

One of the primary reasons I chose Franktown is for its wide open spaces. These are not just pretty views—they are living, breathing ecosystems. They provide habitat for deer, foxes, hawks, pollinators, and countless other species. They also serve as buffers for stormwater, help recharge aquifers, and offer protection against wildfires and erosion.

Development under the Sundown Oaks Metropolitan District would carve up these spaces irreversibly, breaking natural corridors and damaging the ecological balance of the area. The land here is fragile, and once it is disturbed, the damage is permanent.

Light Pollution Will Diminish Wildlife and Our Quality of Life

Franktown's dark skies are one of its quiet gifts. They connect us to the natural world—and to the night. But artificial lighting from roads, buildings, and increased traffic associated with metropolitan districts like Sundown Oaks will pollute that darkness.

This will disrupt migratory patterns, reproduction cycles, and feeding behavior in birds, insects, and mammals. It will also affect human residents—reducing sleep quality, increasing stress, and taking away one of the last places in this region where you can look up and truly see the stars.

Fragmented Land Brings Public Health and Disease Risk

Development that cuts into natural habitats brings unintended consequences—like an increase in ticks, mosquitoes, and the diseases they carry. When animals are pushed into smaller spaces and into closer contact with people, the risk of

zoonotic disease transmission grows. This has been seen in other rapidly suburbanized areas and should not be ignored here.

We Moved Here for County Rule and Self-Determination

One of the defining reasons I chose Franktown over other places was County Rule. I wanted to live in a place where community values come before unchecked growth—where people choose to protect land and water instead of paving it over. A metropolitan district like Sundown Oaks goes directly against that.

It shifts control away from residents and toward developers. It opens the door to dense, unsustainable expansion that will fundamentally alter the soul of this town. That's not what we moved here for.

In Closing

I came to Franktown for the land, the peace, and the values it represents. I'm proud to be a new member of this community, and I feel a deep responsibility to help protect it.

Please do not approve the Sundown Oaks Metropolitan District. It would irreversibly damage the water, land, wildlife, and character of this unique part of Colorado. Franktown deserves better. It deserves to remain what it is—a place where the land still comes first.

Thank you for your time and for hearing the voices of those who love this place.

Sincerely,

Ashley Goar and the Goar household

Residents of Franktown and

Native Coloradan

Sent from my iPhone

DJ Beckwith

From: Hugh Kingery <ouzels8@aol.com>
Sent: Sunday, June 8, 2025 4:00 PM
To: DJ Beckwith
Subject: Sundown Oaks Metro District

Follow Up Flag: Follow up
Flag Status: Flagged

I object to this expansive proposal.

It fails to follow our existing standards of lot size. It will gobble up more of our water, and apparently tap a toxic water source.

Hugh Kingery

DJ Beckwith

From: Kathi Maddox <kathi.maddox@outlook.com>
Sent: Monday, June 9, 2025 8:12 AM
To: DJ Beckwith
Subject: Franktown development

Follow Up Flag: Follow up
Flag Status: Flagged

Please do not let this large development happen in Franktown that supercedes 5 acre housing. We are already way overrun by water supply and traffic---concerned homeowner in bayou hills---kathi maddox 4715 bayou hills rd parker co. 303 489-2348 -thank you for this consideration.

DJ Beckwith

From: Dorothy Nelson <dorodon@att.net>
Sent: Sunday, June 8, 2025 7:54 AM
To: DJ Beckwith
Subject: Metropolitan District development in Franktown, Colorado

Follow Up Flag: Follow up
Flag Status: Flagged

To whom it may concern,

As a long time resident of Franktown, I am OPPOSED to this Metropolitan Development !
As an older citizen, I am distressed over the continual disruption of our lives and our state.
PLEASE, do not allow this to happen!
Thank you,
Dorothy Nelson
Sent from my iPhone

DJ Beckwith

From: William Paxton <willpaxton@hotmail.com>
Sent: Sunday, June 8, 2025 8:23 AM
To: DJ Beckwith
Subject: TOTALLY OPPOSE : Sundown Oaks Metropolitan District, Project no. SV2025-005

Follow Up Flag: Follow up
Flag Status: Flagged

Please accept this email as our opposition to the Sundown Oaks development.

This rampant rubber stamping of these developments must stop. The water will never support this and it's totally irresponsible for you to allow it to happen.

Not only this but being a Metro District will subject all the property owners to a never-ending financial obligation (most buyers will NEVER know about it until it's too late) they will never be able to get out from under.

All this does is make the developers rich on the backs for future homeowners.

DO THE RIGHT THING AND STOP THIS NOW!!!!

W.P.

DJ Beckwith

From: David Price <dkp1960@gmail.com>
Sent: Sunday, June 8, 2025 8:21 AM
To: DJ Beckwith
Subject: Sundown Oaks Metropolitan District

Follow Up Flag: Follow up
Flag Status: Flagged

Mr. Beckwith,

I am contacting you in strong opposition to the proposed development called Sundown Oaks Metropolitan District, Project no. SV2025-005 This is a large development with a Metropolitan District and lots which will not all be 5 acres per residence as required in Franktown area zoning.

A large METROPOLITAN DISTRICT in the middle of Franktown goes completely against the protected rural character of the city! Metropolitan Districts are causing financial and other problems throughout the state!

This development also proposes using Upper Dawson water and using water from the Laramie Fox Hills aquifer to augment that use of the Upper Dawson. Laramie Fox Hills water is toxic and the Upper Dawson is being drained at an alarming rate.

There are many other problem/issues with this development.

Please protect the quality of life of your Franktown constituents by ensuring this development does not come to fruition.

Thank you for your careful consideration of this matter.

David Price
2290 Deerpath Road
Franktown, CO 80116

DJ Beckwith

From: justwrite123 <justwrite123@aol.com>
Sent: Sunday, June 8, 2025 8:18 AM
To: DJ Beckwith
Subject: Sundown Oaks Metropolitan District, Project no. SV2025-005

Follow Up Flag: Follow up
Flag Status: Flagged

Mr. Beck with,

I am contacting you in strong opposition to the proposed development called [Sundown Oaks Metropolitan District, Project no. SV2025-005](#) This is a large development with a Metropolitan District and lots which ***will not all be 5 acres per residence*** as required in Franktown area zoning.

A large METROPOLITAN DISTRICT in the middle of Franktown goes completely against the protected rural character of the city! Metropolitan Districts are causing financial and other problems throughout the state!

This development also proposes using Upper Dawson water and using water from the Laramie Fox Hills aquifer to augment that use of the Upper Dawson. Laramie Fox Hills water is toxic and the Upper Dawson is being drained at an alarming rate.

There are many other problem/issues with this development.

Please protect the quality of life of your Franktown constituents by ensuring this development does not come to fruition.

Thank you for your careful consideration of this matter.

Julie Price
2290 Deerpath Road
Franktown, CO 80116

Sent from my T-Mobile 5G Device

TO: Dbeckwith@douglas.co.us

RE: Sundown Oak Metropolitan District

<https://apps.douglas.co.us/planning/projects/Default.aspx?PossePresentation=SpecialDistrictServicePlanJob&PosseObjectId=98354579>

FROM: David Tomsick

9379 Tanglewood Road

Franktown, CO 80116

dtomsick@communiquemarketing.com

I am writing to oppose the **Sundown Oak Metropolitan District**.

I live at 9379 East Tanglewood Road in eyeshot of the proposed district. Let me say, I have no opposition to the proposed area being divided up, as long as each lot meets the minimum 5 acre requirements for the area.

Here are my reasons for opposing this proposed district:

1. Proposed lots are under 5 acres. The Bannockburn area was developed in the **1980s**. The property sites in Bannockburn range in size from 5-10 acres and many of them feature equestrian facilities such as barns, outbuildings, horse fencing, and corrals. The characteristics of this community in which I and my neighbors should not be changed as described in this proposal.
2. According to the proposal, "The purpose of the District is to **provide public improvements and services** for the benefit of all anticipated inhabitants and taxpayers of the District, either within or **without its boundaries...**"

I strongly oppose changing anything outside this proposed area, especially allowing this proposed district control over any previously built communities in the area.

3. According to the proposal, "It is anticipated that the District's **boundaries may change from time to time as it undergoes inclusions and exclusions pursuant...**"

Does that mean that neighbors in the area are at risk of being absorbed by the district and being required to pay the districts fees, taxes and possibly debt? See the article below on the Meadows District in Castle Rock.

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4. According to the proposal, "To have and exercise the power of eminent domain, but only as necessary to construct, install, access, relocate or redevelop the public improvements identified in this Service Plan in the locations shown in Exhibit.

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The power of eminent domain scares me. Who decides? The developer? How can a developer or a newly created "District" be given so much power as to affect citizens who have lived in homes that were built decades before?

5. The owner of this property has continually proposed questionable development for this property over the past 10 years in which he has put forth plans with little regard for his neighbors.
6. Here's the best reason for not allowing the development is this article: I have yellow highlighted the key points, the most important being... A metropolitan district empowers developers. *It's like a lifetime annuity that pays out, guaranteed by the most secure source of revenue you can imagine -- taxes:*

The largest neighborhood of this Colorado city is \$434M in debt. Neighbors are now seeking board control.

Olivia Young, Updated on: February 28, 2025 / 1:49 PM MST / CBS Colorado

It's Castle Rock's largest neighborhood. But many of its residents likely don't know they're paying more than some neighboring communities in taxes. The Meadows is a master-planned community located south of U.S. 85 and west of Interstate 25 in Castle Rock.

A CBS News Colorado investigation is taking a closer look at the community's metro districts and the bond debt that homeowners' taxes are paying.

If you've checked your mailbox recently, you may have found your property tax bill. If you live in The Meadows, you'll see how much you paid your metro district. But where is that money going?

"I've been looking into it for about five years," said Jim Garcia, Meadow's resident, and real estate agent. Garcia started digging and learned his community was hundreds of millions of dollars in debt to pay off roads built decades ago. "The numbers just didn't add up," Garcia said.

According to the Meadows metro districts, they issued \$70 million in bonds in 1989 to finance roads and infrastructure in the community. That debt was to be paid by neighbors to the developer through property taxes.

In 1993, the bonds were restructured when a new developer took over and capped the property tax rate at 35 mills. **"It should have been paid off years ago, and now we have years to go to pay it off," Garcia said.**

In 2023, the Districts collected nearly \$14 million from homeowners in property taxes, plus over \$1 million in car registrations. But despite that revenue, the debt increased by more than \$20 million that year.

"So where is all the money going that these residents have been paying for decades?" CBS Colorado's Olivia Young asked John Henderson.

"I believe it's all going to the developers. It's like a lifetime annuity that pays out, guaranteed by the most secure source of revenue you can imagine -- taxes," Henderson responded.

Henderson helped found Coloradans for Metro District Reform. He says The Meadows is the **"poster child" for metro district abuses.**

"They can't begin to meet the interest payments that are due. So, under the bond **agreement that the developers wrote for themselves**, the residents can't pay the interest that's due that year, so the unpaid interest continues to be due, plus interest," said Henderson. "It's structured so that the residents will never, ever be able to pay it off. And so, the debt is everlasting."

Henderson has spent years advocating for legislation to reform metro districts and increase oversight. **"There's no check and balance at the state level. There's no check and balance at the city/county level,"** said Henderson.

He says a bill, HB25-1079, recently passed the committee in the Colorado General Assembly that would give the Independent Ethics Commission jurisdiction to hear complaints related to special district officials or employees. Henderson says previous attempts to pass state laws like this have been "buried" in the appropriations committee.

The Meadows is split into **seven different metro districts that all share the debt.** Each one has its own board. District 4 is the master district, while District 1 is the only one that is controlled by residents.

The same [board] names appear over and over again on Boards 2-7, all tied to the parent company of the current developer. Meeting records indicate the board meets at the development company's offices.

"What recourse do residents in The Meadows have at this point?" CBS Colorado's Olivia Young asked Henderson.

Please do not allow this developer to do the same. Remember, he has not had the interest of his neighbors when proposing development in the past.