



STATE OF COLORADO

John W. Hickenlooper, Governor

Department of Local Affairs
Reeves Brown, Executive Director

Division of Local Government
Chantal Unfug, Director

NOTICE OF FILING OF SPECIAL DISTRICT SERVICE PLAN

Pursuant to CRS 32-1-202(1), the County Clerk and Recorder shall notify the Division of Local Government within five days after the filing of a service plan for the formation of a new special district. Please provide the information indicated and return this form to the Division of Local Government.

Cielo Metropolitan District
Name of Proposed District

7/8/15

Filing Date

Metropolitan
Type of District Proposed

PC 8/3/15 BCC 8/25/15 9/8/15

Date of Hearing

PC - 7pm BCC - 1:30pm 2:30pm
Time of Hearing

100 3rd st Castle Rock, CO 80104
Location of Hearing

Elisabeth A. Cortese Attorney
McGeady Sisneros P.C.
Contact Person Filing Service Plan

303-592-4380
Phone

Douglas
County Receiving Service Plan

[Signature]
Clerk and Recorder



7/8/15
Date

FORM DLG - 60
(Rev. 6/13)

SERVICE PLAN
FOR
CIELO METROPOLITAN DISTRICT
DOUGLAS COUNTY, COLORADO

Prepared

by

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Denver, Colorado 80203-1254

Pre-submittal May 29, 2015
Re-submitted July 7, 2015

[APPROVAL DATE (ON FINAL SERVICE PLAN)]

APPROVAL SUMMARY

This Service Plan for the Cielo 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. _____.

ORGANIZERS AND CONSULTANTS

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

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<p><u>Financial Advisor</u></p> <p>D.A. Davidson & Co. Attn: Sam Sharp 1600 Broadway, Suite 1100 Denver, Colorado 80202 Phone: 303-764-5768 Fax: 303-764-5770 Email: ssharp@dadco.com</p>	<p><u>Engineer</u></p> <p>ATWELL, LLC Attn: Jeff French 143 Union Boulevard, Suite 700 Lakewood, Colorado 80228 Phone: 303-462-1100 Fax: 303-462-2600 Email: jfrench@atwell-group.com</p>

EXECUTIVE SUMMARY

This service plan is for the Cielo Metropolitan District (the "District"), which will serve the public improvement needs of Cielo. The District is generally located east of Chambers Road, north of Scott Avenue, and south of Pinery Parkway, in Douglas County, Colorado, and contains approximately 160.98 acres. The District will include 343 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 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, including, but not limited to street improvements, safety controls, water improvements, sanitation improvements, stormwater improvements, park and recreation improvements, mosquito control, and covenant control.

The total authorized debt limit for the District shall be Eleven Million Two Hundred Eighty Thousand Dollars (\$11,280,000). The District anticipates the issuance of an initial series of bonds in the amount of Eight Million Five Hundred Sixty Thousand Dollars (\$8,560,000) in December of 2020, and the issuance of a Developer Cash Flow Subordinate Bond with a par amount of One Million Two Hundred Forty Five Thousand Dollars (\$1,245,000) in December of 2020 (collectively, the "Initial Issuance"). The debt service mill levy will be fifty (50) mills and is anticipated to begin concurrent with the District's Initial Issuance. Prior to the Initial Issuance, the District may certify sixty (60) mills for operations and maintenance. Subsequent to the Initial Issuance, the Maximum Debt Service Mill Levy shall be fifty (50) mills, with a Maximum Operations and Maintenance Mill Levy of ten (10) mills. The combined initial mill levy for the District will be sixty (60) mills, with a maximum combined mill levy of sixty (60) mills.

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I. INTRODUCTION

This service plan (the "Service Plan") for the Cielo 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 Cielo (the "Project"). The District is generally located east of Chambers Road, north of Scott Avenue, and south of Pinery Parkway, in Douglas County, Colorado (see **Exhibit A**, Vicinity Map) and contains approximately 160.98 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 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 L, 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 generally located east of Chambers Road, north of Scott Avenue, and south of Pinery Parkway, in Douglas County, Colorado. A vicinity map is attached hereto as **Exhibit A**. The area of the initial District's boundary encompasses approximately 160.98 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. 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) regarding any inclusions into or exclusions from the initial District's boundaries. 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).

The Developer is currently under contract to purchase all of the real property within the District's boundaries from Arlington Associates, LLLP, with an anticipated closing date in early 2016.

VI. ASSESSED VALUATION/PROJECTIONS/LAND USE/POPULATION

The property within the District is planned to be zoned residential no later than September 2015. The current assessed value of property within the initial boundaries of the District is assumed to be \$0.00 for purposes of this Service Plan. The estimated assessed value at full build-out is Twelve Million Two Hundred Ninety Three Thousand Five Hundred Seventy One Dollars (\$12,293,571) and is expected to be sufficient to reasonably discharge the debt under the Financial Plan. Initially, the District will include 343 residential units and 0 square feet of commercial space. Based upon an estimated two and one-half (2.50) persons per residence, the population of the District at build-out will be eight hundred fifty eight (858) 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 XIII, 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;

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; and

4. To have and exercise the power of eminent domain, but only as necessary to construct, install, access, relocate or redevelop the public improvements identified in this Service Plan in the locations shown in **Exhibit E**. Any other use of eminent domain shall require the District to provide forty-five (45) days published notice and written notice to the Board of County Commissioners pursuant to C.R.S. § 32-1-207(3)(b). If, within such forty-five (45) day period, the Board of County Commissioners objects to the use of eminent domain, then it shall be prohibited and constitute a material modification of this Service Plan requiring an amendment, pursuant to Section XIII of the Service Plan and C.R.S. § 32-1-207(2).

VIII. DISTRICT SERVICES, FACILITIES, AND IMPROVEMENTS

A. Services and Facilities

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

1. Water

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

The District boundaries are, or will be, located within the boundaries of Parker Water and Sanitation District ("PWSD"), and the District will receive its domestic water supply from PWSD. PWSD is willing and able to provide water service within the District boundaries, as is evidenced by the "will serve" letter set forth in **Exhibit H**. The District will construct or acquire, or require the construction and acquisition of, the necessary water improvements to connect to PWSD's system in accordance with the requirements of the PWSD's Rules and Regulations, as they may be amended from time

to time. It is anticipated that, following acceptance by PWSD, the domestic water improvements will be owned, operated, and maintained by PWSD.

PWSD does not provide for the construction and financing of the water facilities anticipated to be provided by the District, as generally described in **Exhibit E** to this Service Plan. Therefore, the water improvements or facilities will not duplicate or interfere with any other improvements or facilities provided by PWSD within the District boundaries.

All improvements shall be in accordance with Douglas County and/or the water and service provider's criteria. All proposed improvements must be reviewed, approved and permitted by Douglas County prior to construction.

2. Storm Sewer

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

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

All improvements shall be in accordance with Douglas County and/or the water and service provider's criteria. All proposed improvements must be reviewed, approved and permitted by Douglas County prior to construction.

3. Sanitation and Wastewater Treatment

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, assess tap or other facility fees, and provide for sanitary sewers and to transport wastewater to an appropriate wastewater treatment facility, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

The District boundaries are, or will be, located within the boundaries of PWSD, and the District will receive its sanitation services from PWSD. PWSD is willing and able to provide sanitary sewer service within the District boundaries, as is evidenced by the "will serve" letter set forth in **Exhibit H**. The District intends to construct, or

require the construction of, the necessary sanitation improvements to connect to PWSD's system in accordance with PWSD's Rules and Regulations, as they may be amended from time to time. It is anticipated that, following acceptance by PWSD, the sanitation improvements constructed by the District will be owned, operated and maintained by PWSD.

PWSD does not provide for the construction and financing of the sanitation facilities anticipated to be provided by the District, as are generally described in **Exhibit E**. Therefore, the sanitation and wastewater improvements and facilities will not duplicate or interfere with any other improvements or facilities already provided by PWSD within the District boundaries.

All improvements shall be in accordance with Douglas County and/or the water and service provider's criteria. All proposed improvements must be reviewed, approved and permitted by Douglas County prior to construction.

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. It is anticipated that following acceptance by the County, the County will own, operate, and maintain the street improvements.

All improvements shall be in accordance with Douglas County and/or the water and service provider's criteria. All proposed improvements must be reviewed, approved and permitted by Douglas County prior to construction.

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.

All improvements shall be in accordance with Douglas County and/or the water and service provider's criteria. All proposed improvements must be reviewed, approved and permitted by Douglas County prior to construction.

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.

All improvements shall be in accordance with Douglas County and/or the water and service provider's criteria. All proposed improvements must be reviewed, approved and permitted by Douglas County prior to construction.

7. 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.

8. 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.

9. 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 Ten Million Eight Hundred Ninety Nine Thousand Three Hundred

Seventy Eight Dollars (\$10,899,378) 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 in accordance with 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

1. Water supply services shall be provided by Parker Water and Sanitation District or its successors and assigns.
2. Sanitation services shall be provided by Parker Water and Sanitation District or its successors and assigns.
3. Fire Protection and emergency medical services shall be provided by South Metro Fire Rescue Authority or its successors and assigns.

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

PWSD shall provide water supply services to the Project and 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**.

E. Compliance with Clean Water Plan

PWSD has asserted its compliance with the Clean Water Plan as demonstrated in **Exhibit I**.

IX. EXISTING AND PROPOSED AGREEMENTS

None.

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 343 residential properties in the District will have an average value of approximately Four Hundred Twenty Five Thousand Dollars (\$425,000). 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 60 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 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 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. For purposes of the foregoing, a change in the ratio of actual valuation 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 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 mills will produce revenue sufficient to support debt service costs through the bond repayment period (see **Exhibit F**, Financial Plan).

E. Operations and Maintenance Mill Levy

It is anticipated that a maximum operations and maintenance mill levy of 60 mills prior to the Initial Issuance (10 mills subsequent to the Initial Issuance) is authorized to support the operations and maintenance of District services and public improvements, subject to the limitation of the Maximum Total Mill Levy (see **Exhibit F**, Financial Plan). Provided, however, the District's operations and maintenance mill levy will be set to meet budgetary needs of the District on an annual basis. Revenue contributed, pledged or dedicated by covenant, agreement or otherwise may also be available and used for payment of operations and maintenance expenses.

F. District Expenditures

The estimated cost of public improvements for the District is Ten Million Eight Hundred Ninety Nine Thousand Three Hundred Seventy Eight Dollars (\$10,899,378). **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 One Hundred Thousand Dollars (\$100,000). The first year's operating budget is estimated to be Fifty Thousand (\$50,000).

G. Debt

1. Debt Limitation

The total debt limit for the District is Eleven Million Two Hundred Eighty Thousand Dollars (\$11,280,000), inclusive of costs of issuance, inflation, and other similar costs. For purposes of this Service Plan, debt shall be considered any outstanding bonds, notes, contracts, or other financial obligations of the District payable in whole or in part from *ad valorem* taxes or other revenues of the District for the purposes of financing, acquiring, constructing, or improving any of the public improvements contemplated herein. The debt limit shall not be increased unless approved by the County and as permitted by statute and the Colorado Constitution. Any change in debt limit shall be considered a material modification of the Service Plan, subject to the provisions of Section XIII of this Service Plan. The maximum term of any bond issue, including refunding and refinancing, shall be thirty (30) years from the original date of issuance.

2. Maximum Voted Interest Rate and Maximum Underwriting Discount

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

XI. DEVELOPER ADVANCES AND REIMBURSEMENTS

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

Such advances, which the Board is obligated to appropriate on an annual basis, shall count against the maximum allowable debt limit under this Service Plan and may be repaid by the District from bond proceeds or other legally available sources of revenue. Developer advances shall be subordinate to the District general obligation bonds and refinancing of the same shall not require County approval. Any amount of outstanding principal and accrued interest on such developer advances that remains unpaid as of the expiration of the Maximum Debt Service Mill Levy term shall be deemed to be forever discharged and satisfied in full. The total developer advances are anticipated to be Ten Million Eight Hundred Ninety Nine Thousand Three Hundred Seventy Eight Dollars (\$10,899,378). Developer contributions, which are anticipated to not be repaid by the

District, are anticipated to be Two Million Three Hundred Fifty Six Thousand One Hundred Twenty Six Dollars (\$2,356,126).

XII. ANNUAL REPORT

The District shall be responsible for submitting an annual report to the County no later than October 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 K**, 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 from 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 this Section XIII of the Service Plan and C.R.S. § 32-1-207(2).

XIV. DISCLOSURE STATEMENT

Pursuant to this Section XIV, and C.R.S. 32-1-104.8, 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: means Arlington Land Partners, LLC, its successors and assigns

District: the Cielo 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 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 Cielo.

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, construct, own, operate and maintain the public improvements for the project, which is commonly known as Cielo. While the public improvements constructed by the

District will be constructed for the use and benefit of the inhabitants and taxpayers of the District, the general public will also receive significant benefits from the District's improvements including, but not limited to park and recreation improvements and trail connections.

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

The County does not consider it feasible or practical to provide the property within the District (the "Property") with the improvements and facilities described in this Service Plan. Therefore, it is necessary that the District be organized to provide its taxpayers and inhabitants with those public improvements described in the Service Plan.

In addition, the property within the proposed District is located entirely within the boundaries of PWSD. The District fully recognizes PWSD's existence and the fact that PWSD is authorized to provide water and sanitation service within the District boundaries. However, pursuant to Section 32-1-1006(1)(b)(I), C.R.S., as amended, PWSD does not consider it feasible, practical or desirable for the good of PWSD to fund or construct the extension of water or sanitary sewer lines or facilities to the District, nor does PWSD plan to provide in the future for the construction and financing of the specific water and sanitation improvements that the District is being organized to provide. Therefore, pursuant to Section 32-1-203(2.5)(a), C.R.S., adequate water and sanitation service is not, or will not, be available to the area through PWSD within a reasonable time and on a comparable basis. The District's inhabitants will require those water and sanitation services which PWSD has determined it cannot feasibly or practically provide within the District boundaries at this time.

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

The formation of the District would ensure that the public improvements and other services are sufficient and built in a reasonable period of time for the benefit of the property owners 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 facilities to be constructed, installed and/or acquired by the District are set forth in the Service Plan as Exhibit D. It is anticipated that the District will finance approximately \$9,805,000 towards the total cost of the construction, installation, and acquisition of the facilities to serve within the District boundaries, including contingencies. The Financial Plan demonstrates the issuance of the debt

and the anticipated repayment based on the projected development within the District boundaries. The Financial Plan demonstrates that, at various projected levels of development, the District has the ability to finance the facilities identified herein, and will be capable of discharging the proposed indebtedness on a reasonable basis.

To the extent that the cost of the improvements cannot be financed with debt proceeds, the Developer shall be required to pay such costs. Any obligations issued or otherwise contracted to reimburse the Developer for advanced construction costs shall be included within the debt limits described in the Service Plan.

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 are not, and 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. See No. 1 above. In addition, PWSD does not consider it feasible, practical, or desirable to fund or construct the proposed water or sanitary sewer lines or facilities for the District, nor does PWSD plan to provide in the future for the construction and financing of the specific water and sanitation improvements that the District is proposing to provide.

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 in the Service Plan, all facilities and services proposed will be constructed in accordance with the standards and specifications of Douglas County, the State of Colorado, Parker Water and Sanitation District, 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 of the project has thoroughly reviewed the Douglas County 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 Douglas County. The proposal is compatible with the community vision for the future and

complies with the policies necessary to achieve sustainable growth within the County as expressed in the Comprehensive Master Plan.

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

As demonstrated on Exhibit I, the proposal is in compliance with the regional Clean Water Plan.

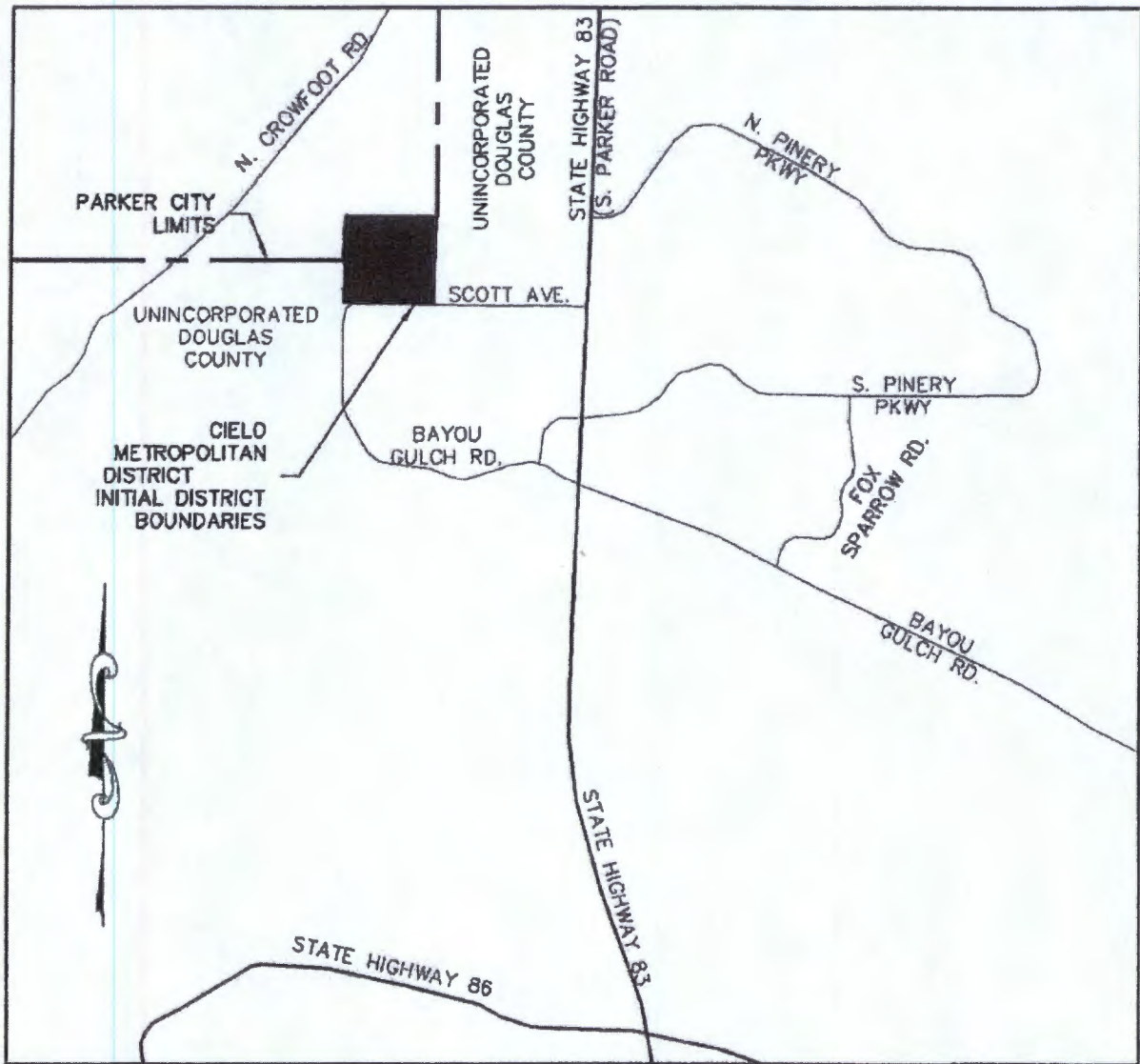
9. The creation of the District will be in the best interests of the area to be served.

As summarized below, the creation of the proposed Cielo Metropolitan District is in the best interest of the area to be served:

- *A special district can raise funds for public infrastructure through municipal bonds (or other governmental grant or loan programs if applicable) with favorable rates and terms not available to private entities.*
- *Special districts are exempt from sales, use and other taxes for equipment, supplies and services allowing lower overhead costs.*
- *A special district is not in the business of making a profit from the facilities and services provided.*
- *Specific statutes govern the expenditures and revenues of special districts.*
- *State-obligated budget, audit and other financial filing and reporting requirements provide regulatory oversight of a special district's operations.*
- *A special district is governed by local control over the services that are provided on a community basis.*
- *The special district is responsive and accountable for decisions through the election and public hearing processes.*
- *The business of the special district is conducted at public meetings.*
- *Special districts enjoy governmental immunity against certain legal actions thus avoiding expensive lawsuits and corresponding tax or fee increases.*
- *Because of its local nature, a special district is often better able to address issues of local concern to the community than could a larger county or municipality.*

**Exhibit A
Vicinity Map**

CIELO METROPOLITAN DISTRICT



VICINITY MAP

1" = 5000'

PREVIOUS CONSULTING
SERVICES FOR THIS PROJECT
PROVIDED BY
PEAK CIVIL CONSULTANTS



ATWELL

www.atwell-group.com

JOB NO.: 14.54
DATE: 07/01/15

303.462.1100
CONTACT: JEFF FRENCH
JFRENCH@ATWELL-GROUP.COM

Exhibit B
Legal Description

LEGAL DESCRIPTION

LEGAL DESCRIPTION

PARCEL A:

A PARCEL OF LAND BEING A PART OF THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 7 SOUTH, RANGE 66 WEST, OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST 1/4;

THENCE S89° 12'08"W; ALONG THE SOUTHERLY LINE OF SAID SOUTHEAST 1/4, A DISTANCE OF 607.83 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF SCOTT ROAD;

THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING FOUR (4) COURSES;

1. N47° 27'49"W A DISTANCE OF 10.64 FEET TO A POINT OF CURVE;
2. ALONG THE ARC OF SAID CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 43° 20'03", A RADIUS OF 340.00 FEET, A CHORD BEARING AND DISTANCE OF N69° 07'51"W, 251.07 FEET, A LENGTH OF 257.15 FEET;
3. S89° 12'08"W, ALONG SAID TANGENT, A DISTANCE OF 471.89 FEET;
4. S89° 11'30"W, A DISTANCE OF 770.96 FEET;

THENCE N0° 48'30"W, A DISTANCE OF 299.95 FEET;

THENCE S89° 11'30"W, A DISTANCE OF 547.14 FEET, TO THE WESTERLY LINE OF SAID SOUTHEAST 1/4;

THENCE N0° 17'54"W, ALONG SAID WESTERLY LINE OF SAID SOUTHEAST 1/4, A DISTANCE OF 929.96 FEET, TO THE C-S 1/16 CORNER OF SAID SECTION 9;

THENCE N0° 16'50"W, CONTINUING ALONG SAID WESTERLY LINE OF SAID SOUTHEAST 1/4, A DISTANCE OF 1329.88 FEET, TO THE CENTER 1/4 CORNER OF SAID SECTION 9;

THENCE N89° 25'50"E, ALONG THE NORTHERLY LINE OF SAID SOUTHEAST 1/4, A DISTANCE OF 2640.81 FEET, TO THE EAST 1/4 CORNER OF SAID SECTION 9;

THENCE S0° 19'44"E, ALONG THE EAST LINE OF SAID SOUTHEAST 1/4, A DISTANCE OF 2649.05 FEET, TO THE POINT OF BEGINNING

CONTAINING 6,651,847 SQ FT OR 152.705 ACRES OF LAND, MORE OR LESS.

PARCEL B:

A PARCEL OF LAND CALLED "TRACT A" MORE PARTICULARLY DESCRIBED AS, STARTING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST 1/4;

THENCE S89° 12'08"W, ALONG THE SOUTHERLY LINE OF SAID SOUTHEAST 1/4, A DISTANCE OF 607.83 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF SCOTT ROAD TO THE POINT OF BEGINNING;

THENCE S89° 11'59"W, A DISTANCE OF 917.82 FEET;

THENCE S89° 11'30"W, A DISTANCE OF 1117.11 FEET TO THE WESTERLY LINE OF SAID SOUTHEAST 1/4;

THENCE N0° 17'54"W, ALONG SAID WESTERLY LINE OF SAID SOUTHEAST 1/4, A DISTANCE OF 399.97 FEET;

THENCE N89° 11'30"E, A DISTANCE OF 547.14 FEET;

THENCE S0° 48'30"E, A DISTANCE OF 299.95 FEET;

THENCE N89° 11'30"E, A DISTANCE OF 770.96 FEET;

THENCE N89° 12'08"E, A DISTANCE OF 471.89 FEET TO A POINT OF CURVE;

THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 43° 20'03", A RADIUS OF 340.00 FEET, A CHORD BEARING AND DISTANCE OF S89° 07'51"E, 251.07 FEET, A LENGTH OF 257.15 FEET TO A POINT OF TANGENT.

THENCE S47° 27'49"E A DISTANCE OF 10.64 FEET TO TO THE POINT OF BEGINNING;

CONTAINING 360,443 SQ FT OR 8.275 ACRES OF LAND, MORE OR LESS.

PARCELS A & B CONTAINING 7,012,290 SQ FT OR 160.98 ACRES OF LAND, MORE OR LESS.

PREPARED BY ATWELL LLC.

DATED 06/29/2015



JOSHUA PAUL SMITH
CO. REG. NO. 38468
ON BEHALF OF AND FOR
ATWELL, LLC

JOB NO.: 14.54
DATE: 07/01/15

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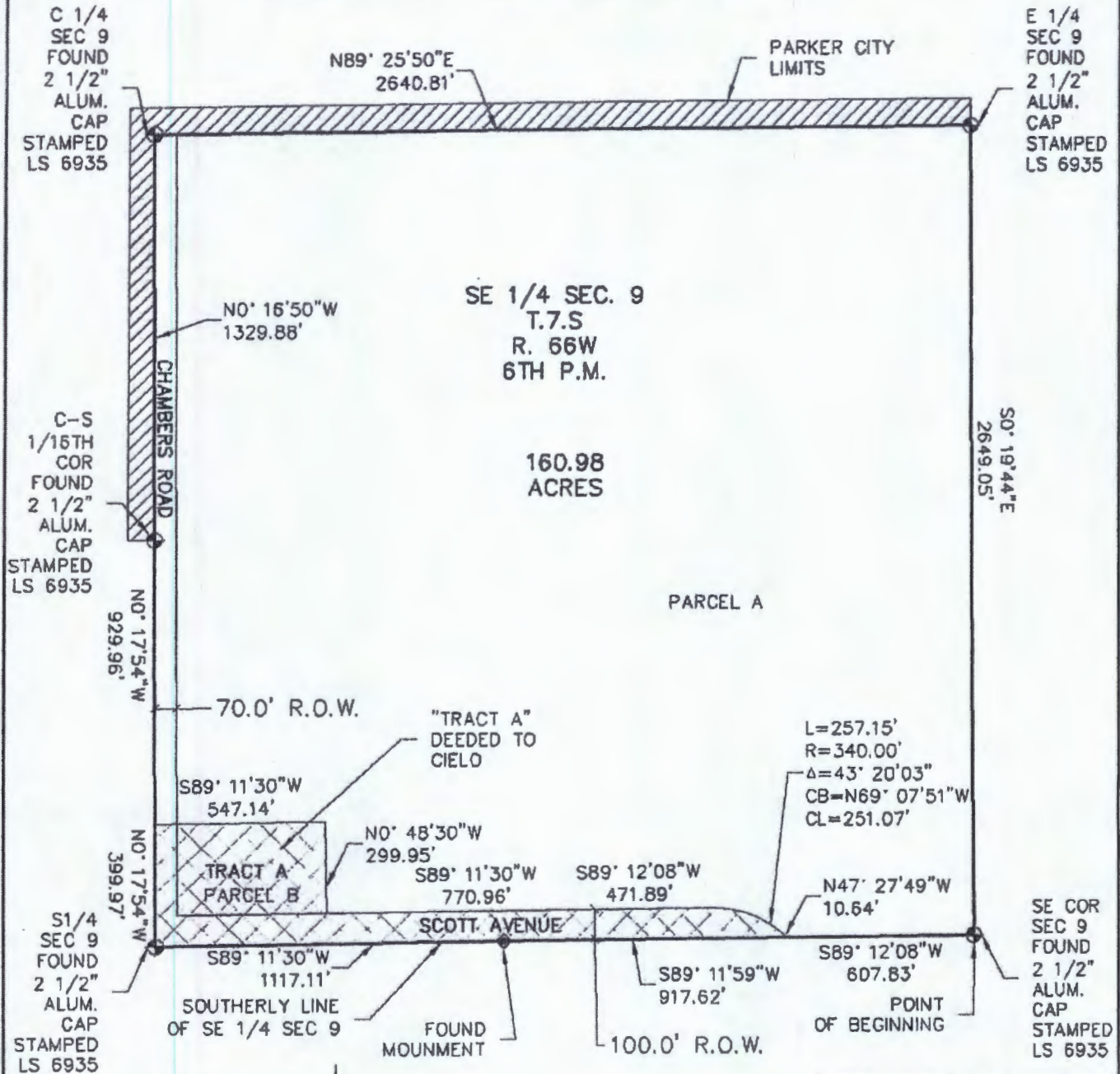


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Exhibit C
District Boundary Map

CIELO METROPOLITAN DISTRICT



C 1/4
SEC 9
FOUND
2 1/2"
ALUM.
CAP
STAMPED
LS 6935


E 1/4
SEC 9
FOUND
2 1/2"
ALUM.
CAP
STAMPED
LS 6935

C-S
1/15TH
COR
FOUND
2 1/2"
ALUM.
CAP
STAMPED
LS 6935

S1/4
SEC 9
FOUND
2 1/2"
ALUM.
CAP
STAMPED
LS 6935

SE COR
SEC 9
FOUND
2 1/2"
ALUM.
CAP
STAMPED
LS 6935

LEGEND

-  TOWN LIMITS
-  TRACT A



(IN FEET)
1 inch = 500 ft.

JOB NO.: 14.54
DATE: 07/01/15

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Exhibit D
Cost of Improvements

Project: Cielo Metropolitan District
 Date: May 14, 2015
 Client: Cielo Metropolitan District

Prepared By: GB
 Job Number: 14.54



Cielo Metropolitan District

Storm Drainage

Item	Qty	Unit	Unit Cost	Item Cost	Description
Storm Sewer for Pond 1	500	LF	\$185.00	\$82,500.00	Includes storm sewer pipe, inlets, manholes and FES
Storm Sewer for Pond 2	500	LF	\$185.00	\$82,500.00	Includes storm sewer pipe, inlets, manholes and FES
Storm Sewer for Pond 3	1,500	LF	\$185.00	\$247,500.00	Includes storm sewer pipe, inlets, manholes and FES
Storm Sewer for Pond 4	500	LF	\$185.00	\$82,500.00	Includes storm sewer pipe, inlets, manholes and FES
Detention Pond	4	EA	\$50,000.00	\$200,000.00	Includes inlet and outlet structures, grading and seeding
Box Culvert	1	EA	\$500,000.00	\$500,000.00	
Storm Total				\$1,195,000.00	

Sanitary Sewer

Item	Qty	Unit	Unit Cost	Item Cost	Description
Sanitary Sewer in Scott Avenue	2,740	LF	\$85.00	\$232,900.00	Includes 12" sanitary sewer pipe and manholes
Sanitary Sewer in Collector 1	1,050	LF	\$65.00	\$68,250.00	Includes sanitary sewer pipe, manholes and stubs
Sanitary Sewer in Collector 2	1,330	LF	\$65.00	\$86,450.00	Includes sanitary sewer pipe, manholes and stubs
Sanitary Sewer in Collector 3	2,170	LF	\$65.00	\$141,050.00	Includes sanitary sewer pipe, manholes and stubs
Sanitary Sewer in Entry 1	100	LF	\$65.00	\$6,500.00	Includes sanitary sewer pipe, manholes and stubs
Sanitary Sewer in Entry 2	150	LF	\$65.00	\$9,750.00	Includes sanitary sewer pipe, manholes and stubs
Sanitary Sewer in Entry 3	180	LF	\$65.00	\$11,700.00	Includes sanitary sewer pipe, manholes and stubs
Sanitary Sewer in Entry 4	150	LF	\$65.00	\$9,750.00	Includes sanitary sewer pipe, manholes and stubs
Sanitary Sewer in Entry 5	150	LF	\$65.00	\$9,750.00	Includes sanitary sewer pipe, manholes and stubs
Southeast Sanitary Sewer Connection	900	LF	\$85.00	\$76,500.00	Includes 12" sanitary sewer pipe and manholes
Sanitary Total				\$652,600.00	

Water Distribution

Item	Qty	Unit	Unit Cost	Item Cost	Description
Water in Chambers Road	4,010	LF	\$85.00	\$340,850.00	Includes water mains, valves, fittings, bends, hydrants, blowoffs, etc..
Water in Scott Avenue	2,740	LF	\$85.00	\$232,900.00	Includes water mains, valves, fittings, bends, hydrants, blowoffs, etc..
Water in Collector 1	1,050	LF	\$85.00	\$89,250.00	Includes water mains, valves, fittings, bends, hydrants, blowoffs, etc..
Water in Collector 2	1,330	LF	\$85.00	\$113,050.00	Includes water mains, valves, fittings, bends, hydrants, blowoffs, etc..
Water in Collector 3	2,170	LF	\$85.00	\$184,450.00	Includes water mains, valves, fittings, bends, hydrants, blowoffs, etc..
Water in Entry 1	100	LF	\$85.00	\$8,500.00	Includes water mains, valves, fittings, bends, hydrants, blowoffs, etc..
Water in Entry 2	150	LF	\$85.00	\$12,750.00	Includes water mains, valves, fittings, bends, hydrants, blowoffs, etc..
Water in Entry 3	180	LF	\$85.00	\$15,300.00	Includes water mains, valves, fittings, bends, hydrants, blowoffs, etc..
Water in Entry 4	150	LF	\$85.00	\$12,750.00	Includes water mains, valves, fittings, bends, hydrants, blowoffs, etc..
Water in Entry 5	150	LF	\$85.00	\$12,750.00	Includes water mains, valves, fittings, bends, hydrants, blowoffs, etc..
Northeast Water Connection	12,050	LF	\$120.00	\$1,446,000.00	Northeast connection to East Stroh Road
Water Total				\$2,468,550.00	

Roadways

Item	Qty	Unit	Unit Cost	Item Cost	Description
Chambers Road (Half Section)	4,010	LF	\$223.00	\$894,230.00	Arterial 4 Lane - Includes roadway, curb & gutter and sidewalks
Scott Avenue (Full Section)	2,740	LF	\$252.00	\$690,480.00	Urban Collector - Includes roadway, curb & gutter and sidewalks
Collector 1	1,050	LF	\$252.00	\$264,600.00	Urban Collector - Includes roadway, curb & gutter and sidewalks
Collector 2	1,330	LF	\$252.00	\$335,160.00	Urban Collector - Includes roadway, curb & gutter and sidewalks
Collector 3	2,170	LF	\$252.00	\$546,840.00	Urban Collector - Includes roadway, curb & gutter and sidewalks
Entry Street 1	100	LF	\$262.00	\$26,200.00	Entry Street - Includes roadway, curb & gutter and sidewalks
Entry Street 2	150	LF	\$262.00	\$39,300.00	Entry Street - Includes roadway, curb & gutter and sidewalks
Entry Street 3	180	LF	\$262.00	\$47,160.00	Entry Street - Includes roadway, curb & gutter and sidewalks
Entry Street 4	150	LF	\$262.00	\$39,300.00	Entry Street - Includes roadway, curb & gutter and sidewalks
Entry Street 5	150	LF	\$262.00	\$39,300.00	Entry Street - Includes roadway, curb & gutter and sidewalks
Scott Avenue existing road removal	1,400	LF	\$50.00	\$70,000.00	Removal and reclaiming of old Scott Ave alignment

Roadway Total **\$2,992,570.00**

Open Space

Item	Qty	Unit	Unit Cost	Item Cost	Description
Regional Trail	1,500	LF	\$35.00	\$52,500.00	
Entry Monuments	4	EA	\$150,000.00	\$600,000.00	On Chambers and Scott
Open Space/Park	340,000	SF	\$3.00	\$1,020,000.00	South of school property and east of roundabout
Chambers Rd (Half Sect. Tree Lawn)	4,010	LF	\$42.00	\$168,420.00	Arterial 4 Lane - Includes median and tree lawn
Scott Ave. Tree Lawn	2,740	LF	\$42.00	\$115,080.00	Urban Collector - Includes both sides tree lawn
Collector 1 Tree Lawn	1,050	LF	\$42.00	\$44,100.00	Urban Collector - Includes both sides tree lawn
Collector 2 Tree Lawn	1,330	LF	\$42.00	\$55,860.00	Urban Collector - Includes both sides tree lawn
Collector 3 Tree Lawn	2,170	LF	\$42.00	\$91,140.00	Urban Collector - Includes both sides tree lawn
Entry 1 Tree Lawn	100	LF	\$30.00	\$3,000.00	Entry Street - Includes both sides tree lawn
Entry 2 Tree Lawn	150	LF	\$30.00	\$4,500.00	Entry Street - Includes both sides tree lawn
Entry 3 Tree Lawn	180	LF	\$30.00	\$5,400.00	Entry Street - Includes both sides tree lawn
Entry 4 Tree Lawn	150	LF	\$30.00	\$4,500.00	Entry Street - Includes both sides tree lawn
Entry 5 Tree Lawn	150	LF	\$30.00	\$4,500.00	Entry Street - Includes both sides tree lawn

Open Space Total **\$2,169,000.00**

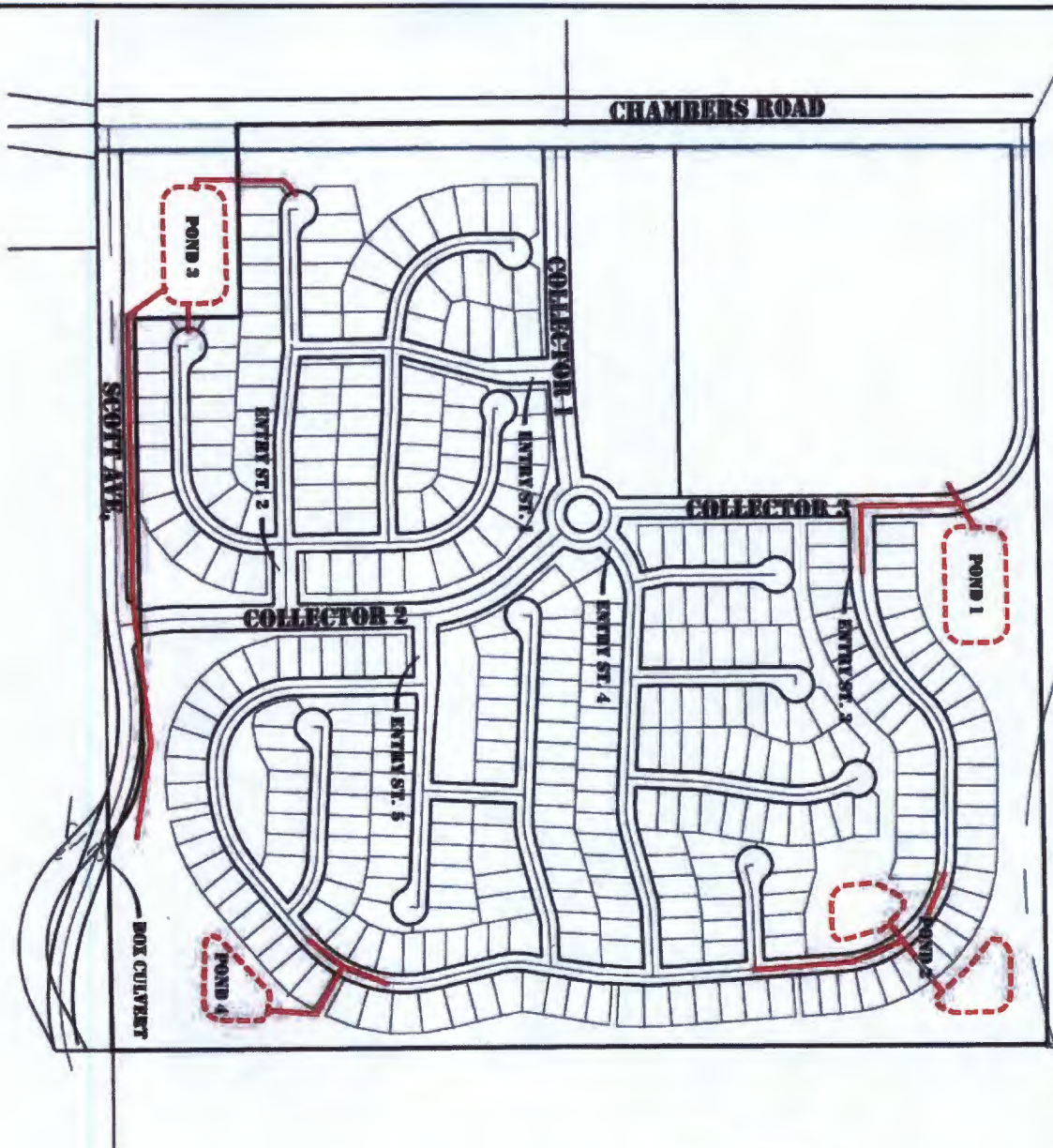
Total

Sub-Total: **\$9,477,720.00**

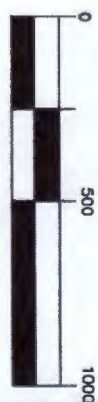
15% contingency: \$1,421,658.00

Cielo Metropolitan District TOTAL: **\$10,899,378.00**

Exhibit E
Map of Improvements



LEGEND



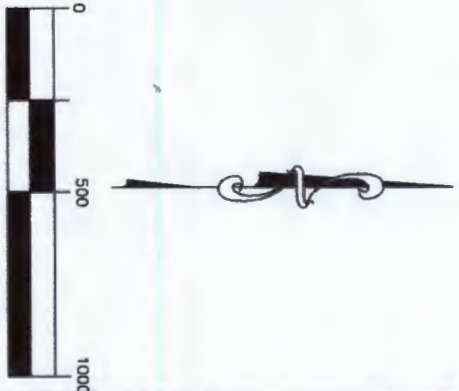
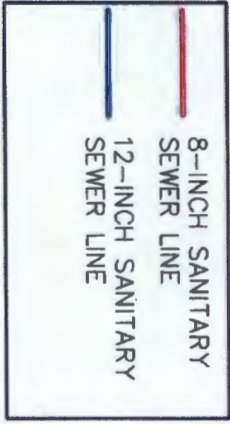
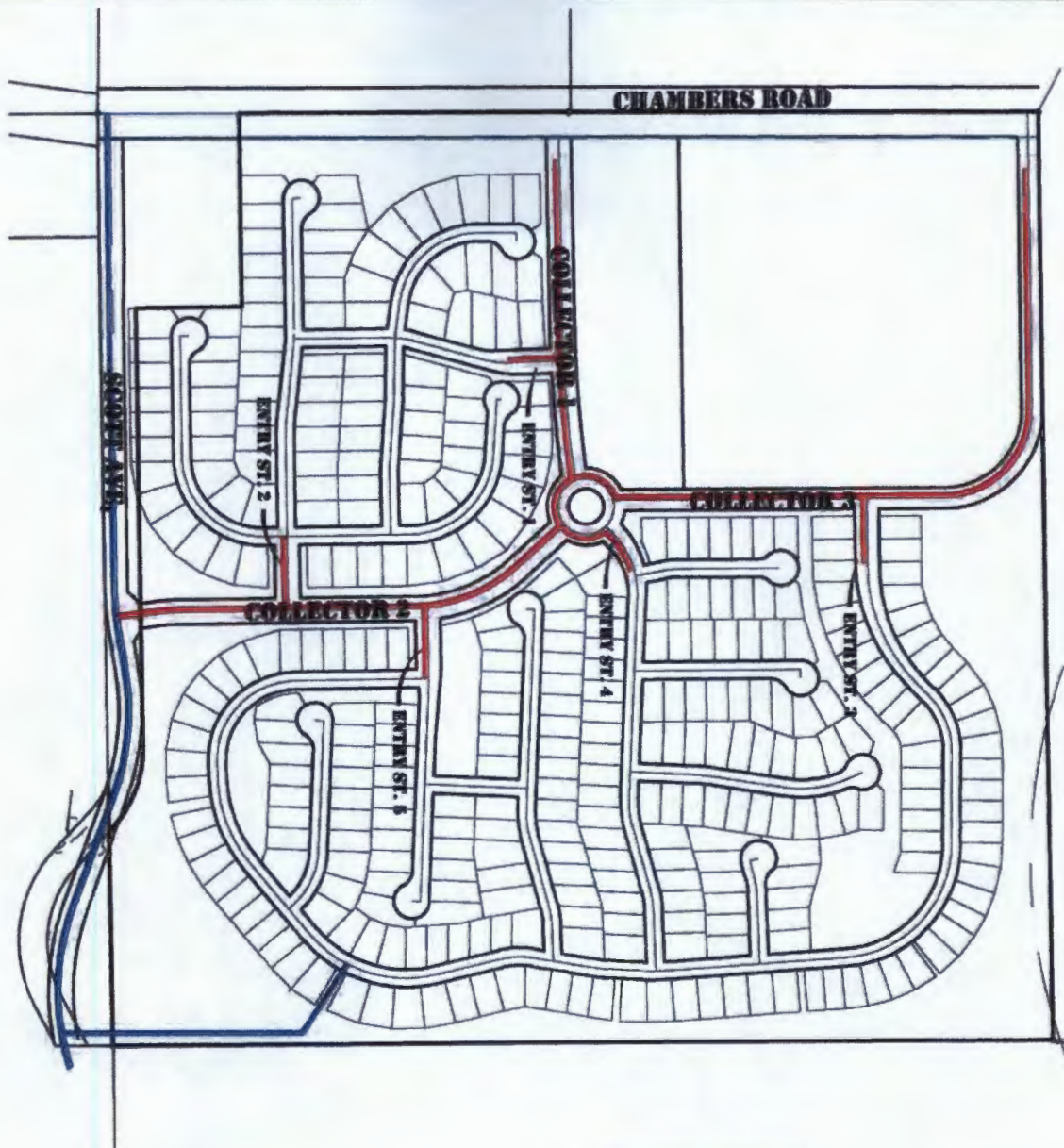
(IN FEET)
1 inch = 500 ft.



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**CIELO
METROPOLITAN DISTRICT
OVERALL STORM DRAINAGE EXHIBIT
SHEET 1 OF 1**

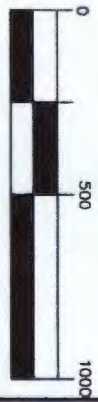
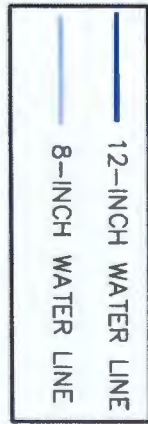
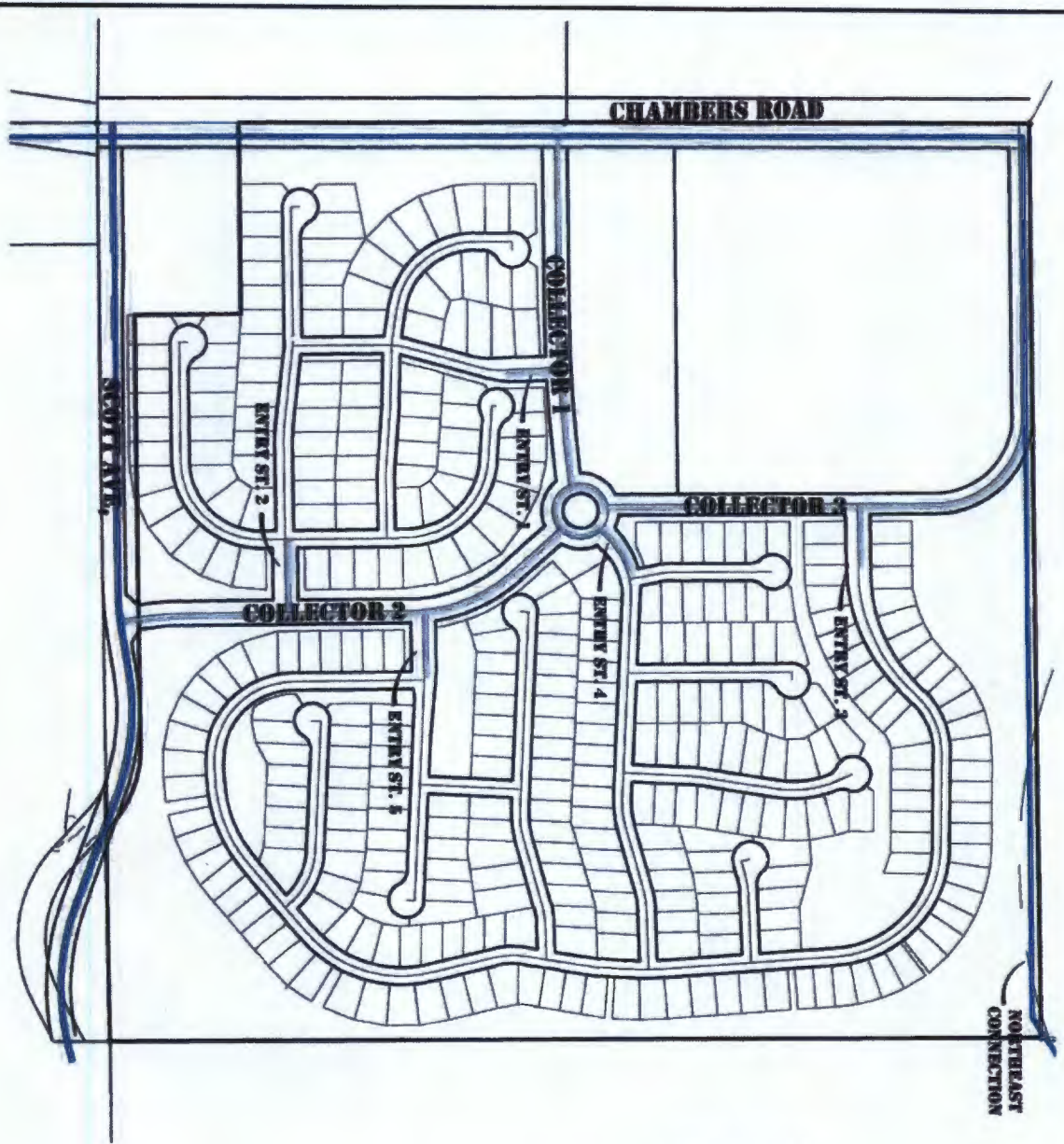
MAY 12, 2015



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**CIELO
 METROPOLITAN DISTRICT
 OVERALL SANITARY EXHIBIT
 SHEET 1 OF 1**

MAY 12, 2015

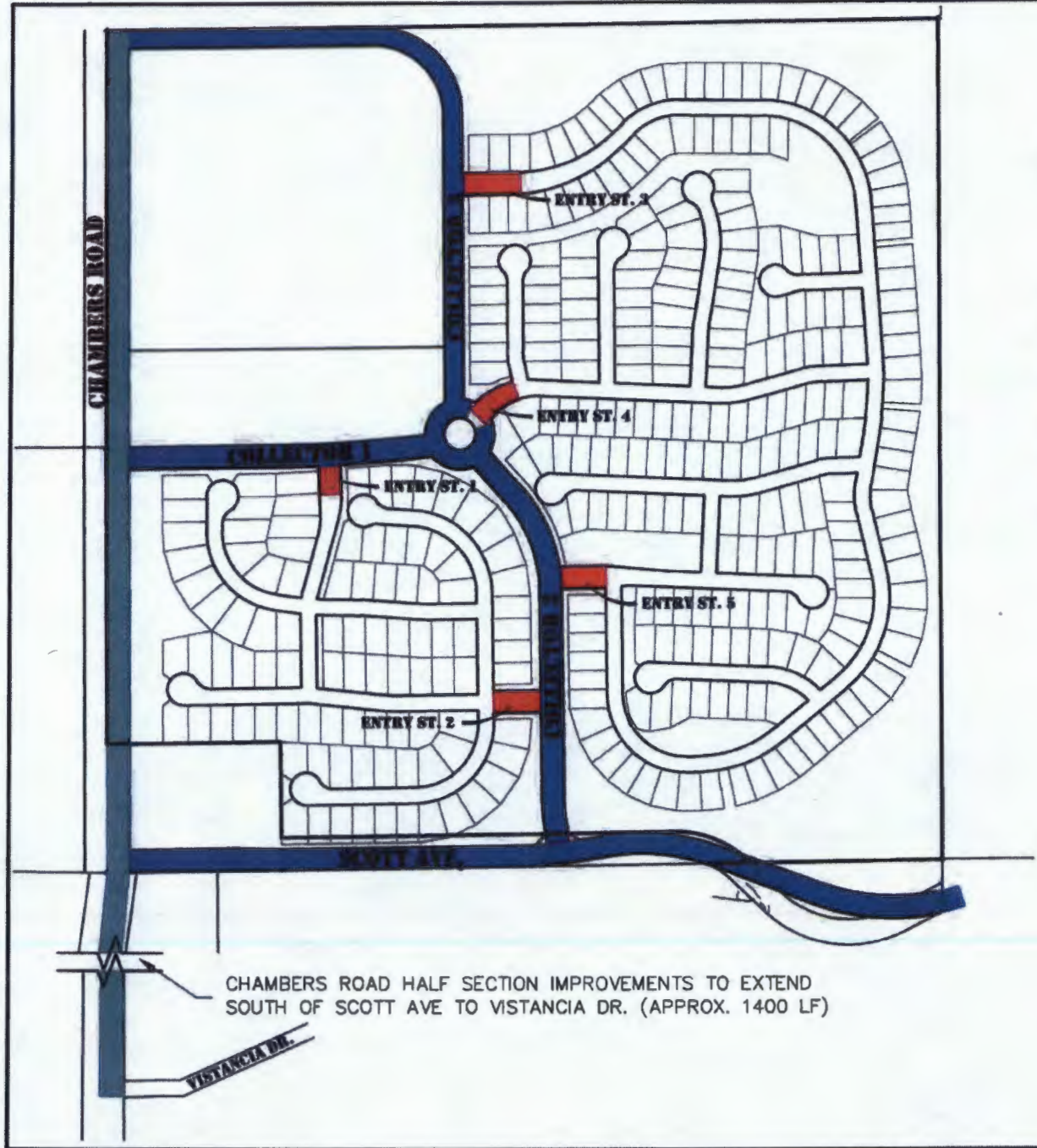


(IN FEET)
1 inch = 500 ft.)

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**CIELO
 METROPOLITAN DISTRICT
 OVERALL WATER EXHIBIT
 SHEET 1 OF 1**

MAY 12, 2015

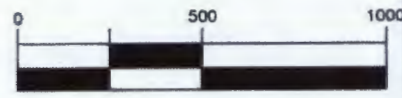


CHAMBERS ROAD HALF SECTION IMPROVEMENTS TO EXTEND SOUTH OF SCOTT AVE TO VISTANCIA DR. (APPROX. 1400 LF)

ALL STREETS PER DOUGLAS COUNTY STREET DESIGN & CONSTRUCTION REGULATIONS.

LEGEND

	4-LANE MAJOR ARTERIAL STREET SECTION
	2-LANE URBAN COLLECTOR STREET SECTION
	2-LANE ENTRY STREET SECTION



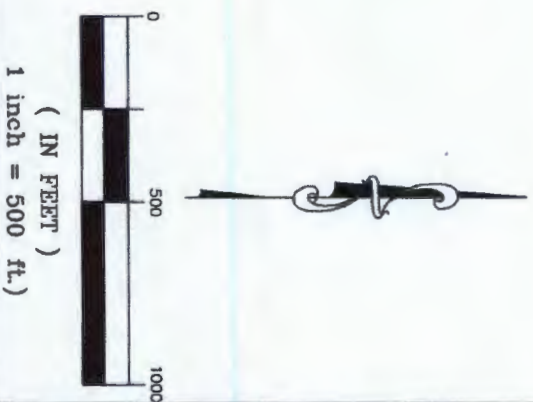
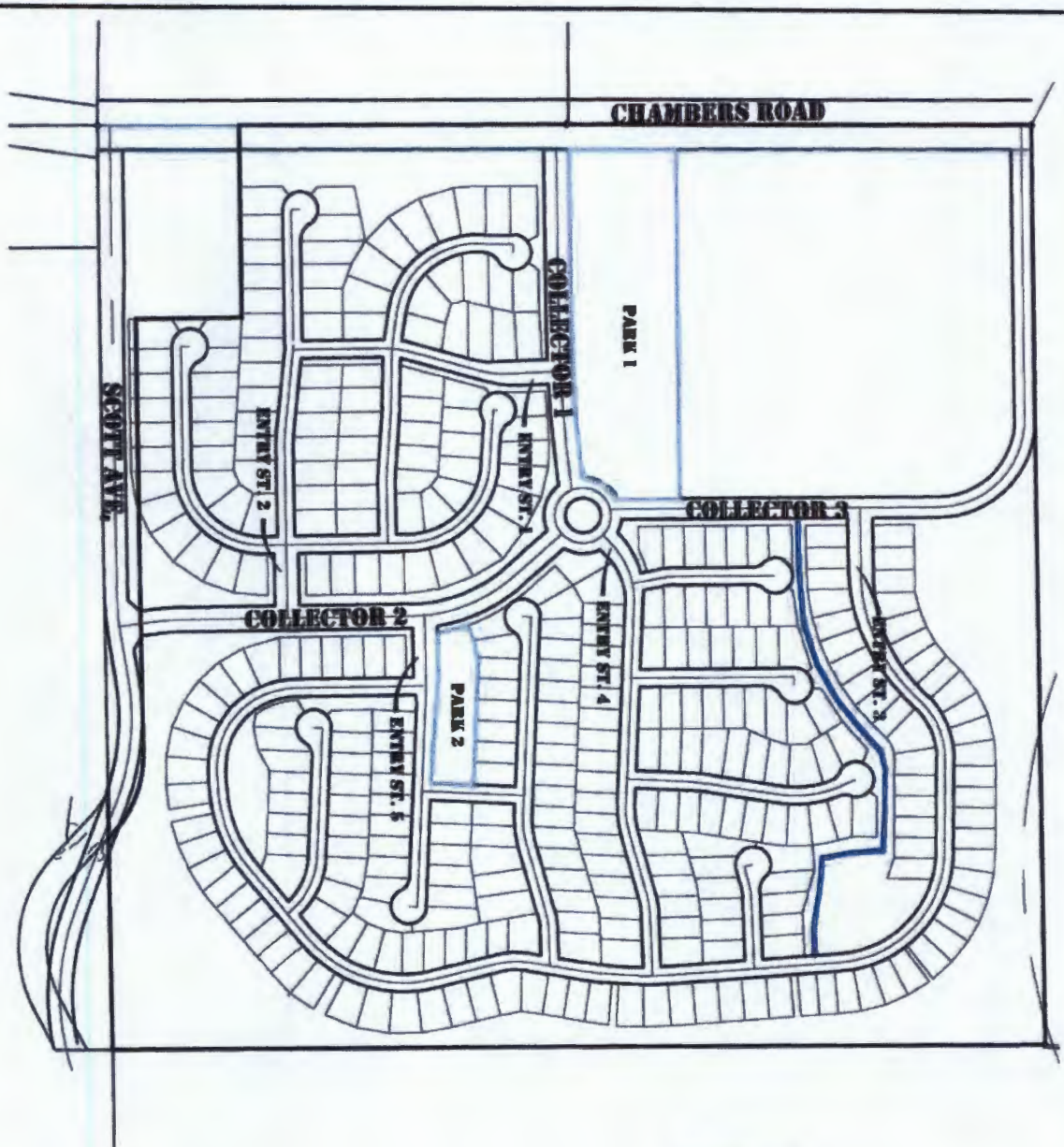
(IN FEET)
1 inch = 500 ft.)

ATWELL
www.atwell-group.com
200 W. 11th St.
Jeffersonville, IN 47130
PREVIOUS CONSULTING SERVICES FOR THIS PROJECT PROVIDED BY PEAK CIVIL CONSULTANTS



CIELO METROPOLITAN DISTRICT
OVERALL STREET EXHIBIT
SHEET 1 OF 1

MAY 12, 2015




ATWELL
www.atwell-group.com
 303.462.1100
 CONTACT: JOE FRENCH
 JFRENCH@ATWELL-GROUP.COM
 PREVIOUS CONSULTING
 SERVICES FOR THIS PROJECT
 PROVIDED BY
 PEAK CIVIL CONSULTANTS

**CIELO
 METROPOLITAN DISTRICT
 OVERALL OPEN SPACE EXHIBIT
 SHEET 1 OF 1**

MAY 12, 2015

**Exhibit F
Financial Plan**



July 2, 2015

Proposed Cielo Metropolitan District
Attention: Mike Sanders
Arlington Land Partners, LLC
6700 East Scott Road
Parker, CO 80134

RE: Proposed Cielo Metropolitan District

Scope and Limitations of Engagement

We have analyzed the bonding capacity for the proposed Cielo Metropolitan District (“the District”). The analysis presented summarizes and presents information provided by Choke Cherry Investors LLC (“the Developer”) and does not include independently verifying the accuracy of the information or assumptions.

Assumptions

The following assumptions have been provided by the Developer and form the basis of the analysis.

1. Development is assumed to include two different types of residential single family home products – the first have a price point of \$400,000 and will be built at a pace of 45 in 2017, 55 in 2018 and 2019 and 53 in 2020. The second single family home product has a price point of \$450,000 and will be built at a pace of 25 in 2017, 30 in 2018, then 40 in 2019 and 2020.
2. The debt service mill levy is assumed to be 50.00 mills (with a cap of 50.00 mills) beginning in tax collection year 2020 which is assumed to be the first collection year for which a debt service mill levy will have been certified by the Districts. Prior to that time, the District may certify 60 mills to support Operations. Beginning in 2020, in addition to the debt service mill levy, the Districts are anticipated to levy approximately 10.00 mills for Operations. The combined debt service and operating levy is assumed to be 60.00 mills for this plan of finance.
3. It is assumed the District issues a Non-Rated Bond with a par of \$8,560,000.00 in December of 2020. An interest rate of 5.5% was assumed based upon 30-year debt sized to 1.2x debt service coverage at the maximum debt service mill levy of 50.00 mills. At issuance, it is assumed that the District will fund \$234,597.96 for Capitalized Interest, \$684,750.00 for a Debt Service Reserve Fund and \$342,400.00 in costs of issuance with bond proceeds. The remaining \$7,298,252.04 is assumed to reimburse the Developer for eligible expenses.
4. It is assumed the District issues a Developer Cash Flow Subordinate Bonds with a par of \$1,245,000 in December of 2020. An interest rate of 8.0% was assumed. The bond will be issued to the developer in reimbursement of eligible expenses.

5. The Surplus Fund is sized to \$856,000 so long as the District is above a 50% debt to assessed ratio. For any period when the debt to assessed drops below 50%, the Surplus is reduced to \$200,000.00.
6. Specific Ownership Tax revenues have been calculated based on applying a factor of 6.0% to annual property tax revenues (on both the Debt Service and Operations levies).
7. It is assumed that 98% of property taxes levied will be collected and available to the District (for both the Debt Service and Operations levies).
8. It is assumed that there will be a 2% biennial inflation rate on assessments. The bonding capacity could be higher if the rate of assessment inflation is greater or conversely lower if the inflation rate is below 2%.

Estimate of Potential Bonding Capacity

Including all phases of development, total bonding capacity based on the assumptions outlined, is projected to be \$8.56M in senior debt and \$1.25M in subordinate debt.

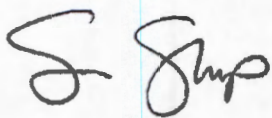
Disclaimer

The assumptions disclosed in the Financial Plan are those of the Developer and have not been independently reviewed by D.A. Davidson. Those assumptions identified are believed to be the significant factors in determining financial feasibility; however, they are likely not to be all-inclusive. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as assumed, and those differences may be material. Key assumptions — like those relating to market values of real property improvements and the build out schedule of such property — are particularly sensitive in terms of the timing necessary to create the tax base for the District. A small variation in these variables, and to their timing, can have a large effect on the forecasted results. There is a high probability that the forecasted results will differ from realized future tax base factors and such variations can be material. Additionally, other key assumptions relating to inflation, assessment ratios, interest rates, and infrastructure, administrative, and operating costs may, and likely will, vary from those assumed.

D.A. Davidson has not independently evaluated or reviewed the assumptions that the Financial Model is based upon. Furthermore, because of the inherent nature of future events, which are subject to change and variation as events and circumstances change, the actual results may vary materially from the results presented here. D.A. Davidson has no responsibility or obligation to update this information or this Financial Model for events occurring after the date of this report.

Respectfully submitted,

D.A. DAVIDSON & CO. FIXED INCOME CAPITAL MARKETS

A handwritten signature in black ink, appearing to read "S Sharp". The signature is written in a cursive style with a large, stylized "S" and a smaller "Sharp" following it.

Sam Sharp

Managing Director, Public Finance

CIELO METROPOLITAN DISTRICT

Development Projection at 50.000 (target) Mills for Debt Service

Series 2020, G.O. Bonds, Non-Rated, 120x, 30-yr. Maturity; plus Series 2020B Cash-Flow Subs.

YEAR	<<<<<<< Residential >>>>>>>>				<< Platted/Developed Lots >>			Total Mill Levy [50.00 target] [50.00 D/S cap]	Total Collections @ 95%	S.O. Tax Collections @ 6%	Total Revenue
	Total	Biennial	As'ed Value	As'ed Value	Total	Mill Levy	Total				
	Res'l Units	Reasses'mt @ 2.0%	Cumulative Market Value	@ 7.96% of Market (2-yr lag)	Cumulative Market Value	@ 29.00% of Market (2-yr lag)	Collected Assessed Value				
2015	0		0		0						
2016	0		0		2,925,000				\$0	\$0	\$0
2017	70		29,835,000	0	3,550,000	0	0	0.000	0	0	0
2018	65	596,700	67,365,900	0	4,000,000	848,250	848,250	0.000	0	0	0
2019	95		109,814,220	2,374,866	3,920,000	1,029,500	3,404,366	0.000	0	0	0
2020	93	2,196,284	154,441,845	5,362,326	0	1,160,000	6,522,326	50.000	319,594	19,174	338,770
2021	0		154,441,845	8,741,212	0	1,136,800	9,878,012	50.000	484,023	29,041	513,064
2022	0	3,088,837	157,530,682	12,293,571	0	0	12,293,571	50.000	602,385	36,143	638,528
2023	0		157,530,682	12,293,571	0	0	12,293,571	50.000	602,385	36,143	638,528
2024	0	3,150,614	160,681,296	12,539,442	0	0	12,539,442	50.000	614,433	36,866	651,299
2025	0		160,681,296	12,539,442	0	0	12,539,442	50.000	614,433	36,866	651,299
2026	0	3,213,626	163,894,922	12,790,231	0	0	12,790,231	50.000	626,721	37,601	664,325
2027	0		163,894,922	12,790,231	0	0	12,790,231	50.000	626,721	37,601	664,325
2028	0	3,277,898	167,172,820	13,046,036	0	0	13,046,036	50.000	639,256	38,355	677,611
2029	0		167,172,820	13,046,036	0	0	13,046,036	50.000	639,256	38,355	677,611
2030	0	3,343,458	170,516,276	13,306,956	0	0	13,306,956	50.000	652,041	39,122	691,163
2031	0		170,516,276	13,306,956	0	0	13,306,956	50.000	652,041	39,122	691,163
2032	0	3,410,326	173,926,602	13,573,096	0	0	13,573,096	50.000	665,082	39,905	704,987
2033	0		173,926,602	13,573,096	0	0	13,573,096	50.000	665,082	39,905	704,987
2034	0	3,478,532	177,405,134	13,844,558	0	0	13,844,558	50.000	678,383	40,703	719,086
2035	0		177,405,134	13,844,558	0	0	13,844,558	50.000	678,383	40,703	719,086
2036		3,548,103	180,953,237	14,121,449	0	0	14,121,449	50.000	691,951	41,517	733,468
2037			180,953,237	14,121,449	0	0	14,121,449	50.000	691,951	41,517	733,468
2038		3,619,065	184,572,301	14,403,878	0	0	14,403,878	50.000	705,790	42,341	748,137
2039			184,572,301	14,403,878	0	0	14,403,878	50.000	705,790	42,341	748,137
2040		3,691,446	188,263,747	14,691,955	0	0	14,691,955	50.000	719,906	43,194	763,100
2041			188,263,747	14,691,955	0	0	14,691,955	50.000	719,906	43,194	763,100
2042		3,765,275	192,029,022	14,985,794	0	0	14,985,794	50.000	734,304	44,058	778,362
2043			192,029,022	14,985,794	0	0	14,985,794	50.000	734,304	44,058	778,362
2044		3,840,580	195,869,603	15,285,510	0	0	15,285,510	50.000	748,990	44,939	793,929
2045			195,869,603	15,285,510	0	0	15,285,510	50.000	748,990	44,939	793,929
2046		3,917,392	199,786,995	15,591,220	0	0	15,591,220	50.000	763,970	45,838	809,808
2047			199,786,995	15,591,220	0	0	15,591,220	50.000	763,970	45,838	809,808
2048		3,995,740	203,782,735	15,903,045	0	0	15,903,045	50.000	779,249	46,755	826,004
2049			203,782,735	15,903,045	0	0	15,903,045	50.000	779,249	46,755	826,004
2050		4,075,655	207,858,389	16,221,106	0	0	16,221,106	50.000	794,834	47,690	842,524
		343	56,209,529						20,843,371	1,250,602	22,093,974

CIELO METROPOLITAN DISTRICT

Development Projection at 50.000 (target) Mills for Debt Service

Series 2020, G.O. Bonds, Non-Rated, 120x, 30-yr. Maturity; plus Series 2020B Cash-Flow Subs.

YEAR	Net Available for Debt Svc	Series 2020	Surplus			Senior	Senior	Net D/S
		\$1,560,000 Par [Net \$7.298M] Net Debt Service	Annual Surplus	Releases @ 50% Total D/A to \$200,000	Cumulative Surplus \$856,000 Target	Debt/ Assessed Ratio	Debt/ Act'l Value Ratio	Coverage @ Mill Levy Cap
2015								
2016	\$0		n/a		0	n/a	n/a	n/a
2017	0		n/a		0	n/a	n/a	n/a
2018	0		n/a		0	0%	0%	n/a
2019	0		n/a		0	0%	0%	n/a
2020	338,770	\$0	338,770		338,770	0%	0%	n/a
2021	513,064	234,715	278,349	0	617,118	87%	6%	219%
2022	638,528	529,431	109,098	0	726,216	70%	5%	121%
2023	638,528	531,131	107,398	0	833,613	69%	5%	120%
2024	651,299	537,556	113,743	91,357	856,000	67%	5%	121%
2025	651,299	538,431	112,868	112,868	856,000	67%	5%	121%
2026	664,325	549,031	115,294	115,294	856,000	65%	5%	121%
2027	664,325	548,606	115,519	115,519	856,000	64%	5%	121%
2028	677,611	563,306	114,306	114,306	856,000	62%	5%	120%
2029	677,611	561,706	115,906	115,906	856,000	61%	5%	121%
2030	691,163	574,831	116,333	116,333	856,000	59%	5%	120%
2031	691,163	571,856	119,308	119,308	856,000	58%	5%	121%
2032	704,987	583,606	121,381	121,381	856,000	56%	4%	121%
2033	704,987	584,256	120,731	120,731	856,000	54%	4%	121%
2034	719,086	594,356	124,731	124,731	856,000	52%	4%	121%
2035	719,086	598,356	120,731	120,731	856,000	51%	4%	120%
2036	733,468	606,551	126,938	762,938	200,000	48%	4%	121%
2037	733,468	608,606	124,863	124,863	200,000	46%	4%	121%
2038	748,137	619,856	128,282	128,282	200,000	44%	3%	121%
2039	748,137	619,731	128,407	128,407	200,000	42%	3%	121%
2040	763,100	633,781	129,320	129,320	200,000	39%	3%	120%
2041	763,100	631,181	131,920	131,920	200,000	37%	3%	121%
2042	778,362	647,756	130,607	130,607	200,000	34%	3%	120%
2043	778,362	647,406	130,957	130,957	200,000	31%	2%	120%
2044	793,929	660,956	132,974	132,974	200,000	28%	2%	120%
2045	793,929	657,581	136,349	136,349	200,000	25%	2%	121%
2046	809,808	673,106	136,702	136,702	200,000	22%	2%	120%
2047	809,808	671,431	138,377	138,377	200,000	19%	1%	121%
2048	826,004	683,381	142,624	142,624	200,000	15%	1%	121%
2049	826,004	683,131	142,874	142,874	200,000	12%	1%	121%
2050	842,524	706,481	136,044	336,044	0	8%	1%	119%
	22,093,974	17,652,275	4,241,699	4,241,699				

[AApr1715 20nrbA]

Cash-Flow Sub. Bonds >>>

YEAR	Surplus		Sub Bond Interest on Balance 8.00%	Less Payments		Accrued		Balance of Accrued Interest	Sub Bonds Principal Issued	Less Payments		Balance of Sub Bond Principal	Surplus Cash Flow to District
	Available for Sub Debt Service	Date Bonds Issued		Toward Sub Bond Interest	Interest + Int. on Bal. @ 8.00%	Less Payments Toward Accrued Interest	Toward Bond Principal			Toward Bond Principal			
2015													
2016	\$0												
2017	0										\$0		\$0
2018	0										0		0
2019	0										0		0
2020	0	12/15/20	\$0	0	0	0	0	0	1,245,000	0	1,245,000		0
2021	0		99,600	0	99,600	0	99,600	99,600		0	1,245,000		0
2022	0		99,600	0	107,568	0	207,168	207,168		0	1,245,000		0
2023	0		99,600	0	116,173	0	323,341	323,341		0	1,245,000		0
2024	91,357		99,600	91,357	34,111	0	357,452	357,452		0	1,245,000		0
2025	112,868		99,600	99,600	28,596	13,268	372,780	372,780		0	1,245,000		0
2026	115,294		99,600	99,600	29,822	15,694	386,909	386,909		0	1,245,000		0
2027	115,519		99,600	99,600	30,953	15,919	401,942	401,942		0	1,245,000		0
2028	114,306		99,600	99,600	32,155	14,706	419,392	419,392		0	1,245,000		0
2029	115,906		99,600	99,600	33,551	16,306	436,638	436,638		0	1,245,000		0
2030	116,333		99,600	99,600	34,931	16,733	454,836	454,836		0	1,245,000		0
2031	119,308		99,600	99,600	36,387	19,708	471,515	471,515		0	1,245,000		0
2032	121,381		99,600	99,600	37,721	21,781	487,455	487,455		0	1,245,000		0
2033	120,731		99,600	99,600	38,996	21,131	505,320	505,320		0	1,245,000		0
2034	124,731		99,600	99,600	40,426	25,131	520,615	520,615		0	1,245,000		0
2035	120,731		99,600	99,600	41,649	21,131	541,134	541,134		0	1,245,000		0
2036	782,936		99,600	99,600	43,291	584,424	0	0		98,913	1,146,087		0
2037	124,863		91,687	91,687	0	0	0	0		33,176	1,112,911		0
2038	128,282		89,033	89,033	0	0	0	0		39,249	1,073,662		0
2039	128,407		85,893	85,893	0	0	0	0		42,514	1,031,148		0
2040	129,320		82,492	82,492	0	0	0	0		48,828	984,320		0
2041	131,920		78,746	78,746	0	0	0	0		53,174	931,148		0
2042	130,607		74,492	74,492	0	0	0	0		56,115	875,031		0
2043	130,957		70,003	70,003	0	0	0	0		60,954	814,077		0
2044	132,974		85,126	85,126	0	0	0	0		67,848	746,229		0
2045	136,349		59,698	59,698	0	0	0	0		76,651	669,579		0
2046	136,702		53,566	53,566	0	0	0	0		83,136	586,443		0
2047	138,377		46,915	46,915	0	0	0	0		91,462	494,981		0
2048	142,624		39,598	39,598	0	0	0	0		103,025	391,955		0
2049	142,874		31,356	31,356	0	0	0	0		111,517	280,438		0
2050	336,044		22,435	22,435	0	0	0	0		280,438	0		33,170
	<u>4,241,699</u>		<u>2,484,641</u>	<u>2,177,597</u>	<u>785,931</u>	<u>785,931</u>			<u>1,245,000</u>	<u>1,245,000</u>			<u>33,170</u>

CIELO METROPOLITAN DISTRICT

Operations Revenue and Expense Projection

YEAR	Total Assessed Value	Oper'n's Mill Levy	Total Collections @ 98%	S.O. Tax Collections @ 5%	Total Available For O&M	Total Mills
2015	0					
2016	0					
2017	0	60.000	0	0	0	60.000
2018	848,250	60.000	49,877	2,993	52,870	60.000
2019	3,404,368	60.000	200,177	12,011	212,187	60.000
2020	6,522,326	10.000	63,919	3,835	67,754	60.000
2021	9,878,012	10.000	96,805	5,808	102,613	60.000
2022	12,293,571	10.000	120,477	7,229	127,706	60.000
2023	12,293,571	10.000	120,477	7,229	127,706	60.000
2024	12,539,442	10.000	122,887	7,373	130,260	60.000
2025	12,539,442	10.000	122,887	7,373	130,260	60.000
2026	12,790,231	10.000	125,344	7,521	132,865	60.000
2027	12,790,231	10.000	125,344	7,521	132,865	60.000
2028	13,046,036	10.000	127,851	7,671	135,522	60.000
2029	13,046,036	10.000	127,851	7,671	135,522	60.000
2030	13,306,956	10.000	130,408	7,824	138,233	60.000
2031	13,306,956	10.000	130,408	7,824	138,233	60.000
2032	13,573,096	10.000	133,016	7,981	140,997	60.000
2033	13,573,096	10.000	133,016	7,981	140,997	60.000
2034	13,844,558	10.000	135,677	8,141	143,817	60.000
2035	13,844,558	10.000	135,677	8,141	143,817	60.000
2036	14,121,449	10.000	138,390	8,303	146,694	60.000
2037	14,121,449	10.000	138,390	8,303	146,694	60.000
2038	14,403,878	10.000	141,158	8,469	149,627	60.000
2039	14,403,878	10.000	141,158	8,469	149,627	60.000
2040	14,691,955	10.000	143,981	8,639	152,620	60.000
2041	14,691,955	10.000	143,981	8,639	152,620	60.000
2042	14,985,794	10.000	146,861	8,812	155,673	60.000
2043	14,985,794	10.000	146,861	8,812	155,673	60.000
2044	15,285,510	10.000	149,798	8,988	158,786	60.000
2045	15,285,510	10.000	149,798	8,988	158,786	60.000
2046	15,591,220	10.000	152,794	9,168	161,962	60.000
2047	15,591,220	10.000	152,794	9,168	161,962	60.000
2048	15,903,045	10.000	155,850	9,351	165,201	60.000
2049	15,903,045	10.000	155,850	9,351	165,201	60.000
2050	16,221,108	10.000	158,967	9,538	168,505	60.000
			4,418,728	285,124	4,683,852	

CIELO METROPOLITAN DISTRICT

Development Projection – Bulldozer Plan (updated 4/17/15)

YEAR	Residential Development					Residential Summary					Residential Summary		Value of Platted & Developed Lots	
	<u>SFD 1</u>					<u>SFD 2</u>					Total Residential Market Value	Total Res'l Units	Adjustment ¹	Adjusted Value
	# Lots Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	# Units Completed [Target 208]	Price Inflated @ 2%	Market Value	# Lots Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	# Units Completed [Target 135]	Price Inflated @ 2%	Market Value				
2015	0	0			0	0	0			0	\$0	0	0	0
2016	45	-1,800,000		\$400,000	0	25	1,125,000		\$450,000	0	\$0	0	0	2,925,000
2017	55	400,000	45	408,000	18,360,000	30	225,000	25	459,000	11,475,000	\$29,835,000	70	0	\$25,000
2018	55	0	55	416,160	22,888,800	40	450,000	30	468,180	14,045,400	\$36,934,200	85	0	450,000
2019	53	(80,000)	55	424,483	23,346,576	40	0	40	477,544	19,101,744	\$42,448,320	95	0	(80,000)
2020	0	(2,120,000)	53	432,973	22,947,562	0	(1,800,000)	40	487,094	19,483,779	\$42,431,341	93	0	(3,920,000)
2021	0	0	0	441,632	0	0	0	0	496,836	0	\$0	0	0	0
2022	0	0	0	450,465	0	0	0	0	506,773	0	\$0	0	0	0
2023	0	0	0	459,474	0	0	0	0	516,909	0	\$0	0	0	0
2024	0	0	0	468,664	0	0	0	0	527,247	0	\$0	0	0	0
2025	0	0	0	478,037	0	0	0	0	537,792	0	\$0	0	0	0
2026	0	0	0	487,598	0	0	0	0	548,547	0	\$0	0	0	0
2027	0	0	0	497,350	0	0	0	0	559,518	0	\$0	0	0	0
2028	0	0	0	507,297	0	0	0	0	570,709	0	\$0	0	0	0
2029	0	0	0	517,443	0	0	0	0	582,123	0	\$0	0	0	0
2030	0	0	0	527,792	0	0	0	0	593,765	0	\$0	0	0	0
2031	0	0	0	538,347	0	0	0	0	605,641	0	\$0	0	0	0
2032	0	0	0	549,114	0	0	0	0	617,754	0	\$0	0	0	0
2033	0	0	0	560,097	0	0	0	0	630,109	0	\$0	0	0	0
2034	0	0	0	571,298	0	0	0	0	642,711	0	\$0	0	0	0
2035	0	0	0	582,724	0	0	0	0	655,565	0	\$0	0	0	0
	208	(0)	208		87,542,938	135	0	135		64,105,923	151,648,861	343	0	(0)

[1] Adj. to actual/prelim AV

CIELO METROPOLITAN DISTRICT

Development Projection – Buildout Plan (updated 4/17/16)

Residential Development

Residential Summary

YEAR	SFD 1					SFD 2					Residential Summary		Value of Platted & Developed Lots	
	Incr/(Decr) In Finished Lot		# Units Completed [Target 208]	Price Inflated @ 2%	Market Value	Incr/(Decr) In Finished Lot		# Units Completed [Target 135]	Price Inflated @ 2%	Market Value	Total Residential Market Value	Total Res'l Units	Adjustment ¹	Adjusted Value
	# Lots Devel'd	Value @ 10%				# Lots Devel'd	Value @ 10%							
2015	0	0			0	0	0			0	0		0	
2016	45	1,800,000		\$400,000	0	25	1,125,000		\$450,000	0	0	0	2,925,000	
2017	55	400,000	45	408,000	18,360,000	30	225,000	25	459,000	11,475,000	\$29,835,000	70	0	625,000
2018	55	0	55	416,160	22,888,800	40	450,000	30	468,180	14,045,400	\$36,934,200	85	0	450,000
2019	53	(80,000)	55	424,483	23,346,576	40	0	40	477,544	19,101,744	\$42,448,320	95	0	(80,000)
2020	0	(2,120,000)	53	432,973	22,947,562	0	(1,800,000)	40	487,094	19,483,779	\$42,431,341	93	0	(3,920,000)
2021	0	0	0	441,632	0	0	0	0	496,836	0	\$0	0	0	0
2022	0	0	0	450,465	0	0	0	0	506,773	0	\$0	0	0	0
2023	0	0	0	459,474	0	0	0	0	516,909	0	\$0	0	0	0
2024	0	0	0	468,664	0	0	0	0	527,247	0	\$0	0	0	0
2025	0	0	0	478,037	0	0	0	0	537,792	0	\$0	0	0	0
2026	0	0	0	487,598	0	0	0	0	548,547	0	\$0	0	0	0
2027	0	0	0	497,350	0	0	0	0	559,518	0	\$0	0	0	0
2028	0	0	0	507,297	0	0	0	0	570,709	0	\$0	0	0	0
2029	0	0	0	517,443	0	0	0	0	582,123	0	\$0	0	0	0
2030	0	0	0	527,792	0	0	0	0	593,765	0	\$0	0	0	0
2031	0	0	0	538,347	0	0	0	0	605,641	0	\$0	0	0	0
2032	0	0	0	549,114	0	0	0	0	617,754	0	\$0	0	0	0
2033	0	0	0	560,097	0	0	0	0	630,109	0	\$0	0	0	0
2034	0	0	0	571,298	0	0	0	0	642,711	0	\$0	0	0	0
2035		0	0	582,724	0		0	0	655,565	0	\$0	0	0	0
	208	(0)	208		87,542,938	135	0	135		64,105,923	151,648,861	343	0	(0)

[1] Adj. to actual/prelim AV

SOURCES AND USES OF FUNDS
CIELO METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2020
Non-Rated, 120x, 30-yr. Maturity
[Preliminary -- for discussion only]

Dated Date 12/01/2020
 Delivery Date 12/01/2020

Sources:

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Bond Proceeds:	
Par Amount	8,560,000.00
	<hr/>
	8,560,000.00
	<hr/>

Uses:

<hr/>	
Project Fund Deposits:	
Project Fund #1	7,298,252.04
Other Fund Deposits:	
Capitalized Interest	234,597.96
Debt Service Reserve Fund	<u>684,750.00</u>
	919,347.96
Delivery Date Expenses:	
Cost of Issuance	<u>342,400.00</u>
	<hr/>
	8,560,000.00
	<hr/>

BOND SUMMARY STATISTICS
CIELO METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2020
Non-Rated, 120x, 30-yr. Maturity
[Preliminary -- for discussion only]

Dated Date	12/01/2020
Delivery Date	12/01/2020
First Coupon	06/01/2021
Last Maturity	12/01/2050
Arbitrage Yield	5.500000%
True Interest Cost (TIC)	5.500000%
Net Interest Cost (NIC)	5.500000%
All-In TIC	5.841116%
Average Coupon	5.500000%
Average Life (years)	21.777
Duration of Issue (years)	12.427
Par Amount	8,560,000.00
Bond Proceeds	8,560,000.00
Total Interest	10,252,825.00
Net Interest	10,252,825.00
Bond Years from Dated Date	186,415,000.00
Bond Years from Delivery Date	186,415,000.00
Total Debt Service	18,812,825.00
Maximum Annual Debt Service	1,392,600.00
Average Annual Debt Service	627,094.17
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Term bond due 2050	8,560,000.00	100.000	5.500%	21.777	12,497.60
	8,560,000.00			21.777	12,497.60

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,560,000.00	8,560,000.00	8,560,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-342,400.00	
- Other Amounts			
Target Value	8,560,000.00	8,217,600.00	8,560,000.00
Target Date	12/01/2020	12/01/2020	12/01/2020
Yield	5.500000%	5.841116%	5.500000%

BOND DEBT SERVICE
CIELO METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2020
Non-Rated, 120x, 30-yr. Maturity
[Preliminary -- for discussion only]

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2021			235,400.00	235,400.00	
12/01/2021			235,400.00	235,400.00	470,800
06/01/2022			235,400.00	235,400.00	
12/01/2022	60,000	5.500%	235,400.00	295,400.00	530,800
06/01/2023			233,750.00	233,750.00	
12/01/2023	65,000	5.500%	233,750.00	298,750.00	532,500
06/01/2024			231,962.50	231,962.50	
12/01/2024	75,000	5.500%	231,962.50	306,962.50	538,925
06/01/2025			229,900.00	229,900.00	
12/01/2025	80,000	5.500%	229,900.00	309,900.00	539,800
06/01/2026			227,700.00	227,700.00	
12/01/2026	95,000	5.500%	227,700.00	322,700.00	550,400
06/01/2027			225,087.50	225,087.50	
12/01/2027	100,000	5.500%	225,087.50	325,087.50	550,175
06/01/2028			222,337.50	222,337.50	
12/01/2028	120,000	5.500%	222,337.50	342,337.50	564,675
06/01/2029			219,037.50	219,037.50	
12/01/2029	125,000	5.500%	219,037.50	344,037.50	563,075
06/01/2030			215,600.00	215,600.00	
12/01/2030	145,000	5.500%	215,600.00	360,600.00	576,200
06/01/2031			211,612.50	211,612.50	
12/01/2031	150,000	5.500%	211,612.50	361,612.50	573,225
06/01/2032			207,487.50	207,487.50	
12/01/2032	170,000	5.500%	207,487.50	377,487.50	584,975
06/01/2033			202,812.50	202,812.50	
12/01/2033	180,000	5.500%	202,812.50	382,812.50	585,625
06/01/2034			197,862.50	197,862.50	
12/01/2034	200,000	5.500%	197,862.50	397,862.50	595,725
06/01/2035			192,362.50	192,362.50	
12/01/2035	215,000	5.500%	192,362.50	407,362.50	599,725
06/01/2036			186,450.00	186,450.00	
12/01/2036	235,000	5.500%	186,450.00	421,450.00	607,900
06/01/2037			179,987.50	179,987.50	
12/01/2037	250,000	5.500%	179,987.50	429,987.50	609,975
06/01/2038			173,112.50	173,112.50	
12/01/2038	275,000	5.500%	173,112.50	448,112.50	621,225
06/01/2039			165,550.00	165,550.00	
12/01/2039	290,000	5.500%	165,550.00	455,550.00	621,100
06/01/2040			157,575.00	157,575.00	
12/01/2040	320,000	5.500%	157,575.00	477,575.00	635,150
06/01/2041			148,775.00	148,775.00	
12/01/2041	335,000	5.500%	148,775.00	483,775.00	632,550
06/01/2042			139,562.50	139,562.50	
12/01/2042	370,000	5.500%	139,562.50	509,562.50	649,125
06/01/2043			129,387.50	129,387.50	
12/01/2043	390,000	5.500%	129,387.50	519,387.50	648,775
06/01/2044			118,662.50	118,662.50	
12/01/2044	425,000	5.500%	118,662.50	543,662.50	662,325
06/01/2045			106,975.00	106,975.00	
12/01/2045	445,000	5.500%	106,975.00	551,975.00	658,950
06/01/2046			94,737.50	94,737.50	
12/01/2046	485,000	5.500%	94,737.50	579,737.50	674,475
06/01/2047			81,400.00	81,400.00	
12/01/2047	510,000	5.500%	81,400.00	591,400.00	672,800
06/01/2048			67,375.00	67,375.00	
12/01/2048	550,000	5.500%	67,375.00	617,375.00	684,750
06/01/2049			52,250.00	52,250.00	
12/01/2049	580,000	5.500%	52,250.00	632,250.00	684,500
06/01/2050			36,300.00	36,300.00	
12/01/2050	1,320,000	5.500%	36,300.00	1,356,300.00	1,392,600
	8,560,000		10,252,825.00	18,812,825.00	18,812,825

NET DEBT SERVICE

**CIELO METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2020
Non-Rated, 120x, 30-yr. Maturity
[Preliminary – for discussion only]**

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest	Net Debt Service
12/01/2021		470,800	470,800	-684.75	-235,400	234,715.25
12/01/2022	60,000	470,800	530,800	-1,369.50		529,430.50
12/01/2023	65,000	467,500	532,500	-1,369.50		531,130.50
12/01/2024	75,000	463,925	538,925	-1,369.50		537,555.50
12/01/2025	80,000	459,800	539,800	-1,369.50		538,430.50
12/01/2026	95,000	455,400	550,400	-1,369.50		549,030.50
12/01/2027	100,000	450,175	550,175	-1,369.50		548,805.50
12/01/2028	120,000	444,675	564,675	-1,369.50		563,305.50
12/01/2029	125,000	438,075	563,075	-1,369.50		561,705.50
12/01/2030	145,000	431,200	576,200	-1,369.50		574,830.50
12/01/2031	150,000	423,225	573,225	-1,369.50		571,855.50
12/01/2032	170,000	414,975	584,975	-1,369.50		583,605.50
12/01/2033	180,000	405,625	585,625	-1,369.50		584,255.50
12/01/2034	200,000	395,725	595,725	-1,369.50		594,355.50
12/01/2035	215,000	384,725	599,725	-1,369.50		598,355.50
12/01/2036	235,000	372,900	607,900	-1,369.50		606,530.50
12/01/2037	250,000	359,975	609,975	-1,369.50		608,605.50
12/01/2038	275,000	346,225	621,225	-1,369.50		619,855.50
12/01/2039	290,000	331,100	621,100	-1,369.50		619,730.50
12/01/2040	320,000	315,150	635,150	-1,369.50		633,780.50
12/01/2041	335,000	297,550	632,550	-1,369.50		631,180.50
12/01/2042	370,000	279,125	649,125	-1,369.50		647,755.50
12/01/2043	390,000	258,775	648,775	-1,369.50		647,405.50
12/01/2044	425,000	237,325	662,325	-1,369.50		660,955.50
12/01/2045	445,000	213,950	658,950	-1,369.50		657,580.50
12/01/2046	485,000	189,475	674,475	-1,369.50		673,105.50
12/01/2047	510,000	162,800	672,800	-1,369.50		671,430.50
12/01/2048	550,000	134,750	684,750	-1,369.50		683,380.50
12/01/2049	580,000	104,500	684,500	-1,369.50		683,130.50
12/01/2050	1,320,000	72,600	1,392,600	-686,119.50		706,480.50
	8,560,000	10,252,825	18,812,825	-725,150.25	-235,400	17,852,274.75

BOND SOLUTION
CIELO METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2020
Non-Rated, 120x, 30-yr. Maturity
[Preliminary -- for discussion only]

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2021		470,800	-236,085	234,715	513,064	278,349	218.58995%
12/01/2022	60,000	530,800	-1,370	529,431	638,528	109,098	120.80659%
12/01/2023	65,000	532,500	-1,370	531,131	638,528	107,398	120.22056%
12/01/2024	75,000	538,925	-1,370	537,556	651,299	113,743	121.15933%
12/01/2025	80,000	539,800	-1,370	538,431	651,299	112,868	120.96243%
12/01/2026	95,000	550,400	-1,370	549,031	664,325	115,294	120.99958%
12/01/2027	100,000	550,175	-1,370	548,806	664,325	115,519	121.04919%
12/01/2028	120,000	564,675	-1,370	563,306	677,611	114,306	120.29194%
12/01/2029	125,000	563,075	-1,370	561,706	677,611	115,906	120.63459%
12/01/2030	145,000	576,200	-1,370	574,831	691,163	116,333	120.23776%
12/01/2031	150,000	573,225	-1,370	571,856	691,163	119,308	120.86328%
12/01/2032	170,000	584,975	-1,370	583,606	704,987	121,381	120.79848%
12/01/2033	180,000	585,625	-1,370	584,256	704,987	120,731	120.66409%
12/01/2034	200,000	595,725	-1,370	594,356	719,086	124,731	120.98589%
12/01/2035	215,000	599,725	-1,370	598,356	719,086	120,731	120.17711%
12/01/2036	235,000	607,900	-1,370	606,531	733,468	126,938	120.92847%
12/01/2037	250,000	609,975	-1,370	608,606	733,468	124,863	120.51617%
12/01/2038	275,000	621,225	-1,370	619,856	748,137	128,282	120.69545%
12/01/2039	290,000	621,100	-1,370	619,731	748,137	128,407	120.71980%
12/01/2040	320,000	635,150	-1,370	633,781	763,100	129,320	120.40449%
12/01/2041	335,000	632,550	-1,370	631,181	763,100	131,920	120.90046%
12/01/2042	370,000	649,125	-1,370	647,756	778,362	130,607	120.16296%
12/01/2043	390,000	648,775	-1,370	647,406	778,362	130,957	120.22792%
12/01/2044	425,000	662,325	-1,370	660,956	793,929	132,974	120.11843%
12/01/2045	445,000	658,950	-1,370	657,581	793,929	136,349	120.73494%
12/01/2046	485,000	674,475	-1,370	673,106	809,808	136,702	120.30922%
12/01/2047	510,000	672,800	-1,370	671,431	809,808	138,377	120.60935%
12/01/2048	550,000	684,750	-1,370	683,381	826,004	142,624	120.87031%
12/01/2049	580,000	684,500	-1,370	683,131	826,004	142,874	120.91455%
12/01/2050	1,320,000	1,392,600	-686,120	706,481	842,524	136,044	119.25654%
	8,560,000	18,812,825	-960,550	17,852,275	21,755,204	3,902,929	

Exhibit G
Resolution of Approval

RESOLUTION NO. R-013- _____

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

A RESOLUTION APPROVING THE SERVICE PLAN OF
CIELO METROPOLITAN DISTRICT

WHEREAS, on [INSERT DATE], a service plan for the proposed **Cielo 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 **Cielo 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.

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

(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

EXHIBIT A
(Legal Description)

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

February 5, 2015

Douglas County Department of Community Development
100 3rd Street
Castle Rock, Colorado 80104

Subject: Will-Serve Letter for the Parker Water and Sanitation District to
Provide Water and Sanitation Services to Arlington Heights, "AKA Cielo"

Dear Douglas County Planning,

The Parker Water & Sanitation District (District) has received a petition for inclusion request for the development known as Arlington Heights, AKA "Cielo" (legal description on the attached Exhibit A). Upon successful completion of all inclusion requirements and Board of Directors approval, the development would become part of the District.

Pursuant to Section 1805A.01, Water Supply Overlay District of the Douglas County Zoning Resolution, upon successful inclusion of Cielo into the Parker Water and Sanitation District, the District acknowledges its willingness and ability to serve Cielo.

COMMITMENT TO SERVE

The District is committed to providing service to all future developments within its service area, based on the water supply sources available within the District's water rights portfolio. Such commitment to provide service is conditioned upon compliance with all of the rules and regulations of the District, including payment of the appropriate fees and any other charges related to water and/or sanitation service, as established from time to time by the District Board of Directors.

DISTRICT WATER DEMAND

The current District water demand is approximately 7,665 acre-feet per year (ac-ft/yr), while at buildout, it is estimated that the total water demand will be 20,013 ac-ft/yr, based on a buildout of 43,507 taps.

The proposed Cielo development plan includes 343 residential homes. At the District's standard water demand criterion of 0.7 ac-ft/yr per SFE tap, the proposed total demands for Cielo's 343 SFE's requires a water demand of 240 ac-ft/yr. Cielo has 233 ac-ft/yr of water dedication adjudicated and decreed in Case No. 04CW162 in which all water will be deeded to the District as per requirement of inclusion into the District.

DISTRICT WATER SUPPLY

The District has an extensive water rights portfolio of adjudicated Denver Basin aquifer ground water rights, both junior and senior tributary rights, storage rights in Rueter-Hess Reservoir of 71,920 ac-ft, and effluent and lawn irrigation return flow reuse rights as part its augmentation plan. The attached Table 1 summarizes the District's adjudicated first-use rights, which indicates a total of 31,569 ac-ft/yr. Not included in Table 1 are the rights associated with storage in Rueter-Hess Reservoir or any of the District's reuse rights, which can provide significant additional supplies to the District.

In summary, with an estimated buildout demand of 20,013 ac-ft/yr, the District has significant excess water supplies that can serve Cielo and all future planned buildout within the District.

WATER QUALITY

The District is in compliance with the Colorado Department of Public Health and Environment testing and quality requirements, and provides a high-quality water supply to all of its customers.

SANITARY SEWER SERVICE

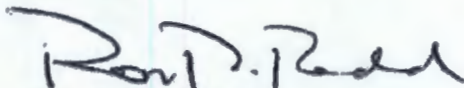
The District shall provide sanitary sewer service for all of the water taps requested for Cielo through and IGA with The Pinery Water & Wastewater District.

FEASIBILITY OF SERVICE

It is physically and economically feasible for the District to provide service to the proposed subdivision of Cielo.

If you have any questions regarding any of the information provided or the District's ability to provide service to Cielo, please do not hesitate to give us a call.

Sincerely,



Ron R. Redd, P.E.
District Manager

LEGAL DESCRIPTION:

PARCEL A:

VACATED ARLINGTON RANCHES, BEING THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 7 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, EXCEPT TRACT A AND THAT PORTION OF ARLINGTON DRIVE, BY THE INSTRUMENT RECORDED APRIL 14, 1986 AT RECEPTION NO. 8604576,

FORMERLY KNOWN AS: LOTS 1 TO 29, INCLUSIVE, ARLINGTON RANCHES, COUNTY OF DOUGLAS, STATE OF COLORADO, TOGETHER WITH ALL OF THE GRANTOR'S RIGHT, TITLE AND INTEREST IN AND TO THE ADJACENT STREETS, PUBLIC RIGHTS OF WAY, BASEMENTS OR OPEN SPACE,

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS, STATE OF COLORADO BY THE QUITCLAIM DEED RECORDED AUGUST 19, 2008 AT RECEPTION NO. 2008058209,

COUNTY OF DOUGLAS,
STATE OF COLORADO.

PARCEL A CONTAINS 6,296,054.26 SF. OR 144.54 AC. MORE OR LESS.

PARCEL B:

A PARCEL OF LAND BEING A PORTION OF TRACT A, ARLINGTON RANCHES, IN THE COUNTY OF DOUGLAS, STATE OF COLORADO, PER THE PLAT RECORDED AT RECEPTION NO. 235709 IN THE RECORDS OF THE CLERK AND RECORDER OF SAID COUNTY, SITUATED IN THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 7 SOUTH, RANGE 66 WEST, OF THE 6TH PRINCIPAL MERIDIAN, SAID COUNTY AND STATE, MORE PARTICULARLY DESCRIBES AS FOLLOWS:

COMMENCING AT THE EAST SIXTEENTH CORNER COMMON TO SAID SECTION 9 AND SECTION 16, WHENCE THE SOUTH QUARTER CORNER OF SAID SECTION 9 BEARS SOUTH 89°11'34" WEST A DISTANCE OF 1321.01 FEET AND ALL BEARINGS ARE MADE AS A REFERENCE HEREBON;

THENCE NORTH 44°35'33" WEST A DISTANCE OF 138.54 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 89°11'34" WEST A DISTANCE OF 300.64 FEET TO THE NORTHERLY LINE OF SAID TRACT A;

THENCE, ALONG THE NORTHERLY LINE OF SAID TRACT A THE FOLLOWING TWO COURSES:

1) NORTH 89°11'34" EAST, A DISTANCE OF 838.17 FEET;

2) NORTH 46°32'35" EAST, A DISTANCE OF 376.64 FEET TO THE WESTERLY RIGHT-OF-WAY OF ARLINGTON DRIVE AS DEDICATED ON SAID PLAT;

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THENCE, ALONG SAID EASTERLY LINE, SOUTH 46°23'24" WEST, A DISTANCE OF 702.95 FEET TO THE POINT OF BEGINNING,

COUNTY OF DOUGLAS,
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PARCEL B CONTAINS 284,943.94 SF. OR 6.54 AC. MORE OR LESS.

TOTAL SITE CONTAINS 6,580,998.20 SF. OR 151.08 AC. MORE OR LESS.

**TABLE 1
SUMMARY OF PWSD WATER RIGHTS**



DECEDED WATER AVAILABLE FOR PWSD USE

SOURCE	Volume (ac-ft/yr) Decreed in Case No.											TOTAL
	81CW946(A)	95CW039	87CW104(A) ¹⁾	87CW104(B) ²⁾	85CW089 ³⁾	88CW906 ⁴⁾	06CW176 ⁵⁾	03CW227 ⁶⁾	84CW042 ⁷⁾	89CW259, et al ¹⁾	82CW484 ⁸⁾	
Cherry Creek alluvium ¹⁾	726.7	132.3										859.0
Lower Dawson-NT			742.6	631.8	391.8	430.2	868.6	30.6	178.3	821.0	364.0	4,458.9
Lower Dawson-MNT			219.4	0.0	79.5	380.8	807.6					1,487.3
Denver-NT			430.1	904.6	272.6	611.9	235.6	94.4	104.0	1258.0	422.0	4,337.2
Denver-NNT			1016.2	9.0	377.9	816.1	1980.6					3,999.8
Arapahoe-NT			1161.7	627.0	698.3	1945.7	2447.1	64.5	547.3	2954.0	487.0	10,932.6
Laramie-Fox Hills-NT			1044.1	625.3	419.2	700.8	1350.0	49.4	16.0	980.0	310.0	5,494.8
											TOTAL =	81,869.6

DENVER BASIN WATER DEEDED AS PART OF INCLUSION (NOT CURRENTLY PART OF PWSD WELL FIELDS)

SOURCE	Volume (ac-ft/yr) Dedicated as Part of PWSD Inclusion of					TOTAL
	CHERRY CREEK CROSSING	MILLER CREEK	JDA-DOMINY	NEWLIN CROSSING		
Lower Dawson-NT	18.6	3.5	2.3			24.4
Lower Dawson-NNT				27.4		27.4
Denver-NT	26.0	7.4				33.4
Denver-NNT			3.2	43.3		46.5
Arapahoe-NT	28.1	7.9	3.2	20.5		59.7
Laramie-Fox Hills-NT	18.0	5.4	2.2	27.9		53.5
				TOTAL =		244.9

GRAND TOTAL (DENVER BASIN AND CHERRY CREEK WATER RIGHTS) =	31,814.5
---	-----------------

- 1) Water rights changed to municipal use. All of this water is fully consumable and reusable.
- 2) PWSD well field decree.
- 3) Hover parcel.
- 4) Well field established between PWSD and Stroh Ranch for full Stroh Ranch water supply, but water availability limited to volume of water deeded to PWSD from Stroh Ranch.
- 5) Rights also include water decreed in 82CW116, W-8033, 81CW403, 83CW333, and 98CW459. Water deeded to PWSD from RidgeGate property but not part of the PWSD well fields.
- 6) Water deeded to PWSD from Freshfields property but not part of the PWSD well fields.
- 7) Combined water supply availability from 82CW470 and 05CW265.

Exhibit I
Compliance with Clean Water Plan

February 5, 2015

Douglas County Department of Community Development
100 3rd Street
Castle Rock, Colorado 80104

Subject: Will-Serve Letter for the Parker Water and Sanitation District to
Provide Water and Sanitation Services to Arlington Heights, "AKA Cielo"

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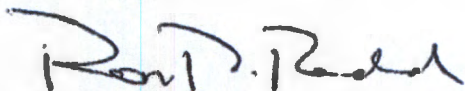
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GRAND TOTAL (DENVER BASIN AND CHERRY CREEK WATER RIGHTS) = 31,814.5

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- 7) Combined water supply availability from 82CW470 and 05CW265.

Exhibit J-1
Form Operation Funding Agreement

NOTE: ANNUAL APPROPRIATION AGREEMENT

YEAR OPERATION FUNDING AGREEMENT

This **OPERATION FUNDING AGREEMENT** ("Agreement") is made and entered into this ____ day of ____, 20 ____, with an effective date of _____, by and between **CIELO METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District") and **ARLINGTON LAND PARTNERS, LLC**, a Colorado limited liability company (the "Developer") (individually, each a "Party" and collectively the "Parties").

RECITALS

WHEREAS, Developer is the owner of property within a project located in Douglas County, Colorado, commonly known as _____ (the "Property"); and

WHEREAS, pursuant to the authority granted to the District by its Service Plan, as approved by Douglas County, Colorado on _____, as it may be amended from time to time (the "Service Plan"), the District intends to construct and/or acquire certain public improvements and provide certain services to benefit properties within its boundaries (the "District Services"); and

WHEREAS, the District Services will benefit the Property; and

WHEREAS, in order for the public improvements to be constructed and/or acquired it is necessary for the District to be able to pay its ongoing operations and maintenance expenses which enable it to provide the District Services; and

WHEREAS, the District anticipates that it will not have sufficient revenues to make payment of its operations and maintenance expenses for fiscal year _____; and

WHEREAS, in order to enable the District to provide District Services, Developer is willing to advance funds to the District or to pay consultants directly for operations and maintenance expenses pursuant to the terms of this Agreement; and

WHEREAS, the District's Service Plan authorizes the repayment of amounts advanced for operations and maintenance expenses, together with interest thereon, by the District; and

WHEREAS, the District and the Developer desire to set forth the rights, obligations and procedures for the Developer to advance funds and for the District to reimburse the Developer for the advances made hereunder.

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. Acknowledgement of Anticipated Shortfalls. The District anticipates a shortfall in revenues available for operations and maintenance expenses to be incurred for fiscal year _____ in an aggregate amount of ___ Dollars (\$___) (the "Shortfall Amount").

2. Payment of Shortfall. The Developer shall advance funds necessary to fund, or shall directly pay, the District's operations and maintenance expenses on a periodic basis as needed for the fiscal year _____ up to the Shortfall Amount. The District shall, from time to time, provide written notice to the Developer that an advance of all or part of the Shortfall Amount is required. The Developer shall make an advance of funds to the District within fifteen (15) days of receipt from the District of any such written notice that an advance of funds is required ("Developer Advance").

3. Request for Additional Developer Advance. If the District requires additional advances above the Shortfall Amount from the Developer in order to meet its operation and maintenance expenses, the District shall request such additional funds in writing. Such request shall be accompanied by written explanation regarding the reasons additional funds are required. The Developer shall provide such additional funds within fifteen (15) days of receipt of notice requesting such funds. The amount of the additional funds shall be added to and included in the Shortfall Amount.

4. Accounting. The Developer shall provide the District with written documentation relative to any expenses paid directly to consultants. The District shall keep an accounting of each advance made by the Developer, including the accrued and unpaid interest on such advances, and shall provide unaudited financial statements reflecting this accounting to the Developer on a monthly/quarterly/annual basis.

5. Repayment. The District hereby agrees that it is its intention to repay the amounts the Developer has advanced or directly paid pursuant to this Agreement, to the extent it has funds available from the imposition of its taxes, fees, rates, tolls, penalties, and charges and from any other revenue legally available, after the payment of its annual debt service obligations and annual operations and maintenance expenses, which repayment is subject to annual budget and appropriation. Simple interest shall accrue on each Developer Advance from the date of deposit into the District's account or from the date of direct payment by Developer, until paid, at the rate of ___ percent (___%) per annum. It is hereby agreed and acknowledged that this Agreement evidences an intent to reimburse the Developer hereunder, but that 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. By acceptance of this Agreement, Developer agrees and consents to all of the limitations in respect of the payment of the principal and interest due hereunder and in the District's Service Plan.

6. Priority of Payments. Subject to the provisions of Section 5 above, payments to reimburse the Developer shall be made on December 2 of each year and shall be applied as

follows: (a) first to the accrued and unpaid interest and then to the principal amount due pursuant to this Agreement.

7. Representations. Developer hereby represents and warrants to and for the benefit of the District as follows:

(a) The Developer is a Colorado limited liability company in good standing under the law of the State of Colorado.

(b) Developer has the full power and legal authority to enter into this Agreement. Neither the execution and delivery of this Agreement nor the compliance by the 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. Developer has taken or performed all requisite acts or actions which may be required by its organizational or operational documents to confirm its authority to execute, deliver and perform each of its obligations under this Agreement.

(c) Developer represents that it has sufficient available funds to fulfill its obligations under this Agreement.

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

8. Term/Repose. The term of this Agreement shall commence on the date hereof and shall expire on December 31, 20__, unless terminated earlier by the mutual agreement of the Parties. Any obligation of Developer to advance funds will expire on March 15, 20__. Any obligation of District to reimburse Developer shall expire on December 31, 20__. In the event the District has not reimbursed the Developer for any Developer Advance(s) made pursuant to this Agreement on or before December 31, 20__, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

9. Termination of Reimbursement Obligations. Notwithstanding any provision herein to the contrary, the District's obligations to reimburse the Developer for any and all funds advanced or otherwise payable to the Developer under and pursuant to this Agreement (whether the Developer has already advanced or otherwise paid such funds or intends to make such advances or payments in the future) shall terminate automatically and be of no further force or effect upon the occurrence of (a) the Developer's voluntary dissolution, liquidation, winding up, or cessation to carry on business activities as a going concern; (b) administrative dissolution (or other legal process not initiated by the Developer dissolving the Developer as a legal entity) that is not remedied or cured within 60 days of the effective date of such dissolution or other process; or (c) the initiation of bankruptcy, receivership or similar process or actions with regard to the Developer (whether voluntary or involuntary). The termination of the District's reimbursement obligations as set forth in this section shall be absolute and binding upon the Developer, its successors and assigns. The Developer, by its execution of this Agreement, waives and releases any and all claims and rights, whether existing now or in the future, against the District relating

to or arising out of the District's reimbursement obligations under this Agreement in the event that any of the occurrences described in this section occur.

10. 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 addressee or by courier delivery via Federal Express or other nationally recognized overnight air courier service, by electronically-confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To District: Cielo Metropolitan District
c/o McGeady Sisneros, P.C.
450 17th Avenue, Suite 400
Denver, CO 80203-1214
Attention: Mary Jo Dougherty
Phone: 303-592-4380
Email: mjdougherty@mcgeadysisneros.com

With a copy to: McGeady Sisneros, P.C.
450 17th Avenue, Suite 400
Denver, CO 80203-1214
Attention: Mary Jo Dougherty
Phone: 303-592-4380
Email: mjdougherty@mcgeadysisneros.com

To Developer: Arlington Land Partners, LLC
Attn: Michael Sanders
3580 South Lincoln Street
Englewood, Colorado 80113
Phone: 310-460-6324
Email: landdad@gmail.com

With a copy to: _____

Attention:
Phone:
Email:

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, on the date of transmission if sent by electronically-confirmed email transmission, 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.

11. Assignment. The Developer shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

12. 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 the 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 the Developer shall be for the sole and exclusive benefit of the District and the Developer.

13. 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. In the event of any litigation, arbitration or other proceeding to enforce the terms, covenants or conditions hereof, the prevailing party in such litigation, arbitration or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

14. Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the State District Court in and for the County of Douglas, Colorado.

15. 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 permitted successors and assigns.

16. 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.

17. 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.

18. 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.

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

20. Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto, provided, however, that no amendment, modification, or alteration of

the terms or provisions hereof shall be binding upon the District or the Developer unless the same is in writing and duly executed by the Parties hereto.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO OPERATION FUNDING AGREEMENT

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

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

By: _____
President

Attest:

Secretary

ARLINGTON LAND PARTNERS, LLC, a
Colorado limited liability company

By: _____
Title: _____

Exhibit J-2
Form Facilities Funding and Acquisition Agreement

FACILITIES FUNDING AND ACQUISITION AGREEMENT

This FACILITIES FUNDING AND ACQUISITION AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 2014, with an effective date of _____, by and between **CIELO METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District") and **ARLINGTON LAND PARTNERS, LLC**, a Colorado limited liability company (the "Developer") (collectively, the "Parties").

RECITALS

WHEREAS, Developer is the developer of a project located in the County of Douglas, Colorado, commonly known as _____ (the "Property"); and

WHEREAS, the Property is within the boundaries of the District; and

WHEREAS, the District was organized on [ENTER ORGANIZATION/ORDER & DECREE RECORDING DATE] ("Organization Date"); and

WHEREAS, pursuant to the authority granted to the District by its Service Plan, as approved by Douglas County on _____, as it may be amended from time to time (the "Service Plan"), the District intends to acquire certain public improvements to benefit properties within its boundaries; and

WHEREAS, in order for the Property to be developed, the Improvements need to be constructed and/or acquired; and

WHEREAS, the District does not currently have sufficient monies available to fund the cost of construction of the Improvements or to acquire the Improvements; and

WHEREAS, funds related to the design, testing, engineering, and construction of the Improvements together with the related consultant and management fees associated with the construction of the Improvements have been and/or will be expended by the Parties ("Construction Related Expenses"); and

WHEREAS, it is anticipated that the District will issue bonds, the proceeds of which may be utilized in part to reimburse the Developer for Organization Expenses, Construction Related Expenses, and/or acquisition of Improvements; and

WHEREAS, in order to encourage development within the District, the District and the Developer have determined that until bonds are issued it is in the best interests of the District for the Developer to advance funds to the District for the Construction Related Expenses and/or for the District's acquisition of the Improvements upon completion; and the Developer is willing to so proceed; and

WHEREAS, the District desires to reimburse the Developer for the Construction Related Expenses and to acquire such Improvements completed by the Developer; and

WHEREAS, the Developer has incurred expenses for the organization of the District (the "Organization Expenses"); and

WHEREAS, the District desires to reimburse the Developer for the Organization Expenses; and

WHEREAS, the District and the Developer desire to set forth the rights, obligations, and procedures for the acquisition of the Improvements and for the District to reimburse the Developer as provided herein.

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

COVENANTS AND AGREEMENTS

ARTICLE I FUNDING OF ORGANIZATION EXPENSES

1.1 Acknowledgement of and Reimbursement for Organization Expenses. District acknowledges that Developer has expended funds for the Organization Expenses. Developer shall provide written documentation relative to the Organization Expenses to the District's accountant, such documentation to be satisfactory to the District. Upon the District's accountant's verification of the documentation in determining the amount of the Organization Expenses, such amount shall be reimbursable to the Developer. Subject to the receipt of funding pursuant to Article 4 herein, the Developer shall be reimbursed for those Organization Expenses that have been verified and approved by the District's accountant, as well as amounts advanced to the District by the Developer to pay for the costs incurred by the District for such review, verification and approval, together with interest thereon which shall accrue from the Organization Date at the rate of ____ percent (____%) per annum.

ARTICLE II FUNDING OF IMPROVEMENTS TO BE CONSTRUCTED BY THE DISTRICT

2.1 Improvements Constructed by the District. The Parties acknowledge that the District will design, construct, and complete certain Improvements and incur Construction Related Expenses in accordance with the provisions of this Article II.

2.2 Acknowledgement of Anticipated Shortfall. Developer acknowledges that in connection with the construction of the Improvements, the District will incur Construction Related Expenses in reliance upon the Developer's commitments herein to provide funding. The total estimated cost to complete construction of the Improvements, including contingencies, is ____ Dollars (\$____) (the "Shortfall Amount").

2.3 Payment of Shortfall. The Developer shall advance funds necessary to fund the Construction Related Expenses incurred by the District on a periodic basis as needed for the fiscal years 20__ through 20__ of the District, up to the Shortfall Amount. The District shall, from time to time, provide written notice to the Developer that an advance of all or part of the Shortfall Amount is required. The Developer shall make an advance of funds to the District within fifteen (15) days of receipt from the District of any such written notice that an advance of funds is required ("Developer Advance").

2.4 Request for Additional Developer Advance. If the District requires additional advances above the Shortfall Amount from the Developer for the Construction Related Expenses, the District shall request such additional funds in writing. Such request shall be accompanied by written explanation regarding the reasons additional funds are required. The Developer shall provide such additional funds within fifteen (15) days of receipt of notice requesting such funds. The amount of the additional funds shall be added to and included within the Shortfall Amount.

2.5 Accounting. The District shall keep an accounting of each Developer Advance, including the accrued and unpaid interest thereon, and shall provide unaudited financial statements reflecting this accounting to the Developer on a monthly/quarterly/annual basis.

[ALTERNATIVE ARTICLE II PROVISIONS – DEPENDING ON WHETHER DISTRICT OR DEVELOPER WILL CONSTRUCT THE IMPROVEMENTS:]

2.1 Improvements Constructed by the District. The Parties anticipate that the Developer may design, construct and complete certain Improvements and incur Construction Related Expenses, in which case the District will acquire such Improvements in accordance with the provisions of Article III. In the event that the District proceeds with the design, construction and completion of any Improvements, the District shall request funding from the Developer in writing. Such request shall be accompanied by written explanation regarding the reasons funds are required. The Developer shall review such requests and, upon approval, shall advance the funds.

2.2 Accounting. The District shall keep an accounting of each Developer Advance, including the accrued and unpaid interest thereon, and shall provide unaudited financial statements reflecting this accounting to the Developer on a monthly/quarterly/annual basis.]

ARTICLE III
CONSTRUCTION OF IMPROVEMENTS TO BE ACQUIRED BY THE DISTRICT

3.1 Improvements Acquired by District. The Parties acknowledge that the Developer has or will design, construct, and complete certain Improvements in accordance with the provisions of this Article III for District acquisition upon completion. Developer agrees that the Improvements it has constructed or the Improvements it undertakes to construct shall be constructed in full conformance with the design standards and specifications as established and

in use by the District or other appropriate jurisdiction and in accordance with the provisions of this Agreement and the District's Service Plan.

3.2 Construction Contract Requirements. The Developer agrees that any construction contract for all or any portion of the Improvements shall require the contractor to provide a warranty from the date of initial acceptance of the completed Improvement and a security mechanism to secure the warranty approved by the District or as required by the applicable government entity to which the Improvements shall be dedicated.

3.3 Verification of Costs. The Developer agrees that prior to requesting that the District acquire any Improvements pursuant to this Agreement, the Developer shall obtain a certification of an independent engineer that the Construction Related Expenses are reasonable and comparable for similar projects as constructed in the Denver Metropolitan Area/Local Community, and verification from the District's accountant that the Construction Related Expenses are reimbursable ("Verified Costs") based on the copies of the invoices, bills, and requests for payment provided to the District pursuant to Section 3.5 herein. The Developer shall provide the District with written evidence of the date that payment was made by the Developer for all Verified Costs. The Developer shall advance to the District funds necessary to pay the costs incurred by the District for such review and cost verification, including legal, accounting, management and engineering expenses.

3.4 Periodic Reports. If the District so requests, Developer will provide periodic reports on the status of completion of the Improvements and/or accounting of Construction Related Expenses.

3.5 Acquisition of the Improvements. The District shall acquire the Improvements after preliminary acceptance from the appropriate accepting jurisdiction and prior to final acceptance upon receipt, review and approval by the District's accountant and engineer, as applicable, of the following:

- (a) As-built drawings for the Improvements to be conveyed by the Developer;
- (b) Lien waivers and indemnifications from each contractor verifying that all amounts due to contractors, subcontractors, material providers, or suppliers have been paid in full, in a form acceptable to the District;
- (c) An assignment from the Developer to the District of any warranties associated with the Improvements, in a form acceptable to the District;
- (d) Copies of all contracts, pay requests, change orders, invoices, the final AIA payment form (or similar form approved by the District), canceled checks, and any other requested documentation to verify the amount requested;
- (e) An executed Bill of Sale conveying the Improvements to the District, substantially in a form of **Exhibit A** attached hereto; and

(f) Such other documentation, records and verifications as may reasonably be required by the District.

ARTICLE IV
REIMBURSEMENT OF DEVELOPER

4.1 Reimbursement of Developer. Subject to the receipt of funding pursuant to Section 4.3 herein and all other applicable provisions hereof, the District agrees to make payment to the Developer for all Developer Advances and/or Verified Costs together with interest thereon. Developer and District acknowledge the existence of limitations on the District's ability to make such payments as a result of _____. The Developer acknowledges the District may elect to be inactive in any one or more of the years this Agreement is in effect, and the Developer and the District agree that, during the period of inactivity: the District shall have no financial obligations outstanding or contracts in effect that require performance by the District; the District shall not impose a mill levy for tax collection; the District shall not anticipate any receipt of revenue and shall have no planned expenditures, except for statutory compliance, in said fiscal year(s); the District shall have no operation or maintenance responsibility for any facilities; and the District shall file an initial notice of inactive status pursuant to Section 32-1-104, C.R.S., and each year thereafter that the District continues to be inactive, the District shall file a notice of inactive status pursuant to Section 32-1-104(4), C.R.S. By acceptance of this Agreement, Developer agrees that during any period of District inactivity, the District shall have no obligations, including no obligations to make reimbursements, under this Agreement and shall not be required to take any other actions hereunder.

4.2 Interest and Payment Priority. Simple interest shall accrue on Organization Expenses and Construction Related Expenses at the rate of ___ percent (___%) per annum until paid. For Organization Expenses, simple interest shall accrue from the Organization Date. For Construction Related Expenses, simple interest shall accrue as follows:

- (a) On each Developer Advance, from the date of deposit into the District's account.
- (b) On Verified Costs for amounts expended by the Developer for Construction Related Expenses incurred prior to the Organization Date, from the Organization Date.
- (c) On Verified Costs for amounts expended by the Developer for Improvements constructed after the Organization Date, from the date Verified Costs were incurred by the Developer.

The Parties agree that payments by the District to the Developer shall credit first against accrued and unpaid interest and then to the principal amount due.

4.3 **Funding Requirement.** The Parties agree that no payment shall be required of the District hereunder unless and until the District issues bonds in an amount sufficient to reimburse the Developer for all or a portion of the Organization Expenses, Developer Advances and/or Verified Costs. The District agrees to exercise reasonable efforts to issue bonds to reimburse the Developer subject to the limitations herein. In addition, the District agrees to utilize any available moneys not otherwise pledged to payment of bonds, used for operation and maintenance expenses, or otherwise encumbered, to reimburse the Developer. It is hereby agreed and acknowledged that this Agreement evidences an intent to reimburse the Developer hereunder, but that 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. By acceptance of this Agreement, Developer agrees and consents to all of the limitations in respect of the payment of the principal and interest due hereunder and in the District's Service Plan.

ARTICLE V
GENERAL PROVISIONS

5.1 **Representations.** Developer hereby represents and warrants to and for the benefit of the District as follows:

(a) The Developer is a Colorado limited liability company in good standing under the law of the State of Colorado.

(b) Developer has the full power and legal authority to enter into this Agreement. Neither the execution and delivery of this Agreement nor the compliance by the 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. Developer has taken or performed all requisite acts or actions which may be required by its organizational or operational documents to confirm its authority to execute, deliver and perform each of its obligations under this Agreement.

(c) Developer represents that it has sufficient available funds to fulfill its obligations under this Agreement.

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

5.2 **Term; Repose.** Notwithstanding anything set forth in this Agreement to the contrary, the District shall not be obligated to make any payments to the Developer for Organization Expenses, Construction Related Expenses and/or Verified Costs incurred by the Developer but not invoiced (as evidenced by the delivery of the documents described in Article 3 above) to the District within ___ of the date incurred. In the event the District has not paid or

reimbursed the Developer for any Organization Expenses, Construction Related Expenses and/or Verified Costs by December 31, 20 , whether invoiced or not invoiced by such date, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

5.3 Termination of Reimbursement Obligations. Notwithstanding any provision herein to the contrary, the District's obligations to reimburse the Developer for any and all funds advanced or otherwise payable to the Developer under and pursuant to this Agreement (whether the Developer has already advanced or otherwise paid such funds or intends to make such advances or payments in the future) shall terminate automatically and be of no further force or effect upon the occurrence of (a) the Developer's voluntary dissolution, liquidation, winding up, or cessation to carry on business activities as a going concern; (b) administrative dissolution (or other legal process not initiated by the Developer dissolving the Developer as a legal entity) that is not remedied or cured within 60 days of the effective date of such dissolution or other process; or (c) the initiation of bankruptcy, receivership or similar process or actions with regard to the Developer (whether voluntary or involuntary). The termination of the District's reimbursement obligations as set forth in this section shall be absolute and binding upon the Developer, its successors and assigns. The Developer, by its execution of this Agreement, waives and releases any and all claims and rights, whether existing now or in the future, against the District relating to or arising out of the District's reimbursement obligations under this Agreement in the event that any of the occurrences described in this section occur.

5.4 Certification of Compliance with Illegal Alien Statute. By its execution hereof, the Developer confirms and ratifies all of the certifications, statements, representations and warranties set forth in **Exhibit B** attached hereto and made a part hereof by this reference.

5.5 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 addressee or by courier delivery via Federal Express or other nationally recognized overnight air courier service, by electronically-confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To District: Cielo Metropolitan District
c/o McGeady Sisneros, P.C.
450 17th Avenue, Suite 400
Denver, CO 80203-1214
Attention: Mary Jo Dougherty
Phone: 303-592-4380
Email: mj dougherty@mcgeadysisneros.com

With a copy to: McGeady Sisneros, P.C.
450 17th Avenue, Suite 400
Denver, CO 80203-1214
Attention: Mary Jo Dougherty
Phone: 303-592-4380
Email: mj dougherty@mcgeadysisneros.com

To Developer: Arlington Land Partners, LLC
Attn: Michael Sanders
3580 South Lincoln Street
Englewood, Colorado 80113
Phone: 310-460-6324
Email: landdad@gmail.com

With a copy to: _____

Attention:
Phone:
Email:

All notices, demands, requests or other communications shall be effective upon such personal delivery, one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service, on the date of transmission if sent by electronically-confirmed facsimile or email transmission, 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 or contact information.

5.6 Assignment. The Developer shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

5.7 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 the 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 the Developer shall be for the sole and exclusive benefit of the District and the Developer.

5.8 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. In the event of any litigation, arbitration or other 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.

5.9 Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the District Court in and for the County of Douglas, Colorado.

5.10 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 permitted successors and assigns.

5.11 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.

5.12 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.

5.13 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.

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

5.15 Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto, provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the District or the Developer unless the same is in writing and duly executed by the Parties hereto.

EXHIBIT A
BILL OF SALE

KNOW ALL BY THESE PRESENTS that _____, a _____
("Grantor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and
valuable consideration, the receipt of which is hereby acknowledged, has bargained and sold,
and by these presents does grant and convey unto _____, a _____, whose
address is _____ ("District"), its successors and assigns, all of Grantor's right, title and
interest in and to the facilities, personal property and the improvements shown on **Exhibit I**
attached hereto and incorporated herein by this reference ("Improvements").

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
Improvements made unto the District, its successors and assigns, against all and every person or
persons whomsoever, and warrants that (i) the conveyance of the Improvements to the District,
its successors and assigns, is made free from any claim or demand whatsoever, and (ii) the
Improvements were constructed and installed in accordance with plans and specifications
reviewed and approved by the District and all applicable Rules and Regulations of the District.

IN WITNESS WHEREOF, Grantor executes this Bill of Sale this ____ day of
_____, 20__.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO BILL OF SALE]

GRANTOR:
_____, a _____

By: _____
Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

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

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT I

(Improvements)

Project Description

Estimated Cost

EXHIBIT B
CERTIFICATION OF CONSULTANT

1. Pursuant to the requirements of Section 8-17.5-102(1), C.R.S., the Developer hereby certifies to the District that the Developer does not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that it will participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of the Developer who are newly hired to perform work under the Agreement.

2. In accordance with Section 8-17.5-102(2)(a), C.R.S., the Developer shall not:

(a) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or

(b) Enter into a contract with a subcontractor that fails to certify to the Developer that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

3. The Developer represents and warrants it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

4. The Developer is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

5. If the Developer obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, the Developer shall:

(a) Notify the subcontractor and the District within three days that the Developer has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(b) Terminate the subcontract with the subcontractor if within three days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that the Developer shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

6. The Developer shall comply with any reasonable request by the Colorado Department of Labor and Employment ("Department") made in the course of an investigation that the Department is undertaking, pursuant to the law.

7. If the Developer violates any provision of Section 8-17.5-102(1), C.R.S., the District may terminate the Agreement immediately and the Developer shall be liable to the District for actual and consequential damages of the District resulting from such termination, and

the District shall report such violation by the Developer to the Colorado Secretary of State, as required by law.

Exhibit K
Annual Report Requirements

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

Cielo 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

- 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. 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 the 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.

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 L
Form District Court Decree
Certifying the Election and Organizing the District

DISTRICT COURT, COUNTY OF DOUGLAS, STATE OF COLORADO 4000 Justice Way, Suite 2009 Castle Rock, CO 80109 720-437-6200	<p style="text-align: center;">▲ COURT USE ONLY ▲</p> Case Number: _____ Div.: _____ Ctrm.: _____
IN RE THE ORGANIZATION OF CIELO METROPOLITAN DISTRICT	
BY THE COURT	
ORDER AND DECREE CREATING DISTRICT, ISSUING CERTIFICATES OF ELECTION AND RELEASING BOND	

THIS MATTER comes before the Court on the Motion for Order and Decree Creating District, Issuing Certificates of Election and Releasing Bond, filed by the Petitioners in regard to the organization of Cielo Metropolitan District (the "District"). The Court, being fully advised in the premises, hereby FINDS AND ORDERS:

1. That the required Notice of Election was duly published in a newspaper of general circulation in the proposed District, one time, in compliance with law.

2. That a majority of the votes cast at the election held on _____, in which the question of organization of the District was submitted to eligible electors, were in favor of organization, and that the election was held in accordance with Articles 1 to 13 of Title 1, C.R.S. and Section 20 of Article X of the Colorado Constitution.

3. The following ballots were cast on the question of organization of the proposed District:

<u>FOR</u> the Organization of the District	<u>VOTES CAST</u>

<u>AGAINST</u> the Organization of the District	_____

4. That all of the provisions of law, and more particularly all of the requirements of Title 32, Article 1, Part 3, Colorado Revised Statutes, have been complied with, met and performed, in the organization of the District.

5. That the District shall be and is hereby duly and regularly organized in accordance with the requirements of Article 1 of Title 32, C.R.S.

6. That the District shall be known as "Cielo Metropolitan District," the corporate name as designated in the Petition filed with this Court.

7. That the District is located in Douglas County, Colorado, as more particularly described in Exhibit A, attached hereto and made a part hereof.

8. That the District shall be a quasi-municipal corporation and a political subdivision of the State of Colorado with all the powers thereof.

9. That the following qualified persons were duly elected as members of the District's first Board of Directors for the indicated terms, and as further shown on the Certificates of Election, to be issued by this Court in accordance with Section 32-1-305.5(5), C.R.S., which Certificates are submitted herewith separate from this order for execution by the Court:

<u>NAME</u>	<u>TERM</u>
_____	until the next regular election
_____	until the next regular election
_____	until the second regular election
_____	until the second regular election
_____	until the second regular election

10. That the Clerk of this Court shall release to Petitioners the organizational expenses bond in the amount submitted in connection with the organization of the District.

11. That the interest of the District and the public interest and necessity demand the incurrence of indebtedness to carry out the objectives and purposes of the District requiring the creation of a general obligation indebtedness:

(a) the District has the power to provide for the acquisition, construction, installation, and completion of certain improvements: water; sanitation; street; safety protection; park and recreation, transportation, and mosquito control;

(b) the estimated cost of the debt to be authorized is not greater than \$ _____ in principal amount for water improvements; \$ _____ in principal amount for sanitation improvements; \$ _____ in principal amount for street and safety improvements; \$ _____ in principal amount for park and recreation improvements; \$ _____ for intergovernmental agreements; \$ _____ for refunding purposes; \$ _____ for operations and maintenance purposes of the District; and the amount of principal to be incurred does not exceed such amount;

(c) the estimated cost of the improvements to be defrayed out of any state or federal grant is unknown at this time; and

(d) the maximum net effective interest rate to be paid on the debt is 12% per annum.

12. Said District shall be a governmental subdivision of the State of Colorado, and a body corporate and politic with all the powers of a public or quasi-municipal corporation. The facilities, services and financial arrangements of the District shall conform as far as practicable to the approved Service Plan and the resolution of approval of the Board of County Commissioners of Douglas County, Colorado. The approved Service Plan and resolution of approval required by Title 32, Article 1, Part 2, C.R.S., previously filed in the within action shall be and the same are hereby incorporated by reference in this Order. Pursuant to Section 32-1-205(2), C.R.S., a copy of the Resolution of Approval is appended hereto as **Exhibit B**.

13. The Board of Directors shall take such steps and proceedings as the needs of the District require; and in accordance with Section 32-1-306, C.R.S., within thirty (30) days after the date hereof, the District shall transmit the following:

(a) A certified copy of this Order and Decree Creating District, and a copy of the District's approved Service Plan to the Clerk and Recorder of Douglas County, Colorado and to the Division of Local Government ("DLG"); and

(b) A copy of the District map to the Douglas County Assessor and to the DLG.

DONE IN COURT this ____ day of _____, 20____.

BY THE COURT:

Judge

EXHIBIT A
(Legal Description)

EXHIBIT B
(Resolution of Approval)