

Service Plan Staff Report

Date: September 11, 2025
To: Douglas County Planning Commission
From: 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:	September 2, 2025 @ 1:30 p.m.
Board of County Commissioners Hearing:	September 9, 2025 @ 2:30 p.m.
Planning Commission Meeting:	September 22, 2025 @ 6:00 p.m.
Board of County Commissioners Hearing:	September 23, 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).

At a public meeting on August 4, 2025, the Planning Commission (PC) recommended denial of the service plan application by a vote of 6-2 citing approval criteria related to financial viability, compliance with the CMP, need for the District, and if a District is in best interest of the area to be served.

At the September 9, 2025, public hearing, the Board of Commissioners (Board) requested that the PC reconsider this item at its September 22, 2025 meeting based on new information provided by the applicant. A recommendation from the PC will be provided to the Board at the September 23, 2025, public hearing.

II. ADDITIONAL INFORMATION

The applicant provided a letter dated September 10, 2025, that provides an overview of how concerns raised at the August 4, 2025, PC meeting were addressed in the service plan and in the presentation to the Board at its September 9, 2025, public hearing. The information addresses the following:

- A lower debt limit in response to comments made regarding financial viability.
- Clarification that no other entities are willing or capable of providing the services requested at this time.
- Concerns regarding compliance with Comprehensive Master Plan based on the currently allowed land use.
- Information regarding the sufficiency of water supply and the need for infrastructure improvements.
- An explanation as to why the applicant is requesting the formation of a District rather than utilizing a homeowner's association.
- A discussion as to how the assessment of the approval criteria pertains to the property within the District's boundaries.

III. 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 Board 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.

IV. 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 in the proposed District is consistent with a density identified within the CMP, based on the standards of the Sundown and Oak Bluff Preliminary Plans. 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.

V. STAFF ASSESSMENT

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

ATTACHMENTS	PAGE
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NICOLE PEYKOV
DIRECT DIAL: 303-839-3715
npeykov@spencerfane.com

September 10, 2025

VIA E-MAIL

Douglas County Department of Community Development
Attn: Kati Carter
100 Third Street
Castle Rock, Colorado 80104
kcarter@douglas.co.us

Re: (Proposed) Sundown Oaks Metropolitan District: Revisions and Clarifications to Service Plan

Dear Ms. Carter:

On behalf of Northstar Custom Homes, this office previously submitted the Service Plan for the (Proposed) Sundown Oaks Metropolitan District (the “District”). The Planning Commission recommended denial of the Service Plan for the District on a 6-2 vote at a public hearing on August 8, 2025. Following input and discussion with the Planning Commission at the public hearing, we revised the Service Plan and included additional clarifications in our presentation to the Douglas County Board of County Commissioners (the “BOCC”) that occurred on September 9, 2025. Several of the clarifications we made were to address the concerns members of the public raised at the Planning Commission hearing. Following our presentation, the BOCC remanded our request to the Planning Commission to provide the Planning Commission the opportunity to revisit the revised Service Plan and to hear the clarifications. A summary of the revision and clarifications are set forth below.

First, to address concerns regarding the financial feasibility of the District, we revised the Service Plan to decrease the authorized debt limit from \$10,000,000 to \$6,000,000. Although the public improvement cost estimates are approximately \$9,000,000, given the bond modeling with today’s assumptions, it will be difficult for the District to issue enough bonds to cover all the costs. With that in mind, we believe it is prudent to lower the debt limit to an amount the District can more realistically issue in the future while keeping in mind the possibility of interest rates decreasing and the average home price increasing.

Second, as part of our presentation to the BOCC, we made the following clarifications:

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1. Franktown Fire Protection District is the only special district that serves this property and is unwilling to finance or provide the fire protection improvements needed for the project.
2. One of the concerns raised at the Planning Commission hearing was whether the proposal is in substantial compliance with the County's Comprehensive Master Plan. The land is already zoned Rural Residential, and the County has approved Preliminary Plans for the property. The density of the District is consistent with one dwelling unit per five acres based on the standards of the approved Preliminary Plans. The number of lots and lot sizes will preserve Franktown's rural character, and the District's maintenance of the fifty percent open space throughout the project will preserve the wildlife and existing vegetation.
3. Another concern that was raised at the Planning Commission hearing was the sufficiency of the water rights. The County has already established that the water rights for the project are sufficient. The project demand is 40.1 acre/feet and the total available consists of 52.3 acre/feet in the Upper Dawson Aquifer plus an additional 219.4 acre/feet in the Lower Dawson Aquifer, the Denver Aquifer, the Arapahoe Aquifer, and the Laramie-Fox Hills Aquifer.
4. The cost estimates for the public improvements were generated from actual bids the applicant received for each portion of the project. Additionally, the Highway 86 Turn Lane Improvements bid was \$2,200,000, which is a significant and unique cost the County is requiring the applicant to bear. Although we did not mention it at the BOCC hearing, we would like to clarify that the public improvement cost estimates **do not** include a construction management fee, as the applicant does not intend to charge such a fee.
5. Detention ponds will be built to facilitate the drainage for the property.
6. The District will replace the role of a homeowners association for the project and will maintain the open space, stormwater facilities, and trails and provide snow removal, covenant enforcement, and design review services.
 - a. Concerns were raised at the Planning Commission hearing about the need to form another governmental entity for these proposed homes. We clarified that the District can provide these services at a lower cost than an HOA.
 - i. We provided an example of the fee a nearby HOA charges **(\$195/month)** compared to the property taxes a homeowner in this District would pay from the District's operations and maintenance mill

levy. We stated that, as provided in the Service Plan, the District anticipates imposing only 10 mills for operations and maintenance. If the District imposes 10 mills, the cost will be **\$115/month** to the homeowner, and if the District imposes the maximum 20 mills, the cost will be **\$229/month**.

- ii. We provided the following detailed explanation as to why a metropolitan district can function more efficiently and at a lower cost than a homeowners association:

Lower Cost of Operations – Metropolitan districts are tax-exempt and can acquire and install materials without the added cost of excise or sales taxes. They also pay no ad valorem taxes for their facilities and property.

→**Not available for HOAs.**

Lower Cost of Insurance – Metropolitan districts, like the County, enjoy the protections of the Colorado Governmental Immunity Act, and thus the cost of acquiring insurance that must be maintained to protect the homeowners from liability is greatly reduced.

→**Not available for HOAs.**

Lower Cost of Borrowing – Metropolitan districts can finance public improvements at tax exempt rates that are far lower than those that might be obtained by private borrowings.

→**Not available for HOAs.**

Transparency and Accountability – Metropolitan districts are subject to several transparency and disclosure requirements under State law and the County's Special District Policy. Metropolitan district board members are also subject to regular elections, with additional disclosure requirements.

→**Not required for HOAs.**

7. To further address the financial feasibility concern, we clarified that the District will likely issue the bonds after the homes are built, which will provide certainty of the value of the property within the District and the District's ability to repay the bonds.
8. Finally, we clarified that the final criteria the BOCC may consider when determining whether to approve the Service Plan pertains to property within the District's boundaries, not nearby properties. The protection for nearby properties comes from the fact that the proposal substantially complies with the County's Comprehensive Master Plan. Additionally, to develop the land as proposed in the Preliminary Plans, the proposed improvements are needed. There are no other governmental entities in

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the area, including the County, that will construct these improvements, and the applicant has determined that the public financing tools that would be available to the District are needed to complete the project. The use of public financing tools, like tax-exempt bonds, will allow for the costs of the improvements to be spread over time, which will lower the price of the home to the homebuyer. Further, because a metropolitan district is needed to provide access to public financing tools, the applicant desires to take advantage of the efficiencies a metropolitan district provides from an operations and maintenance standpoint and use the District to perform functions that would otherwise be done by an HOA but at a lower cost.

We look forward to the opportunity to present our proposal to the Planning Commission. Please do not hesitate to contact this office if you have any questions or need anything further.

Best regards,

SPENCER FANE LLP

/s/ Nicole Peykov
Nicole Peykov

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: stevenengage71@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 Six Million Dollars (\$6,000,000.00). 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.

Service Plan for Sundown Oaks Metropolitan District

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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 Six Million Dollars (\$6,000,000), 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.

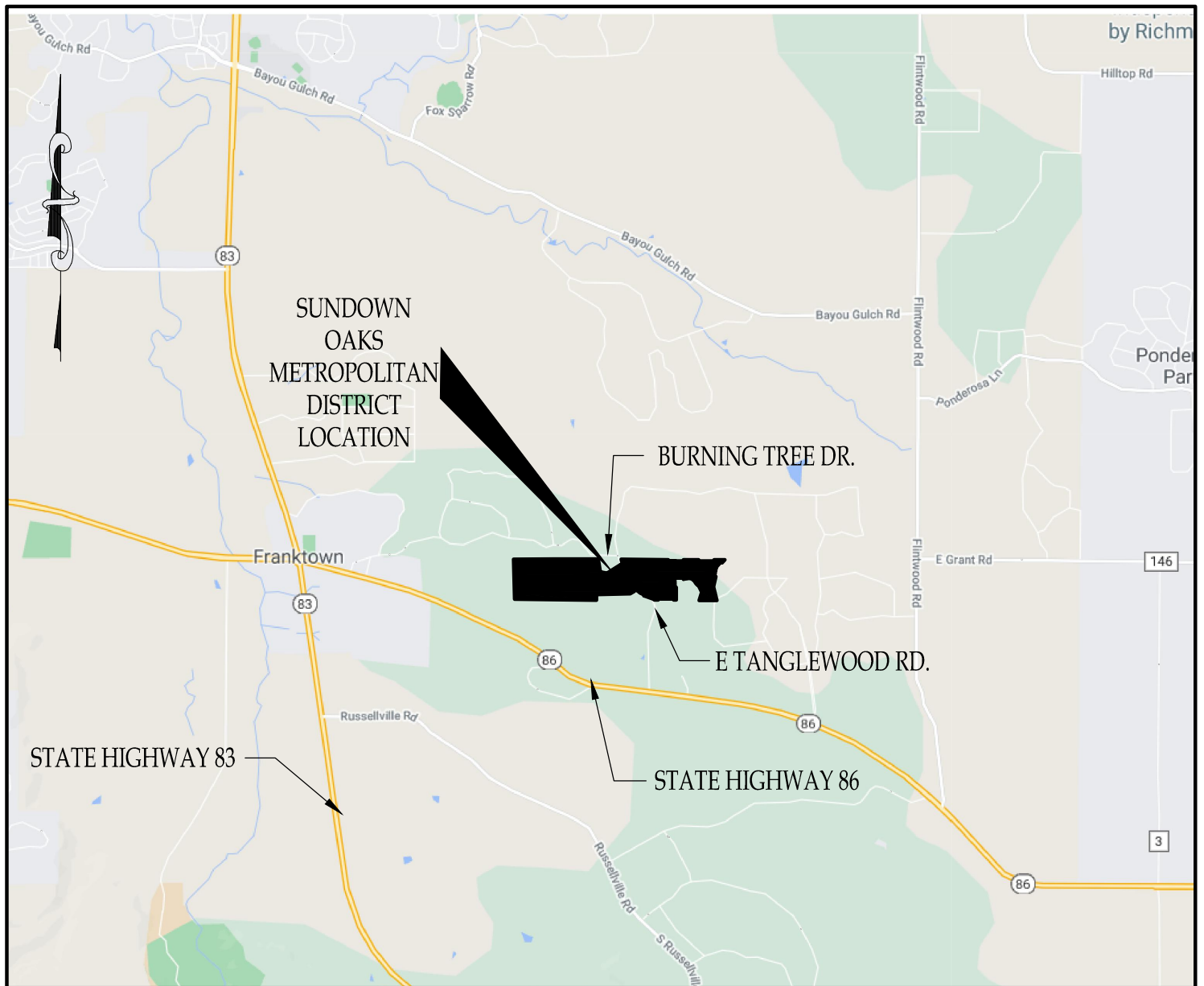
9. The creation of the District will be in the best interests of the area to be served.

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.

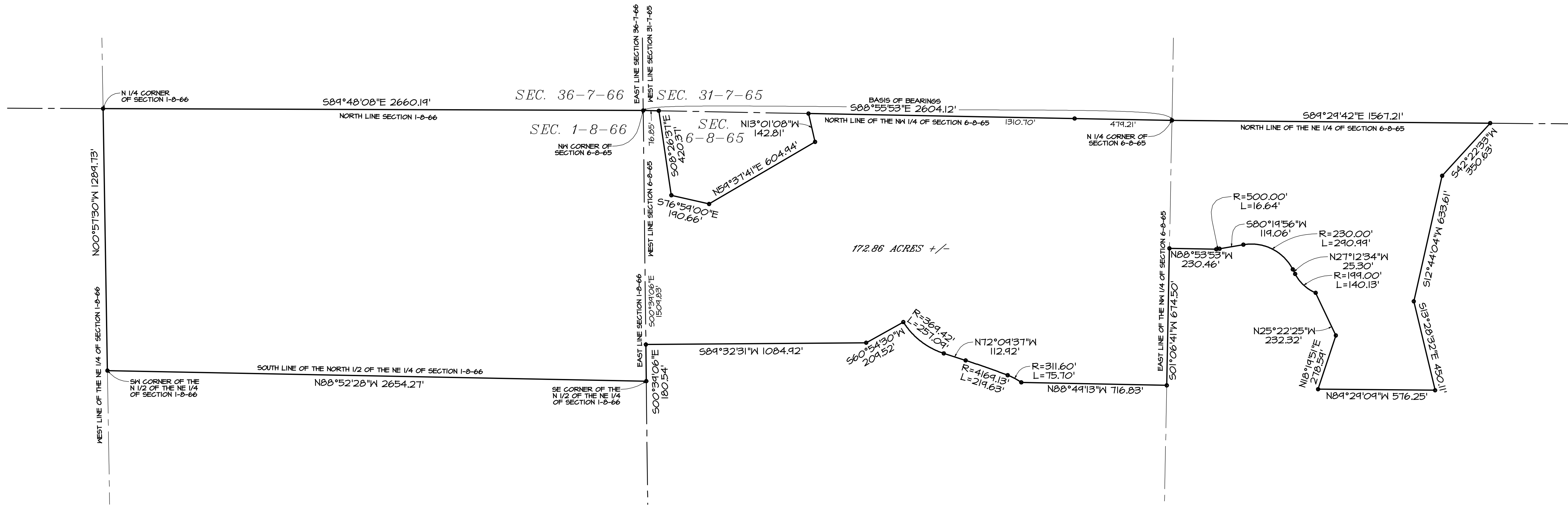
Containing a total of 172.86 acres, more or less.

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

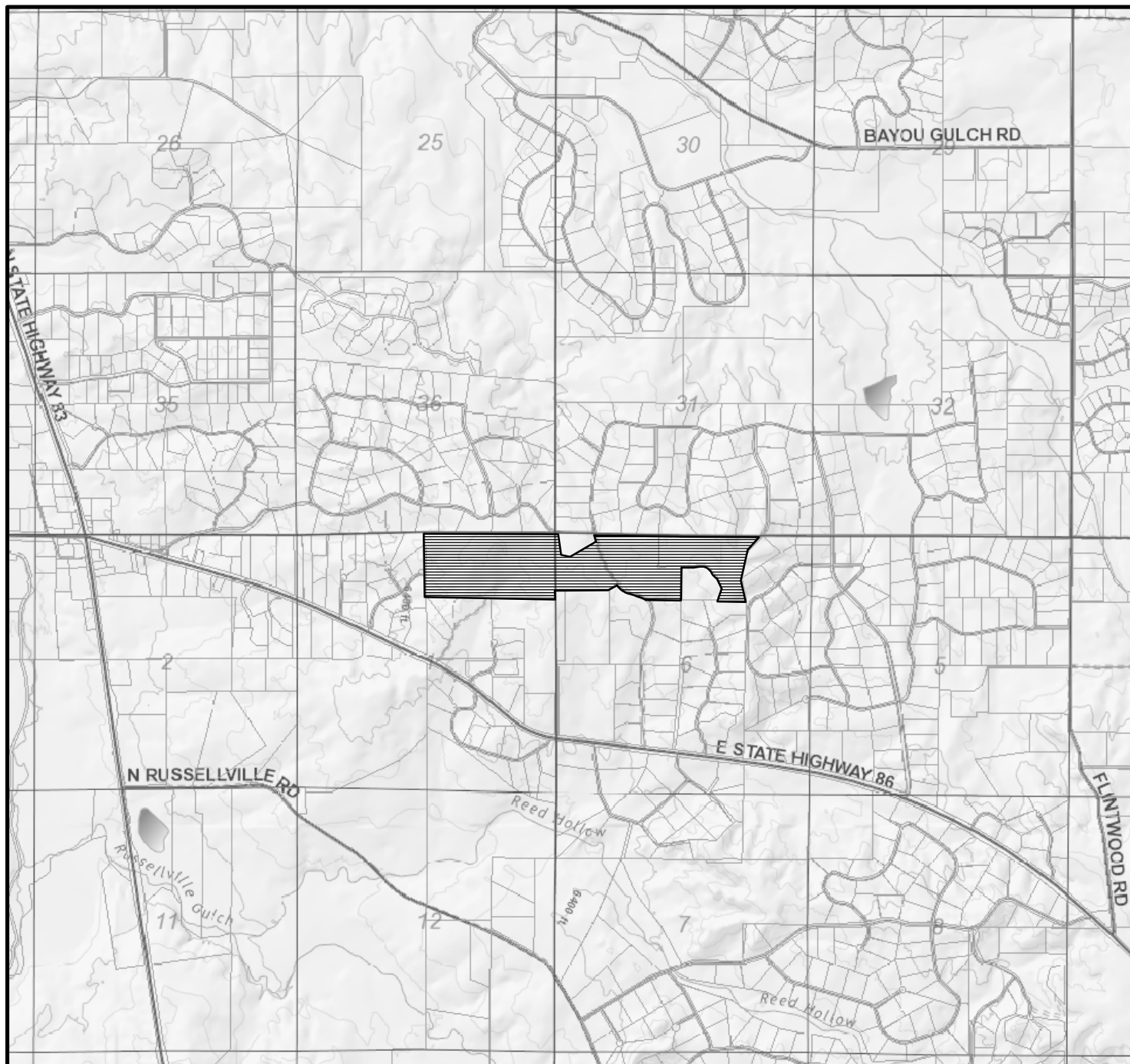
SUNDOWN OAKS METRO DISTRICT BOUNDARY
In Section 1, Township 8 South, Range 66 West, and
In Section 6, Township 8 South, Range 65 West,
6th P.M., Douglas County, Colorado



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.

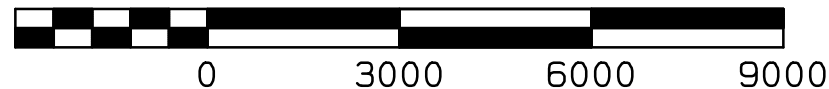
Containing a total of 172.86 acres, more or less. This description was prepared under the direct supervision of Johnny Calvin Hicks, PLS36570 for and on behalf of David E. Archer and associates, Inc.



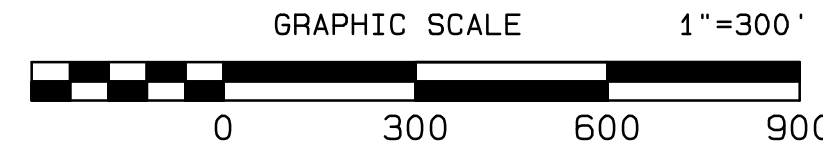
VICINITY MAP

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.

Wed Aug 25 06:35:50 2021
G:\Drawings\2021\1638\Sundown Oaks Metro District Boundary.dgn

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 In Sec. 1, Township 8 South, Range 66 West, and In Sec. 6, Township 8 South, Range 65 West, 6th P.M., Douglas County, Colorado.
		DRN NDS	SHEET Sundown Oaks Metro District
		APVD.	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		

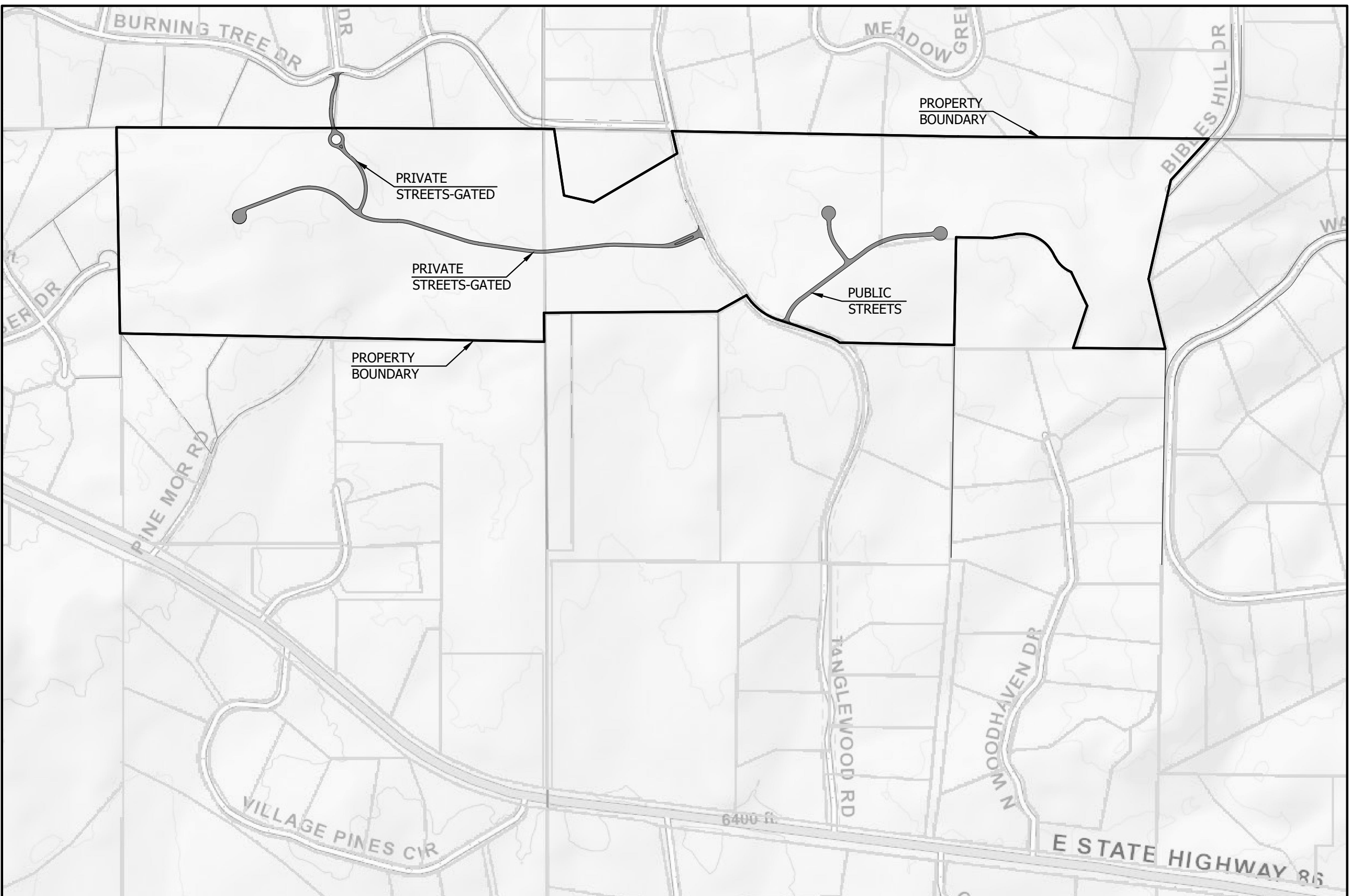
Temporary driveway protections

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

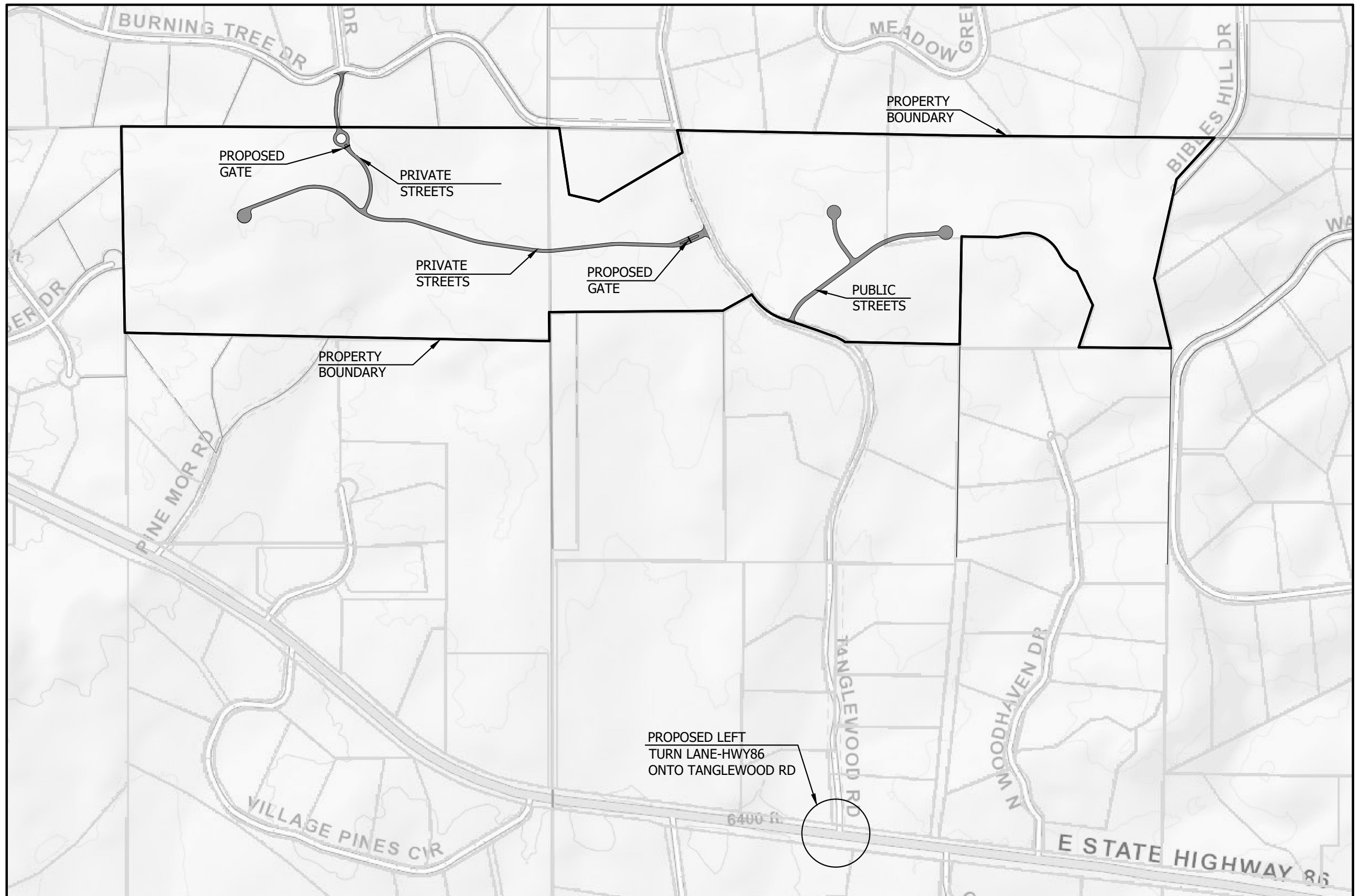
Service Plan for Sundown Oaks Metropolitan District

SCALE:
1" = 600'




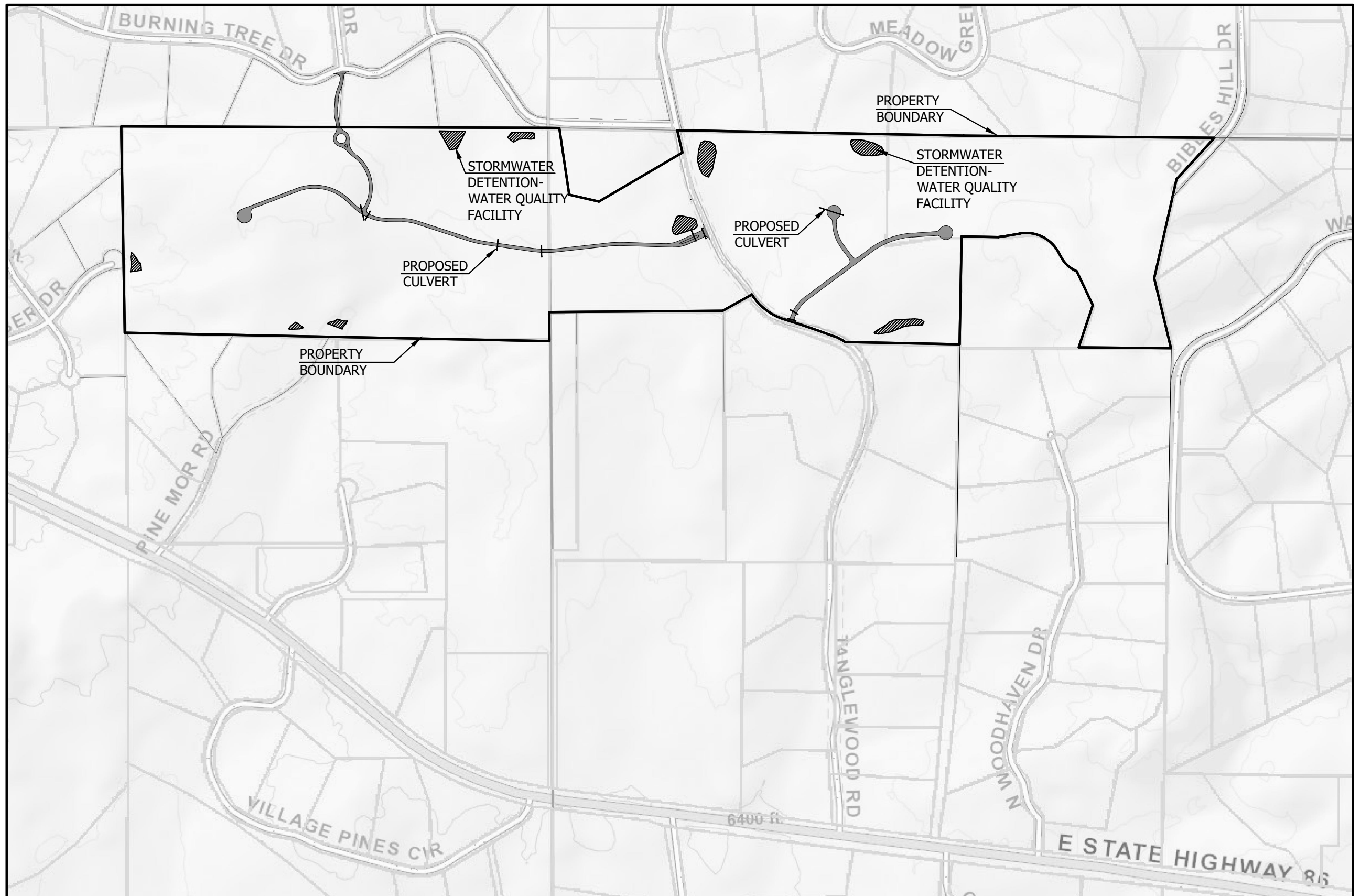
SERVICE PLAN EXHIBIT - STREETS


 SCALE:
 1" = 600'



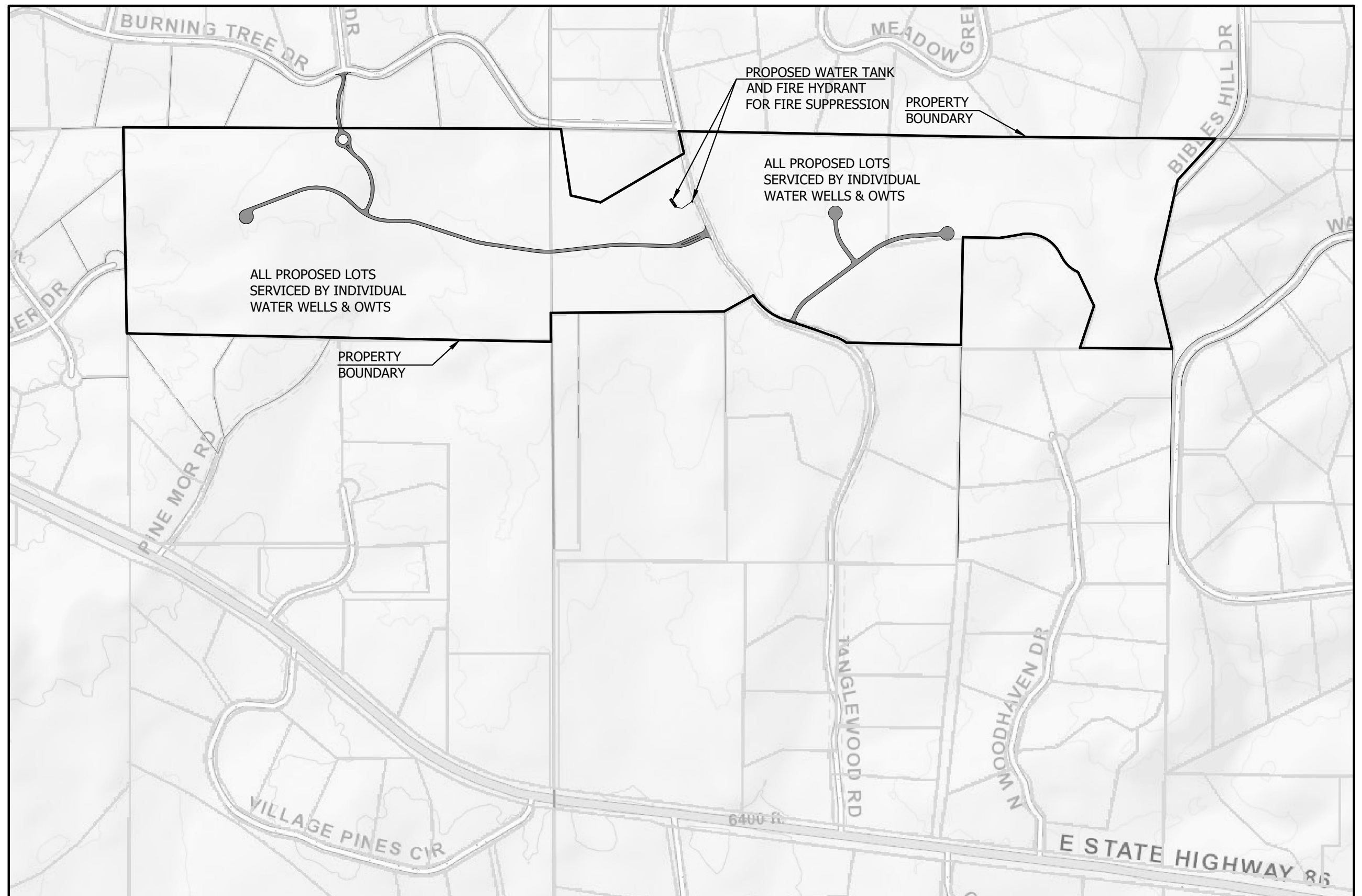
SERVICE PLAN EXHIBIT - TRAFFIC


 SCALE:
 1" = 600'




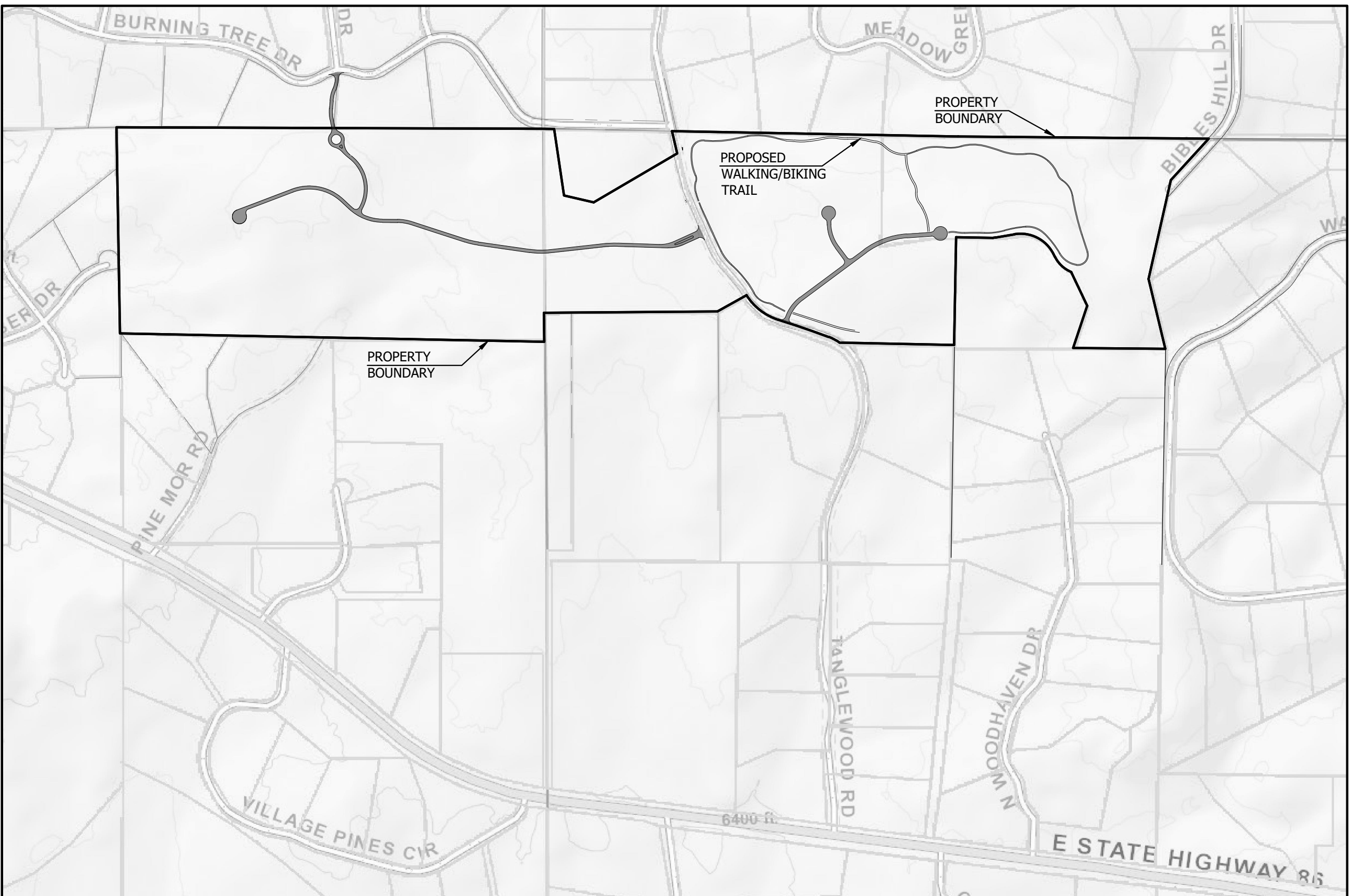
SERVICE PLAN EXHIBIT - DRAINAGE

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	-	-	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										
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	5,859,960
Additions										
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 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%	-
100%	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
CAP I	-	(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
CAP I	-	(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.

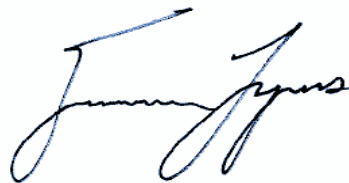
Date: October 5, 2022



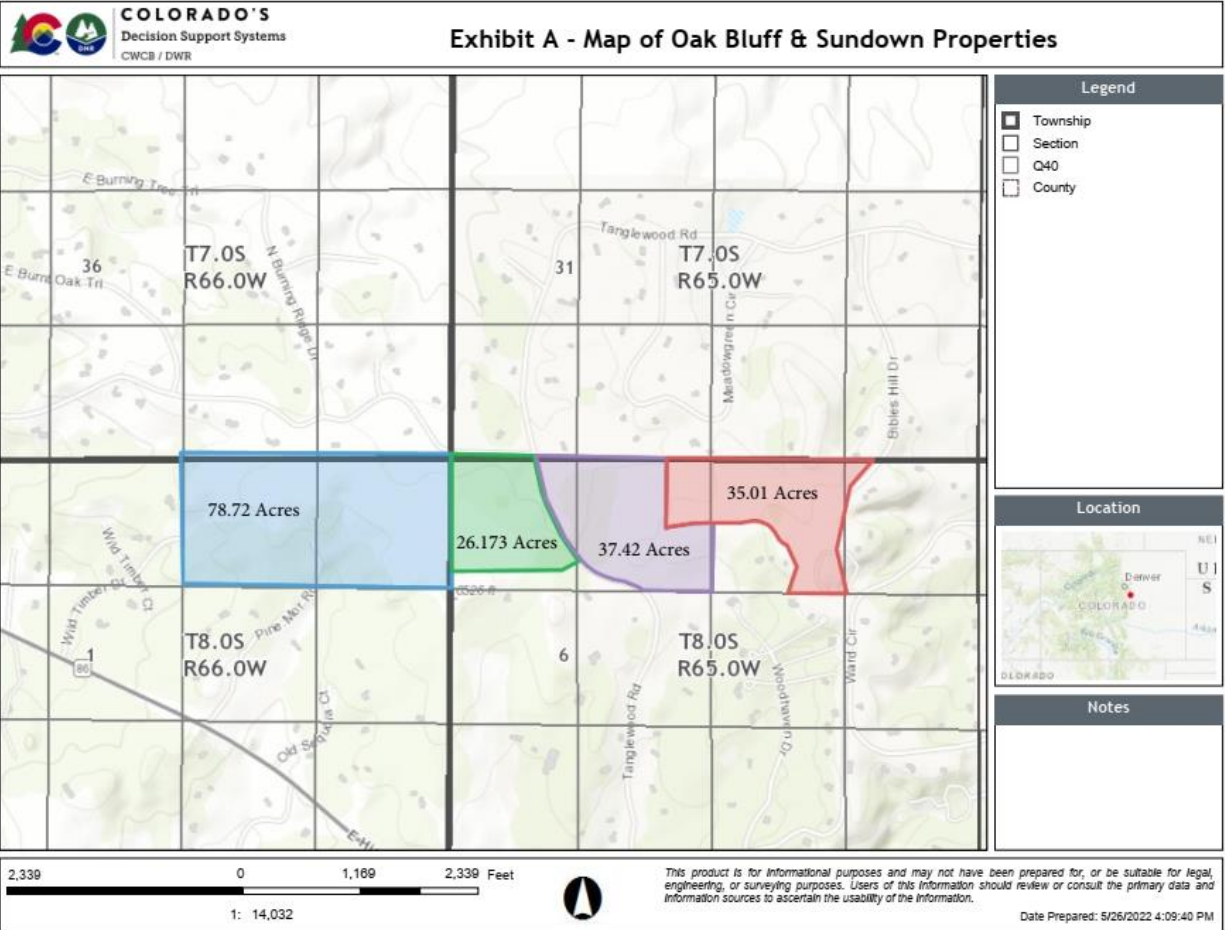
John S. Cowan
Water Referee
Water Division One

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;

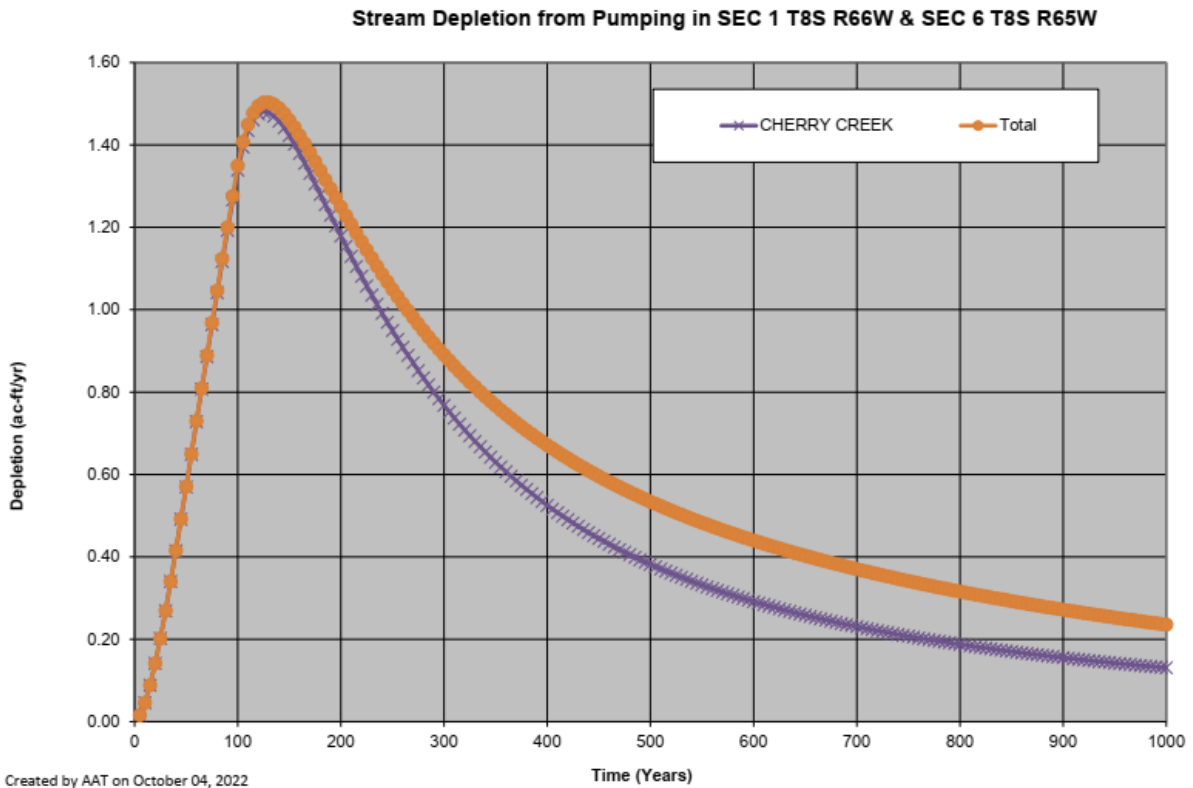
Thence N 13°28'32"W a distance of 450.11 feet;

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

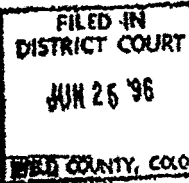
CENTRAL FILES

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, T8S, R66W and Section 6, T8S, 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, T8S, 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.

Ruling and Decree 95CW288

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.

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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.

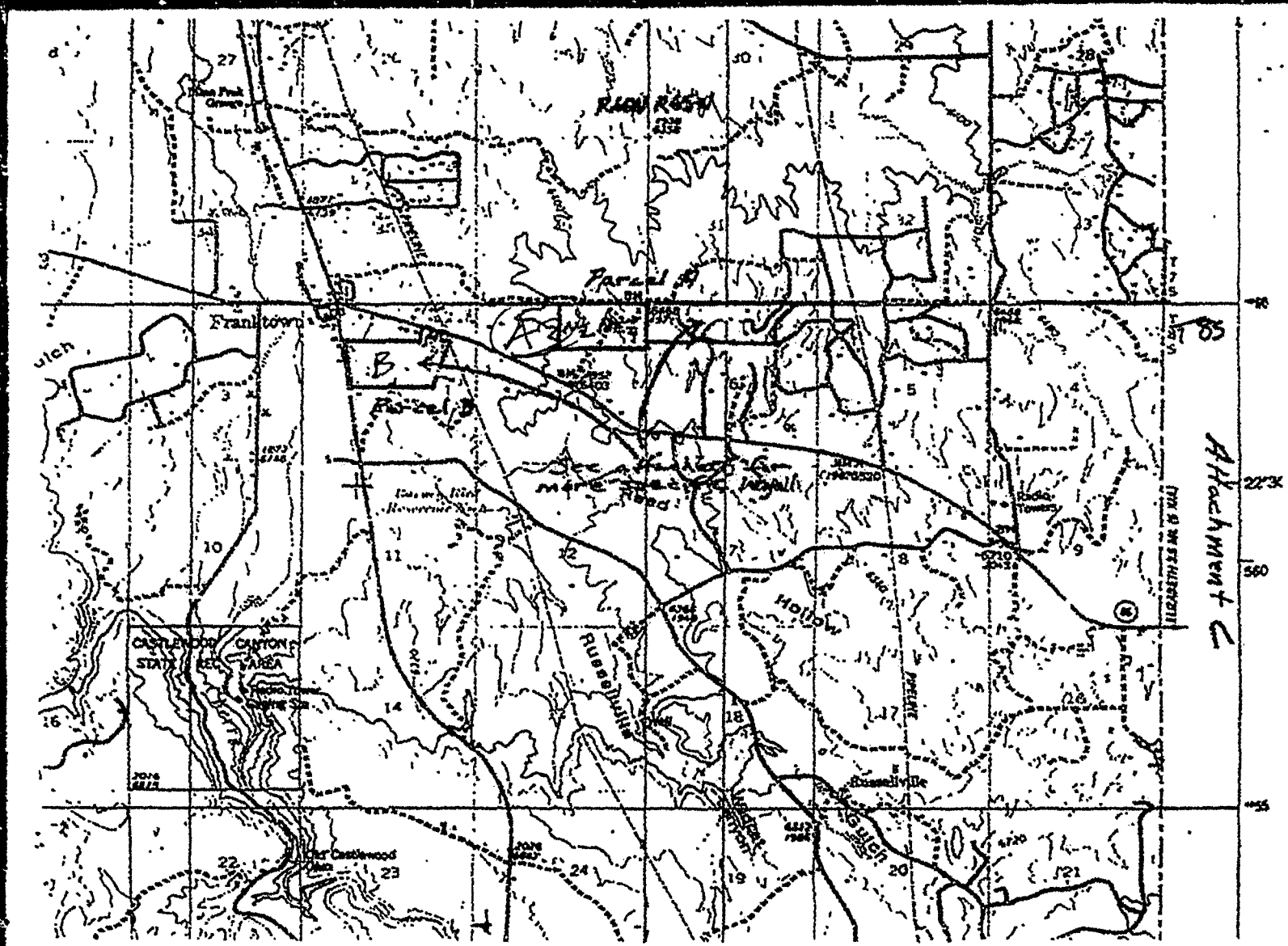
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Dated this 25 day of June, 1996.


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
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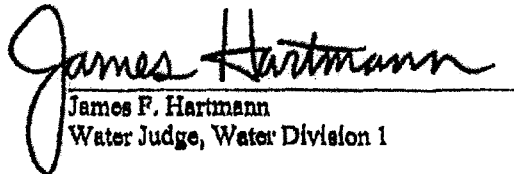
Date: November 9, 2015



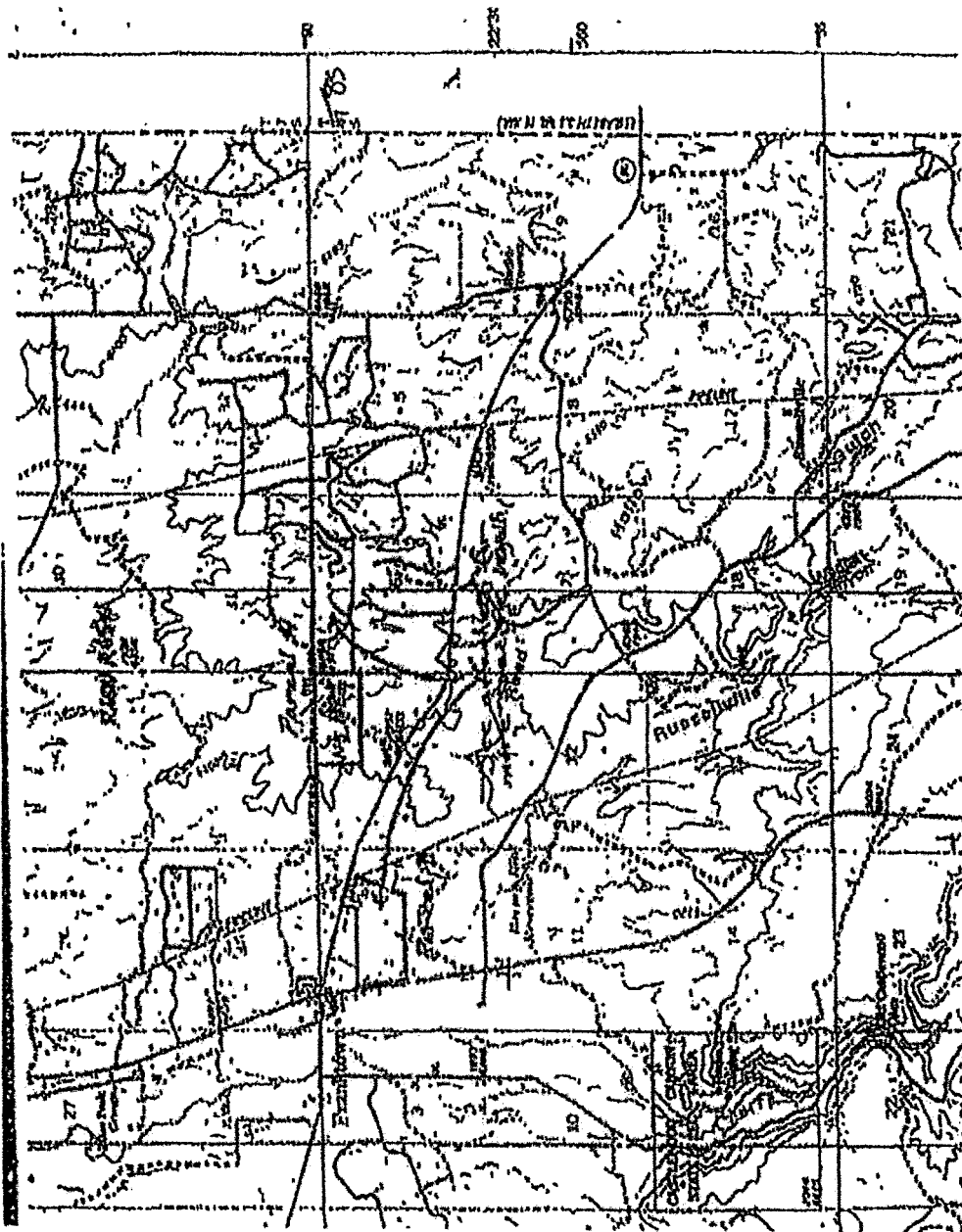
John S. Cowan
Water Referee
Water Division 1

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.

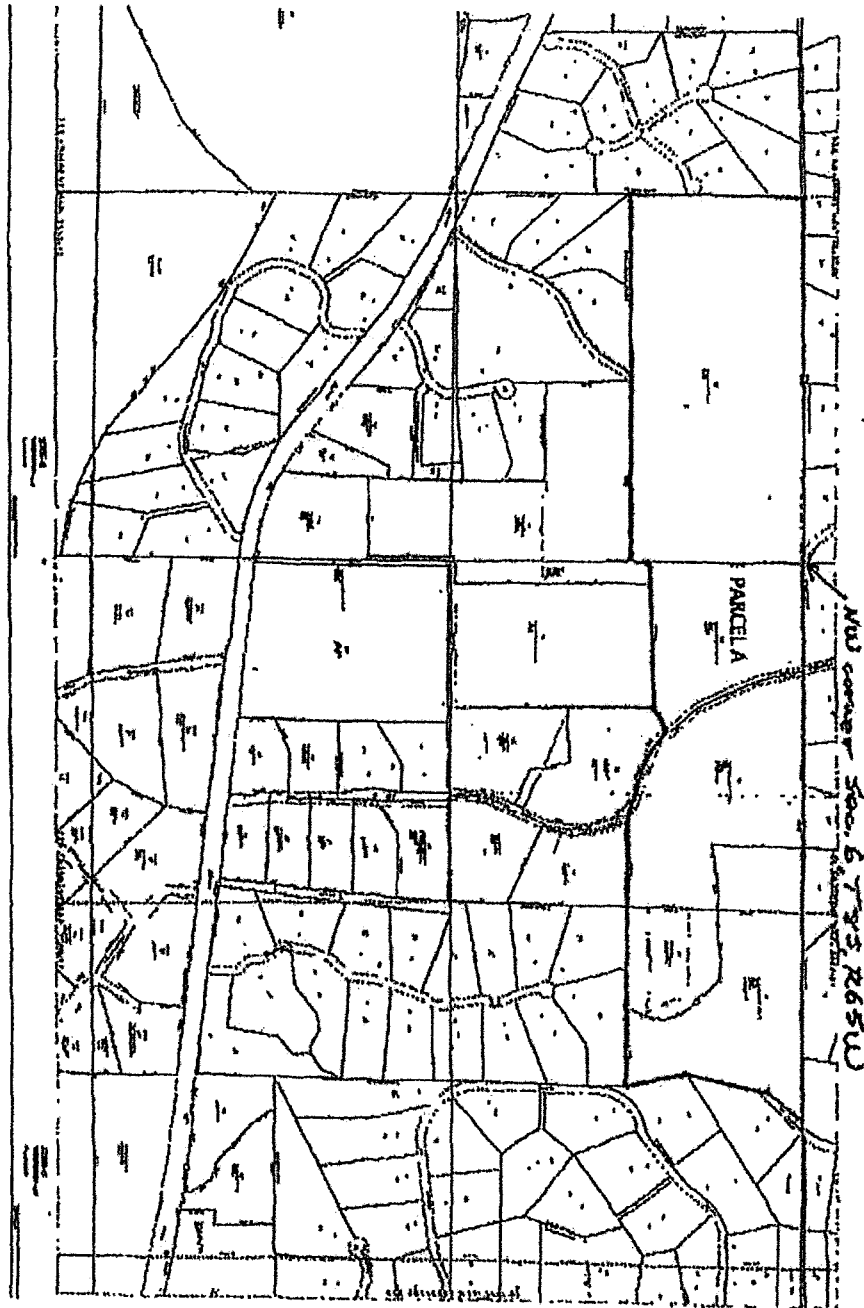

James F. Hartmann
Water Judge, Water Division 1

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



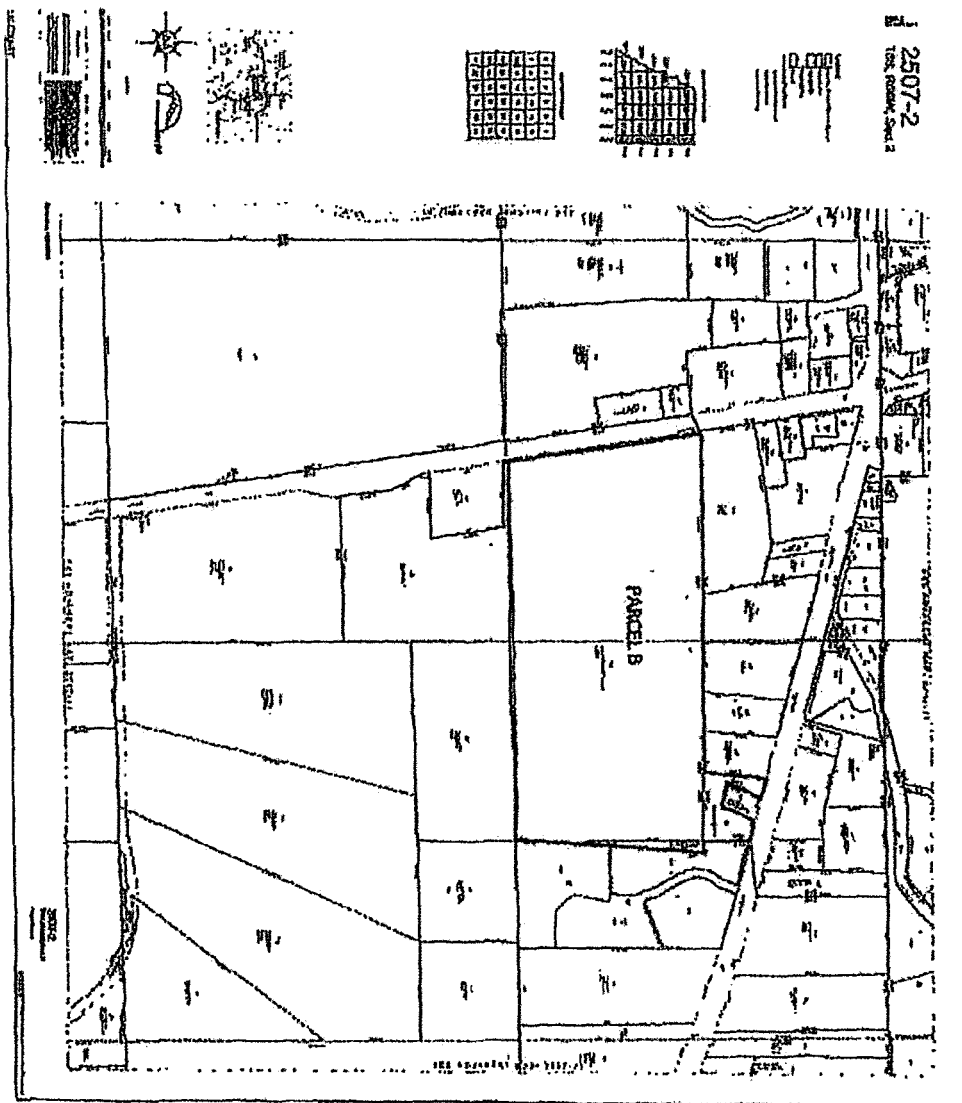
Carroll Land Company, et al.
15CW3059

ATTACHMENT A-1



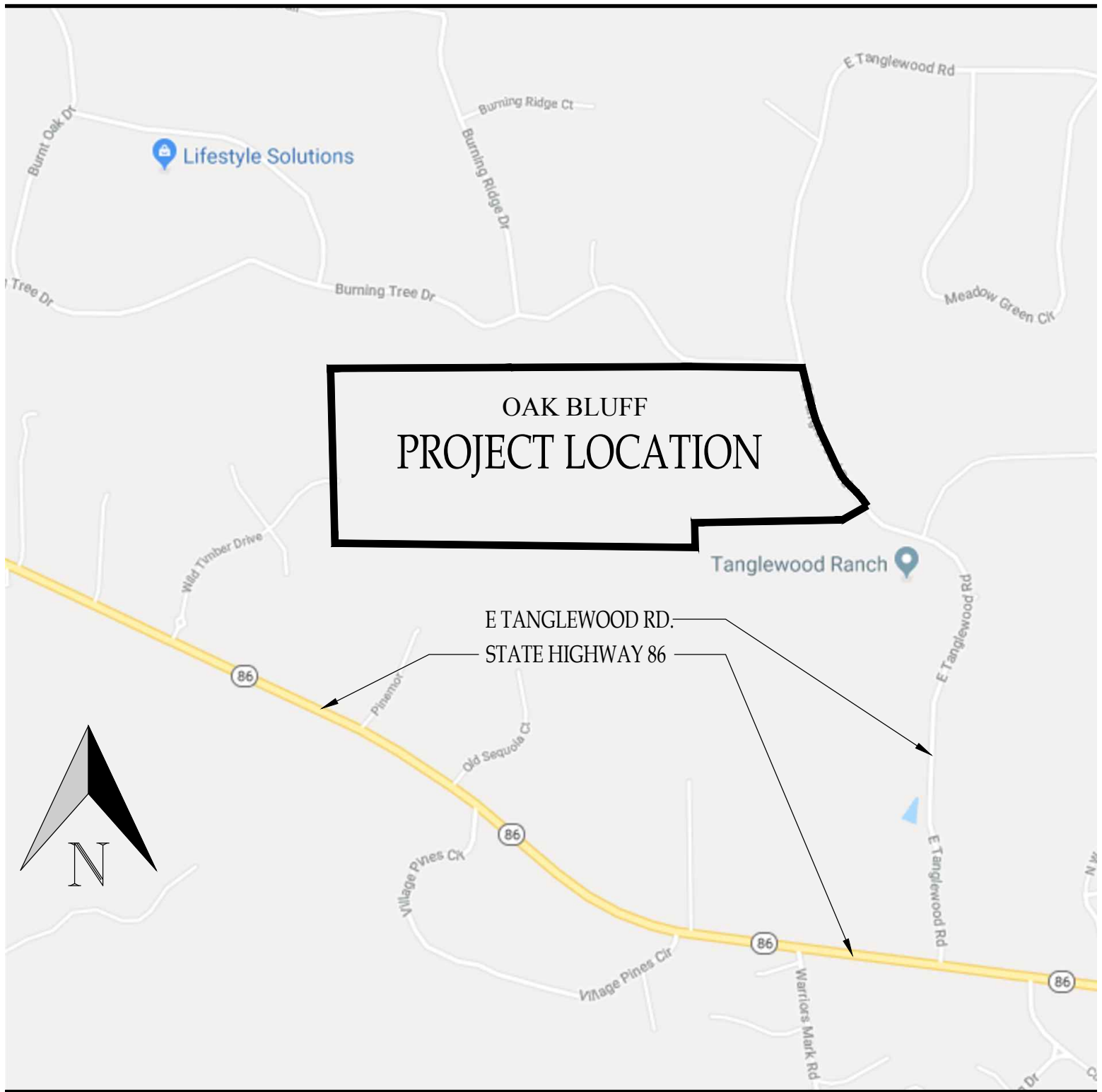
Carroll Land Company, et al.
15CW3059

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

[NAME OF PERSON OR ENTITY]

[ADDRESS]

[ADDRESS]

[DATE]

[APPROVAL DATE (ON FINAL SERVICE PLAN)]

Spencer Fane LLP

1700 Lincoln Street, Suite 2000

Denver, CO 80203

FORMAL SUBMITTAL: July 2, 2025

APPROVAL DATE: _____, 2025

Service Plan for Sundown Oaks Metropolitan District

APPROVAL SUMMARY

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

Service Plan for _____Sundown Oaks Metropolitan District

_____DN 6433181.1

ORGANIZERS AND CONSULTANTS

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

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

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

EXECUTIVE SUMMARY

This service plan is for the Sundown Oaks Metropolitan District (the "District"), which will serve the public improvement needs of ~~(name of development)~~ 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: (List the proposed services for this District from the following services defined in C.R.S. § 32-1-103(10): 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, transportation, and water and other services as described in C.R.S. §§ 32-1-1001 and 1004, as amended.)~~

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 ~~(\$000.00)~~ Six Million Dollars (\$6,000,000.00). The District anticipates the issuance of an initial series of bonds in the amount of ~~(\$000.00) on (date)~~ 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

Service Plan Guide

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 DRCOG-Clean Colorado's Water <u>Quality Management</u> 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 (name of development) 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’ Clean Water 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. ~~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 (date) _____ vacant or Rural Residential~~. The current assessed value of property within the initial boundaries of the District is ~~_____ (\$000.00) as of the date of (date) _____ this Service Plan~~. The estimated assessed value at full build-out is ~~_____ (\$000.00) 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 ~~_____ (0.00) three (3)~~ persons per residence, the population of the District at build-out will be ~~_____ (00) 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.

~~(Please include the following paragraphs for those services and facilities that will be provided by the District.)~~

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, ~~acquire, and~~ 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, 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

~~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 related~~ to ~~transport wastewater to an appropriate wastewater treatment facility, with all necessary and incidental~~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

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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 protection, ambulance, and emergency medical and rescue services, including necessary equipment, personnel, and facilitiescisterns.

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

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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 ~~_____ (\$000.00)~~ 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

~~(List all services to be provided by other governmental entities, including other special districts.)~~

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

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

~~The (District or name of existing or extraterritorial district) shall provide water supply services to the Project. [PICK ONE OF THE FOLLOWING SENTENCES, AS APPROPRIATE] (1) _____ 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 its letter in Exhibit H. (2) _____ 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's Clean Water Quality Management Plan

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

IX. EXISTING AND PROPOSED AGREEMENTS

~~_____ (Explain any existing or proposed agreements with other governmental entities.)~~
~~_____ 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 ~~_____ (\$000.00), and commercial space will have an average value of _____ (\$000.00) 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. 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.

E.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).

F.G. District Expenditures

The estimated cost of public improvements for the District is ~~(\$000.00)~~ 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 ~~(\$000.00)~~ Seventy Five Thousand Dollars (\$75,000). The first year's operating budget is estimated to be ~~(\$000.00)~~ Fifty Thousand Dollars (\$50,000).

G.H. Debt

1. Debt Limitation

The total debt limit for the District is ~~(\$000.00)~~ Six Million Dollars (\$6,000,000), 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~~Imposition Term shall be deemed to be forever discharged and satisfied in full. The total developer advances are anticipated to be _____ ~~(\$000.00)-approximately Nine Million Dollars (\$9,000,000.00).~~ Developer contributions, which will not be repaid by the District, are anticipated to be _____ ~~(\$000.00)-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 ~~(date)~~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

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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

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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:

~~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

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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~~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.