

**STONEBRAKER
METROPOLITAN DISTRICT
SERVICE PLAN**

CITY OF DACONO, COLORADO

APPROVED SEPTEMBER 8, 2008

STONEBRAKER METROPOLITAN DISTRICT TABLE OF EXHIBITS

- Exhibit A Legal Description
- Exhibit B Boundary Map
- Exhibit C Vicinity Map
- Exhibit D Property Owners' Consents
- Exhibit E Engineering Estimates
 - Engineer's Certificate of Costs
- Exhibit F Location of Public Improvements
- Exhibit G Financial Plan
 - Forecasted Cash Surplus Balances and Cash Receipts and Disbursements
 - Market Projection Consultant's Analysis
 - Developer's Letter in Support of Market Projections
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- Exhibit I Legal Counsel Letter
- Exhibit J
 - Part I - Developer Indemnity Letter
 - Part II - District Indemnity Letter
- Exhibit K Form of Disclosure Notice
- Exhibit L Form of City Disclaimer Statement
- Exhibit M Form of Intergovernmental Agreement between District and City
- Exhibit N Resolution of City of Dacono Approving Service Plan

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STONEBRAKER METROPOLITAN DISTRICT SERVICE PLAN

I. INTRODUCTION

The District shall be named the Stonebraker Metropolitan District (the “District”). The purpose of the District is to finance certain streets, street lighting, traffic and safety controls, water, landscaping, park and recreation, and storm sewers and flood and surface drainage improvements for a proposed development to be known as the Stonebraker Subdivision (“Stonebraker”). The developer of Stonebraker and the petitioner for the formation of the District is Forestar (USA) Real Estate Group Inc., a Delaware corporation (the “Developer”), which is also the owner of all property within the District. The District is intended to provide for the financing of public improvements for Stonebraker, but is not intended to be a District with perpetual existence. Except as otherwise specifically provided herein, the District will not own or operate any improvements or facilities and will not provide any ongoing services; the term “service” as used herein with respect to the District is limited to providing for the financing of capital improvements authorized by this Service Plan. The District is located entirely within the City of Dacono, Colorado (the “City”) and will consist of approximately 209 acres. No changes in the District’s boundaries are anticipated or authorized. The District shall be dissolved when its financial obligations are paid or provided for or when the City requests dissolution, provided then-applicable statutory requirements are met, all as further described in this Service Plan (together with all Exhibits attached hereto, the “Service Plan”).

Except as expressly provided in this Service Plan, all District public improvements and facilities financed, constructed, installed, or acquired by the District shall be dedicated and conveyed to the City or its designee, and will be operated and maintained by the City or its designee upon City acceptance and completion of the District’s warranty obligations. The City

may require that tract landscaping improvements be maintained by a homeowners' association formed for Stonebraker, for the use and benefit of residents, taxpayers, and property owners. Improvements to be financed, constructed, installed, or acquired by the District shall be limited to the public improvements and facilities described in Article IV.a below and included in the **Exhibit E** cost estimates. The District may exercise those powers of a metropolitan district set forth in §§32-1-1001 and -1004, C.R.S. only to implement the provisions of this Service Plan, and only to the extent authorized by and in a manner consistent with this Service Plan. All functions, activities, improvements, services, and programs of the District are limited to those expressly authorized in this Service Plan, notwithstanding any different, additional, or expanded powers or authority that may be granted to the District by any present or future statutory or regulatory provisions.

The District is generally located in the property bordered to the East by Colorado Boulevard (Weld County Road 13), to the South by Summit Boulevard (Weld County Road 8), to the West by York Street (Weld County Road 11) and to the North by Grand View Boulevard (Weld County Road 12) within the boundaries of the City. The proposed boundaries of the District are limited to those boundaries described in **Exhibit A**.

This Service Plan has been prepared by the Developer (also called the "Organizer") and the following participating consultants:

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Pursuant to the requirements of the Special District Control Act, §§ 32-1-201, *et seq.*, C.R.S., this Service Plan includes a financial plan and an engineering survey showing how the proposed facilities and services of the District will be provided and financed. As required by § 32-1-202(2), C.R.S., the following items are included in this Service Plan:

- a. A description of the proposed services;
- b. A financial plan showing how the proposed services are to be financed, including a schedule of proposed indebtedness and all other elements required by § 32-1-202(2)(b), C.R.S.;
- c. A preliminary engineering or architectural survey showing how the proposed services are to be provided;
- d. A map of the proposed District's boundaries and an estimate of the population and valuation for assessment of the proposed District;
- e. 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 proposed

District are compatible with facility and service standards of the City and all interested parties pursuant to § 32-1-204(1), C.R.S.;

f. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness, estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the District; and

g. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the proposed District and such other political subdivision and, if available, a form of the agreement.

II. PURPOSE OF THE PROPOSED DISTRICT

The District will finance the construction of public improvements for Stonebraker, which improvements shall be dedicated and conveyed to the City or its designee as provided in this Service Plan, or as otherwise required by the City. Certain limited improvements, upon the direction and consent of the City, will be dedicated and conveyed to other servicing districts, or, upon prior written direction or approval of the City, retained by the District and operated and maintained by the District or by a non-profit homeowners' association, for the use and benefit of residents, taxpayers, and property owners, as further provided in Article IV.h. The public improvements will be financed through the issuance of indebtedness as set forth in the Financial Plan consisting of Article V and **Exhibit G**. Except as specified in this Service Plan, the District shall not construct or own any improvements, shall not provide for any maintenance, repair or operation of any improvements, and shall not perform any ongoing services. In addition, the District will not contract with any other governmental entity to receive any services that are or may become available from the City, or to provide any services to or within the boundaries of

any other governmental entity. The District shall not provide any services or facilities within any area of the District that overlaps with the service area of another special district without first obtaining the written consent of each and every special district whose service area is so overlapped. Water, sanitary sewer and other specified services within the District shall be provided as described in Article IV.a and IV.j.

III. BOUNDARIES, POPULATION & VALUATION

The District consists of approximately 209 acres located entirely within the boundaries of the City, as more particularly set forth in the legal description attached hereto as **Exhibit A**, and as shown on the boundary map attached hereto as **Exhibit B** and the vicinity map attached hereto as **Exhibit C**. The petitioner, Forestar (USA) Real Estate Group Inc., a Delaware corporation, is also the Developer of the District property and is the sole owner of all property to be included in the proposed District. The Developer has consented to the formation of the District, which consent is attached hereto as **Exhibit D**.

Stonebraker is being developed for the anticipated construction of 577 single-family homes and 100 multi-family homes, subject to development approval by the City. The current population of the District is zero. The estimated population of the District at full build-out is 1,876 people. It is acknowledged that City development standards and requirements may affect the foregoing numbers of anticipated homes and population. The estimated assessed value at full build-out is \$15,844,162. The property is currently zoned for residential uses. The current assessed valuation of the District for purposes of this Service Plan is zero. The total overlapping mill levy imposed upon property within the proposed District for tax collection year 2007 averaged approximately 82.9 mills between the six taxing areas that will be included in the District.

The District shall be required to obtain written approval from the City of a Service Plan modification prior to any inclusion or exclusion of property to or from the District, or any other change in its boundaries. Any such approval may be granted or denied by resolution of the City Council, in its discretion. Any inclusion may be on the condition that all property originally in the District remain in the District, and on such other conditions as the City may impose. Any exclusion may be on the condition that there is no detriment to the remaining residents and taxpayers within the District, or to the District's bondholders, and on such other conditions as the City may impose. No changes in the boundaries of the District shall be made unless the prior written approval of the City Council has been obtained as part of a Service Plan modification, as provided herein.

IV. DESCRIPTION OF PROPOSED FACILITIES

a. Type of Improvements.

The District will finance, construct, acquire and install public improvements consisting of streets, street lighting, traffic and safety controls, water, landscaping, park and recreation, storm sewers and flood and surface drainage improvements and facilities (as the foregoing terms are used in § 32-1-1004(2), C.R.S. and the sections referenced therein) within the boundaries of the District, and shall operate and maintain specific public improvements only to the extent directed or approved by the City, all as limited by this Service Plan.

The Central Weld County Water District (the "Water District"), by contract, provides potable water to the City for delivery to City water users. The Water District owns and maintains treatment, distribution, and storage facilities (including pump station(s), elevated tank(s), and master meters and appurtenances) and delivers water to the City water system at certain master meter locations. The property within the District will receive water service from

the City through the City's arrangements with the Water District. The District, together with the Developer, may provide financing for Water District water system improvements and facilities that may be necessary for service to areas within the District, which facilities and improvements are to be designed, constructed, installed, or acquired by the Water District. The District will also provide for the design, construction, acquisition, and installation of City water system improvements and facilities located within the boundaries of the District. The District will provide financing for the City water system improvements, together with the Developer, as more fully set forth below. All Water District system improvements shall be owned by the Water District. All City water system improvements shall be dedicated to, conveyed to, and owned by the City upon acceptance and completion of the District's warranty obligations. All water rights for potable water service to the property shall be owned by the City. The District will not purchase, own, manage, adjudicate, or develop any water rights or water resources. The Developer, at its expense, is responsible for achieving any required fire flows.

The District shall not design, construct, acquire, or install water improvements or facilities through contracts by the District, including off-site improvements, except upon approval of the City and Water District with respect to the Water District system, and the City with respect to the City water system. Any intergovernmental agreement between the District and the Water District shall be submitted to the City for review and shall be approved by the City prior to execution by the District.

The District shall not construct any facilities outside the boundaries of the District, except as necessary to connect service for the District to the facilities of other entities involved in providing services to the District as described in this Service Plan, or as approved or directed by the City, or, with the City's consent, as approved or directed by other governmental entities having jurisdiction. However, the District shall not construct any water facilities, except those

facilities approved by the City for the City water system, without the prior written consent of the Water District, which consent may be withheld for any reason or for no reason.

The Developer anticipates that a separate raw water irrigation system may be provided for Stonebraker, if approved by the City. The District will not own or finance facilities or water rights for any such non-potable system, which are expected to be owned and operated by non-governmental entities.

The Organizers of the District have prepared a preliminary engineering report based on the City's construction standards. The table attached hereto as **Exhibit E** lists all improvements and facilities that the District, subject to development approval of the City, will be authorized to finance, acquire, design, construct, and install, including the costs in current dollars of each. A letter concerning the reasonableness of the cost estimates and of the methods, bases, and assumptions used is also included in **Exhibit E**. The combined estimated cost of all District improvements and facilities is \$17,828,985, which exceeds the estimated debt capacity of the District. Funding for improvements not funded by the District shall remain the responsibility of the Developer, which amount is presently estimated to be \$12,242,650 (the difference between the total estimated cost of the improvements and the total estimated net proceeds projected to be received from the District's general obligation bonds). The City is not responsible for any of the costs of the improvements.

A map showing the location of the public improvements to be financed by the District is attached hereto as **Exhibit F**. The District shall be authorized to finance the acquisition, design, construction, and installation of only those public improvements and facilities authorized under this Article IV and generally shown on **Exhibits E and F**, subject to development approval by the City. Phasing of construction shall be in accordance with a phasing plan approved by the City, which plan shall comply with City development and construction standards and be

designed to meet the needs of residents and taxpayers within the boundaries of the District. The engineering exhibits provided herein are preliminary and may be subject to change. Upon the prior written approval of the City, the District may, without amending this Service Plan, relocate or redesign improvements or facilities to be provided by the District as necessary to comply with City design requirements or to better accommodate the pace of growth and resource availability within the District. All public improvement locations, designs, plans, and specifications are subject to City approval. City consideration of any proposed changes in locations, designs, plans, and specifications for public improvements may be undertaken through the development review process for Stonebraker.

b. Description of Existing Conditions.

The area is predominantly undeveloped.

c. Anticipated Development.

The Developer anticipates total build-out to occur by 2023, subject to final design and development approval by the City. See **Exhibit G** for projections as to completion of units by years. It is acknowledged by the Developer that City approvals are required that have not yet been obtained for Stonebraker, and that City development standards and requirements, as well as other factors, may affect the anticipated number of units and build-out schedule.

d. Public Improvement Schedule.

Construction of the public improvements will commence as soon as possible following approval of the Service Plan. The public improvements will be phased to meet the development schedule, and shall be installed in compliance with any phasing plan approved by the City for Stonebraker.

e. **City Construction Standards.**

All proposed facilities and improvements shall be designed and constructed in accordance with the standards and specifications established by the City and in effect from time to time, and with applicable standards and specifications of the federal government and the State of Colorado. All proposed facilities and improvements shall be compatible with those of the City and other governmental entities having jurisdiction, including, but not limited to, the Water District. The District and its engineer have designed and shall design the facilities and improvements to meet such standards, specifications and compatibility requirements. The District or the Developer will obtain approval of civil engineering plans and permits for construction and installation of facilities and improvements from the City prior to construction or installation. The District shall be subject to all applicable provisions of the Dacono Municipal Code and to all City rules, regulations, and policies with respect to the conduct of its work on the improvements, as in effect from time to time.

f. **Limitation on Eminent Domain.**

The District shall not exercise any power of dominant eminent domain against the City and shall not exercise any power of eminent domain without the prior written consent of the City. No exercise of eminent domain by the District is contemplated or authorized in this Service Plan, and any proposed use thereof shall be considered a material modification of this Service Plan and shall be subject to the City's prior written approval.

g. **Dedication of Improvements to the City.**

Except as specifically set forth in Article IV.h, below, the District shall dedicate and convey to the City or its designee, or cause to be dedicated and conveyed to the City or its designee, all public improvements and facilities, including, but not limited to, all streets, street lighting, traffic and safety controls, water, landscaping, park and recreation, and storm sewers

and flood and surface drainage improvements and facilities, as well as all rights-of-way, fee interests and easements necessary for access to and operation and maintenance of such improvements and facilities, to the extent such property interests have not already been acquired by the City or its designee through the land use approval process. The District shall not operate or maintain any public improvements, except as necessary to comply with its warranty obligations hereunder and except to the extent expressly permitted by Article IV.h, below. The District shall also dedicate and convey to the City or its designee any other facilities and improvements contemplated in this Service Plan, together with necessary rights-of-way, fee interests, and easements. All such improvements, facilities, fee interests, easements, and rights-of-way shall be conveyed to the City or its designee immediately upon completion of construction, installation, and expiration of the two-year warranty period that commences after the City has granted Probationary Acceptance as set forth below. All improvements, facilities, rights-of-way, fee interests, and easements shall be conveyed and dedicated to the City or its designee by instruments acceptable to the City, free and clear of all liens and encumbrances, except those acceptable to the City in its sole discretion. Failure to comply with the requirements of this Article IV.g shall be deemed an unauthorized material modification of this Service Plan.

Once public improvements to be dedicated to the City are constructed and installed, the City shall issue a Probationary Acceptance letter stating the improvements have been constructed or installed in conformance with the City's standards, or shall issue a letter specifying the corrections necessary to bring the improvements into compliance with City standards for the issuance of such Probationary Acceptance letter. The District at its expense shall promptly undertake any necessary corrections. Upon issuance of the Probationary Acceptance letter, the public improvements shall be warranted for two calendar years from the date of such Probationary Acceptance, during which time

the District shall maintain the improvements and correct all deficiencies therein as directed by the City. At the conclusion of such two-year period, the City shall grant "Final Acceptance" if the public improvements conform to the City's specifications and standards, or shall issue a letter specifying the corrections necessary to bring the improvements into compliance with City standards. The District at its expense shall promptly undertake any necessary corrections. Upon "Final Acceptance," District will execute and deliver to the City all necessary instruments to dedicate and convey to the City the improvements and facilities, and all necessary rights-of-way, fee interests, and easements.

h. Limitations on Ownership and Maintenance of Public Improvements by the District.

The District shall have authority to own, operate and maintain only the improvements described in this Article IV.h. Except to the extent necessary to permit the financing, construction and dedication thereof as provided in Article IV.g, the District shall not be authorized to own, operate or maintain any other improvements or facilities to be provided pursuant to this Service Plan, except through approval by the City of an amendment to this Service Plan.

At the City's option, tract landscaping improvements may either be: (i) retained by the District for operation and maintenance; or (ii) dedicated and conveyed to, and thereafter owned, operated, and maintained by, the City or its designee. If retained by the District, the District may, with City approval, and shall if the City so requires, contract with a non-profit homeowners' association for the operation and maintenance of such tract landscaping improvements. Any such contract between the District and a homeowners' association must be approved by the City in advance, and the City may require assurances that the homeowners' association accepts such operation and maintenance obligations and has the financial ability to

undertake such obligations. Operation and maintenance of such tract landscaping improvements by contract with a homeowners' association may also be utilized by the City or its designee, if the City or its designee is the owner thereof.

i. Acquisition of Land for Public Improvements.

The District shall acquire, at no cost to the City, all lands or interests in land required by the City for construction of streets, street lighting, traffic and safety controls, water, landscaping, park and recreation, and storm sewers and flood and surface drainage improvements being financed by the District. Such land and interests in land may be acquired by the District by instruments of conveyance in form and substance acceptable to the City. All land and interests in land shall be conveyed to the City or its designee at no cost to the City at such times and by such instruments of conveyance as the City may reasonably require, free and clear of all liens and encumbrances. Exceptions must be approved by the City in advance and in writing. Failure to comply with this provision shall be deemed an unauthorized material modification of this Service Plan.

j. Services to be Provided by other Governmental Entities.

The District proposes to finance the construction, acquisition and installation of the public improvements necessary to serve the District's residents and taxpayers, but is not authorized to and shall not provide any ongoing services or functions within the District, except to the extent expressly provided in Article IV.g and IV.h. The District shall not provide ongoing park and recreation services. The District shall obtain consent from the Carbon Valley Recreation District to allow the District to finance, construct or develop park and recreation amenities within the overlapping boundaries of the Carbon Valley Park and Recreation District and the District. Any park and recreation amenities within the District shall be dedicated to the City of Dacono or its designee. The District shall obtain a resolution from the Water District

consenting to the overlapping boundaries for financing purposes only. The District shall not provide ongoing water services. The District shall not provide any sanitary sewer services, improvements or facilities; the proposed District is within the service boundaries for the St. Vrain Sanitation District (“St. Vrain”) and it is expected that the District will become included within and will receive sanitary sewer service from St. Vrain. Until the District has been included within St. Vrain and has entered into all service agreements required by St. Vrain, the District shall not incur any financial obligations of any kind as authorized under this Service Plan. The District shall not provide fire protection or emergency services; the District is within and shall receive fire protection and emergency services from the Mountain View Fire Protection District, or any successor entity thereof. Nothing in this Service Plan shall limit or discharge the District’s responsibilities for operation, maintenance, and repair of public improvements prior to their acceptance by the City and conveyance to the City or its designee, or limit or discharge the District’s warranty obligations.

k. Integration.

All facilities and improvements shall be constructed so as to be integrated with existing and planned facilities and improvements of the City and other entities providing service to Stonebraker. The District shall obtain from the City and such other serving entities approval of the proposed plans for the facilities and improvements.

V. FINANCIAL PLAN

This Article V describes the nature, basis, method of funding, debt and mill levy limitations, and other financial requirements and restrictions for the District’s public improvements program and operations. Together with **Exhibit G** (accountant's compilation, including spreadsheet presentation of financial forecasts, Market Projection Consultant's

Analysis, and the Developer's Letter in Support of Market Projections), this Article V constitutes the Financial Plan for the District as required by § 32-1-202(2)(b), C.R.S. This Financial Plan includes information as to estimated operations and administration costs, proposed indebtedness and estimated interest rates and discounts, estimated costs of non-capitalized warranty maintenance, and other major costs and expenses anticipated in connection with the District. This Financial Plan projects the issuance of debt and the anticipated repayment based on the development assumptions (including the market projections and absorption forecasts set forth in this Financial Plan and elsewhere in this Service Plan) for property within the boundaries of the District. This Financial Plan demonstrates that, at the projected level of development, and with the projected Developer support, the proposed District has the ability to finance the public improvements and facilities identified in this Service Plan and will be capable of discharging the proposed indebtedness on a reasonable basis. The amount and timing of the issuance of District debt shall be dependent upon the best interests of the residents, taxpayers and property owners of the District and market conditions at the time of issuance, and shall also be subject to the limitations, restrictions and requirements set forth herein.

a. General.

The District, and the Developer as further provided in Article VI, shall be responsible for financing the construction and acquisition of the public improvements and facilities contemplated by this Service Plan. The Developer will advance or contribute to the District all funds necessary for such construction and acquisition, and will also contribute all funds necessary for operating costs of the District. A portion of the costs of such public improvements and facilities will be financed by the District, primarily through the issuance of limited tax general obligation bonds, secured by the *ad valorem* taxing authority of the District and other District revenues, as discussed below. For all purposes of this Service Plan, the terms “bonds,”

“general obligation bonds,” “general obligation debt,” “general obligation indebtedness” or any similar term shall mean limited tax general obligation bonds as further provided in V.d, below. The combined total estimated cost of the public improvements and facilities to be financed by the District is \$17,828,985. The District has the capacity to issue general obligation bonds in the aggregate principal amount of approximately \$8,100,000, projected to yield net bond proceeds of approximately \$5,586,335. Accordingly, it is currently anticipated that the bond proceeds will be insufficient to allow for repayment of \$12,242,650, which will be contributed by the Developer. However, if the financing capability of the District changes and will permit repayment in the future (due to higher than anticipated assessed values, lower interest rates, or other changed circumstances), the District may agree to repay the Developer for un-reimbursed capital costs of District public improvements so long as the District has the capacity to make such payments without exceeding the debt limit, Limited Mill Levy or other mill levy restrictions provided in this Service Plan, and subject to all other requirements of Article V.h, below. Payments made to the Developer by the District are expected to be made principally from bond proceeds and shall not exceed the amount advanced by the Developer for capital costs of District public improvements.

The Developer acknowledges and accepts the risk that anticipated payments or reimbursements by the District to the Developer for a portion of the cost of public improvements may not be made, or may be reduced in amount, either because all or a part of the general obligation bonds proposed to be issued by the District are not issued (due to changes in financial conditions or other changed circumstances), or for any other reason.

b. Debt Issuance; Debt Limit.

This Service Plan authorizes only the issuance of limited tax general obligation bonds, except as provided below with respect to obligations issued to the Developer for construction

financing. All financial obligations of the District are subject to the provisions as to the Limited Mill Levy and other limitations as set forth below. Other than *ad valorem* property taxes, specific ownership taxes, facility fees, amounts capitalized from bond proceeds, and investment income on the foregoing, no District revenues shall be pledged to any financial obligations of the District. The District may be authorized to issue revenue bonds, certificates, debentures, or other financial obligations or evidences of indebtedness, or to enter into lease-purchase transactions, only upon approval of an amendment to this Service Plan, and such an amendment shall be considered a material modification of the Service Plan.

The Financial Plan projects the issuance of three series of limited tax general obligation bonds, anticipated to be issued in 2012, 2015 and 2018, in the approximate principal amounts for each issue shown in **Exhibit G**, for a total estimated aggregate principal amount of approximately \$8,100,000. The aggregate principal amount of all general obligation bonds and construction financing obligations (i.e., all forms of borrowing by the District), throughout the District's existence and regardless of subsequent payments and discharges, shall be limited to a total of \$8,910,000 ("debt limit"); except to the extent otherwise provided in Article V.f with respect to refunding bonds and in Article V.h with respect to construction financing obligations to the Developer.

All net proceeds of bonds issued by the District (after deduction of reasonable amounts for capitalized interest, reserves and issuance costs) will immediately be deposited into an escrow account held by the bond trustee. Bond proceeds will be released from the escrow account into an unrestricted account on a *pro rata* basis as building permits are issued by the City. For each single-family and multi-family unit covered by each building permit, the maximum amount of bond proceeds to be so released shall be determined at the time of each bond issue and shall bear the same relationship to then-current projections of total net bond

proceeds, as the proportion of then-current projections of total single-family and total multi-family assessed valuation to then-current projections of total assessed valuation for the District.

The following calculation examples are based on the projections set forth in this Financial Plan (rounded). The values used in the actual calculations at the time of bond issuance will vary based on then-current market conditions and projections.

Single family:

Projected assessed valuation attributable to single-family units =
95.74% of total projected assessed valuation
Total projected net bond proceeds (\$5,587,000) x 95.74% =
\$5,349,000 (net bond proceeds allocable to single-family) ÷ 577 single-family units =
\$9,270

Multi-family:

Projected assessed valuation attributable to multi-family units = :
4.26% of total projected assessed valuation
Total projected net bond proceeds (\$5,587,000) x 4.26% =
\$238,000 (net bond proceeds allocable to multi-family) ÷ 100 multi-family units =
\$2,380

In this example, a maximum of approximately \$9,270 would be released for each single-family unit covered by each building permit, and a maximum of approximately \$2,380 would be released for each multi-family unit covered by each building permit.

Transfers from the escrow account shall not be made unless all public improvements required to serve the dwelling units for which such building permits have been issued have been completed and have received Probationary Acceptance from the City in accordance with the City's subdivision requirements and the Subdivision Agreement (as well as Article IV.g hereof). The successive series of bonds shall not be issued until all proceeds from the preceding bond issues have been released from escrow. When building permits have been issued for 95% of then-projected housing units and all public improvements required for Stonebraker have been completed and accepted as described above, any moneys then held in such an escrow account may be released into an unrestricted account (subject to applicable contractual requirements).

By depositing net bond proceeds into an escrow account and releasing portions of such proceeds only upon the conditions described above, the City and the taxpayers and residents of the District can be assured that continued development will occur to pay the bonds and, to the extent development does not occur, the escrow account will be used to redeem or otherwise pay a portion of the bonds within the time required by any applicable federal requirements for tax-exempt bonds, but in no event later than three years from the date of issue. Accordingly, this structure reduces the risk of excessive debt burden on the property tax base of the District. The District's Financial Advisor has indicated that issuance of building permits is a generally accepted lending criterion for special district debt and that, accordingly, the escrow release requirements will evidence sufficient development activity within the District to support repayment of the corresponding debt. The anticipated par amount of the bonds is an estimate only; the actual amount of the bonds issued will be subject to assessed valuations and market conditions as they exist at the time of issuance of each series of bonds, and the District will issue bonds only in compliance with the above-stated debt limit and all other requirements and restrictions of this Service Plan.

c. Other Financial Restrictions, Limitations and Requirements.

The District shall request voter authorization for general obligation debt and construction financing obligations in such amount as the initial District governing board deems appropriate to allow for changes in cost allocations between types of public improvements, increases in construction costs due to inflation, and other unforeseen contingencies, as well as capitalized interest, reserve funds, discounts, legal fees, and other incidental and issuance costs; however, the debt limit imposed by this Service Plan shall control unless modified with the City's approval pursuant to Article XV hereof. Any increase in the amount of general obligation debt (together with construction financing obligations) actually issued in excess of the projected amounts

shown in **Exhibit G** will be consistent with the District's debt capacity at the time of such issuance (based on higher than anticipated assessed values, lower interest rates or other changes from projected circumstances). The authorized maximum voted net effective interest rate is 18% per annum and the maximum underwriting discount is 4% of bond principal. The actual interest rates and discounts, within such maximum voted amounts, will be determined at the time the bonds are sold by the District and will reflect market conditions at the time of sale. The term of any bonds issued by the District shall not exceed 30 years.

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

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

Any bonds issued by the District pursuant to this Service Plan shall be in compliance with all applicable state and federal legal requirements, including without limitation § 32-1-1101(6), C.R.S., and article 59 of title 11, C.R.S., and shall be approved by nationally recognized

bond counsel. An opinion shall also be obtained from bond counsel or counsel to the District that the bonds comply with all requirements of this Service Plan.

d. Limited Mill Levy.

“Limited Mill Levy” shall mean the *ad valorem* mill levy (a mill being equal to 1/10 of 1¢ per dollar of assessed valuation) imposed upon all taxable property in the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the bonds as the same become due and payable, and to make up any deficiencies in any debt service reserve for the bonds, but, together with all other District mill levies (including, without limitation, all mill levies for administration, warranty maintenance and other operating expenses), such mill levy shall not exceed 50 mills; provided, however, that if the ratio of actual valuation to assessed valuation for residential real property effective on the date of approval of this Service Plan (7.96%, as shown in **Exhibit G**) is changed pursuant to Article X, section 3(1)(b) of the Colorado Constitution and legislation implementing such constitutional provision, the 50 mill limitation 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”). The Limited Mill Levy shall be an enforceable limit on all District mill levies. Notwithstanding the foregoing or any other provisions in this Service Plan, if the District imposes a mill levy before it has issued any general obligation bonds, such mill levy for any year shall not exceed the mill levy projected for such year in **Exhibit G**.

e. Investor Suitability.

The offering and sale of the District’s bonds shall not involve a public offering, and the District's bonds shall be offered and sold exclusively to financial institutions or institutional investors within the meaning of § 32-1-1101(6)(a)(IV), § 32-1-103(6.5) and § 11-59-103(8),

C.R.S.; except as provided below in this paragraph as to rated bonds and in Article V.g, below, with respect to Developer Bonds. The District shall provide for and shall utilize appropriate minimum denominations and mechanisms and procedures for transfers and exchanges of bonds that are reasonably designed to insure continuing compliance with such limitation of sales to institutional investors. If the District's bonds are rated in one of the four highest investment grade rating categories by one or more nationally recognized organizations that regularly rate such obligations, compliance with the institutional investor limitation set forth above shall not be required.

f. Refunding bonds.

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

g. Developer Bonds.

In lieu of issuing bonds to third party investors, the Developer may choose to purchase all bonds of a series (the “Developer Bonds”). Except as provided below in this Article V.g, Developer Bonds shall not be sold, transferred, assigned, participated, or used as security for any borrowing. Developer Bonds shall not be subject to the escrow requirements of Article V.b, above; however, Developer Bonds may be resold (or otherwise transferred, assigned, participated, or used as security) only to the extent that the requirements for release from escrow (issuance of building permits and Probationary Acceptance of public improvements) have been met with respect to the principal amount of Developer Bonds to be sold, transferred, assigned, participated, or used as security. If and when Developer Bonds are resold by the Developer, such resale must comply with the investor suitability requirements of Article V.e, above (unless the Developer Bonds have received an investment grade rating as described in the last sentence of Article V.e above). All Developer Bonds must be subject to prior redemption at the option of the District, at par, at any time (upon 30 days’ notice or less). The purchase of Developer Bonds by the Developer shall not be subject to any underwriting discount, and interest rates on Developer Bonds shall not exceed that rate listed as of the date of issuance on the Municipal Market Advisors 30-year Index, plus 400 basis points. Except as otherwise specifically provided in this Article V.g, all limitations, restrictions, and requirements of this Service Plan with respect to general obligation bonds of the District shall be applicable to Developer Bonds, both when owned by the Developer and upon any permitted resale, including, without limitation, Limited Mill Levy, debt limit, maximum interest rate, maximum term, prohibition on acceleration, bank trustee requirement, and opinion requirements. For purposes of ownership of Developer Bonds, the Developer shall include all affiliates or entities under the majority control of the Developer (“controlled affiliates”), provided that the Developer and any such controlled affiliate must be an

accredited investor, as that term is defined under sections 3(b) and (4)(2) of the federal “Securities Act of 1933” by regulation adopted thereunder by the Securities and Exchange Commission, at the time of acquisition of the Developer Bonds. To the extent that transfers or exchanges of Developer Bonds are permitted under this Article V.g, the District shall provide for and shall utilize appropriate minimum denominations and mechanisms and procedures for transfers and exchanges of Developer Bonds that are reasonably designed to insure continuing compliance with applicable requirements and restrictions as provided in or cross-referenced by this Article V.g. The Developer (including all controlled affiliates) assumes all risk of nonpayment or other default on Developer Bonds, and shall comply with the above-stated limitations, restrictions, and requirements regarding Developer Bonds.

h. Construction Financing Obligations Issued to Developer.

The District may issue construction financing obligations to the Developer to evidence the District’s obligation to reimburse the Developer’s advances for capital costs of District public improvements; any Developer advances which are not so reimbursed shall be treated as Developer contributions as described in Article V.a, above. Such construction financing obligations shall be subject to the following restrictions set forth above for general obligation bonds: Limited Mill Levy, debt limit, maximum term, prohibition on acceleration, and opinion as to Service Plan compliance; but such obligations shall not be subject to the above-stated bank trustee requirement or bond counsel opinion requirements. The repayment of construction financing obligations from proceeds of an equal or lesser principal amount of the District’s bonds (including escrow deposits, as described in Article V.b above, allocable to such repayment) shall not be treated as an increase in the principal amount of District debt for purposes of the debt limit under this Service Plan. Such construction financing obligations shall not be general obligations of the District, shall bear no interest, shall be issued only to the Developer (and, therefore, shall

not be subject to any underwriting discount), and shall not be sold, transferred, assigned, participated, or used as security for any borrowing. The Developer hereby represents it is an accredited investor, as that term is defined under §§ 3(b) and (4)(2) of the federal “Securities Act of 1933” by regulation adopted thereunder by the Securities and Exchange Commission, and the Developer agrees it will also be such an accredited investor if and when it acquires such construction financing obligations. Such construction financing obligations shall be paid from proceeds of the District’s general obligation bonds when and if received by the District (subject, however, to the escrow requirements of V.b, above); otherwise the construction financing obligations will be unsecured obligations of the District. To the extent that any of such construction financing obligations are outstanding when the District’s general obligation bonds are also outstanding, payments on the construction financing obligations may be made only if such payments do not adversely affect the District’s ability to pay its general obligation bonds. The Developer solely assumes the risk of nonpayment or other default on such construction financing obligations, including, without limitation, delay, inability, or failure of the District to sell or issue its general obligation bonds. Alternatively, the District may acquire completed public improvements and facilities from the Developer with bond proceeds (subject to the escrow requirements of Article V.b, above); such improvements and facilities will then be conveyed by the District to the City or its designee as provided in this Service Plan.

i. Identification of District Revenue.

The District will impose a mill levy on all taxable property in the District as the primary source of revenue for repayment of debt service and for operations and administration. The total mill levy imposed by the District shall not exceed 50 mills, except for Gallagher Adjustments permitted under Article V.d, above. Although the mill levy imposed may vary depending on the

timing and terms of the bond issues, when valuation increases occur, and how much money is needed for District operations and administration, it is estimated that a mill levy of approximately 40 mills will produce revenue sufficient to support debt service, operations, and warranty maintenance expenses throughout the repayment period. Property is assumed to be assessed annually as of January 1. Homes are assumed to be assessed on the next January 1 following the year of construction, and revenue from related property taxes is assumed to be received starting in the subsequent year. This Financial Plan also assumes revenue derived from specific ownership taxes and investment income.

The District expects to impose facility fees upon property located within the District and may impose such facility fees without the further consent of or notification to the City, provided that such facility fees are limited to a one-time imposition of \$1,000.00 per single-family and multi-family dwelling unit, due at the issuance of a building permit.

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

j. No City Financial Obligations or City Security.

The City and the District are separate legal entities. The City will not be a party to and will not be obligated with respect to any financial obligations of the District, and the District will

not pledge or encumber any City funds or assets as security for any financial obligations of the District.

k. District Operating Budget.

The District will require sufficient operating funds to plan and cause the public improvements to be constructed. The costs are expected to include: organizational, legal, engineering, accounting, compliance with state reporting and other administrative requirements, and (to the extent not capitalized) debt issuance costs and compliance with warranty obligations. The first year's operating budget (for 2009) is estimated to be \$40,000, increasing annually at a rate of 1% to accommodate for inflation. The District anticipates receiving its initial operating funds as contributions from the Developer until such time as the District is able to generate sufficient operating revenue. The operating expense projections in **Exhibit G** assume that tract landscaping improvements will be operated and maintained either by a homeowners' association or by the City or the City's designee, as described in Article IV.h; operation and maintenance of such improvements by the District may cause increases in the District's operating budget.

l. Quinquennial Review.

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

m. Letters.

Attached hereto as **Exhibit H** is a letter from D.A. Davidson & Co. stating its intention to underwrite the District's financial obligations as described in the Financial Plan. Attached hereto as **Exhibit I** is a letter from legal counsel for the District stating that the petition for organization of the District, this Service Plan, notice and hearing procedures in connection therewith, and provisions thereof (including, without limitation, provisions as to the District's bonds and other financial obligations, mill levies, fees, and other revenue sources) meet the requirements of Titles 11 and 32, C.R.S., and other applicable law.

VI. LANDOWNERS' RESPONSIBILITIES UNDER OTHER CITY ENACTMENTS AND AGREEMENTS

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

VII. ANNUAL REPORT

The District shall be responsible for submitting an annual report to the City within 120

days from the conclusion of the District's fiscal year. Failure of the District to submit such report shall not constitute a violation or unauthorized material modification hereof, unless the District refuses to submit such report within 30 days after a written request from the City to do so. The District's fiscal year shall end on December 31st of each year. The content of the annual report shall include information as to the following matters that occurred during the year:

- a. Boundary changes (which are to be made only with the prior written approval of the City) or proposed boundary changes for the upcoming year;
- b. Intergovernmental Agreements entered into or proposed;
- c. Changes or proposed changes in the District's policies;
- d. Changes or proposed changes in the District's operations;
- e. A statement describing all sources and applications of District revenue for the preceding fiscal year, and further describing any changes in the financial status of the District, including any issuance or incurrence of financial obligations or any change in revenue projections or operating costs;
- f. A summary of any litigation and notices of claim involving the District;
- g. Proposed plans for the year immediately following the year summarized in the annual report;
- h. Status of construction of public improvements;
- i. The current assessed valuation in the District; and
- j. A schedule of all mill levies and any other fees or charges of any kind imposed in the report year and proposed to be imposed in the following year and the revenues raised or proposed to be raised therefrom.

The foregoing list shall not be construed to excuse any other notice requirement or any requirement for prior written City approval of any material modifications of this Service Plan or

for any other required notice or approval. The annual report shall be signed by the President and attested by the Secretary of the District. Along with the annual report, and at any more frequent intervals as reasonably requested by the City, the District shall provide to the City a currently dated and written certificate, signed by the President and Secretary of the District, certifying the District is in full compliance with this Service Plan and with the intergovernmental agreement between the City and the District as provided in Article XIII. If the District is not in full compliance with this Service Plan or such intergovernmental agreement, the certificate shall include a detailed statement describing such noncompliance, and the District shall cooperate fully with the City in providing further information as to, and promptly remedying, any such noncompliance. The City reserves the right, pursuant to §§ 32-1-207(3)(c) and (d), C.R.S., to request reports from the District beyond the mandatory statutory five-year reporting period. The District shall provide the City with a copy of the District's financial statements annually. As to years for which an independent audit is not conducted, the District shall provide the City with a copy of the application for exemption and the response by the State Auditor. In addition to the foregoing, the District shall cooperate with the City by providing prompt responses to all reasonable requests by the City for information, and the District shall permit the City to inspect all public improvements, facilities, books, and records of the District.

VIII. DISSOLUTION

As stated in Article I hereof, the District is formed for the purpose of financing certain public improvements and is not intended to have any substantial ongoing ownership or operational role. Accordingly, the District shall, upon request by the City, cooperate fully with the City in taking all steps necessary under then-applicable law to dissolve the District:

(i) at any time after the District has issued all of its general obligation bonds (excluding refunding bonds) as contemplated by the Financial Plan;

(ii) on or after December 31, 2015, if the District has not issued any general obligation bonds; and

(iii) on or after December 31, 2025, under any circumstances.

Such cooperation by the District shall include, without limitation: (a) formulating a plan of dissolution (which may provide for continuation of the District's existence, with the City Council serving as the District's Board of Directors, if requested by the City and approved by the court, to the extent necessary to provide for payment of any outstanding District financial obligations without establishment of an escrow therefor, all as provided in §§ 32-1-702(3)(c) and 32-1-707(2)(c), C.R.S.); (b) executing any required District consent to dissolution; (c) making any necessary agreements as to continuation or transfer of warranty, maintenance and other services, if any, which are then being provided by the District; (d) submitting a petition for dissolution to the court; and (e) conducting any required dissolution election. The City and the District acknowledge that the rights of holders of the District's financial obligations to payment of such obligations in accordance with their terms is protected under applicable law, and that dissolution of the District will be conducted in a manner that fully preserves and protects such payment rights.

To the maximum extent permitted by law, all of the above-stated agreements to cooperate in the dissolution of the District shall be binding on the undersigned Developer (including the Developer's controlled affiliates) as well as on the District, and shall also be binding on the Developer's successors in title to any and all land in the District (including the nominees for the initial Board of Directors set forth in Article X hereof and succeeding directors who own land within the District); and such agreements shall obligate all such persons to cooperate fully with

the City as described above, including, without limitation, the signing of petitions, execution of consents, and voting in favor of dissolution in any required election. In addition, with respect to any District financial obligations owned by the Developer (or by the Developer's controlled affiliates as provided in Article V.g), the Developer shall cooperate fully, and shall cause any such controlled affiliate to cooperate fully, with the City to dissolve the District.

IX. CONSOLIDATION

The District shall not file a request with the District Court to consolidate with another district without the prior written approval of the City.

X. ELECTIONS

Following approval of this Service Plan by the City, and after acceptance of the organizational petition and issuance of orders from the District Court, elections on the questions of organizing the District and approving bonded indebtedness and various agreements described herein will be scheduled. All elections will be conducted as provided in the court orders, the Uniform Election Code of 1992 (as may from time to time be amended), and Article X §20 of the Colorado Constitution (the "TABOR Amendment"), and are currently planned for November 4, 2008, but may be held on any legally permitted date. The election questions are expected to include whether to organize the District, election of initial directors, and TABOR Amendment ballot issues and questions. Thus, the initial ballot may deal with the following topics (in several questions, but not necessarily using the exact divisions shown here):

- a. Whether to organize the District,
- b. Membership and terms of the initial board members,
- c. Approval of new taxes,

- d. Approval of maximum operational mill levies,
- e. Approval of bond and other indebtedness limits,
- f. Approval of an initial property tax revenue limit,
- g. Approval of an initial total revenue limit, and
- h. Approval of an initial fiscal year spending limit.

Ballot issues may be consolidated as approved in court orders. The petitioners intend to follow both the letter and the spirit of the Special District Act, the Uniform Election Code and the TABOR Amendment during organization of the District, and the District will continue such compliance in future elections.

The following persons, who are or will be owners of property within the District, are anticipated to be nominated for the initial board of directors of the District:

John Kirschner	Mary Kirschner	Christian Kirschner
Patrick Lyng	Berni Lash	

XI. INDEMNITIES

The fully executed Developer Indemnity Letter attached hereto as Part I of **Exhibit J** is submitted by the Developer to the City as part of this Service Plan. The form of the District Indemnity Letter attached hereto as Part II of **Exhibit J** shall be executed by the District and delivered to the City immediately upon formation of the District. The District shall not incur any financial obligations of any kind or otherwise perform any functions authorized under this Service Plan until the District Indemnity Letter has been duly executed by the District and delivered to the City. The execution of such Indemnity Letters is a material consideration in the City’s approval of this Service Plan, and the City has relied thereon in approving this Service Plan.

XII. RECORDED DISCLOSURE AND CITY DISCLAIMER; NO THIRD-PARTY RIGHTS

The District will record a statement against the property within the District that includes notice of the existence of the District, the anticipated mill levy, and the maximum allowed mill levy. The form of the notice is attached hereto as **Exhibit K**, subject to any changes required by the City in the future. In addition, attached hereto as **Exhibit L** is a form of the City's disclaimer statement. The District shall conspicuously include this disclaimer statement, or any modified or substitute statement hereafter furnished by the City, in all offering materials used in connection with any bonds or other financial obligations of the District (or, if no offering materials are used, the District shall deliver the disclaimer statement to any prospective purchaser, lender or investor with respect to such bonds or financial obligations). No changes shall be made to the recorded disclosure or the City disclaimer as set forth in **Exhibits K and L**, respectively, except as directed by the City. Neither this Service Plan, the intergovernmental agreement to be entered into between the City and the District as described in Article XIII below, nor any other related agreements, enactments or other instruments shall be construed to impose upon the City any duties to, or confer any rights against the City upon, any bondholders, investor, lenders, or other third parties.

XIII. INTERGOVERNMENTAL AGREEMENTS

The District shall enter into an intergovernmental agreement with the City in substantially the form set forth in **Exhibit M**. The District shall execute and deliver the intergovernmental agreement to the City immediately upon formation of the District. The District shall not incur any financial obligations of any kind or otherwise perform any functions authorized under this

Service Plan until the intergovernmental agreement has been duly executed and delivered to the City. The execution of such agreement is a material consideration in the City's approval of this Service Plan, and the City has relied thereon in approving this Service Plan. Intergovernmental agreements between the District and other entities which will provide service to Stonebraker are anticipated but are not available at this time. All intergovernmental agreements proposed to be entered into by the District shall be subject to review and approval by the City prior to their execution by the District. Failure of the District to obtain such approval shall constitute an unauthorized material modification of this Service Plan.

XIV. CONSERVATION TRUST FUND

The District shall not apply for or claim any entitlement to funds from the Conservation Trust Fund or other funds available from or through governmental or nonprofit entities for which the City is eligible to apply. The District shall remit to the City any and all conservation trust funds it receives.

XV. MODIFICATION OF SERVICE PLAN

The District shall obtain the prior written approval of the City before making any material modifications to this Service Plan. Material modifications requiring a Service Plan amendment include modifications of a basic or essential nature, including, but not limited to, the following:

- a. Any change in the stated purposes of the District or additions to the types of facilities, improvements, programs, activities, or functions provided by the District;
- b. Any issuance by the District of financial obligations not expressly authorized by this Service Plan, or under circumstances inconsistent with the District's financial ability to discharge such obligations as shown in the build-out, assessed valuation and other forecasts

contained in the Financial Plan, or any change in debt limit, change in revenue type, or change in maximum mill levy (except for any necessary Gallagher Adjustment as provided in Article V.d, above);

c. Any change in the District public improvements and facilities as described in **Exhibits E and F**, or any increase in estimated or actual costs of District improvements or facilities that exceeds the contingency amount stated in the Exhibit E cost estimates;

d. Failure by the District to execute and deliver the intergovernmental agreement (the form of which is attached hereto as **Exhibit M**) immediately upon the District's formation as provided in Article XIII of this Service Plan, or failure by the District to execute and deliver the District indemnity letter (the form of which is attached hereto as Exhibit J-II) immediately upon the District's formation as provided in Article XI of this Service Plan;

e. Failure to comply with the requirements of this Service Plan concerning the dedication of improvements or the acquisition and conveyance of lands or interests in land;

f. The failure of the District to develop any capital improvement or facility proposed in its Service Plan when necessary to service approved development within the District;

g. Any proposed use of the powers set forth in §§ 32-1-1101(1)(f) and -1101(1.5), C.R.S., with respect to division of the District;

h. The occurrence of any event or condition which, under this Service Plan or any intergovernmental agreement between the District and the City, requires a service plan amendment;

i. Default by the District under any intergovernmental agreement;

j. Any of the events or conditions enumerated in § 32-1-207(2), C.R.S., of the Special District Act; or

k. Any action or proposed action by the District that would interfere with or delay the planned dissolution of the District as provided in Article VIII hereof.

The examples above are only examples and are not an exclusive list of all actions that may be identified as material modifications.

The District will pay all reasonable expenses of the City, its attorneys and consultants, as well as the City's reasonable processing fees, in connection with any request by the District for modification of this Service Plan or administrative approval by the City of any request hereunder. The City may require a deposit of such estimated costs.

XVI. FAILURE TO COMPLY WITH SERVICE PLAN

If the City determines that an act or omission of the District violates this Service Plan or constitutes a material departure from the Service Plan (including, without limitation, any material modification of this Service Plan as described in Article XV that is not duly authorized by the City), the City may utilize the remedies set forth in the Colorado statutes to enjoin the actions of the District; may withhold issuance of any permit, authorization, acceptance, or other administrative approval for Stonebraker; or pursue any other remedies or exercise any other rights available at law or in equity, including affirmative injunctive relief, to require the District to act in accordance with the provisions of this Service Plan. The District shall pay any and all costs, including attorneys' fees, incurred by the City in enforcing any provision of the Service Plan. To the extent permitted by law, the District hereby waives the provisions of § 32-1-207(3)(b), C.R.S., and agrees it will not rely on such provisions as a bar to the enforcement by the City of any provisions of this Service Plan.

XVII. RESOLUTION OF APPROVAL

The Developer and participating consultants agree to and shall incorporate the City Council's Resolution of Approval, including any conditions on such approval, into the Service Plan presented to the Weld County District Court. Such resolution shall be attached as **Exhibit N**.

XVIII. SEVERABILITY

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

XIX. CONCLUSION

This Service Plan demonstrates that:

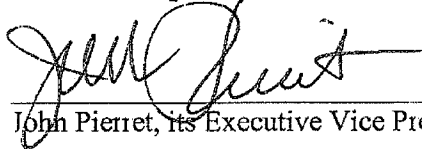
- a. Adequate service is not, and will not, be available to the area to be served by the District through the City or other existing special districts within a reasonable time and on a comparable basis;
- b. The facility and service standards of the District are compatible with the facility and service standards of the City;
- c. There is sufficient existing and projected need for organized service in the area to be serviced by the District;

- d. The existing service in the area to be served by the District is inadequate for present and projected needs;
- e. The District is capable of providing economical and sufficient service to the area within its proposed boundaries;
- f. The area included within the District has or will have the financial ability to discharge the proposed indebtedness on a reasonable basis; and
- g. The creation of the District will be in the best interest of the area proposed to be served.

XX. CERTIFICATION

This Service Plan is submitted to the City by the undersigned Developer, which is the District petitioner and the owner of all property within the boundaries of the proposed District. The undersigned has caused written notice of the City's hearing on the proposed Service Plan to be duly given to all "interested parties" within the meaning of C.R.S. § 32-1-204, and will cause or has caused all other required notices to be given, all required filings to be made and all other applicable procedural requirements to be met. The information contained in this Service Plan is true and correct as of this date.

Forestar (USA) Real Estate Group Inc, a
Delaware corporation



John Pierret, its Executive Vice President

Exhibit A
Legal Description

Legal Description

Lots A and B of Recorded Exemption No. 1467-12-2-RE-3241 recorded March 29, 2002 at Reception No. 2937579, being a part of Section 12 and 13, Township 1 North, Range 68 West of the 6th P.M., County of Weld, State of Colorado.

Lot C of Recorded Exemption No. 1467-12-2-RE-3241, recorded March 29, 2002 at Reception No. 2937579, being a part of Sections 12 and 12, Township 1 North, Range 68 West of the 6th P.M., EXCEPT FOR the Westerly 40 feet of the Right-of-way of the Bull Canal of the Stanley Ditch conveyed to the Farmers Reservoir & Irrigation Company as described in Deed recorded January 28, 1910 in Book 314 at Page 426 of the records of Weld County, Colorado, County of Weld, State of Colorado.

That part of the abandoned Union Pacific Railroad Company Right-of-way lying in Section 13, Township 1 North, Range 68 West of the 6th P.M., County of Weld, State of Colorado described as follows:

Parcels 1 and 2 as described in the Quitclaim Deed recorded December 2, 2002 at Reception No. 3010457 of the Weld County Records; together with parcels 1 and 2 as described in the Quitclaim Deed recorded December 2, 2002 at Reception No. 3010458 of said Weld County Records; together with Tract I as described in the Quitclaim Deed recorded March 7, 2005 at Reception No. 3266275 of said Weld County Records and being more particularly described as follows:

Commencing at the South Quarter Corner of said Section 13 from which the Southwest corner of said Section 13 bears North 89°25'27" West 2613.20 feet; thence North 89°25'27" West along the South line of the Southwest Quarter of said Section 13, 391.21 feet to the Southeast corner of said Parcel 1 as described in the Quitclaim Deed recorded December 2, 2002 at Reception No. 3010457 and the Point of Beginning; thence continuing North 89°25'27" West along said South line of the Southwest Quarter being also the South line of said Parcel 1, 251.33 feet to the Southwest corner of said Parcel 1; thence Northerly along the Westerly line of said Parcel 1 the following three (3) courses:

- 1) North 06°28'37" East, 838.86 feet to a point of curvature;
- 2) 177.85 feet along the arc of a curve concave to the East having a radius of 5854.58 feet a central angle of 01°44'26" and the chord of which bears North 07°20'50" East, 177.85 feet to a non-tangent course;
- 3) South 81°46'57" East, 47.32 feet to the Southwest corner of said Parcel 2 as described in the Quitclaim Deed recorded December 2, 2002 at Reception No. 3010457;

Thence North 06°28'37" East, along the Westerly line of said Parcel 2 1629.96 feet to the Northwest corner of said Parcel 2 on the North line of said Southwest Quarter of Section 13, being also the Southwest corner of said Tract I as described in the Quitclaim Deed recorded March 7, 2005 at Reception No. 3266275; thence continuing North 06°28'37" East, along the Westerly line of said Tract I, 50.32 feet to the Northwest corner of said

Tract I; thence North $89^{\circ}58'16''$ East, along the north line of said Tract I 150.97 feet to the Westerly line of said Parcel 2 as described in the Quitclaim Deed recorded December 2, 2002 at Reception No. 3010458; Thence North $06^{\circ}28'37''$ East, along said Westerly line 2597.58 feet to the Northwest corner of said Parcel 2 on the North line of the North Half of said Section 13; thence North $89^{\circ}22'23''$ East, along said North line, being also the North line of said Parcels 1 and 3 as described in the Quitclaim Deed recorded December 2, 2002 at Reception No. 3010458, 380.12 feet to a point on a curve being the North east corner of said Parcel 1 as described in the Quitclaim Deed recorded December 2, 2002 at Reception No. 3010458; thence Southerly along the Easterly line of said Parcel 1 as described in the Quitclaim Deed recorded December 2, 2002 at Reception No. 3010458 the following two (2) courses:

- 1) 388.87 feet along the arc of a curve concave to the West having a radius of 11509.16 feet, a central angel of $01^{\circ}56'09''$ and the chord of which bears South $11^{\circ}00'32''$ West, 388.85 feet to a tangent course;
- 2) 2) South $11^{\circ}58'37''$ West, 2303.55 feet to the Southeast Corner of said Parcel 1 as described in the Quitclaim Deed recorded December 2, 2002 at Reception No. 3010458 on the South line of said North Half of Section 13 and being also the Northeast Corner of said Parcel 1 as described in the Quitclaim Deed recorded December 2, 2002 at Reception No. 3010457;

Thence Southerly along the Easterly line of said Parcel 1 as described in the Quitclaim Deed recorded December 2, 2002 at Reception No. 3010457 the following five courses:

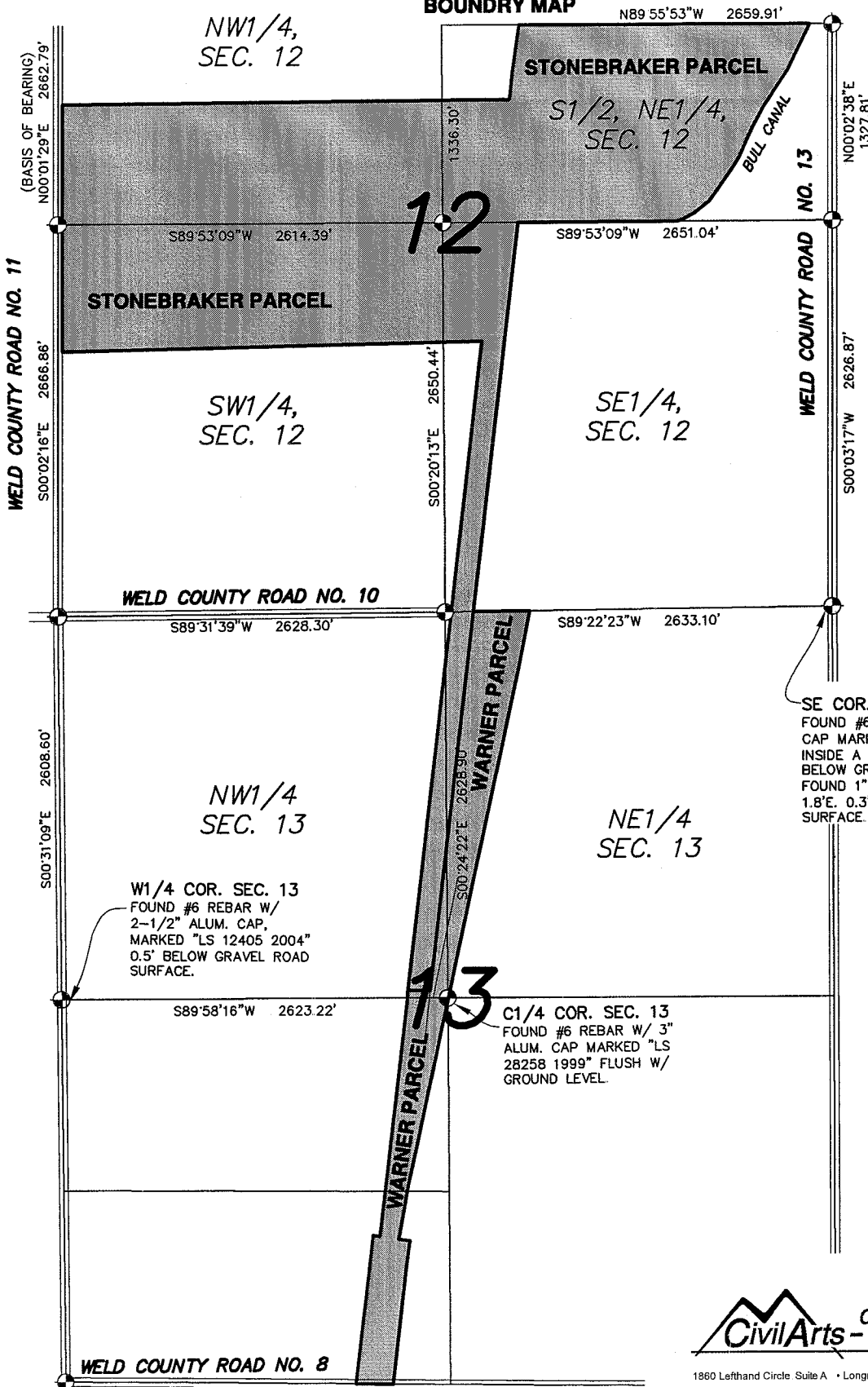
- 1) Continuing South $11^{\circ}58'37''$ West, 1299.41 feet to a point of curvature;
- 2) 372.66 feet along the arc of a curve concave to the East, having a radius of 5679.58 feet, a central angle of $03^{\circ}45'34''$ and the chord of which bears South $10^{\circ}05'50''$ West, 372.60 feet to a non-tangent course;
- 3) South $81^{\circ}46'57''$ East, 75.00 feet to a point on a curve;
- 4) 170.26 feet along the arc of a curve concave to the East having a radius of 5604.58 feet, a central angel of $01^{\circ}44'26''$ and the chord of which bears South $07^{\circ}20'50''$ West, 170.25 feet to a tangent course
- 5) South $06^{\circ}28'37''$ West, 813.02 feet to said Southeast Corner of Parcel 1 as described in the Quitclaim Deed recorded December 2, 2002 at Reception No. 3010457 and the Point of Beginning, County of Weld, State of Colorado.

Exhibit B
Boundary Map

STONEBRAKER METROPOLITAN DISTRICT

BOUNDRY MAP

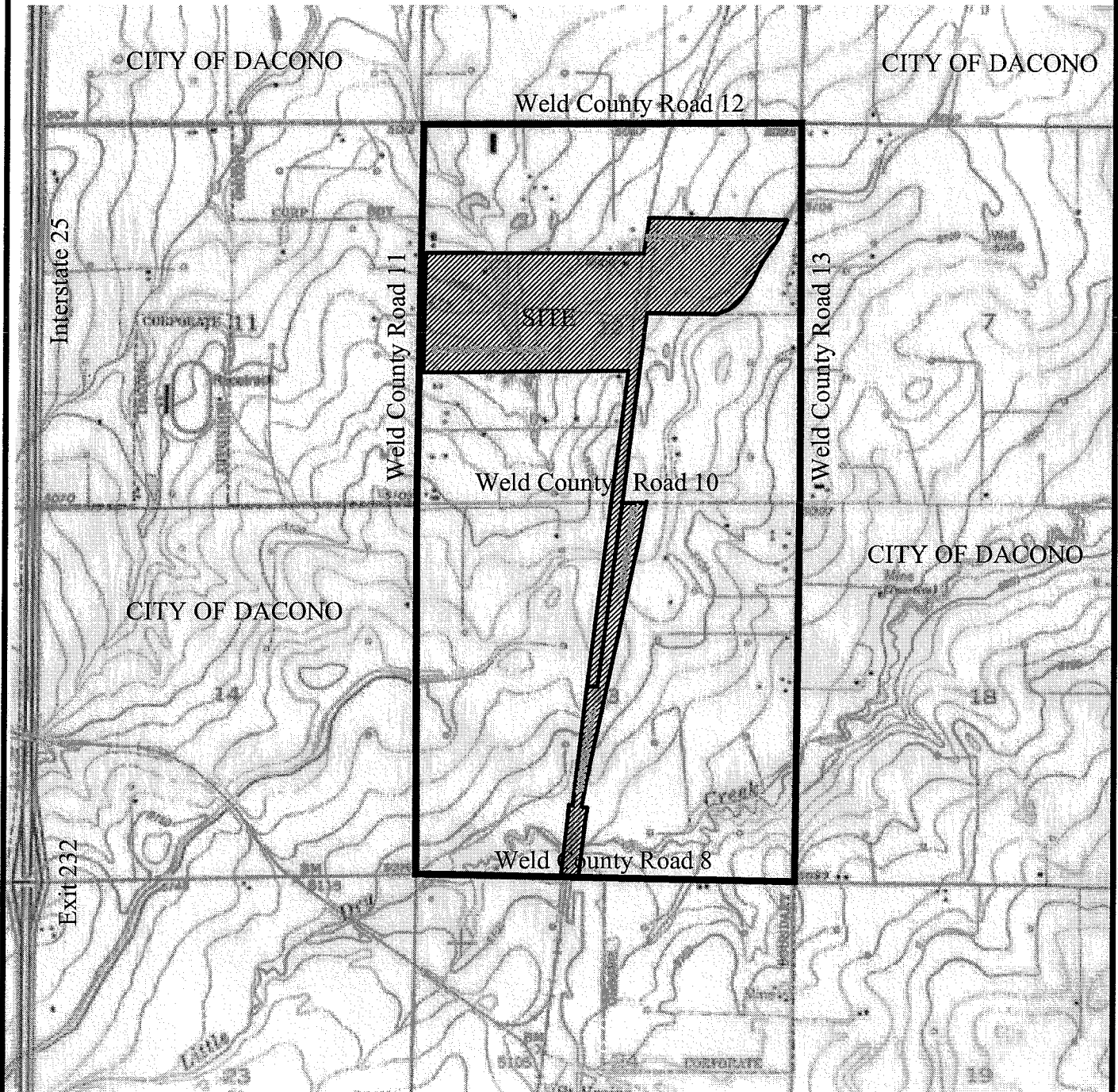
EXHIBIT MAP
 DATE: 07/20/07
 DWG: EXHIBIT A-D2



STONEBRAKER METROPOLITAN DISTRICT

SERVICE AREA

EXHIBIT MAP
DATE: 07/20/07
DWG: EXHIBIT A-D2



Engineering • Planning • Surveying
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Exhibit C
Vicinity Map

STONEBRAKER METROPOLITAN DISTRICT

VICINITY MAP

EXHIBIT MAP
DATE: 07/20/07
DWG: EXHIBIT A-D2

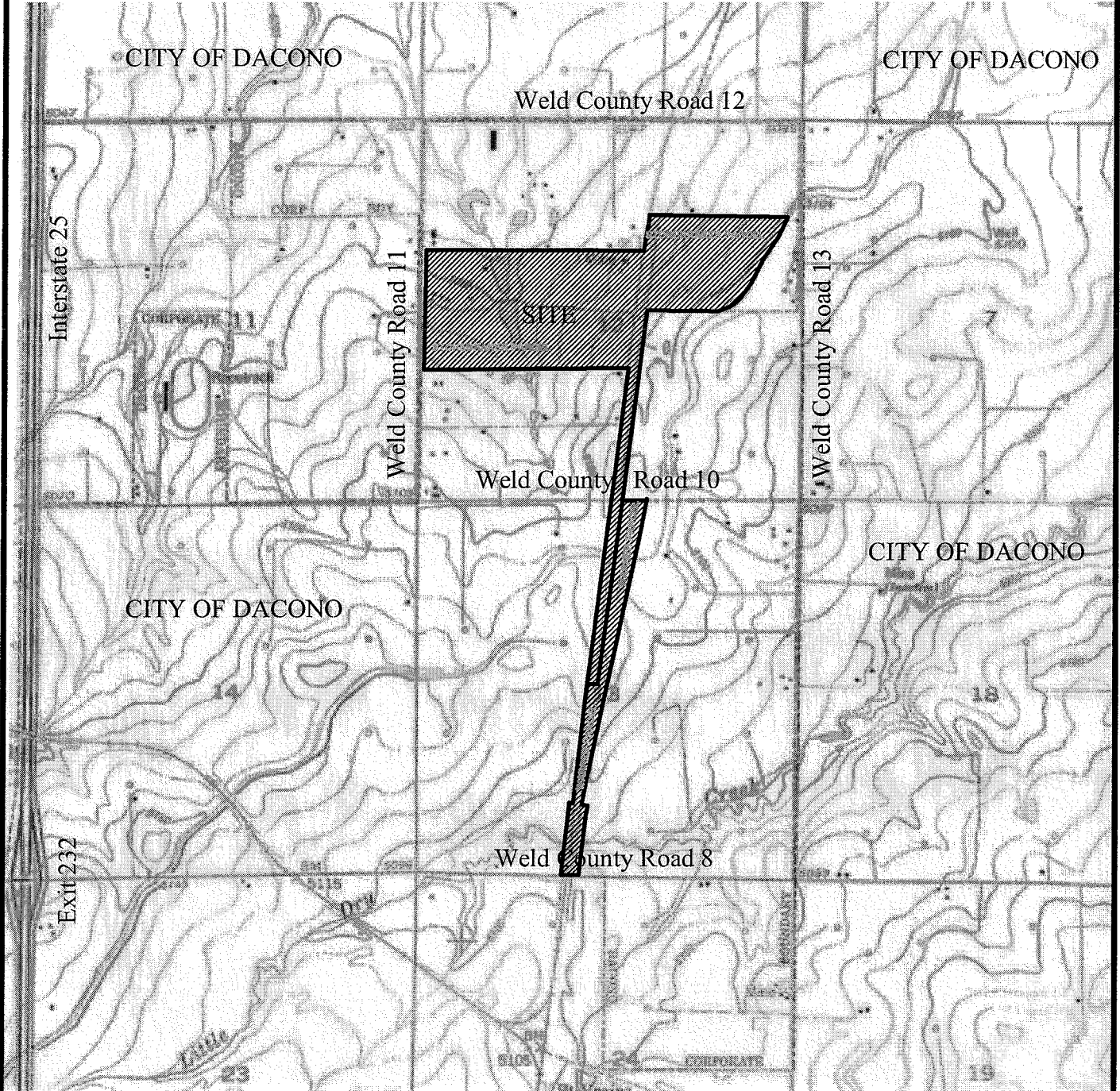


Exhibit D
Letter of Owner Consent

September 8, 2008

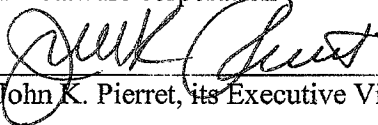
City of Dacono
City Council
Dacono City Hall
512 Cherry Street
Dacono, CO 80514

RE: Stonebraker Metropolitan District ("District")

To Whom It May Concern:

Forestar (USA) Real Estate Group Inc., a Delaware corporation, is the sole owner of the property described in **Exhibit A** attached hereto (the "Property"), which Property is proposed to constitute the boundaries of the District under the Service Plan dated September 8, 2008. The purpose of this letter is to advise that the undersigned hereby consents to the organization of the District.

Forestar (USA) Real Estate Group Inc.,
a Delaware corporation

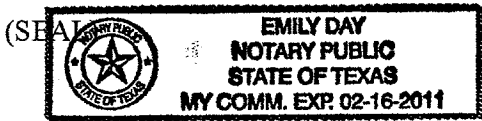


John K. Pierret, Its Executive Vice President

9/8/8
Date

STATE OF TEXAS)
) ss:
COUNTY OF DALLAS)

Subscribed and sworn to before me on this 8th day of September 2008, by John K. Pierret, as Executive Vice President for Forestar (USA) Real Estate Group Inc.





Notary Public

My commission expires 02-16-2011.

EXHIBIT A
LEGAL DESCRIPTION

Legal Description

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Exhibit E
Engineering Cost Estimate



LANDSCAPING
PLANNING
ENGINEERING

P 303.682.1131
F 303.682.1149

info@civilarts.us
www.civilarts.us

1850 Lathand Circle, Suite A
Longmont, CO 80501

September 8, 2008

City of Dacono
512 Cherry Street
Dacono, CO. 80514

Re: Stonebraker Metropolitan District

To whom it may concern:

I, Roger D. Walker, a Registered Engineer in the State of Colorado, have reviewed the accompanying Engineer's Estimate of Probable Cost for the Stonebraker Metropolitan District and have found said estimate to be reasonable for the public improvements of the district.

The cost estimating was based upon the Preliminary Plat for the Stonebraker Subdivision and the sketch plan accompanying the Annexation Map for the Warner parcel. Both the Preliminary Plat and the Annexation Map have been approved by the City of Dacono. Supplementing the subdivision geometry of the Stonebraker Preliminary Plat and the Warner Annexation Map, the infrastructure details including street cross sections, drainage cross sections, approved oil/gas surface use agreement maps, and preliminary engineering for both parcels were used as the basis for cost estimating.

GLH Construction prepared estimates of unit costs for the various street cross sections. Water and sewer unit costs were obtained from file data in this office based upon recent bids for similar work at other projects. Landscaping costs were provided to this office by Valerian Landscape Architects, architects for both projects.

The exhibits accompanying the cost estimates are conceptual in presentation but reflect the details of the preliminary engineering completed to date as stated above. Based upon the data outlined above, I find the Engineer's Estimate of Probable Costs to be reasonable.

Sincerely,

Roger D. Walker, P.E.
VP Development Services

Stonebraker Metropolitan District
Estimate of Probable Cost -- Summary Sheet

	<u>Stonebraker Parcel</u>	<u>Warner Parcel</u>	<u>Total</u>
Roads	\$6,149,306 00	\$1,218,100.00	\$7,367,406.00
Potable Water System	\$2,337,000 00	\$483,800 00	\$2,820,800.00
Drainage and Storm Sewer	\$3,434,400 00	\$333,600.00	\$3,768,000.00
Parks, Recreation, Landscaping & Irrigation	\$3,267,679.00	\$605,100 00	\$3,872,779.00
Total	\$15,188,385.00	\$2,640,600.00	\$17,828,985.00

Stonebraker Metropolitan District

Warner Parcel

Roads

	Quantity	Unit	Unit Price*	Total
50' Section	5,500	LF	\$190.00	\$1,045,000.00
WCR (interim section)	650	LF	\$174.00	\$113,100.00
Canal Crossing	1	LS	\$60,000.00	\$60,000.00

*Includes street lighting, signage, engineering, staking, construction testing, and 10% contingency

Sub Total **\$1,218,100.00**

Potable Water System

8" PVC Potable Water System	5,900	LF	\$82.00	\$483,800.00
-----------------------------	-------	----	---------	--------------

*Includes mains, fittings, valves, hydrants, service stubs to lot lines, engineering, staking, construction testing, and 10% contingency

Sub Total **\$483,800.00**

Drainage and Storm Sewer

RCP Storm Sewer	650	LF	\$120.00	\$78,000.00
Box Culvert	1	EA	\$150,000.00	\$150,000.00
Detention Pond	1	EA	\$50,000.00	\$50,000.00
20% Contingency	1	LS	\$55,600.00	\$55,600.00

Sub Total **\$333,600.00**

* includes pipe, manholes, inlets

Parks, Recreation & Landscape

WCR 10 Entry Feature	1	LS	30,000.00	\$30,000.00
WCR 8 Entry Feature	1	LS	30,000.00	\$30,000.00
Regional Trail	1	LS	33,250.00	\$33,250.00
Improved Parklands	1	LS	261,000.00	\$261,000.00
OpenSpaces, Native	1	LS	150,000.00	\$150,000.00
	1	LS	100,850.00	\$100,850.00
20% Contingency	1	LS	\$121,020.00	\$121,020.00

Sub Total **\$605,100.00**

Stonebraker Metropolitan District
Stonebraker Parcel

Roads

	Quantity	Unit	Unit Price*	Total
50' Section	21,498	LF	\$190 00	\$4,084,620 00
50' Section @ Circles	1,445	LF	\$178 00	\$257,210 00
60' Section w/ 10' attached Trail	3,662	LF	\$216 00	\$790,992 00
60' Section w/ 10' detached Trail	1,930	LF	\$216 00	\$416,880 00
80' Section	350	LF	\$216 00	\$75,600 00
Alley	1,681	LF	\$84 00	\$141,204 00
WCR (interim section)	2,200	LF	\$174 00	\$382,800 00

*Includes street lighting, signage, engineering, staking, construction testing, and 10% contingency

Sub Total **\$6,149,306.00**

Potable Water System

8" PVC Potable Water System	28,500	LF	\$82 00	\$2,337,000.00
-----------------------------	--------	----	---------	----------------

*Includes mains, fittings, valves, hydrants, service stubs to lot lines, engineering, staking, construction testing, and 10% contingency

Sub Total **\$2,337,000.00**

Drainage and Storm Sewer

RCP Storm Sewer	17,600	LF	\$120.00	\$2,112,000 00
Detention Pond	5	EA	\$100,000.00	\$500,000.00
Wetland Reconstruction	5	EA	\$50,000.00	\$250,000 00
20% Contingancy	1	LS	\$572,400.00	\$572,400 00

* includes pipe, manholes, inlets

Sub Total **\$3,434,400.00**

Parks, Recreation & Landscape

WCR 11	1	LS	\$111,759	\$111,759 00
Stonebraker Drive	1	LS	\$107,732	\$107,732 00
Monumentation	1	LS	\$107,000	\$107,000 00
North Pond	1	LS	\$91,850	\$91,850 00
South Pond	1	LS	\$94,858	\$94,858 00
North Pond Fishing Pier	1	LS	\$52,500	\$52,500 00
South Pond Boardwalk	1	LS	\$36,000	\$36,000 00
West round-About	1	LS	\$70,285	\$70,285 00
Central Round-About	1	LS	\$231,753	\$231,753 00
East Round-About	1	LS	\$213,691	\$213,691 00
North Buffer	1	LS	\$79,662	\$79,662 00
Outlots	1	LS	\$120,180	\$120,180 00
Legacy Trail North	1	LS	\$415,040	\$415,040 00
Stonebraker ("Old Miner") Park	1	LS	\$108,609	\$108,609 00
Fencing	1	LS	\$308,795	\$308,795 00
Local Trail	1	LS	\$48,682	\$48,682 00
Legacy Trail South (Offsite)	1	LS	\$524,670	\$524,670 00
20% Contingancy	1	LS	\$544,613 20	\$544,613 00

Sub Total **\$3,267,679.00**

PH1

Rd-A STONEBRAKER DR 1930 Detached
Rd-A STONEBRAKER DR 3661.72 Attached
Rd-A 30' sec 350

PH1 CIR N 354.78
PH1 CIR S 367.79
STONEBRAKER CIR NORTH 722.57
STONEBRAKER CIR SOUTH 1445.14

PH1 RD-C 797.72
PH1 RD-D 500
PH1 RD-E 418.01
PH1 RD-F 536.07
PH1 RD-G 1215.94
PH1 RD-H 1218.31
PH1 RD-I 0
KERNITE RD 4684.05
LORIMAR RD
JASPER RD
SOAPSTONE WAY
CARBON WAY
Citrine Wy
SILVER WAY

PH2

PH2-Rd-N-A PH2 S TRFF CIR 374.29
PH2-Rd-N-B PH2 N. TRAFF. CIR 348.28
1445.14 722.57

Rd-B EMERALD RD 2022.98
PH2-Rd-C Quartz Ct 229.36
PH2-Rd-D Gold Dust Wy 368.9
PH2-Rd-E Granite Way 243.01
PH2-Rd-F Gypsum Wy 2865.32
PH2-Rd-G Roselite Wy 471.65
PH2-Rd-H Sandline Rd 798.39
PH2-Rd-I Amber Ct 283.48
PH2-Rd-J GREENSTONE LP SOUTH 1298.42
PH2-Rd-K GREENSTONE LOOP NOR 1197.48
PH2-Rd-L Wolfilite Wy 701.87
PH2-Rd-M Geode Rd 441.76
PH2-Rd-N 10932.62
PH2-Rd-O 4684.05
PH2-Rd-P 10932.62
5881.48

Grand Total 50'

21498.15
874.76
806.13
1680.89

PH3

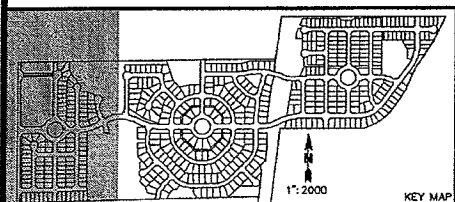
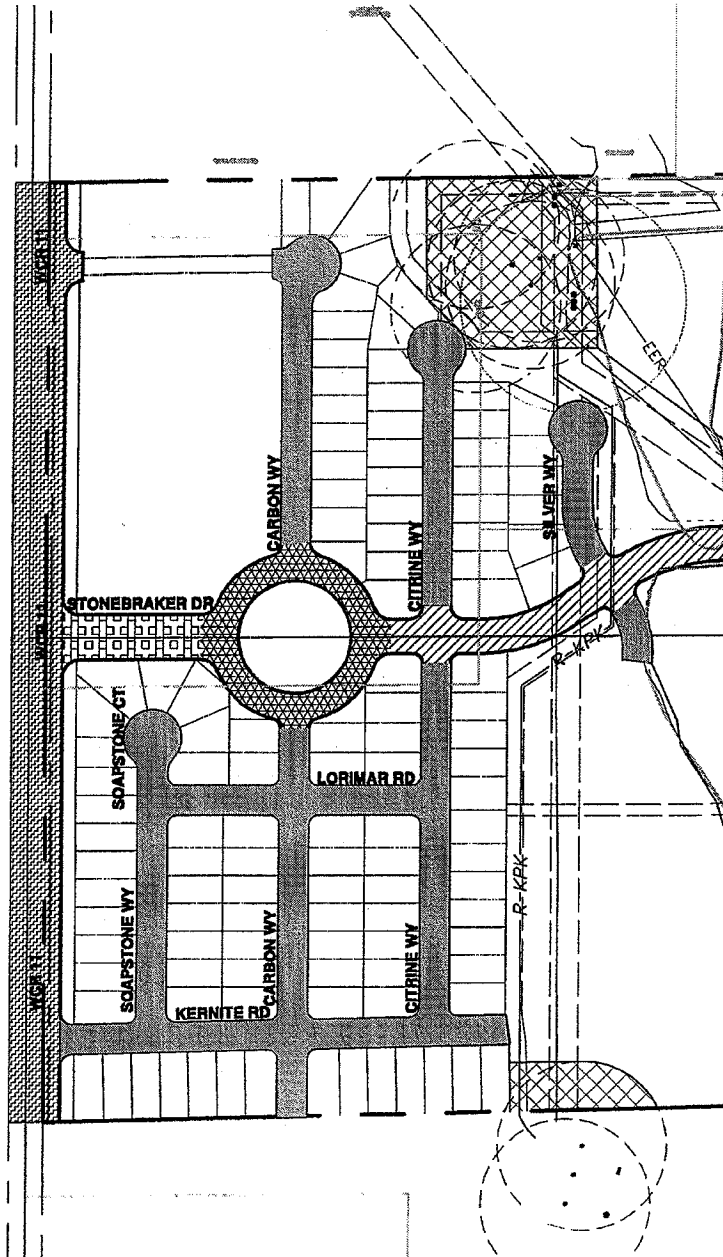
PH3-Rd-B1 392.7
PH3-Rd-B2 392.7
PH3-Rd-C 255
PH3-Rd-D 1518.92
PH3-Rd-E 457.12
PH3-Rd-F 1177.91
PH3-Rd-G 710.06
PH3-Rd-H 977.07
5881.48
Emerald S Round
Emerald N Round
Marble Ct
Amethyst Pl
Celestite Way
Obsidian Way
Jade Way
Coral Way

Exhibit F
Location of Improvements

STONEBRAKER METROPOLITAN DISTRICT

ROADS- STONEBRAKER PARCEL
1 OF 6

EXHIBIT MAP
DATE: 07/20/07
1" = 300'
DWG: PUBLIC
IMPROV-STN



- //// 60' SECTION W/ DETACHED TRAIL
- |||| 60' SECTION W/ ATTACHED TRAIL
- XXXX 60' SECTION AT CIRCLE
- XXXX 50' SECTION
- XXXX ALLEY
- XXXX 80' SECTION
- XXXX WCR 11

CivilArts - drexel group

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STONEBRAKER METROPOLITAN DISTRICT

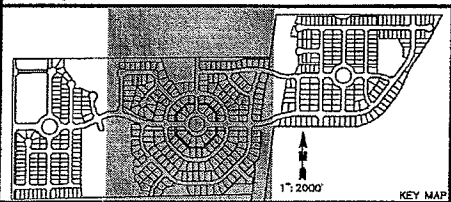
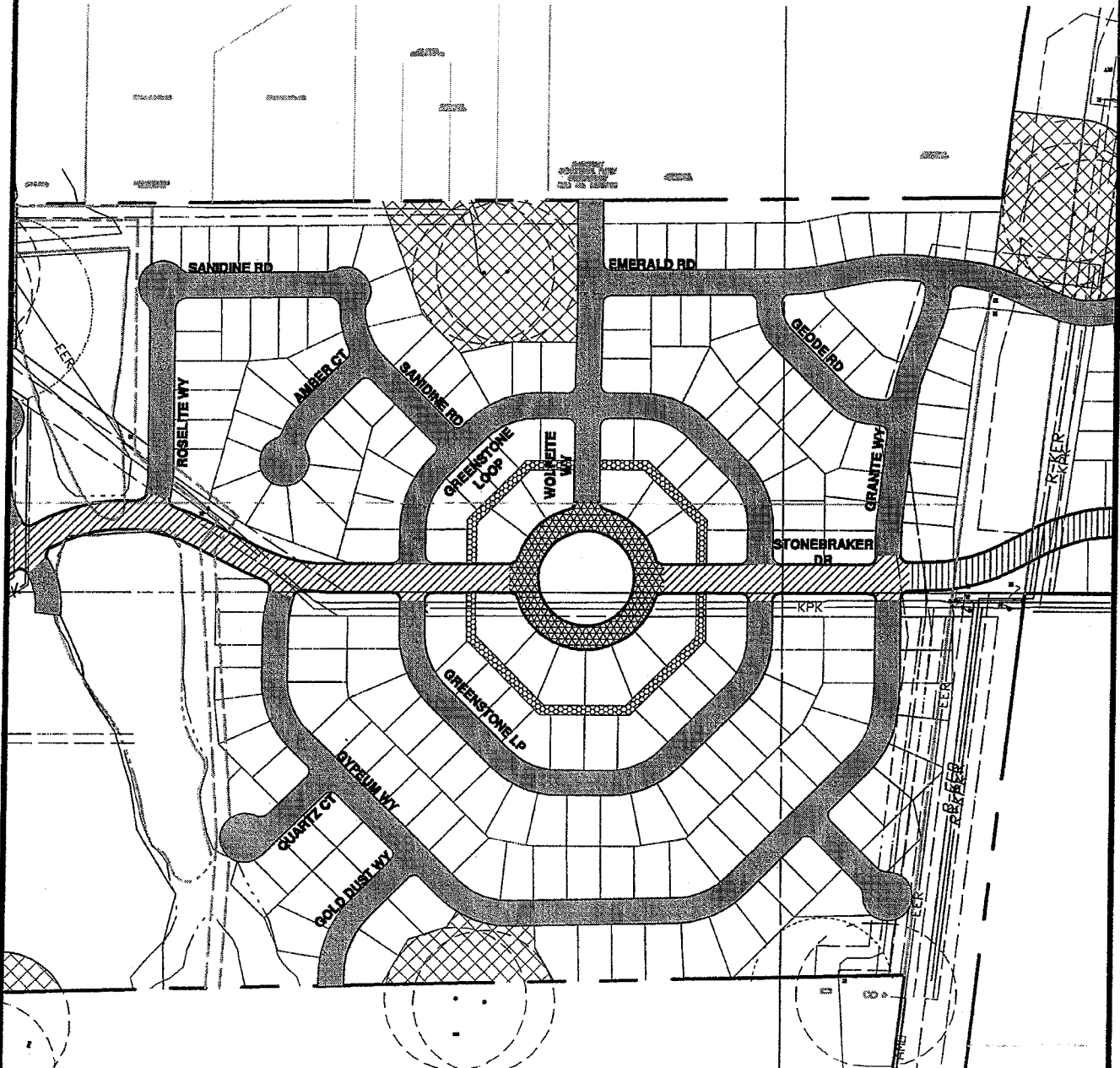
ROADS- STONEBRAKER PARCEL
2 OF 6

EXHIBIT MAP

DATE: 07/20/07

1"=300'

DWG: PUBLIC
IMPROV-STN



- //// 60' SECTION W/ DETACHED TRAIL
- |||| 60' SECTION W/ ATTACHED TRAIL
- XXXX 60' SECTION AT CIRCLE
- 50' SECTION
- ▨▨▨▨ ALLEY
- ▩▩▩▩ 80' SECTION
- ▧▧▧▧ WCR 11



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STONEBRAKER METROPOLITAN DISTRICT

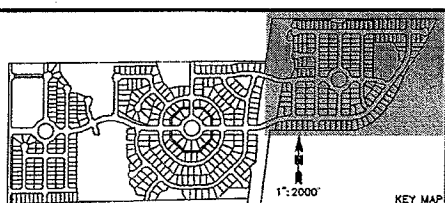
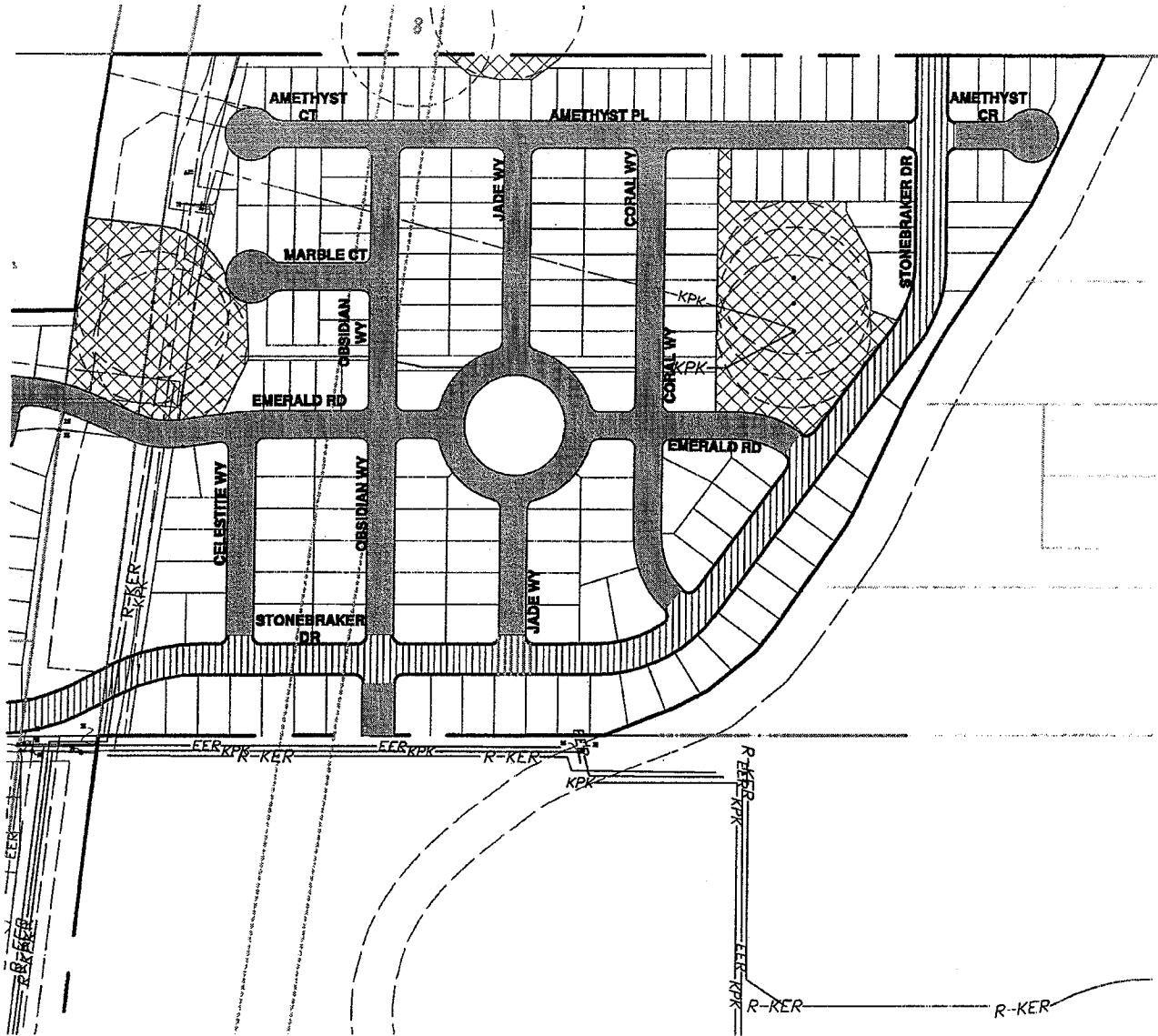
ROADS- STONEBRAKER PARCEL
3 OF 6

EXHIBIT MAP

DATE: 07/20/07

1" = 300'

DWG: PUBLIC
IMPROV-STN



- //// 60' SECTION W/ DETACHED TRAIL
- |||| 60' SECTION W/ ATTACHED TRAIL
- XXXX 60' SECTION AT CIRCLE
- ==== 50' SECTION
- XXXXX ALLEY
- XXXXXX 80' SECTION
- XXXXXX WCR 11

CivilArts - drexel group

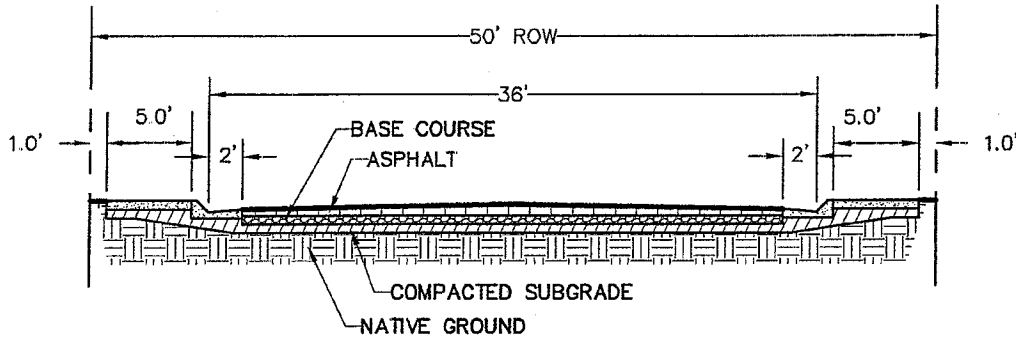
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STONEBRAKER METROPOLITAN DISTRICT

ROADS- STONEBRAKER PARCEL
4 OF 6

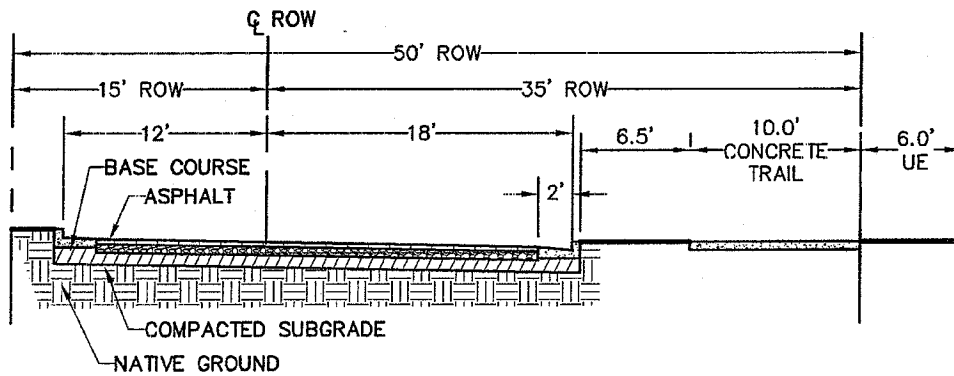
EXHIBIT MAP
DATE: 07/20/07

DWG: PUBLIC
IMPROV-STN



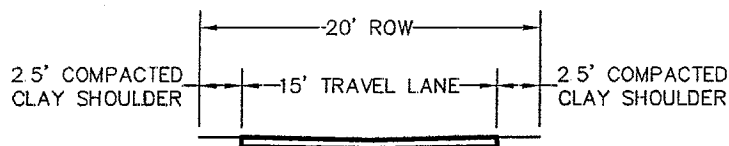
50' TYPICAL ROAD SECTION

1" = 10' Horizontal, 1" = 10' Vertical



50' TYPICAL ROAD SECTION AT CIRCLES W/10' DETACHED TRAIL

1" = 10' Horizontal, 1" = 10' Vertical



ALLEY CROSS-SECTION

CivilArts - **drexel group**

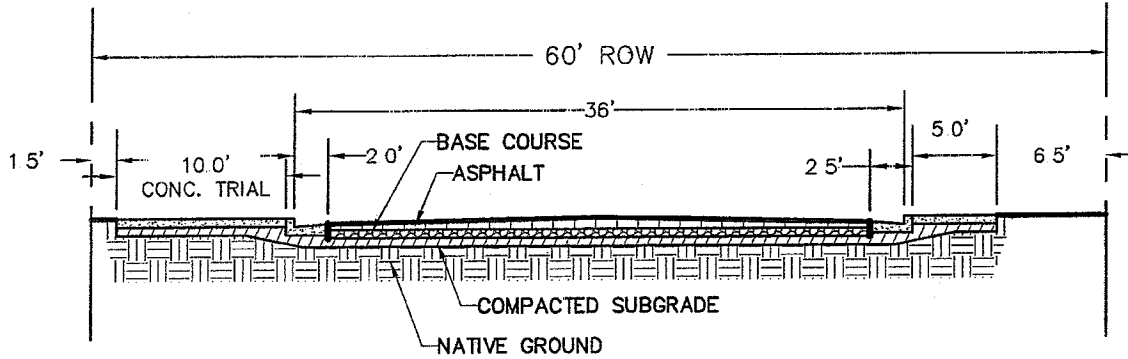
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STONEBRAKER METROPOLITAN DISTRICT

ROADS- STONEBRAKER PARCEL
5 OF 6

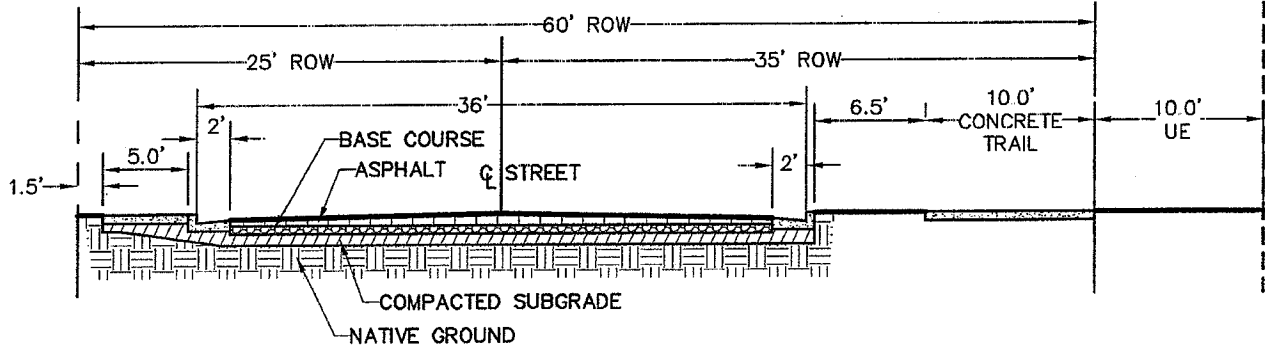
EXHIBIT MAP
DATE: 07/20/07

DWG: PUBLIC
IMPROV-STN



60' TYPICAL ROAD SECTION
W/10' ATTACHED TRAIL

1" = 10' Horizontal, 1" = 10' Vertical



60' TYPICAL ROAD SECTION
W/10' DETACHED TRAIL

1" = 10' Horizontal, 1" = 10' Vertical



Engineering • Planning • Surveying

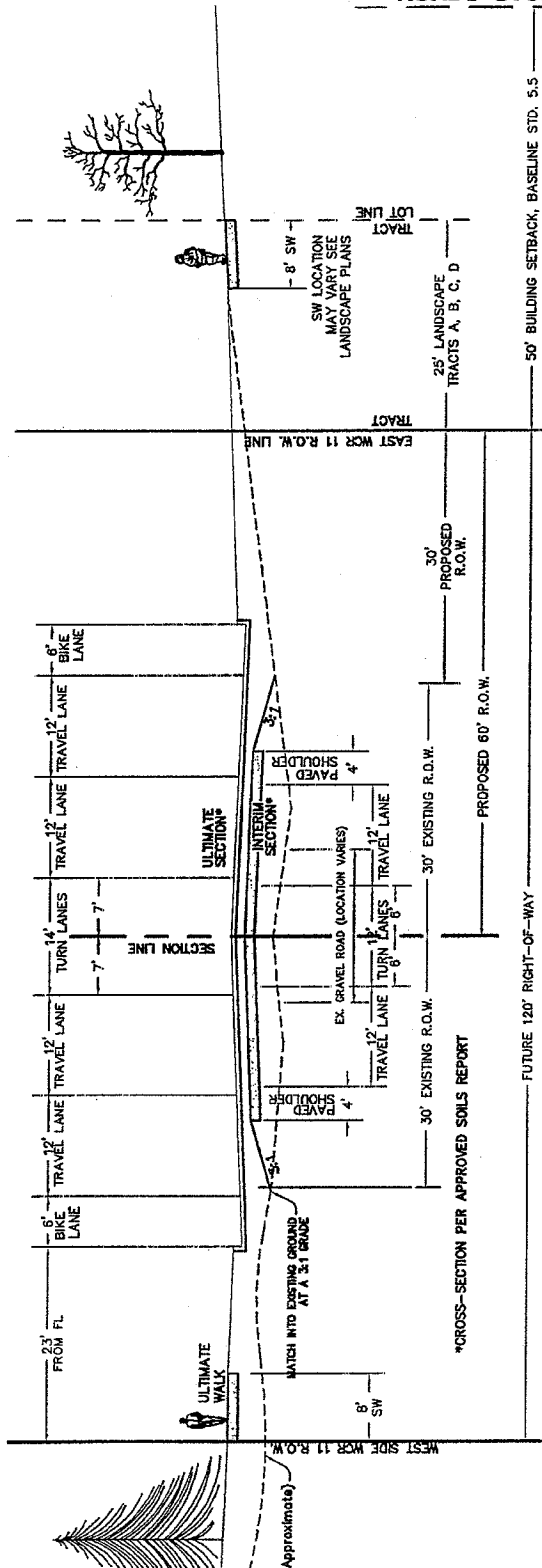
1860 Lefthand Circle, Suite A • Longmont, Colorado 80501 • (303) 682-1131

STONEBRAKER METROPOLITAN DISTRICT

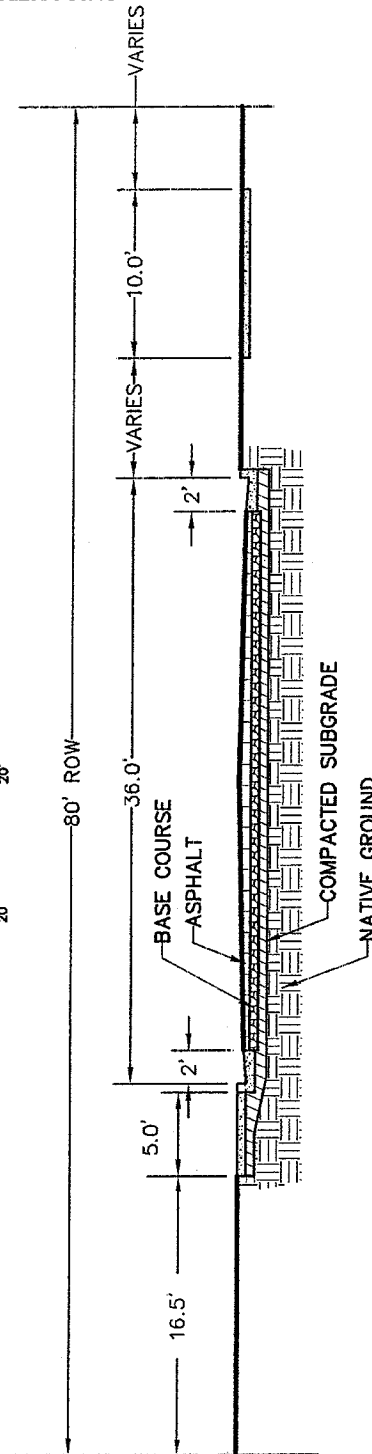
EXHIBIT MAP
DATE: 07/20/07

DWG: PUBLIC
IMPROV-STN

ROADS- STONEBRAKER PARCEL 6 OF 6



CROSS SECTION A-A TRACTS A, B, C, D 1" = 18' Horizontal, 1" = 20' Vertical



80' TYPICAL ROAD SECTION

1" = 10' Horizontal, 1" = 10' Vertical



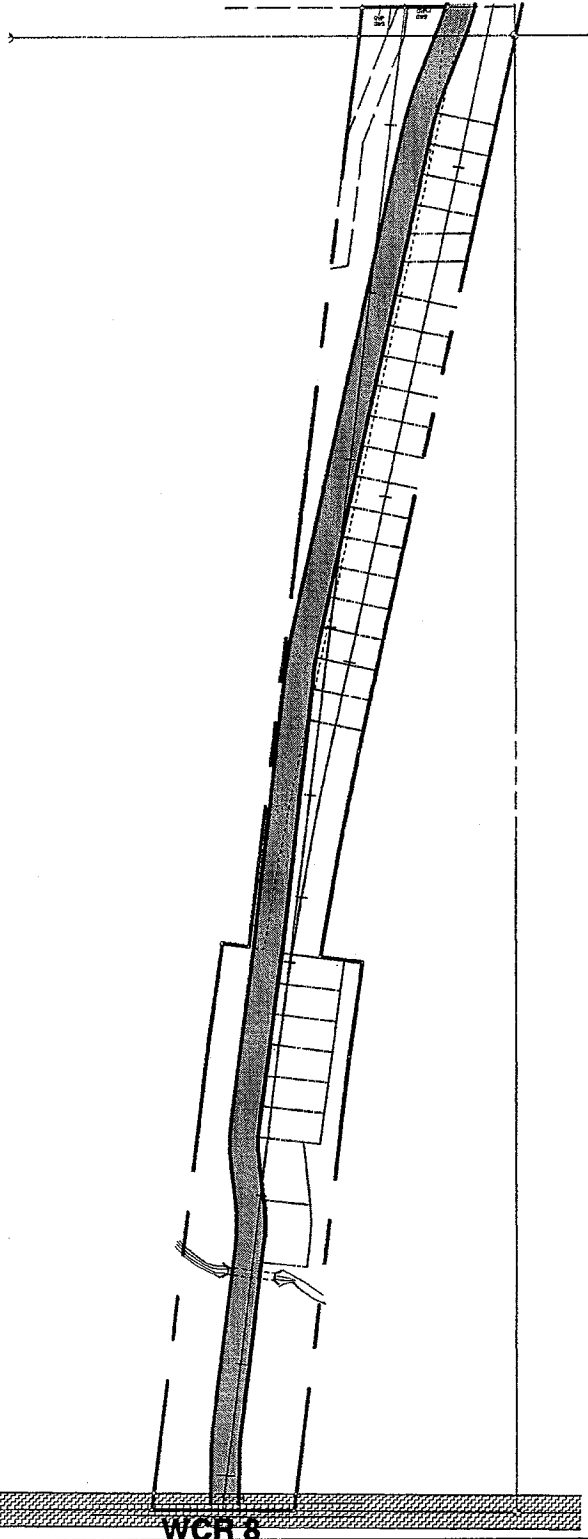
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STONEBRAKER METROPOLITAN DISTRICT

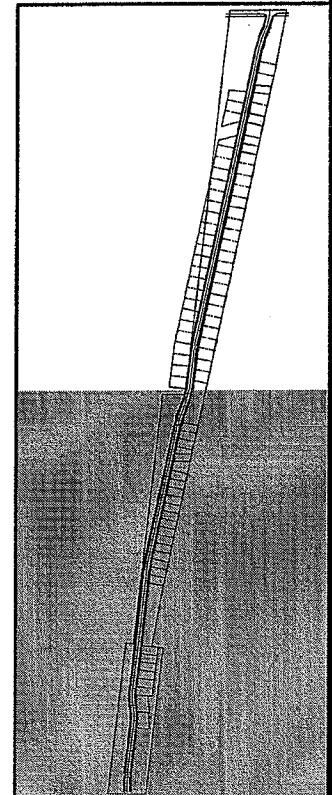
ROADS- WARNER PARCEL
1 OF 3



EXHIBIT MAP
DATE: 07/20/07
1" = 300'
DWG: PUBLIC
IMPROV--STN



50' SECTION
WCR 10 & WCR 8



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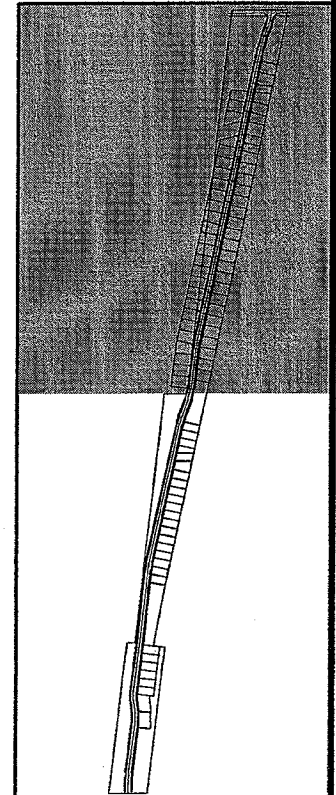
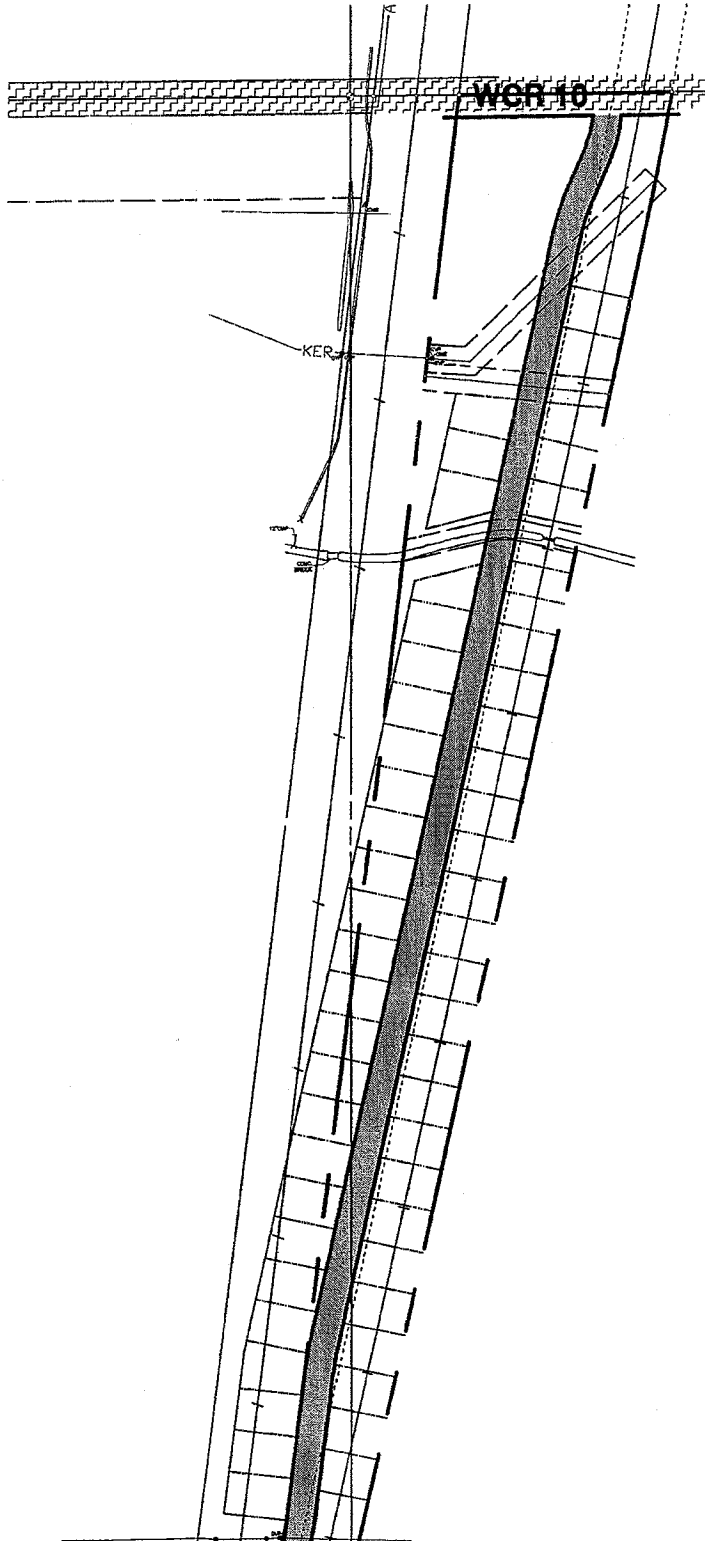
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STONEBRAKER METROPOLITAN DISTRICT

ROADS- WARNER PARCEL
2 OF 3



EXHIBIT MAP
DATE: 07/20/07
1" = 300'
DWG: PUBLIC
IMPROV-STN



CivilArts - **drexel group**

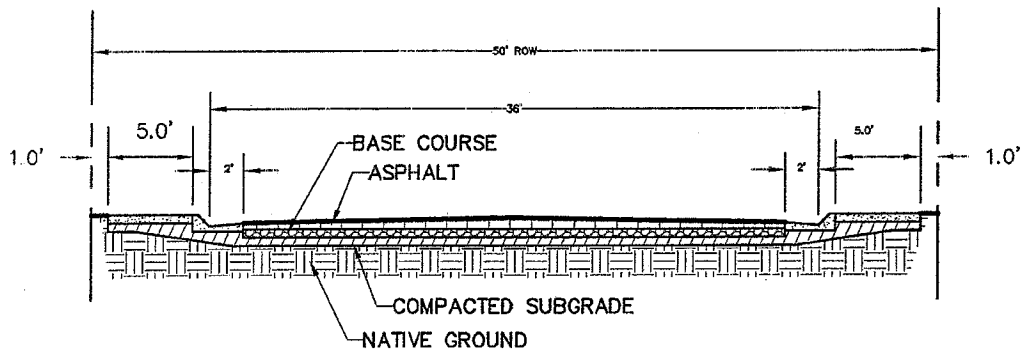
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STONEBRAKER METROPOLITAN DISTRICT

ROADS- WARNER PARCEL
3 OF 3

EXHIBIT MAP
DATE: 07/20/07

DWG: PUBLIC
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50' TYPICAL ROAD SECTION

1" = 10' Horizontal, 1" = 10' Vertical



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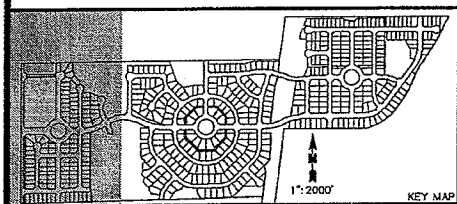
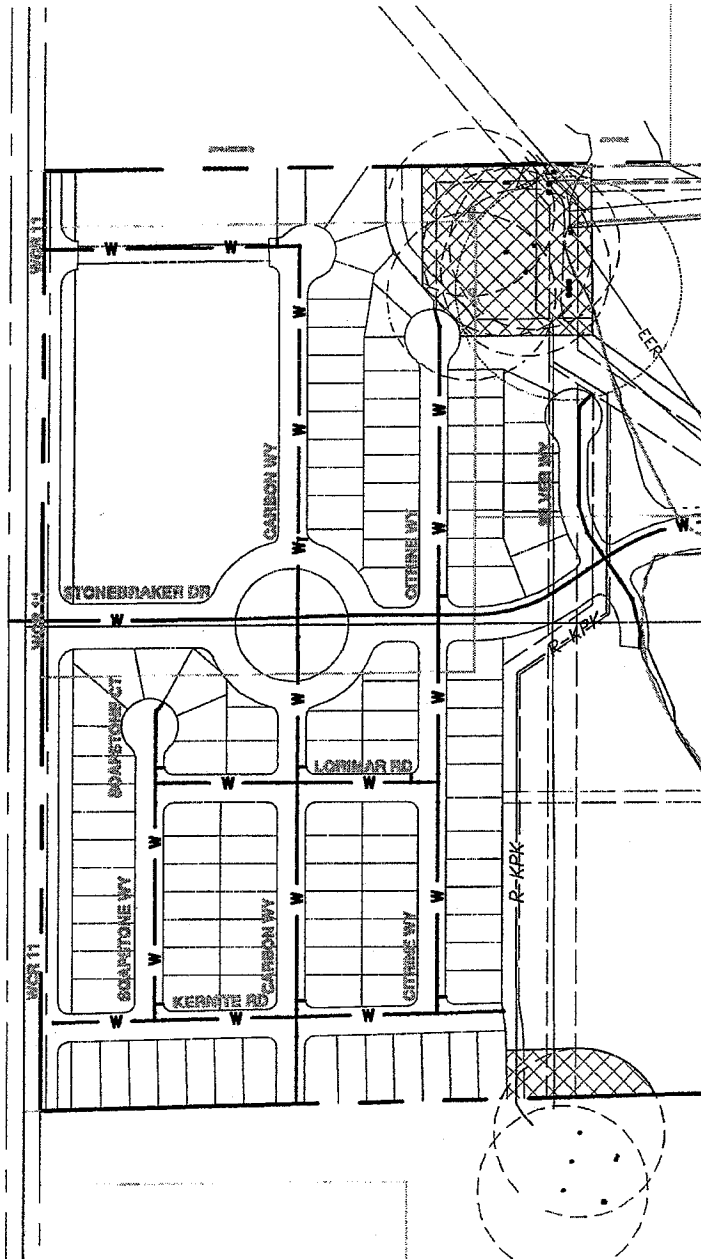
STONEBRAKER METROPOLITAN DISTRICT

POTABLE WATER- STONEBRAKER PARCEL
1 OF 3

EXHIBIT MAP
DATE: 07/20/07



1" = 300'
DWG: PUBLIC
IMPROV-STN



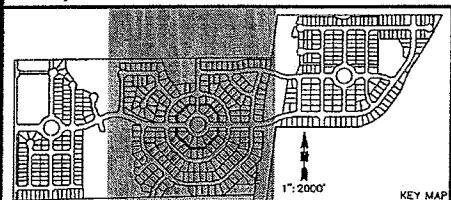
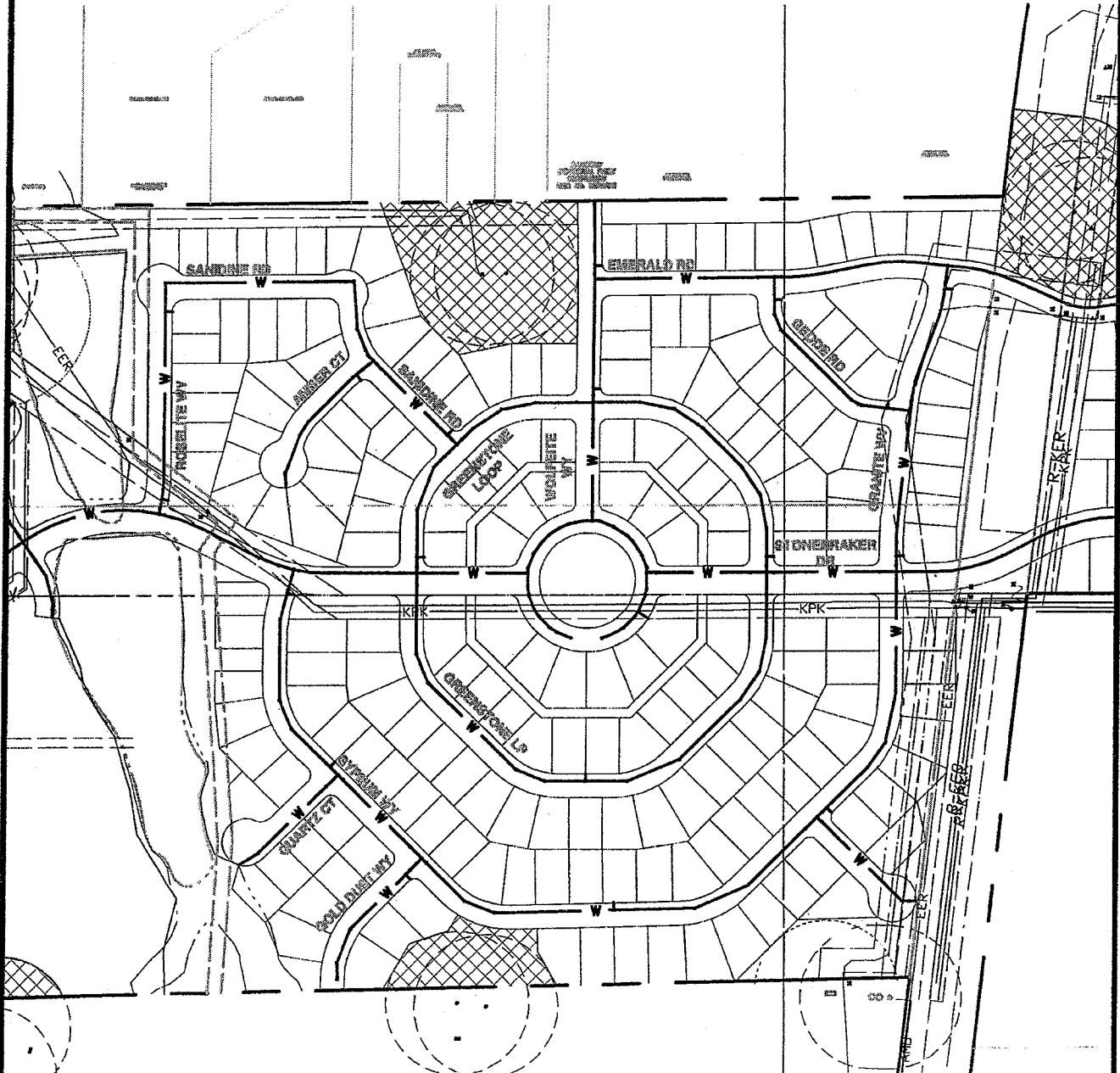
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STONEBRAKER METROPOLITAN DISTRICT

POTABLE WATER- STONEBRAKER PARCEL
2 OF 3

EXHIBIT MAP
DATE: 07/20/07
1"=300'
DWG: PUBLIC
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STONEBRAKER METROPOLITAN DISTRICT

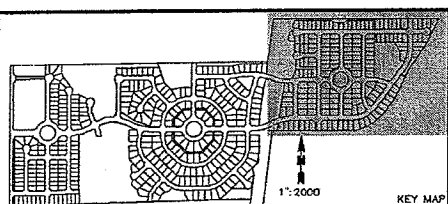
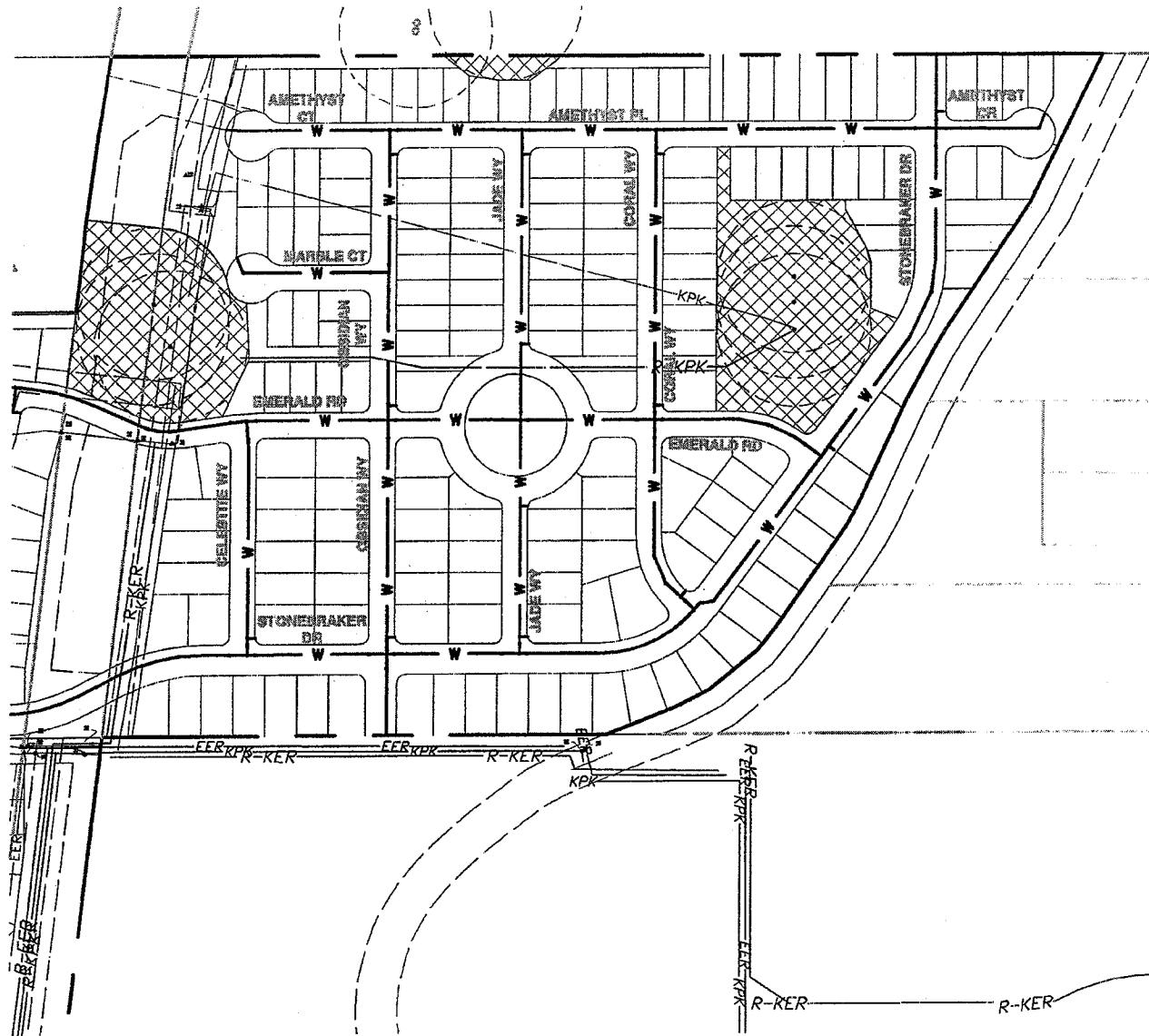
POTABLE WATER- STONEBRAKER PARCEL
3 OF 3

EXHIBIT MAP

DATE: 07/20/07

1" = 300'

DWG: PUBLIC
IMPROV-STN



drexel
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STONEBRAKER METROPOLITAN DISTRICT

POTABLE WATER- WARNER PARCEL
1 OF 2

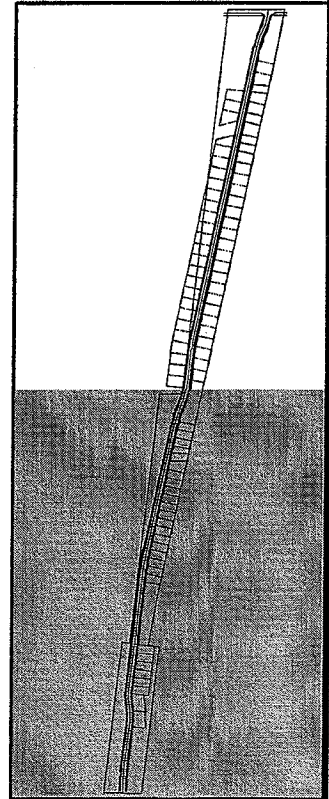
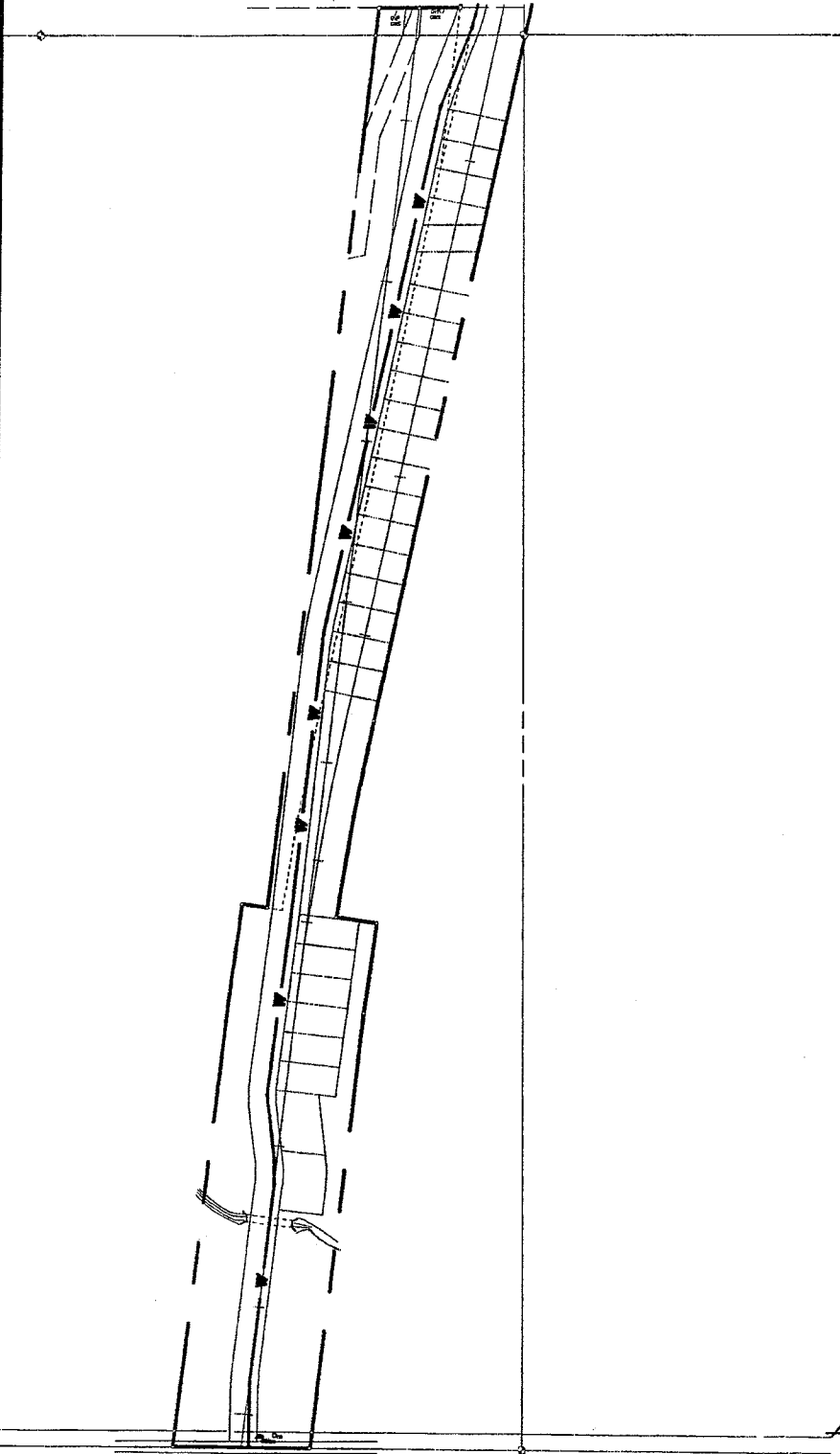
EXHIBIT MAP

DATE: 07/20/07

1"=300'

DWG: PUBLIC

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STONEBRAKER METROPOLITAN DISTRICT

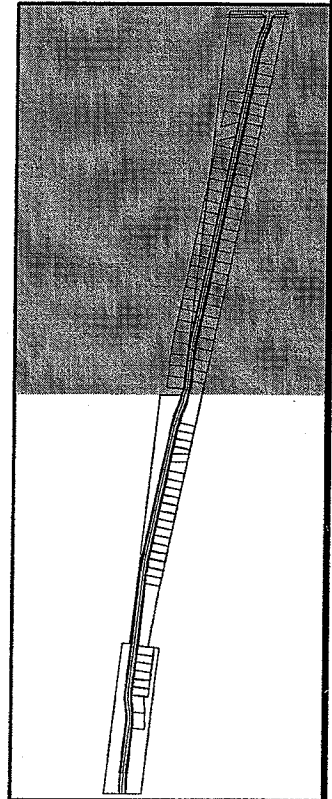
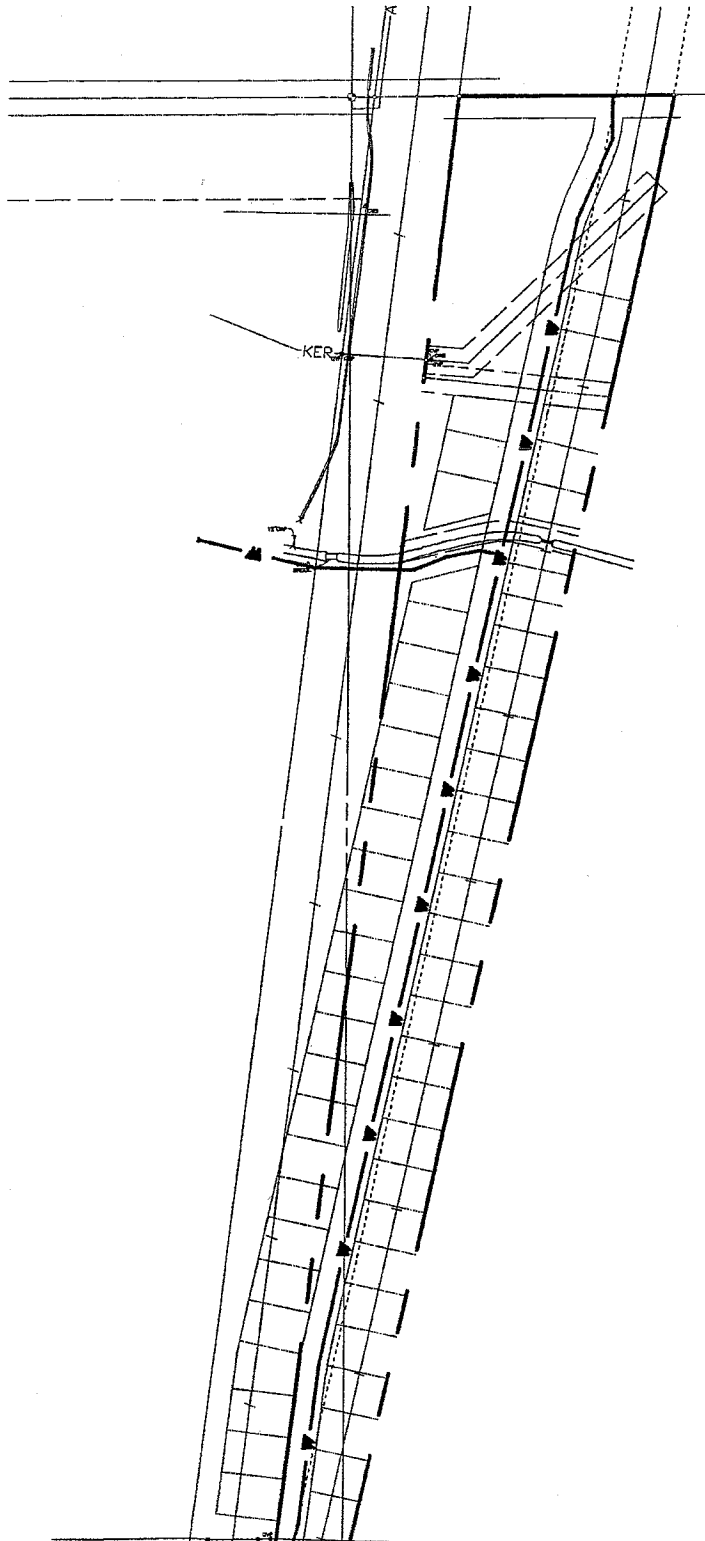
POTABLE WATER- WARNER PARCEL
2 OF 2

EXHIBIT MAP

DATE: 07/20/07

1"=300'

DWG: PUBLIC
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STONEBRAKER METROPOLITAN DISTRICT

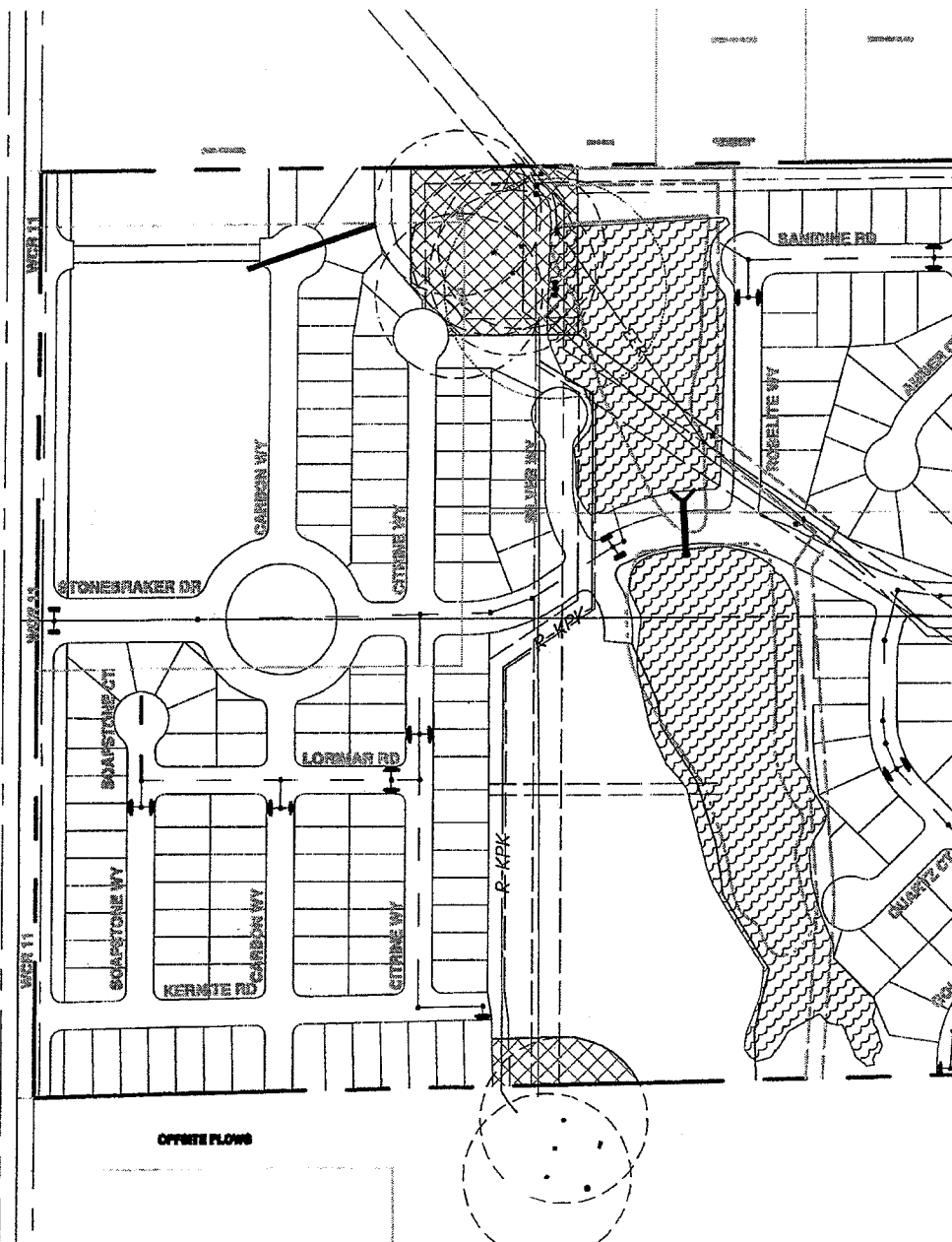
DRAINAGE- STONEBRAKER PARCEL
1 OF 3

EXHIBIT MAP

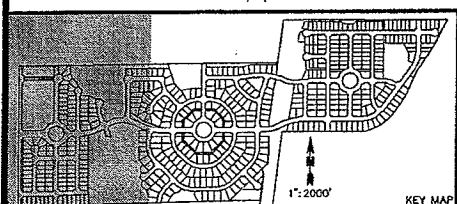
DATE: 07/20/07

1" = 300'

DWG: PUBLIC
IMPROV-STN



OFFSITE FLOWS



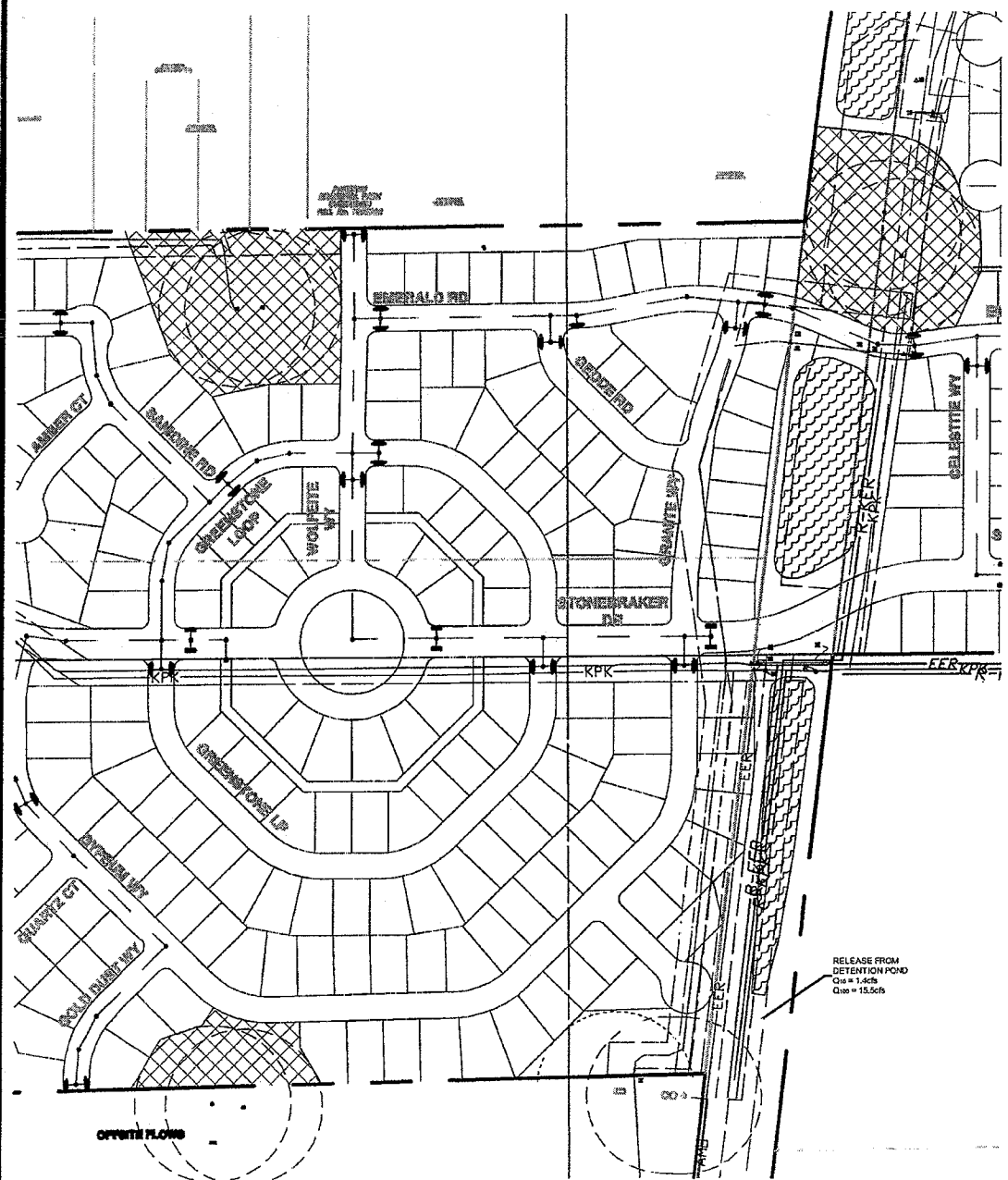
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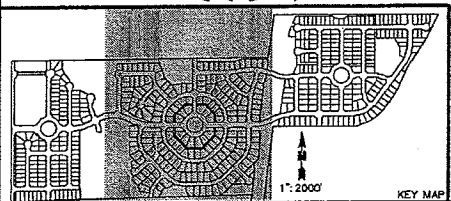
STONEBRAKER METROPOLITAN DISTRICT

DRAINAGE- STONEBRAKER PARCEL
2 OF 3

EXHIBIT MAP
DATE: 07/20/07
1"=300'
DWG: PUBLIC
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OPEN FLOW



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STONEBRAKER METROPOLITAN DISTRICT

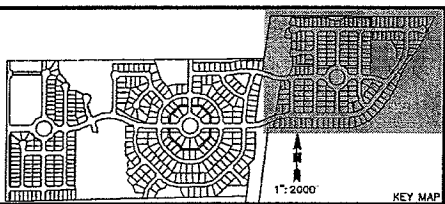
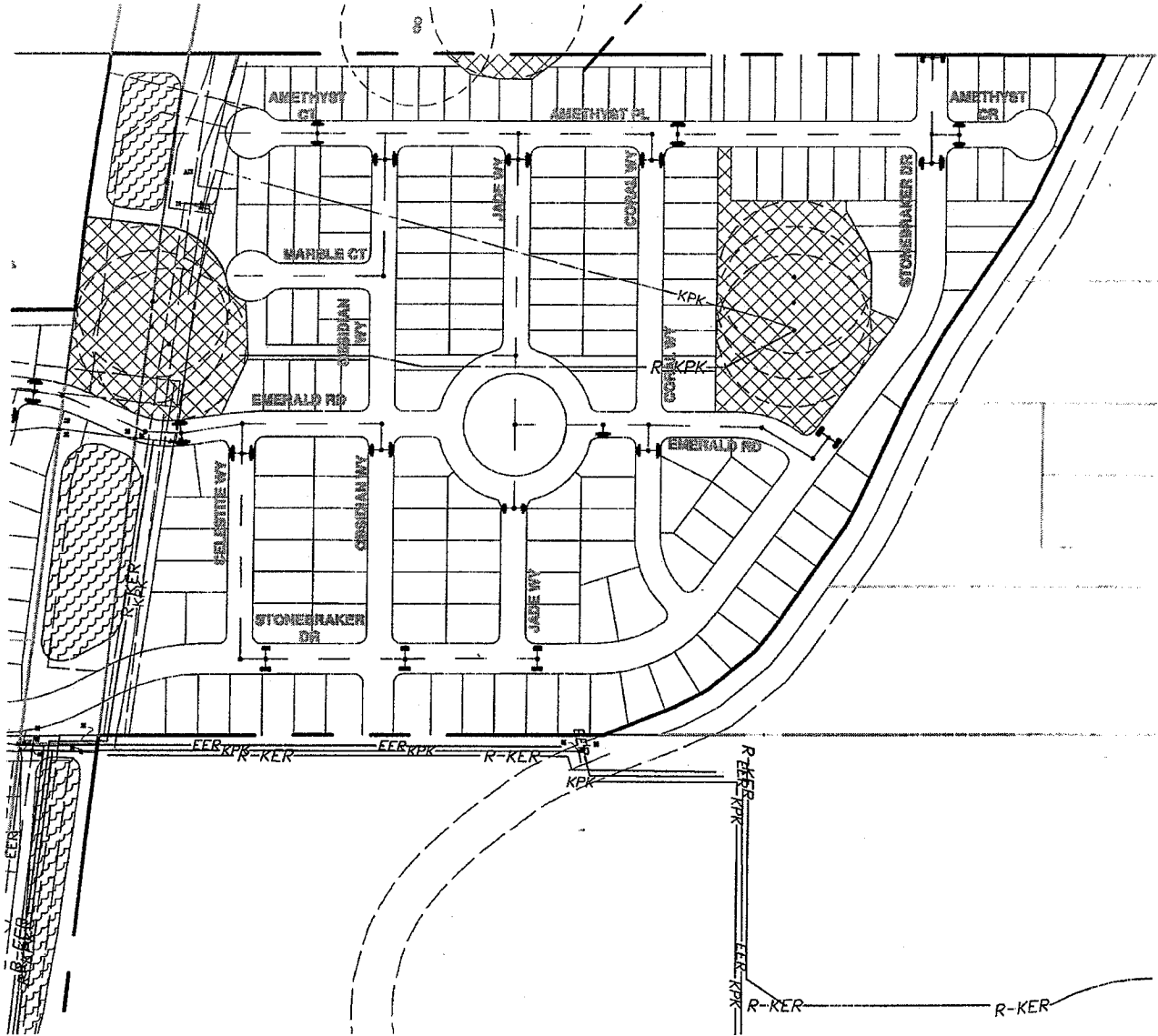
DRAINAGE- STONEBRAKER PARCEL
3 OF 3

EXHIBIT MAP

DATE: 07/20/07

1" = 300'

DWG: PUBLIC
IMPROV--STN



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STONEBRAKER METROPOLITAN DISTRICT

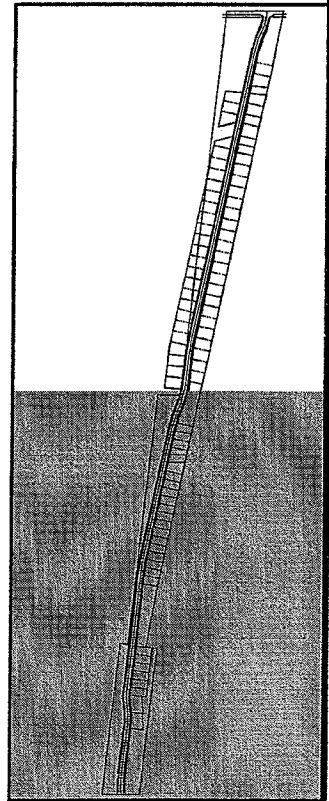
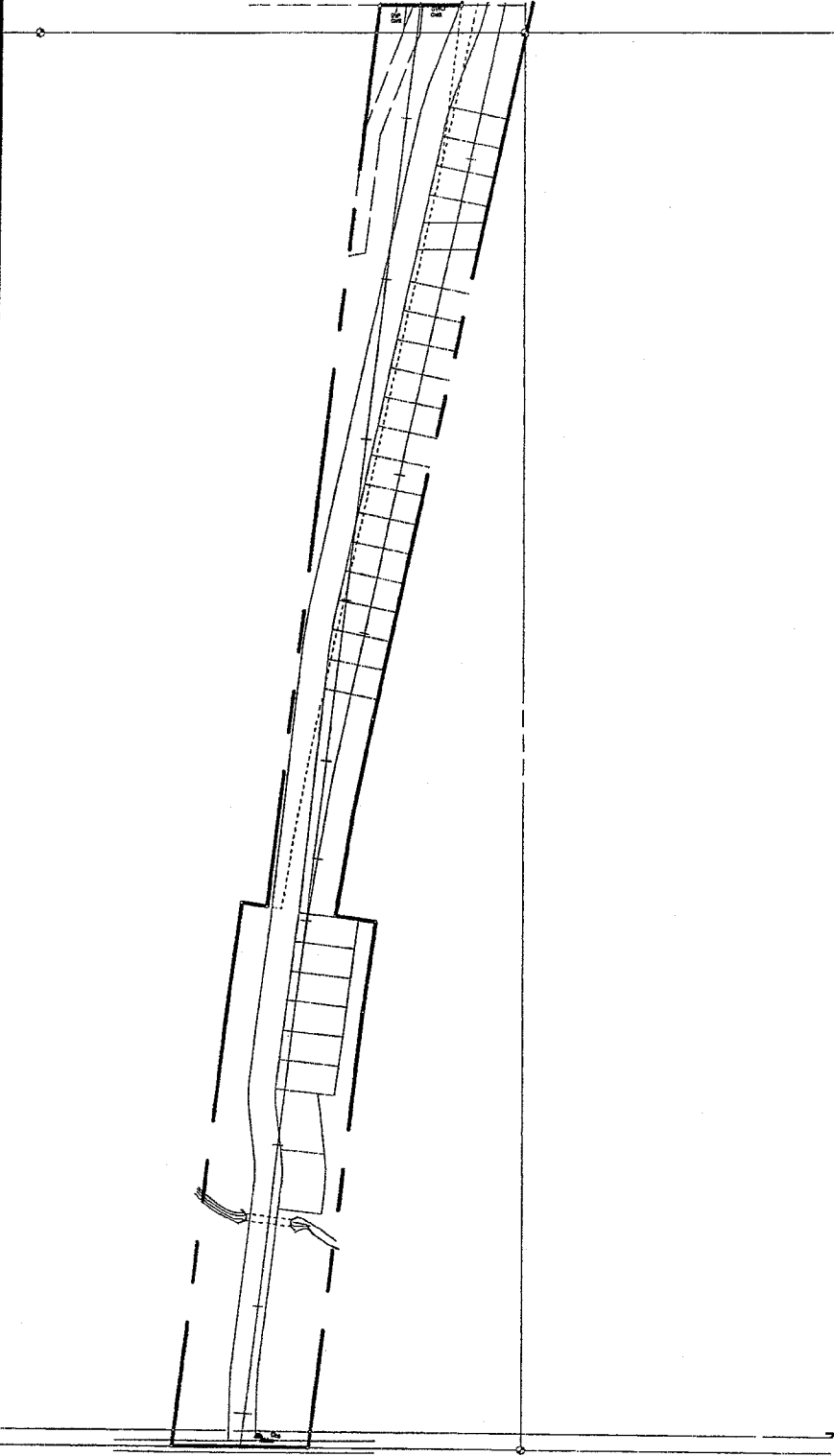
DRAINAGE- WARNER PARCEL
1 OF 2

EXHIBIT MAP

DATE: 07/20/07

1" = 300'

DWG: PUBLIC
IMPROV-STN



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STONEBRAKER METROPOLITAN DISTRICT

DRAINAGE- WARNER PARCEL
2 OF 2

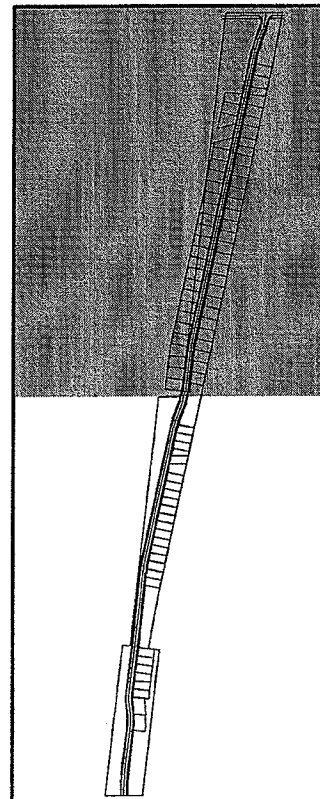
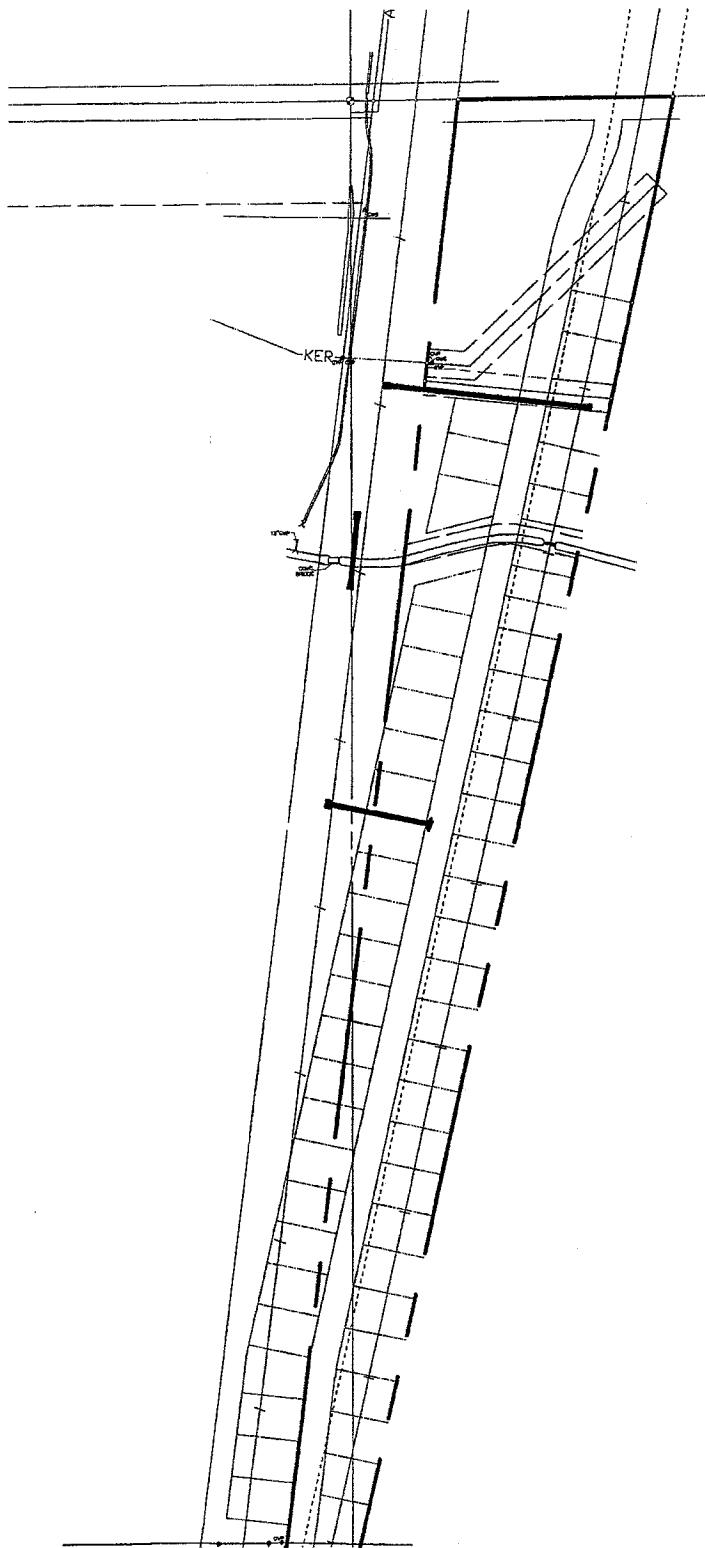


EXHIBIT MAP

DATE: 07/20/07

1"=300'

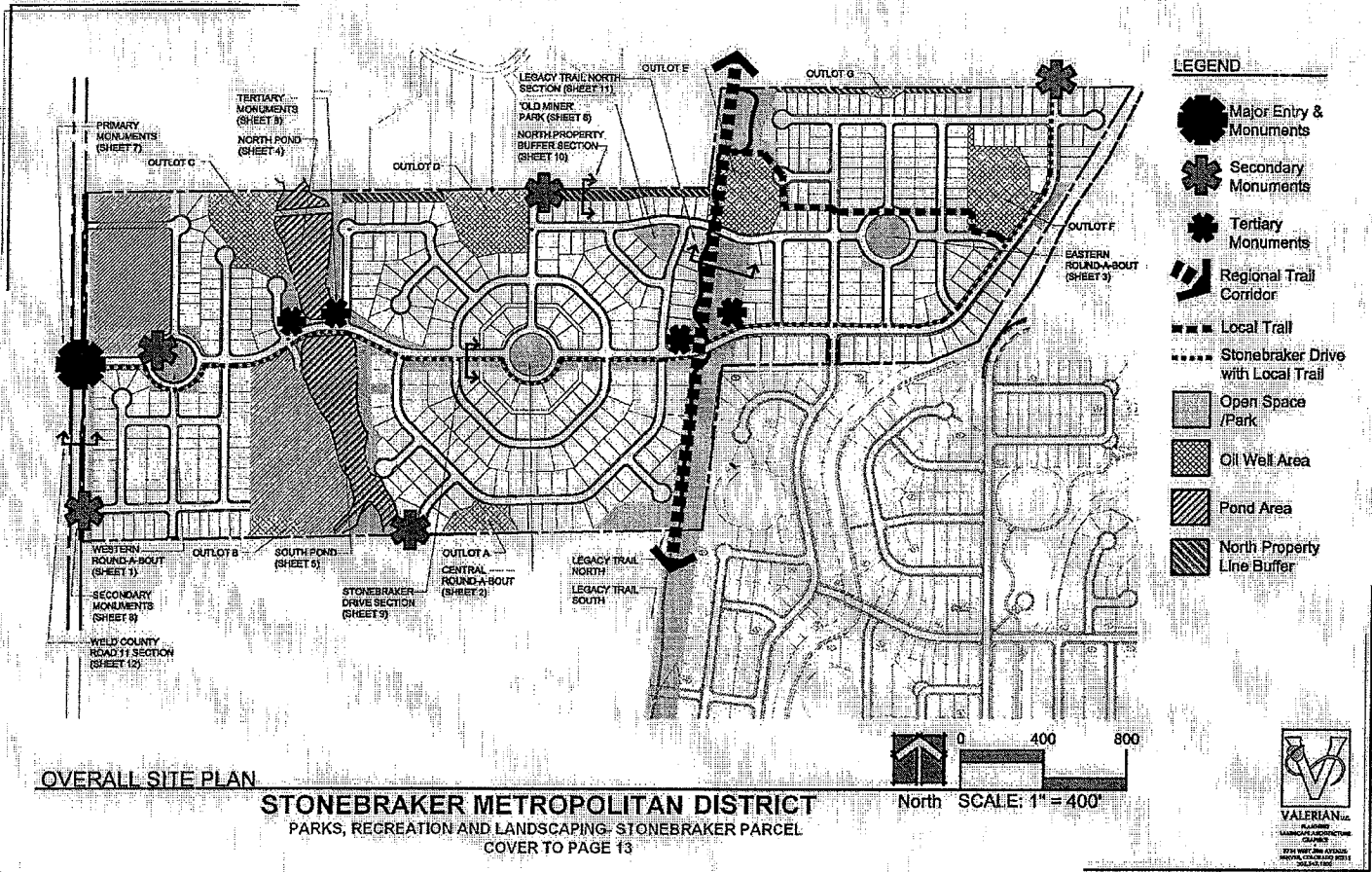
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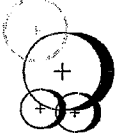




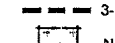
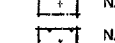

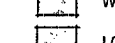





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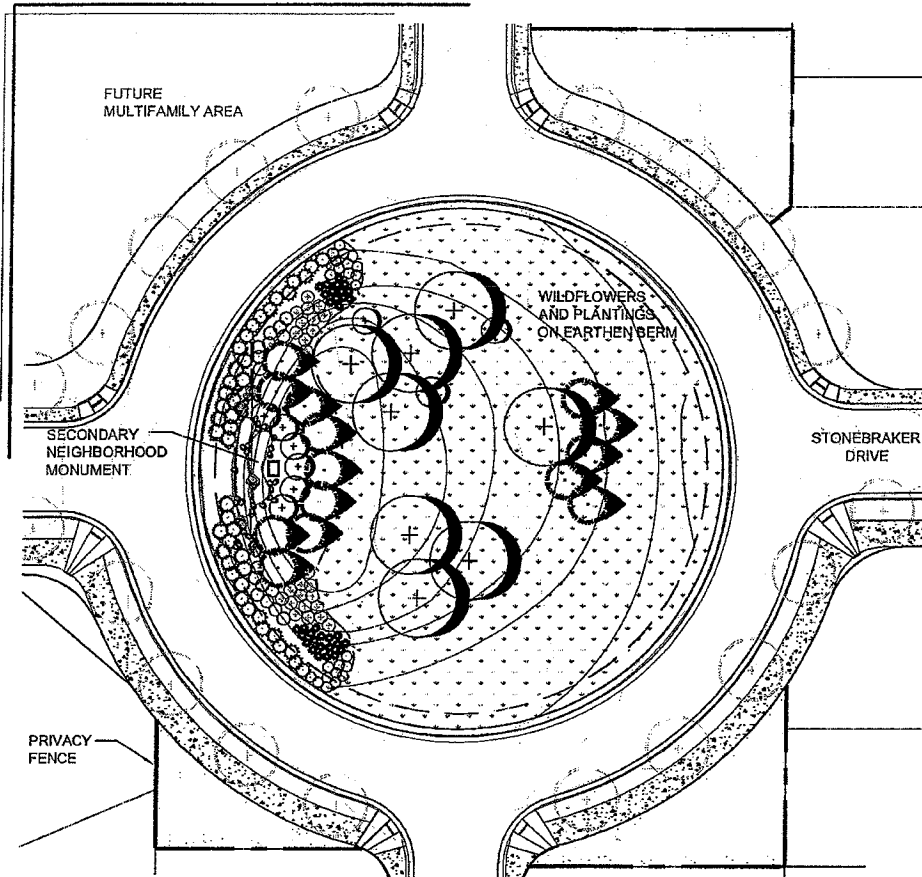
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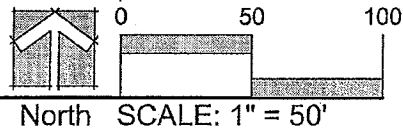


LEGEND

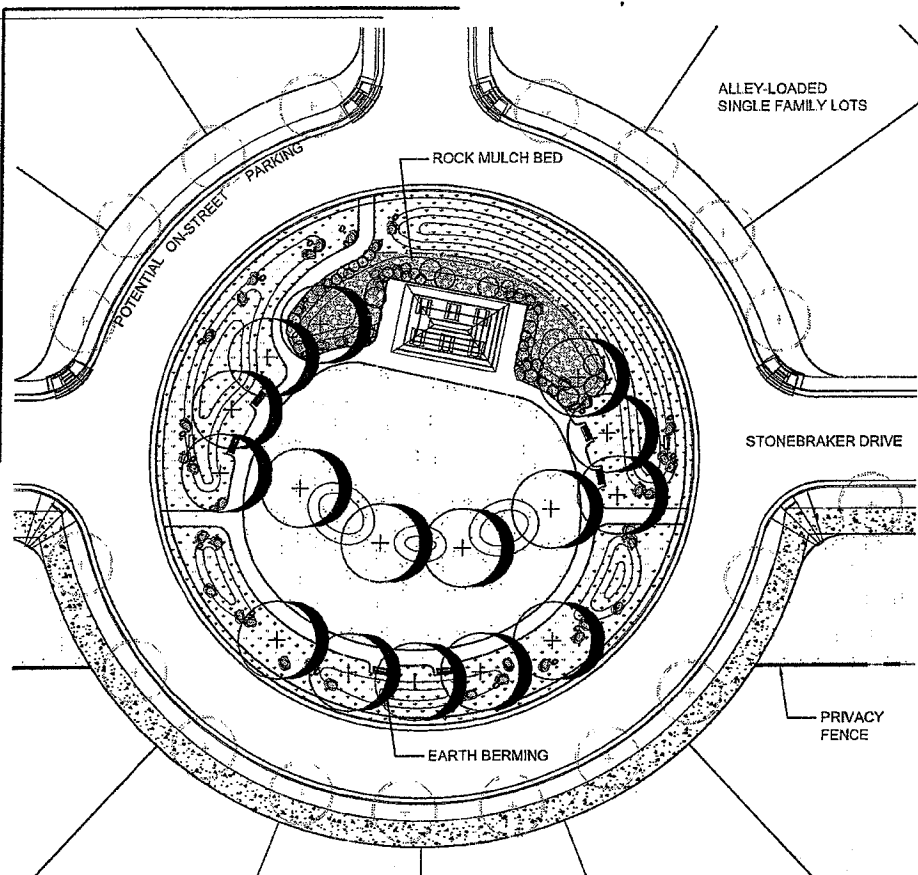
-  DECIDUOUS TREES
-  EVERGREEN TREES
-  DECIDUOUS AND EVERGREEN SHRUBS
-  ORNAMENTAL GRASSES
-  LANDSCAPE BOULDERS
-  3-RAIL FENCE
-  NATIVE GRASS SEED
-  NATIVE WILDFLOWER SEED
-  WETLAND SEED MIX
-  LOW-GROW SOD
-  PEDESTRIAN LIGHT
-  6' BENCH
-  6' PICNIC TABLE
-  PAVILION, TYP



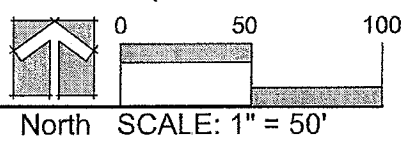
WESTERN ROUND-A-BOUT




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GRAPHICS
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303.547.1300



CENTRAL ROUND-A-BOUT

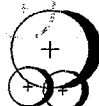















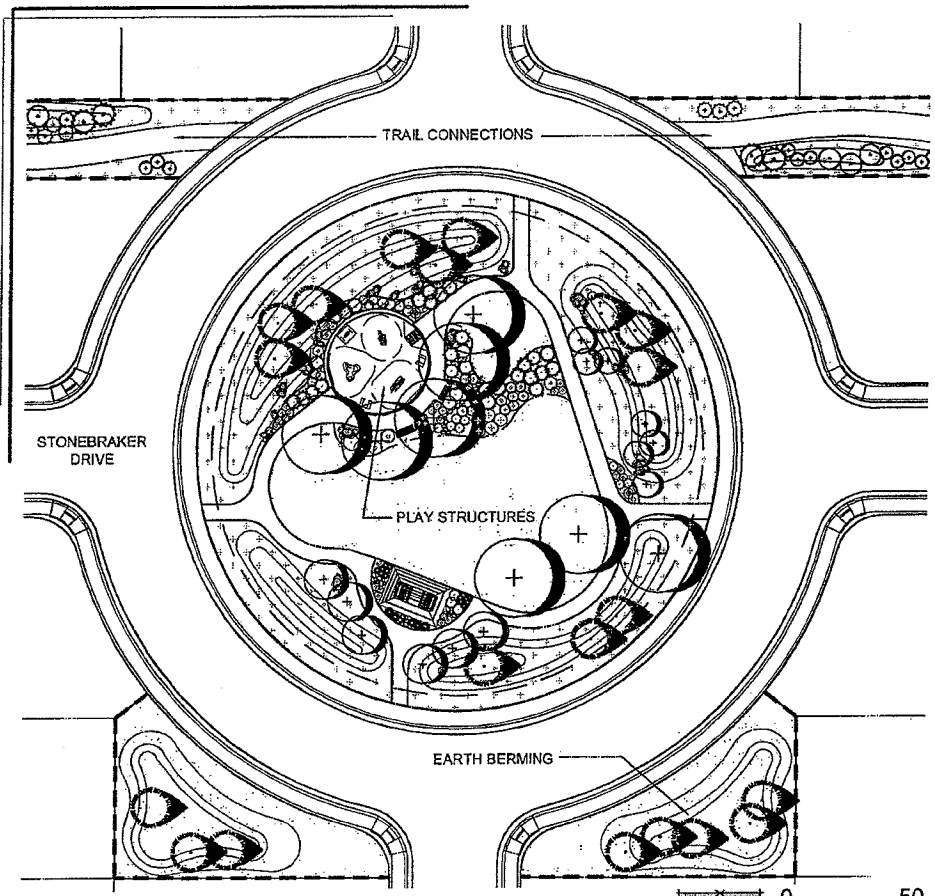
LEGEND

- DECIDUOUS TREES
- EVERGREEN TREES
- DECIDUOUS AND EVERGREEN SHRUBS
- ORNAMENTAL GRASSES
- LANDSCAPE BOULDERS
- 3-RAIL FENCE
- NATIVE GRASS SEED
- NATIVE WILDFLOWER SEED
- WETLAND SEED MIX
- LOW-GROW SOD
- PEDESTRIAN LIGHT
- 6' BENCH
- 6' PICNIC TABLE
- PAVILION, TYP

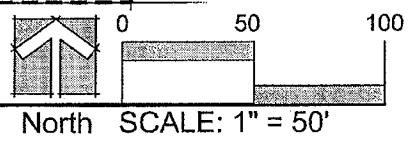
VALERIAN LLC
 PLANNING
 LANDSCAPE ARCHITECTURE
 GRAPHICS
 2734 WEST 28th AVENUE
 DENVER, COLORADO 80211
 303.347.1200

LEGEND

-  DECIDUOUS TREES
-  EVERGREEN TREES
-  DECIDUOUS AND EVERGREEN SHRUBS
-  ORNAMENTAL GRASSES
-  LANDSCAPE BOULDERS
-  3-RAIL FENCE
-  NATIVE GRASS SEED
-  NATIVE WILDFLOWER SEED
-  WETLAND SEED MIX
-  LOW-GROW SOD
-  PEDESTRIAN LIGHT
-  6' BENCH
-  6' PICNIC TABLE
-  PAVILION, TYP











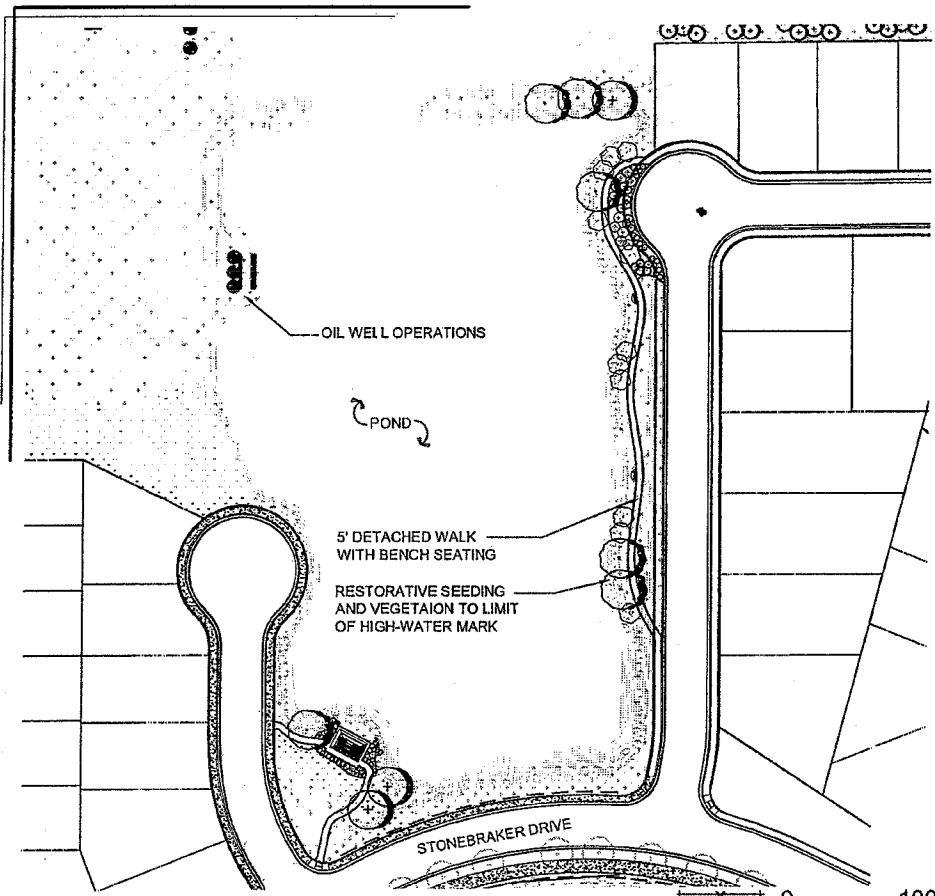
EASTERN ROUND-A-BOUT



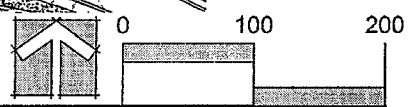

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 GRAPHICS
 2724 WEST 20th AVENUE
 DENVER, COLORADO 80211
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LEGEND

-  PLANTINGS
-  3-RAIL FENCE
-  NATIVE GRASS SEED
-  WILDFLOWER SEED
-  WETLAND SEED MIX
-  6' BENCH
-  6' PICNIC TABLE
-  PAVILION, TYP



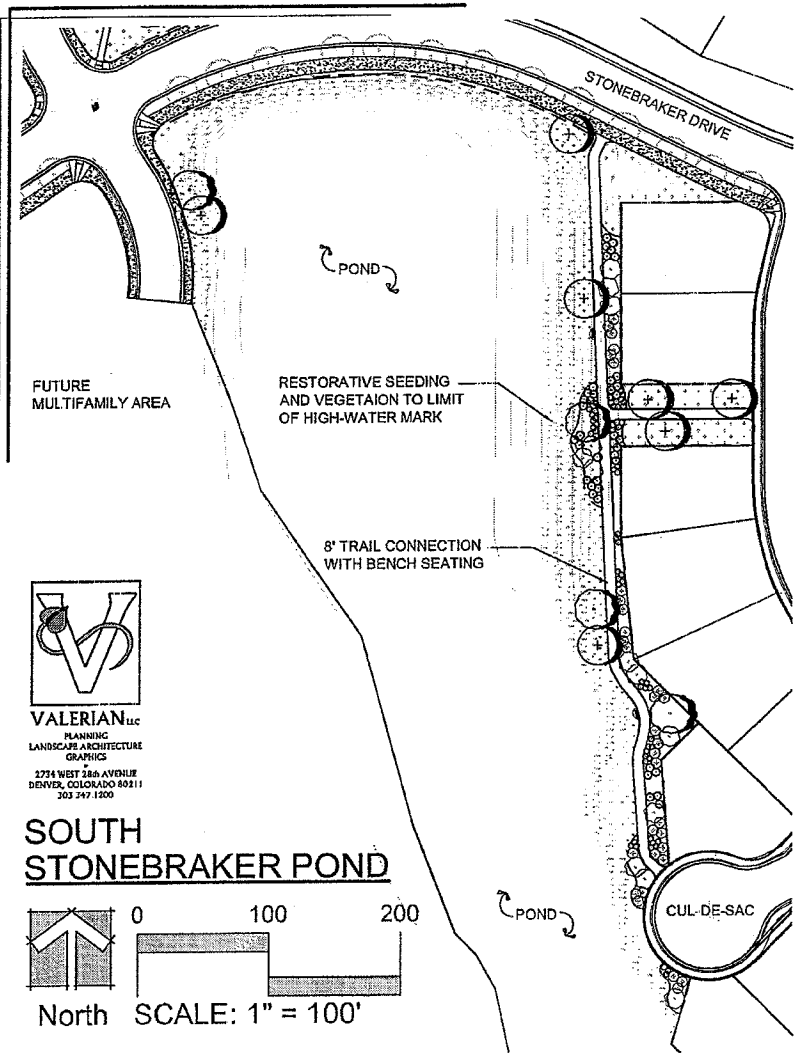
NORTH STONEBRAKER POND



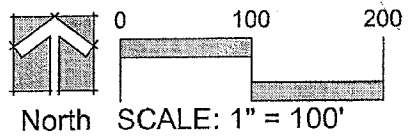
North SCALE: 1" = 100'



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 303.247.1200

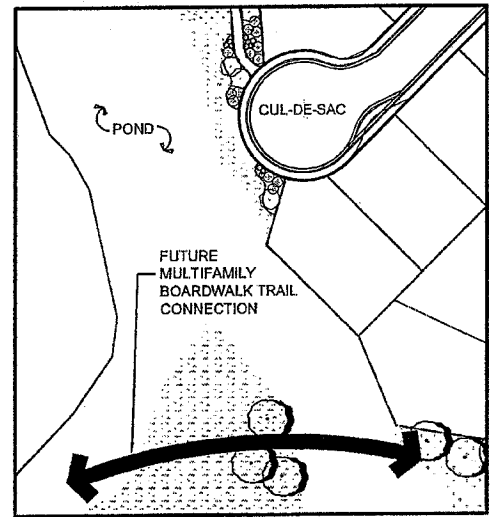


SOUTH STONEBRAKER POND

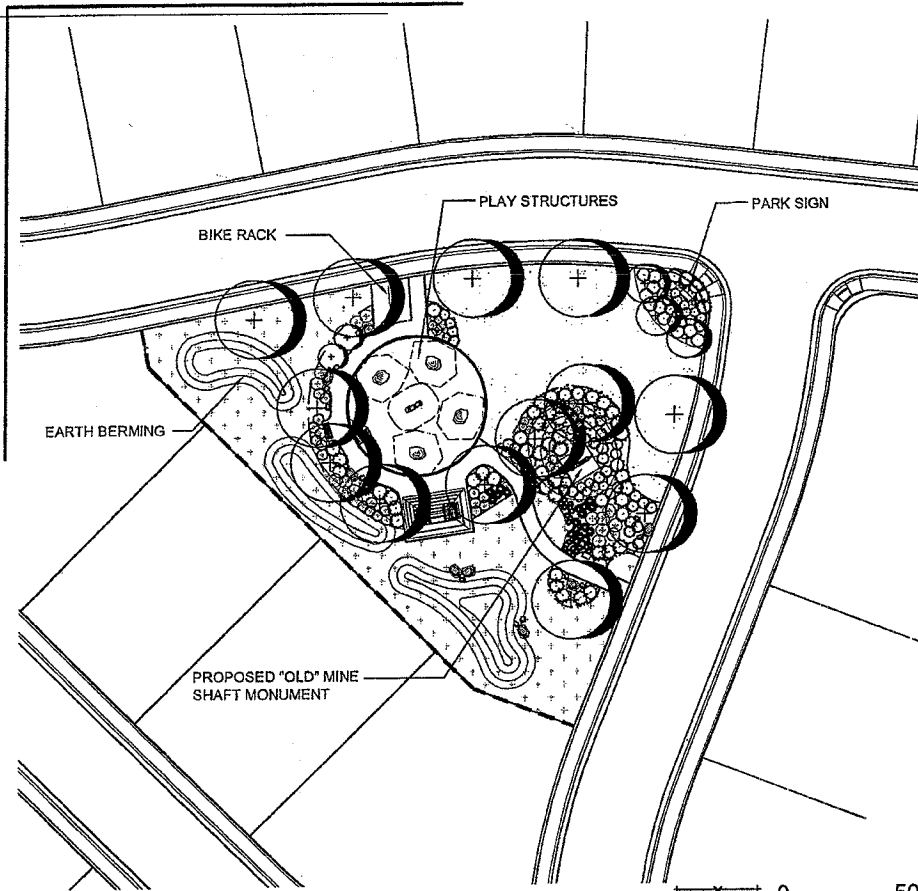


LEGEND

- PLANTINGS
- 3-RAIL FENCE
- NATIVE GRASS SEED
- WILDFLOWER SEED
- WETLAND SEED MIX
- 6' BENCH



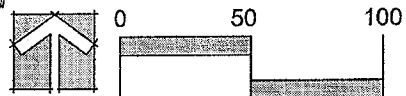
MULTIFAMILY CONNECTION PLAN DETAIL
 ADDITIONAL OPTION 1 IN COST ESTIMATE



LEGEND

- DECIDUOUS TREES
- EVERGREEN TREES
- DECIDUOUS AND EVERGREEN SHRUBS
- ORNAMENTAL GRASSES
- LANDSCAPE BOULDERS
- 3-RAIL FENCE
- NATIVE GRASS SEED
- NATIVE WILDFLOWER SEED
- WETLAND SEED MIX
- LOW-GROW SOD
- PEDESTRIAN LIGHT
- 6' BENCH
- 6' PICNIC TABLE
- PAVILION, TYP

'OLD MINER' PARK



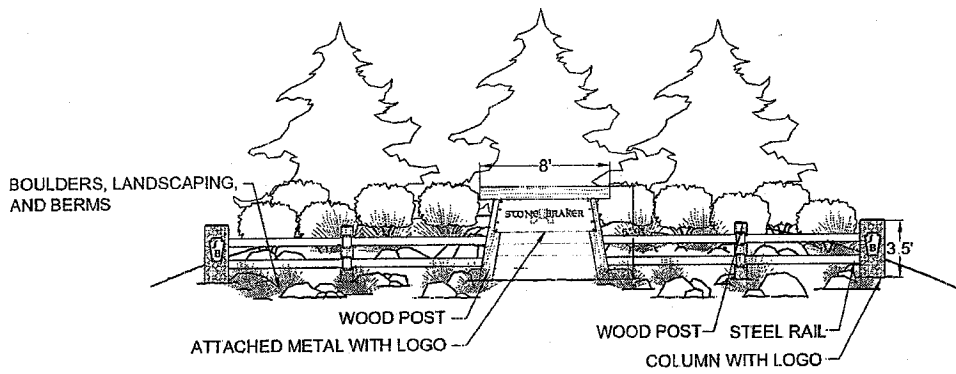
North SCALE: 1" = 50'



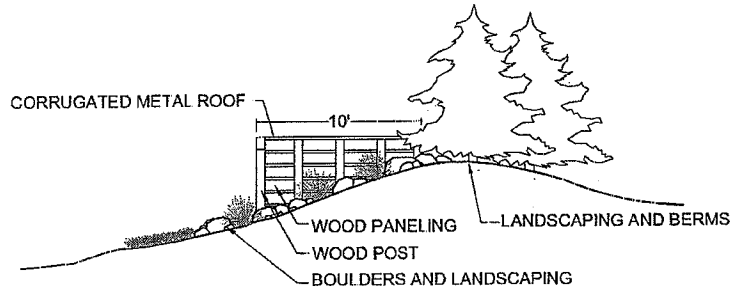
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GRAPHICS

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Sheet 6 of 13

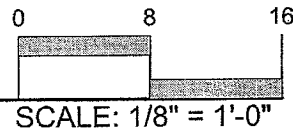


FRONT ELEVATION



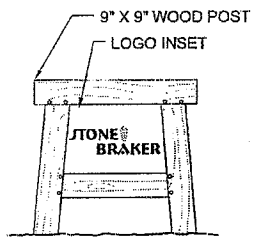
CROSS - SECTION

PRIMARY MONUMENT ELEVATION/SECTION

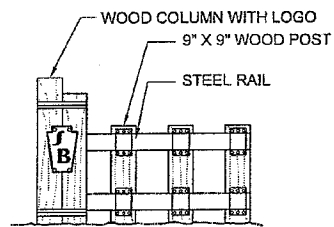


VALERIAN LLC
 PLANNING
 LANDSCAPE ARCHITECTURE
 GRAPHICS
 2734 WEST 28th AVENUE
 DENVER, COLORADO 80211
 303.747.1200

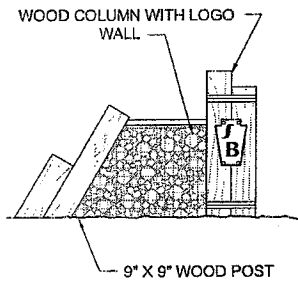
SECONDARY MONUMENT



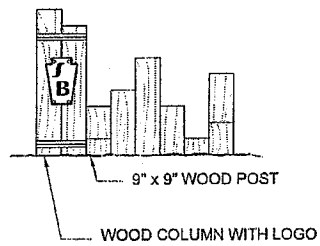
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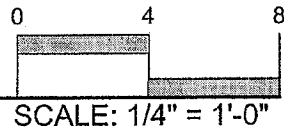
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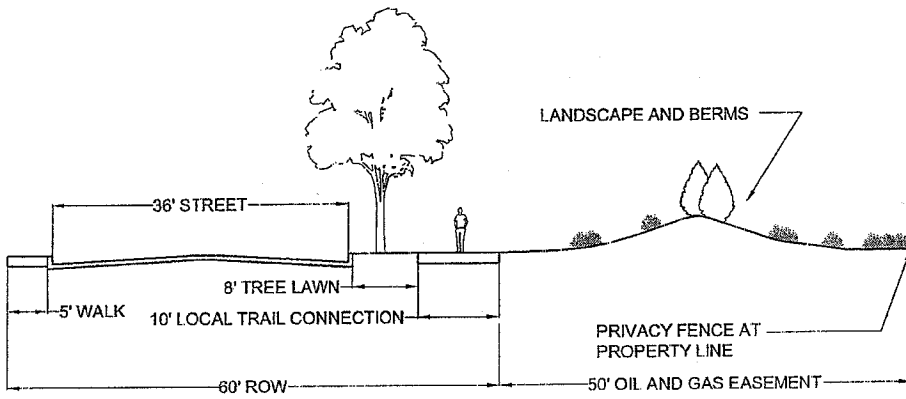
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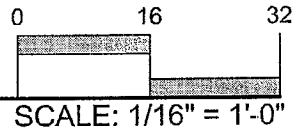
SECONDARY AND TERTIARY MONUMENTS



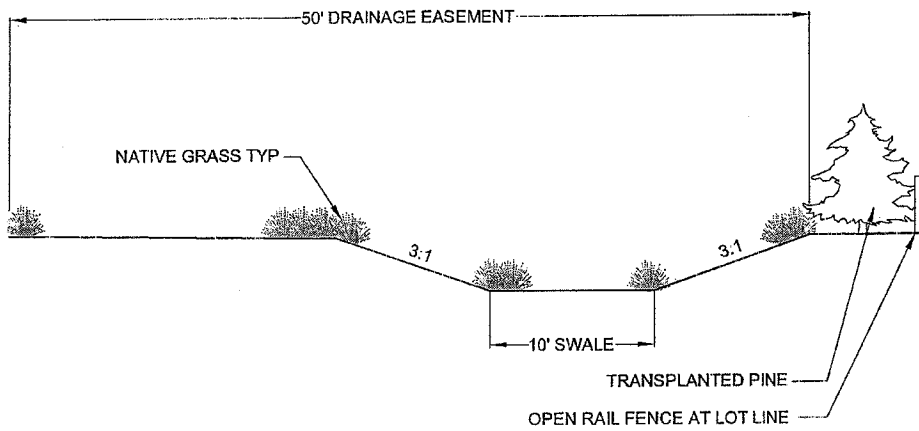
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 LANDSCAPE ARCHITECTURE
 GRAPHICS
 2734 WEST 28th AVENUE
 DENVER, COLORADO 80211
 303.747.1200



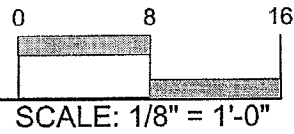
STONEBRAKER DRIVE SECTION



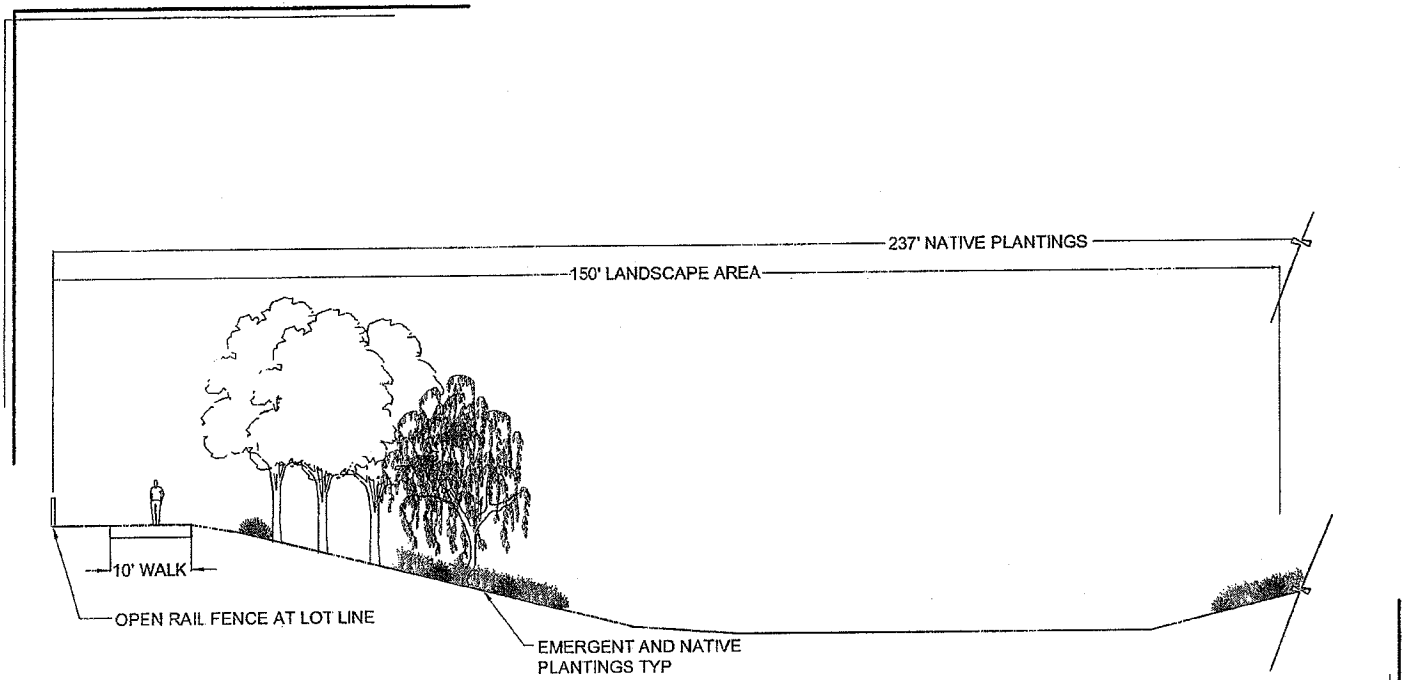
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 DENVER, COLORADO 80211
 303.747.1200



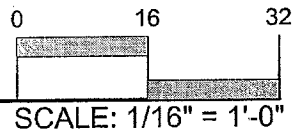
NORTH PROPERTY BUFFER SECTION



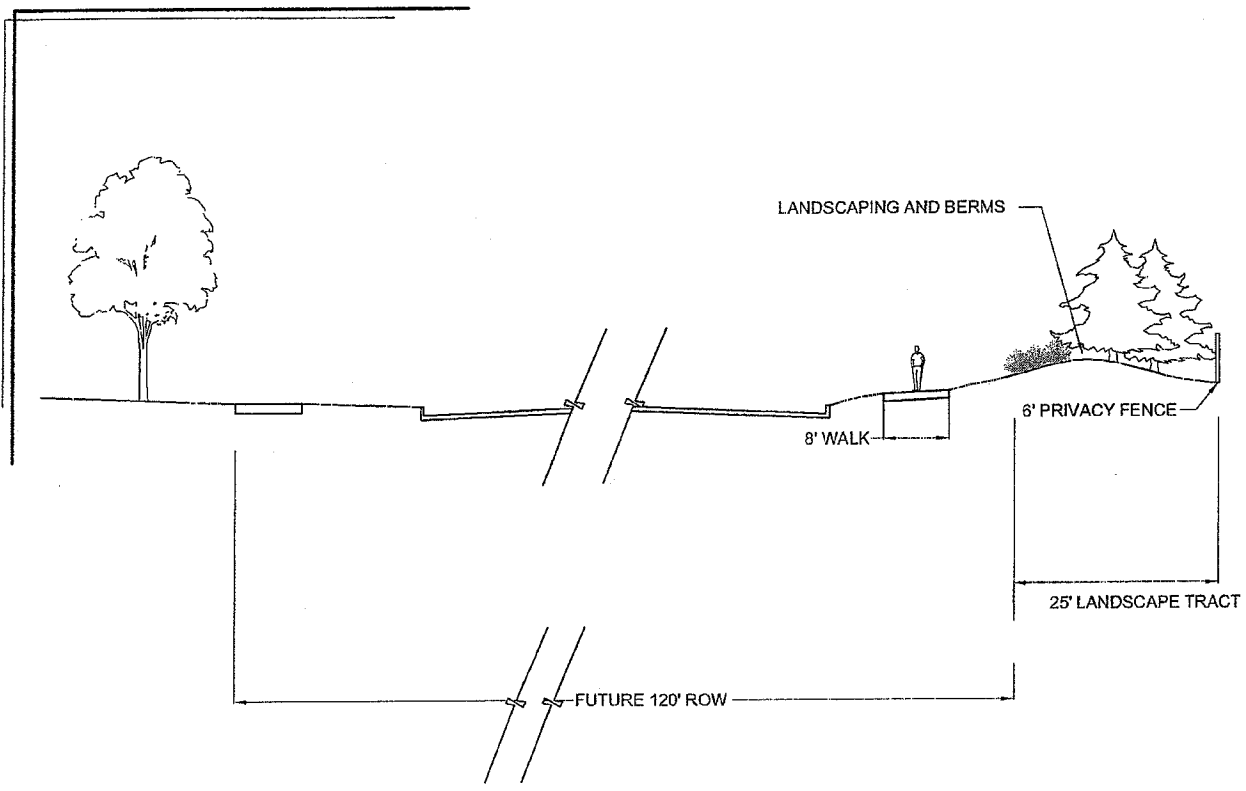
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 DENVER, COLORADO 80211
 303.547.1200



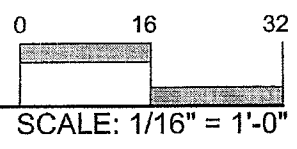
LEGACY TRAIL SECTION



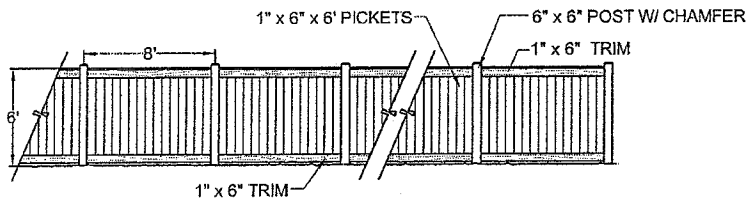
VALERIAN^{llc}
 PLANNING
 LANDSCAPE ARCHITECTURE
 GRAPHICS
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 DENVER, COLORADO 80211
 303.347.1200



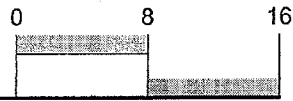
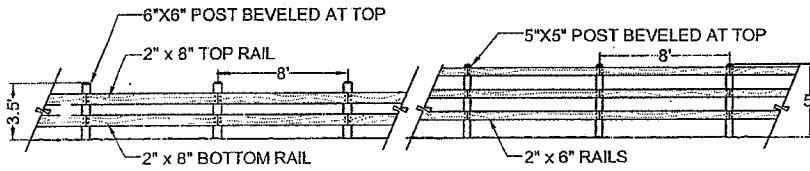
WELD COUNTY ROAD 11 SECTION



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 GRAPHICS
 2734 WEST 285 AVENUE
 DENVER, COLORADO 80211
 303.747.1200



STANDARD PRIVACY FENCE



SCALE: 1/8" = 1'-0"

2-RAIL/3-RAIL OPEN FENCE OPTIONS



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 GRAPHICS
 2734 WEST 28th AVENUE
 DENVER, COLORADO 80211
 303.247.1500

STONEBRAKER METROPOLITAN DISTRICT

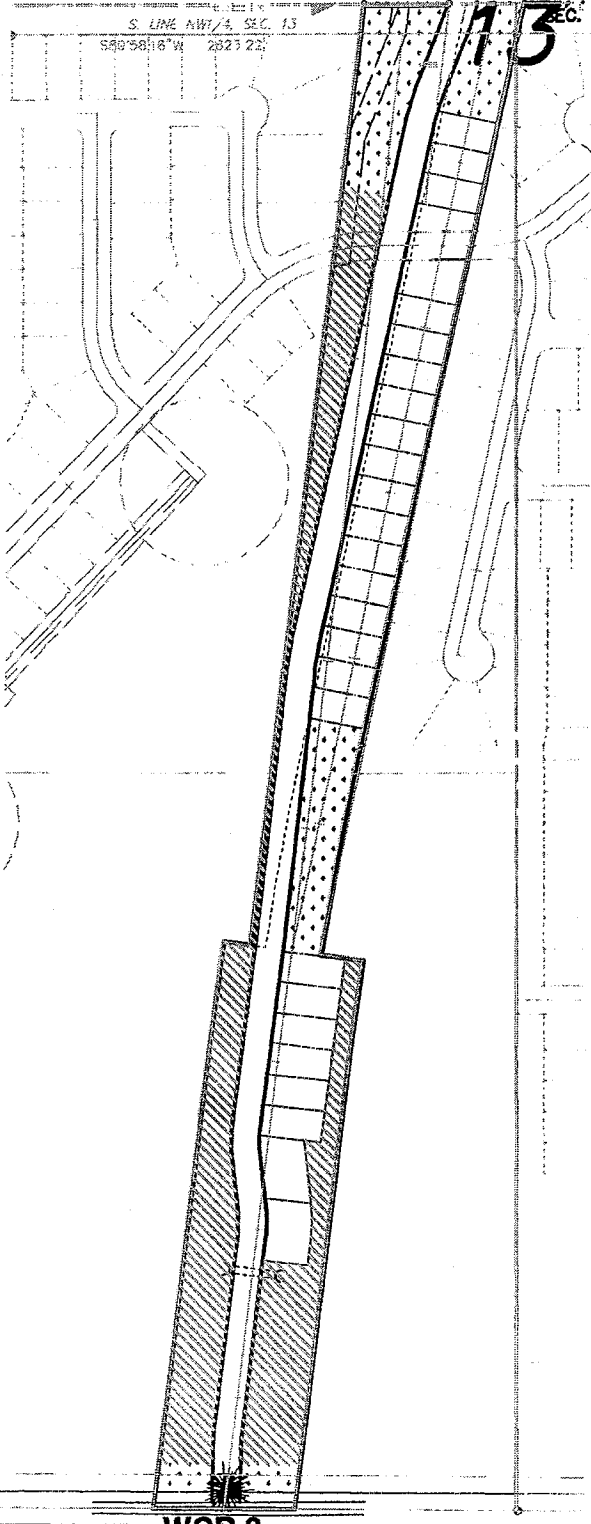
LANDSCAPE- WARNER PARCEL 1 OF 2

EXHIBIT MAP

DATE: 07/20/07

1" = 300'

DWG: PUBLIC
IMPROV-STN



REGIONAL TRAIL CORRIDOR



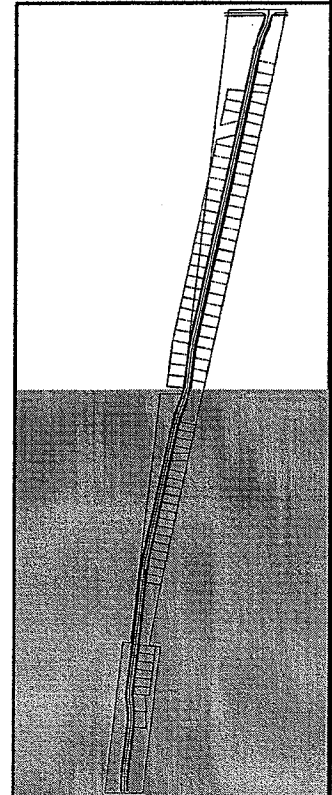
LIVE GROUND COVER/SOD
(IRRIGATED)



NATIVE GRASSES



ENTRY SIGN



CivilArts - **drexel group**

Engineering • Planning • Surveying

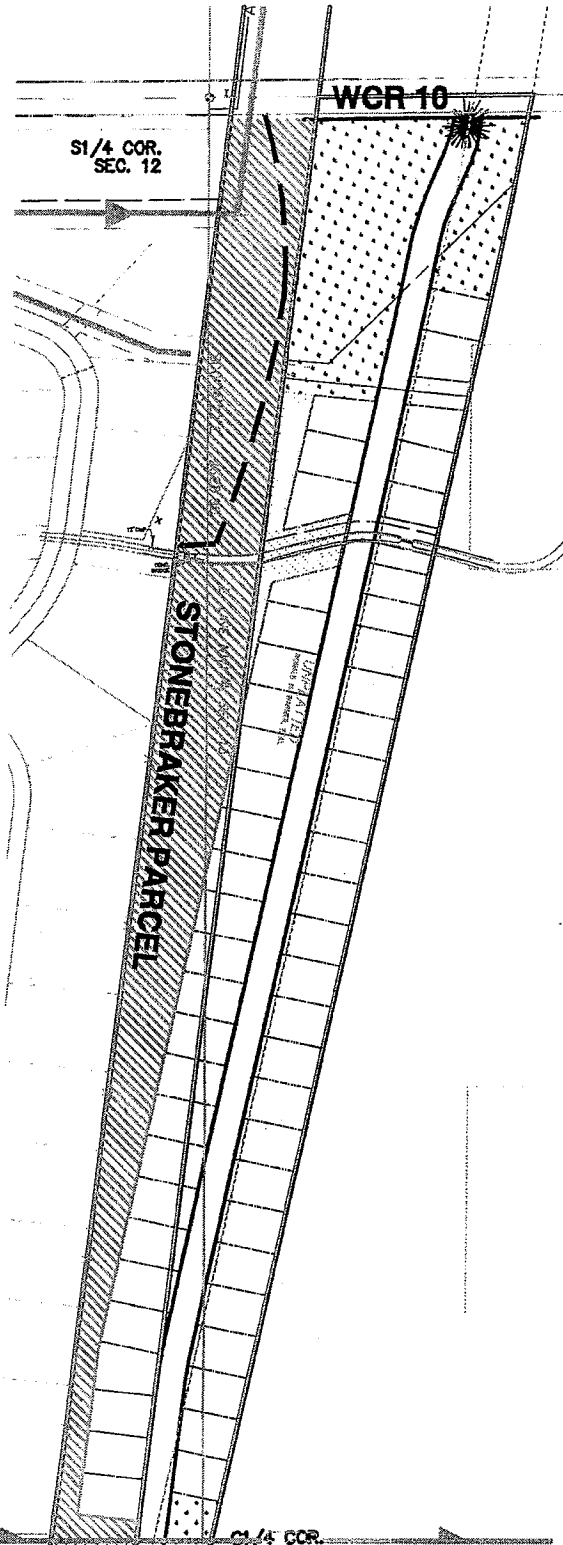
1880 Lefthand Circle, Suite A • Longmont, Colorado 80501 • (303) 682-1131

STONEBRAKER METROPOLITAN DISTRICT

LANDSCAPE- WARNER PARCEL
2 OF 2



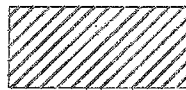
EXHIBIT MAP
DATE: 07/20/07
1" = 300'
DWG: PUBLIC
IMPROV-STN



REGIONAL TRAIL CORRIDOR



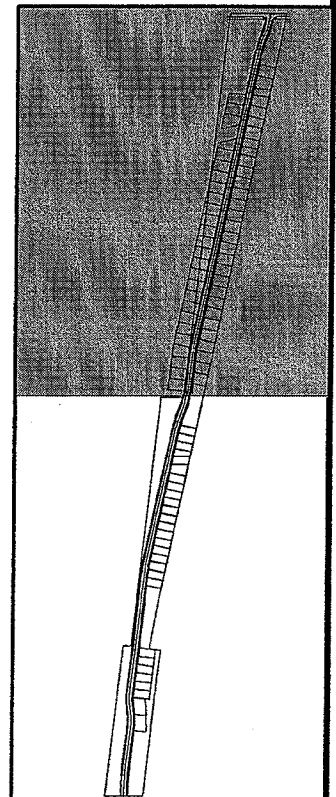
LIVE GROUND COVER/SOD
(IRRIGATED)



NATIVE GRASSES



ENTRY SIGN



CivilArts - drexel group

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1850 Lefthand Circle Suite A • Longmont Colorado 80501 • (303) 682-1131

Exhibit G
Financial Plan

KIRSCHNER PARTNERS

Libby Kirschner
Senior Director

September 8th, 2008

Mr. Bradley T. Neiman
Miller, Rosenbluth, LLC
700 17th Street, Suite 2200
Denver, Colorado 80202

City of Dacono
Town Planner/Planning Department
512 Cherry Avenue
Dacono, Colorado 80514

**Re: Stonebraker Metropolitan District
Proposed Residential Development (677 Units)**

Dear Mr. Neiman and the City of Dacono Planning Department:

I was engaged by Forestar (USA) Real Estate Group, Inc. to prepare a residential market analysis for the above referenced property for development planning. I have reviewed the development projections in the September 8, 2008 Service Plan for the proposed Stonebraker Metropolitan District and made an estimate of the projected unit absorption based on historical data, trends for the area, location of the property and current supply and demand.

I have projected the rate of absorption for the subject's proposed 577 single-family units and 100 multi-family units to be in the area of 100 to 110 units annually for the first two years (first units projected to be constructed in 2011). This number should increase in subsequent years by 25 to 35 units as the property matures and the demand increases.

If you have any questions, please don't hesitate to call me at 303-572-1100, extension 105.

Respectfully,



Libby Kirschner
Land Broker

September 8, 2008

City Council
City of Dacono
Post Office Box 186
Dacono, Colorado 80514

RE: Kirschner Partners Analysis of Absorption Potential of Stonebraker development

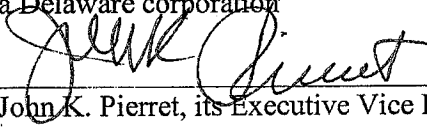
Dear City Council:

We have reviewed the above-referenced study conducted by Kirschner Partners and support its findings. The Analysis of Absorption Potential also satisfactorily confirms our projections and we request that it be admitted as a part of Stonebraker Metropolitan District formation application.

Please do not hesitate to call with any questions you have about this correspondence.

Very truly yours,

Forestar (USA) Real Estate Group Inc.,
a Delaware corporation



John K. Pierret, its Executive Vice President



Community Resource Services

3855 North Lewiston Street · Suite 140 · Aurora, Colorado · 80011
Phone (303)381-4960 Fax (303)381-4961 www.crs.colorado.com

September 8, 2008

City of Dacono
512 Cherry Street
Dacono, CO 80514

**RE: Accountant's Opinion Letter re D.A. Davidson Financial Forecast for
The Stonebraker Metropolitan District**

We have reviewed the calculations and formulas in the following columns in the Financial Forecast for The Stonebraker Metropolitan District prepared by D.A. Davidson and have determined that they are mathematically correct and are calculated appropriately.

Development Projections - Residential

- Total Residential Units
- Market Value Biennial Reassessment @ 2%
- Cumulative Market Value
- Assessed Value @ 7.96% of Market Value (2-yr lag)

Development Projections - Platted/Developed Lots

- Cumulative Market Value
- Assessed Value @ 29% of Market (2-yr lag)

Development Projections

- Total Assessed Value
- Debt Service Mill Levy
- Total Collections @ 98%
- Specific Ownership Tax @ 8% of Property Taxes
- Total Facility Fees Collected
- Total Available Revenue
- Net Available for Debt Service
- Annual Surplus
- Surplus Release @ 50% D/A to \$200,000
- Bond Fund Surplus Balance \$810,000 Target
- Debt-to-Assessed Ratio
- Debt / Actual Value Ratio

September 8, 2008
City of Dacono
Page Two

Operations Revenue and Expense Projection

- Total Assessed Value
- Operations Mill Levy
- Total Collections @ 98%
- Specific Ownership Tax @ 8% of Property Tax
- Total Available for O&M
- Less District Operations of \$40,000 Inflation @ 1% or max 5.0 mills
- Annual Collection – Tabor Reserve @ 3%
- Tabor Reserve Cumulative Balance
- Developer Contributions for Operations
- Annual Surplus

Development Projection – Buildout - All columns under each category.

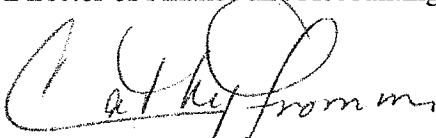
- SFDs -70'
- SFDs – 60'
- SFDs – 50'
- Apartments
- Residential Summary

Our evaluation does not include an analysis of the following components of the projections:

- Support of the assumptions underlying the forecast
- The average market value of Single Family and Multi-Family units
- The market value of Platted/Developed Lots
- Debt payments
- Probable Costs to Operate the District

There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Director of Finance and Accounting



Cathy Fromm
CPA

STONEBRAKER METROPOLITAN DISTRICT
 Development Projection at 35.00 Debt Service Mills plus Tap Fees
 Ser. 2012, Ser. 2015 & Ser. 2018 Non-Rated Bonds, 30-year maturities

YEAR	Total Res't Units	Mkt Value Biennial Reasses'mt @ 2.0%	Cumulative Market Value	As's'd Value @ 7.5%	Cumulative Market Value	As's'd Value @ 29.00% of Market (2-yr lag)	Total Collected Assessed Value	Debt Svc Mill Levy	Total Collections @ 98.0%	S.O. Taxes Collected @ 8%	Total Tap Fees Collected	Total Available Revenue
2008	0	0	0	0	0	0	\$0	35.000	\$0	\$0	\$0	0
2009	0	0	0	0	0	0	\$0	35.000	0	0	0	0
2010	0	0	1,310,000	0	1,310,000	0	0	35.000	0	0	68,000	68,000
2011	68	272,585	13,629,240	0	1,880,000	379,900	379,900	35.000	13,031	1,042	68,000	82,073
2012	68	272,585	27,803,650	0	1,880,000	379,900	1,464,788	35.000	50,242	4,019	94,000	148,262
2013	94	481,537	48,153,374	1,084,888	1,625,000	379,900	2,756,371	35.000	94,612	7,569	60,000	162,181
2014	60	963,067	87,057,755	2,213,171	1,625,000	471,250	4,394,259	35.000	147,636	11,811	60,000	219,447
2015	60	1,707,158	105,731,194	3,833,009	1,625,000	471,250	5,809,047	35.000	199,250	15,940	60,000	275,190
2016	59	2,485,969	124,448,453	6,794,488	1,212,500	471,250	7,265,738	35.000	249,215	19,937	59,000	328,152
2017	45	3,124,165	173,600,111	11,257,662	562,500	351,625	10,257,722	35.000	398,198	28,147	45,000	424,987
2018	25	3,814,679	180,733,971	12,434,175	562,500	332,775	12,766,950	35.000	437,906	35,033	25,000	497,939
2019	25	3,980,945	203,028,201	15,253,365	562,500	163,125	13,981,694	35.000	479,572	38,366	25,000	542,938
2020	0	4,060,564	207,088,765	16,161,045	0	163,125	14,549,549	35.000	499,050	39,924	25,000	563,973
2021	0	4,141,775	211,230,540	16,484,266	0	163,125	15,416,490	35.000	528,786	42,303	0	571,088
2022	0	4,224,611	215,465,151	16,813,951	0	0	15,844,162	35.000	543,455	43,476	0	586,931
2023	0	4,309,103	219,764,254	17,150,230	0	0	16,161,045	35.000	554,324	44,346	0	598,670
2024	0	4,395,285	224,159,539	17,493,235	0	0	16,484,266	35.000	565,410	45,233	0	610,643
2025	0	4,483,191	228,642,730	17,843,099	0	0	16,813,951	35.000	576,719	46,137	0	622,856
2026	0	4,572,855	233,215,585	18,199,961	0	0	17,150,230	35.000	588,253	47,060	0	635,313
2027	0	4,664,312	237,879,896	18,563,961	0	0	17,493,235	35.000	600,018	48,001	0	648,019
2028	0	4,757,598	242,637,494	18,935,240	0	0	17,843,099	35.000	612,018	48,961	0	660,980
2029	0	4,852,750	247,490,244	19,313,945	0	0	18,199,961	35.000	624,259	49,941	0	674,199
2030	0	4,949,805	252,440,049	19,700,223	0	0	18,563,961	35.000	636,744	50,940	0	687,683
2031	0	5,048,801	257,488,850	20,094,228	0	0	18,935,240	35.000	649,479	51,958	0	701,437
2032	677	70,612,217					19,313,945	35.000	662,468	52,997	0	715,466
2033							19,700,223	35.000	675,718	54,057	0	729,775
2034							20,094,228	35.000	689,232	55,139	0	744,371
2035											18,477,409	20,632,602
2036											1,478,193	677,000

Total Par: \$8,100,000
Total Proceeds: \$5,586,335

STONEBRAKER METROPOLITAN DISTRICT
Development Projection at \$5.00 Debt Service Mills plus Tap Fees
Ser. 2012, Ser. 2015 & Ser. 2018 Non-Rated Bonds, 30-year maturities

YEAR	Ser. 2012 \$3,400,000 Par [Net \$2,384 MM] Net Debt Service	Ser. 2015 \$2,300,000 Par [Net \$1,604 MM] Net Debt Service	Ser. 2018 \$2,400,000 Par [Net \$1,599 MM] Net Debt Service	Annual Surplus	Surplus Release @ 50% D/A to \$200,000	Bond Fund Surplus Balance to \$750,000 Target	Senior Debt/ Assessed Ratio	Senior Debt/ Act'l Value Ratio
2008	0	0	0	0	0	0	n/a	n/a
2009	0	0	0	0	0	0	n/a	0%
2010	0	0	0	66,000	66,000	66,000	n/a	0%
2011	68,000	0	0	82,073	82,073	150,073	688%	9%
2012	82,073	\$0	0	148,262	148,262	296,335	232%	7%
2013	148,262	0	0	162,181	162,181	460,516	123%	5%
2014	162,181	0	0	104,529	104,529	565,045	79%	4%
2015	219,447	114,918	\$0	45,355	45,355	610,400	98%	5%
2016	275,190	229,835	0	78,317	78,317	688,717	78%	5%
2017	328,152	249,835	0	42,871	42,871	731,589	64%	4%
2018	373,931	253,435	77,625	13,052	13,052	744,641	79%	5%
2019	424,987	256,685	155,250	0	0	802,860	69%	5%
2020	473,054	259,585	155,250	58,219	58,219	883,414	63%	4%
2021	497,939	262,135	155,250	80,554	80,554	839,767	57%	4%
2022	542,938	264,335	160,250	(43,647)	(43,647)	815,656	54%	4%
2023	563,973	266,185	159,900	(24,112)	(24,112)	792,509	51%	4%
2024	571,088	272,685	159,550	(7,754)	(7,754)	784,755	49%	4%
2025	566,931	268,485	162,000	(6,115)	(6,115)	778,640	48%	4%
2026	598,670	274,285	168,500	(5,165)	(5,165)	771,583	47%	4%
2027	610,643	279,135	171,400	(1,892)	(1,892)	771,583	46%	4%
2028	622,856	283,185	182,000	458	572,041	200,000	45%	4%
2029	610,643	283,185	182,000	371	371	200,000	44%	3%
2030	622,856	286,535	173,950	4,471	4,471	200,000	43%	3%
2031	622,856	284,185	172,200	1,378	1,378	200,000	41%	3%
2032	635,313	291,485	175,450	1,378	1,378	200,000	40%	3%
2033	635,313	292,735	173,350	2,578	2,578	200,000	38%	3%
2034	648,019	298,285	181,250	2,184	2,184	200,000	37%	3%
2035	648,019	297,785	178,450	834	834	200,000	35%	3%
2036	660,980	301,585	185,650	3,495	3,495	200,000	34%	3%
2037	660,980	304,335	182,150	4,945	4,945	200,000	32%	3%
2038	674,199	311,035	183,650	664	664	200,000	30%	2%
2039	674,199	311,335	184,800	614	614	200,000	28%	2%
2040	687,683	315,585	190,600	448	448	200,000	26%	2%
2041	687,683	318,435	190,700	4,248	4,248	200,000	24%	2%
2042	701,437	323,285	195,450	4,802	4,802	200,000	20%	2%
2043	701,437	0	186,150	787	787	200,000	20%	2%
2044	715,466	0	188,700	966	966	200,000	17%	1%
2045	715,466	0	180,900	5,266	5,266	200,000	15%	1%
2046	729,775	0	180,900	1,325	1,325	200,000	11%	1%
2047	729,775	0	727,500	2,275	2,275	200,000	8%	1%
2048	744,371	0	743,750	621	200,621	0	5%	0%
	20,632,602	7,745,713	5,796,875	814,314	814,314	814,314		

ID:JH1408 10nc40D1 ID:JH1408 13nc40D1 ID:JH1408 16nc40D1
NR Fin Plan

STONEBRAKER METROPOLITAN DISTRICT
Operations Revenue and Expense Projection

YEAR	Total Assessed Value	Oper'n's Mill Levy	Total Collections @ 98%	Specific Ownership Tax @ 8% of Prop'y Taxes	Total Available For O&M	Less District Operations @ of \$40,000 Inf. @ 1% or max 5.0 mills	Developer Contributions for Operations
2008	0	5.000	0	0	0	40,000	40,000
2009	0	5.000	0	0	0	40,400	40,400
2010	0	5.000	0	0	0	40,804	40,804
2011	0	5.000	1,862	149	2,010	41,212	39,202
2012	379,900	5.000	7,177	574	7,752	41,624	33,873
2013	1,464,788	5.000	13,516	1,081	14,597	42,040	27,443
2014	2,758,371	5.000	21,091	1,687	22,778	42,461	19,683
2015	4,304,259	5.000	28,464	2,277	30,741	42,885	12,144
2016	5,809,047	5.000	35,602	2,848	38,450	43,314	4,864
2017	7,265,738	5.000	40,507	3,241	43,747	43,747	0
2018	8,878,478	4.655	40,912	3,273	44,185	44,185	0
2019	10,257,722	4.070	41,321	3,306	44,627	44,627	0
2020	11,609,287	3.632	42,152	3,339	45,073	45,073	0
2021	12,766,950	3.336	42,573	3,372	45,524	45,524	0
2022	13,981,694	3.076	42,979	3,406	46,439	46,439	0
2023	14,549,549	2.986	43,429	3,474	46,903	46,903	0
2024	15,416,490	2.846	43,863	3,509	47,372	47,372	0
2025	15,844,162	2.797	44,302	3,544	47,846	47,846	0
2026	16,161,045	2.770	44,745	3,580	48,324	48,324	0
2027	16,161,045	2.797	45,192	3,615	48,808	48,808	0
2028	16,484,266	2.797	45,644	3,652	49,296	49,296	0
2029	16,813,951	2.770	46,101	3,688	49,789	49,789	0
2030	16,813,951	2.798	46,562	3,725	50,287	50,287	0
2031	17,150,230	2.770	47,027	3,762	50,789	50,789	0
2032	17,150,230	2.798	47,497	3,800	51,297	51,297	0
2033	17,493,235	2.771	47,972	3,838	51,810	51,810	0
2034	17,493,235	2.798	48,452	3,876	52,328	52,328	0
2035	17,843,099	2.771	48,937	3,915	52,852	52,852	0
2036	17,843,099	2.799	49,426	3,954	53,380	53,380	0
2037	17,843,099	2.771	49,920	3,994	53,914	53,914	0
2038	18,199,961	2.799	50,420	4,034	54,453	54,453	0
2039	18,199,961	2.771	50,924	4,074	54,998	54,998	0
2040	18,563,961	2.799	51,433	4,115	55,548	55,548	0
2041	18,563,961	2.772	51,947	4,156	56,103	56,103	0
2042	18,935,240	2.799	52,467	4,197	56,664	56,664	0
2043	18,935,240	2.772	52,991	4,239	57,231	57,231	0
2044	19,313,945	2.800	53,521	4,282	57,803	57,803	0
2045	19,313,945	2.772	54,057	4,325	58,381	58,381	0
2046	19,700,223	2.800	54,597	4,368	58,965	58,965	0
2047	19,700,223	2.773					
2048	20,094,228	2.773					
			1,571,336	125,707	1,697,043	1,955,455	258,412

STONEBRAKER METROPOLITAN DISTRICT

Development Projection - Buildout (revised 7/11/08)

YEAR	SFDs - 70'				SFDs - 60'				SFDs - 50'				
	# Lots Devel'd	Incr/(Deacr) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 2%	# Lots Devel'd	Incr/(Deacr) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 2%	# Lots Devel'd	Incr/(Deacr) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 2%	Market Value
2008	0	0	0		0	0	0		0	0	0		0
2009	0	0	0	\$325,000	0	0	0	\$275,000	0	0	0	\$225,000	0
2010	20	650,000	0	331,500	15	412,500	0	280,500	0	0	0	229,500	0
2011	20	0	20	338,130	15	0	15	286,110	4,291,650	0	0	234,090	0
2012	20	0	20	344,893	15	0	15	291,832	4,377,483	0	0	238,772	0
2013	20	0	20	351,790	15	0	15	297,669	4,465,033	25	562,500	243,547	6,088,681
2014	20	0	20	358,826	15	0	15	303,622	4,554,333	25	0	248,418	6,210,455
2015	20	0	20	366,003	15	0	15	309,695	4,645,420	25	0	253,387	6,334,664
2016	20	0	20	373,323	14	(27,500)	15	315,889	4,738,328	25	0	258,454	6,461,357
2017	20	0	20	380,789	0	(385,000)	14	322,206	4,510,889	25	0	263,623	6,590,584
2018	20	0	20	388,405	0	0	0	328,650	0	25	0	268,896	6,722,396
2019	18	(65,000)	20	396,173	0	0	0	335,223	0	25	0	274,274	6,856,844
2020	0	(585,000)	18	404,097	0	0	0	341,928	0	25	0	279,759	6,993,980
2021	0	0	0	412,179	0	0	0	348,766	0	25	0	285,354	7,133,860
2022	0	0	0	420,422	0	0	0	355,742	0	25	0	291,061	7,276,537
2023	0	0	0	428,831	0	0	0	362,857	0	25	(562,500)	296,883	7,422,068
2024	0	0	0	437,407	0	0	0	370,114	0	0	0	302,820	0
2025	0	0	0	446,155	0	0	0	377,516	0	0	0	308,877	0
2026	0	0	0	455,078	0	0	0	385,066	0	0	0	315,054	0
2027	0	0	0	464,180	0	0	0	392,768	0	0	0	321,355	0
2028	0	0	0	473,464	0	0	0	400,623	0	0	0	327,783	0
	198	0	198	73,240,390	104	(0)	104	31,583,136	275	0	275	74,091,425	

STONEBRAKER METROPOLITAN DISTRICT

Development Projection - Buildout (revised 7/11/08)

YEAR	Apartments				Residential Summary										Annual Market Value +/- of Platted & Developed Lots
	# Lots Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 2%	Total Residential Market Value	SFD Units	Total	MFD Units	Total	Res't Units	Total	Res't Units	Total SF Tap Fees @ \$1,000/unit	Total MF Tap Fees @ \$1,000/unit	
2008	0	0	0	0	\$0	0	0	0	0	0	0	0	\$0	\$0	0
2009	0	0	0	\$75,000	0	0	0	0	0	0	0	0	\$0	\$0	0
2010	33	247,500	0	76,500	0	0	0	0	0	0	0	0	0	0	1,310,000
2011	33	0	33	78,030	2,574,990	13,629,240	35	33	33	68	68	68	35,000	33,000	0
2012	34	7,500	33	79,591	2,626,490	13,901,825	35	33	33	68	68	68	35,000	33,000	570,000
2013	0	(255,000)	34	81,182	2,760,202	20,349,725	60	34	34	94	94	94	60,000	34,000	(255,000)
2014	0	0	0	82,806	0	17,941,313	60	0	0	60	60	60	60,000	0	0
2015	0	0	0	84,462	0	18,300,139	60	0	0	60	60	60	60,000	0	0
2016	0	0	0	86,151	0	18,666,142	60	0	0	60	60	60	60,000	0	(27,500)
2017	0	0	0	87,874	0	18,717,259	59	0	0	59	59	59	59,000	0	(385,000)
2018	0	0	0	89,632	0	14,490,497	45	0	0	45	45	45	45,000	0	0
2019	0	0	0	91,425	0	14,780,307	45	0	0	45	45	45	45,000	0	(65,000)
2020	0	0	0	93,253	0	14,267,720	43	0	0	43	43	43	43,000	0	(585,000)
2021	0	0	0	95,118	0	7,133,860	25	0	0	25	25	25	25,000	0	0
2022	0	0	0	97,020	0	7,276,537	25	0	0	25	25	25	25,000	0	0
2023	0	0	0	98,961	0	7,422,068	25	0	0	25	25	25	25,000	0	(562,500)
2024	0	0	0	100,940	0	0	0	0	0	0	0	0	0	0	0
2025	0	0	0	102,959	0	0	0	0	0	0	0	0	0	0	0
2026	0	0	0	105,018	0	0	0	0	0	0	0	0	0	0	0
2027	0	0	0	107,118	0	0	0	0	0	0	0	0	0	0	0
2028	0	0	0	109,261	0	0	0	0	0	0	0	0	0	0	0
	100	0	100		7,961,682	186,876,633	577	100	677	577,000	100,000	677	577,000	100,000	0

SOURCES AND USES OF FUNDS

**STONEBRAKER METROPOLITAN DISTRICT
SERIES 2012 G.O. BONDS
Non-Rated Bonds, 30-yr maturity**

Dated Date 12/01/2012
Delivery Date 12/01/2012

Sources:

Bond Proceeds:	
Par Amount	3,400,000.00
	<hr/>
	3,400,000.00

Uses:

Project Fund Deposits:	
Project Fund	2,383,746.43
Other Fund Deposits:	
Capitalized Interest & Expenses Fund	553,653.57
Debt Service Reserve	<hr/>
	326,600.00
	880,253.57
Delivery Date Expenses:	
Costs of Issuance (est)	136,000.00
	<hr/>
	3,400,000.00

BOND DEBT SERVICE
STONEBRAKER METROPOLITAN DISTRICT
SERIES 2012 G.O. BONDS
Non-Rated Bonds, 30-yr maturity

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2013			119,000	119,000	
12/01/2013			119,000	119,000	238,000
06/01/2014			119,000	119,000	
12/01/2014			119,000	119,000	238,000
06/01/2015			119,000	119,000	
12/01/2015			119,000	119,000	238,000
06/01/2016			119,000	119,000	
12/01/2016			119,000	119,000	238,000
06/01/2017			119,000	119,000	
12/01/2017	20,000	7.000%	119,000	139,000	258,000
06/01/2018			118,300	118,300	
12/01/2018	25,000	7.000%	118,300	143,300	261,600
06/01/2019			117,425	117,425	
12/01/2019	30,000	7.000%	117,425	147,425	264,850
06/01/2020			116,375	116,375	
12/01/2020	35,000	7.000%	116,375	151,375	267,750
06/01/2021			115,150	115,150	
12/01/2021	40,000	7.000%	115,150	155,150	270,300
06/01/2022			113,750	113,750	
12/01/2022	45,000	7.000%	113,750	158,750	272,500
06/01/2023			112,175	112,175	
12/01/2023	50,000	7.000%	112,175	162,175	274,350
06/01/2024			110,425	110,425	
12/01/2024	60,000	7.000%	110,425	170,425	280,850
06/01/2025			108,325	108,325	
12/01/2025	60,000	7.000%	108,325	168,325	276,650
06/01/2026			106,225	106,225	
12/01/2026	70,000	7.000%	106,225	176,225	282,450
06/01/2027			103,775	103,775	
12/01/2027	75,000	7.000%	103,775	178,775	282,550
06/01/2028			101,150	101,150	
12/01/2028	85,000	7.000%	101,150	186,150	287,300
06/01/2029			98,175	98,175	
12/01/2029	95,000	7.000%	98,175	193,175	291,350
06/01/2030			94,850	94,850	
12/01/2030	105,000	7.000%	94,850	199,850	294,700
06/01/2031			91,175	91,175	
12/01/2031	110,000	7.000%	91,175	201,175	292,350
06/01/2032			87,325	87,325	
12/01/2032	125,000	7.000%	87,325	212,325	299,650
06/01/2033			82,950	82,950	
12/01/2033	135,000	7.000%	82,950	217,950	300,900
06/01/2034			78,225	78,225	
12/01/2034	150,000	7.000%	78,225	228,225	306,450
06/01/2035			72,975	72,975	
12/01/2035	160,000	7.000%	72,975	232,975	305,950
06/01/2036			67,375	67,375	
12/01/2036	175,000	7.000%	67,375	242,375	309,750
06/01/2037			61,250	61,250	
12/01/2037	190,000	7.000%	61,250	251,250	312,500
06/01/2038			54,600	54,600	
12/01/2038	210,000	7.000%	54,600	264,600	319,200
06/01/2039			47,250	47,250	
12/01/2039	225,000	7.000%	47,250	272,250	319,500
06/01/2040			39,375	39,375	
12/01/2040	245,000	7.000%	39,375	284,375	323,750
06/01/2041			30,800	30,800	
12/01/2041	265,000	7.000%	30,800	295,800	326,600
06/01/2042			21,525	21,525	
12/01/2042	615,000	7.000%	21,525	636,525	658,050
	3,400,000		5,491,850	8,891,850	8,891,850

NET DEBT SERVICE

**STONEBRAKER METROPOLITAN DISTRICT
SERIES 2012 G.O. BONDS
Non-Rated Bonds, 30-yr maturity**

Date	Principal	Interest	Total Debt Service	Debt Service Reserve	Capitalized Interest & Expenses Fund	Net Debt Service	Annual Net D/S
06/01/2013		119,000	119,000		119,000		
12/01/2013		119,000	119,000		119,000		
06/01/2014		119,000	119,000		119,000		
12/01/2014		119,000	119,000		119,000		
06/01/2015		119,000	119,000		119,000		
12/01/2015		119,000	119,000	4,082.50		114,917.50	114,917.50
06/01/2016		119,000	119,000	4,082.50		114,917.50	
12/01/2016		119,000	119,000	4,082.50		114,917.50	229,835.00
06/01/2017		119,000	119,000	4,082.50		114,917.50	
12/01/2017	20,000	119,000	139,000	4,082.50		134,917.50	249,835.00
06/01/2018		118,300	118,300	4,082.50		114,217.50	
12/01/2018	25,000	118,300	143,300	4,082.50		139,217.50	253,435.00
06/01/2019		117,425	117,425	4,082.50		113,342.50	
12/01/2019	30,000	117,425	147,425	4,082.50		143,342.50	256,685.00
06/01/2020		116,375	116,375	4,082.50		112,292.50	
12/01/2020	35,000	116,375	151,375	4,082.50		147,292.50	259,585.00
06/01/2021		115,150	115,150	4,082.50		111,067.50	
12/01/2021	40,000	115,150	155,150	4,082.50		151,067.50	262,135.00
06/01/2022		113,750	113,750	4,082.50		109,667.50	
12/01/2022	45,000	113,750	158,750	4,082.50		154,667.50	264,335.00
06/01/2023		112,175	112,175	4,082.50		108,092.50	
12/01/2023	50,000	112,175	162,175	4,082.50		158,092.50	266,185.00
06/01/2024		110,425	110,425	4,082.50		106,342.50	
12/01/2024	60,000	110,425	170,425	4,082.50		166,342.50	272,685.00
06/01/2025		108,325	108,325	4,082.50		104,242.50	
12/01/2025	60,000	108,325	168,325	4,082.50		164,242.50	268,485.00
06/01/2026		106,225	106,225	4,082.50		102,142.50	
12/01/2026	70,000	106,225	176,225	4,082.50		172,142.50	274,285.00
06/01/2027		103,775	103,775	4,082.50		99,692.50	
12/01/2027	75,000	103,775	178,775	4,082.50		174,692.50	274,385.00
06/01/2028		101,150	101,150	4,082.50		97,067.50	
12/01/2028	85,000	101,150	186,150	4,082.50		182,067.50	279,135.00
06/01/2029		98,175	98,175	4,082.50		94,092.50	
12/01/2029	95,000	98,175	193,175	4,082.50		189,092.50	283,185.00
06/01/2030		94,850	94,850	4,082.50		90,767.50	
12/01/2030	105,000	94,850	199,850	4,082.50		195,767.50	286,535.00
06/01/2031		91,175	91,175	4,082.50		87,092.50	
12/01/2031	110,000	91,175	201,175	4,082.50		197,092.50	284,185.00
06/01/2032		87,325	87,325	4,082.50		83,242.50	
12/01/2032	125,000	87,325	212,325	4,082.50		208,242.50	291,485.00
06/01/2033		82,950	82,950	4,082.50		78,867.50	
12/01/2033	135,000	82,950	217,950	4,082.50		213,867.50	292,735.00
06/01/2034		78,225	78,225	4,082.50		74,142.50	
12/01/2034	150,000	78,225	228,225	4,082.50		224,142.50	298,285.00
06/01/2035		72,975	72,975	4,082.50		68,892.50	
12/01/2035	160,000	72,975	232,975	4,082.50		228,892.50	297,785.00
06/01/2036		67,375	67,375	4,082.50		63,292.50	
12/01/2036	175,000	67,375	242,375	4,082.50		238,292.50	301,585.00
06/01/2037		61,250	61,250	4,082.50		57,167.50	
12/01/2037	190,000	61,250	251,250	4,082.50		247,167.50	304,335.00
06/01/2038		54,600	54,600	4,082.50		50,517.50	
12/01/2038	210,000	54,600	264,600	4,082.50		260,517.50	311,035.00
06/01/2039		47,250	47,250	4,082.50		43,167.50	
12/01/2039	225,000	47,250	272,250	4,082.50		268,167.50	311,335.00
06/01/2040		39,375	39,375	4,082.50		35,292.50	
12/01/2040	245,000	39,375	284,375	4,082.50		280,292.50	315,585.00
06/01/2041		30,800	30,800	4,082.50		26,717.50	
12/01/2041	265,000	30,800	295,800	4,082.50		291,717.50	318,435.00
06/01/2042		21,525	21,525	4,082.50		17,442.50	
12/01/2042	615,000	21,525	636,525	330,682.50		305,842.50	323,285.00
	3,400,000	5,491,850	8,891,850	551,137.50	595,000	7,745,712.50	7,745,712.50

CAPITALIZED INTEREST FUND
STONEBRAKER METROPOLITAN DISTRICT
SERIES 2012 G.O. BONDS
Non-Rated Bonds, 30-yr maturity

Capitalized Interest & Expenses Fund

Date	Deposit	Interest @ 2.5%	Principal	Debt Service Reserve	Scheduled Draws	Balance
12/01/2012	553,653.57					553,653.57
06/01/2013		6,920.67	107,996.83	4,082.50	119,000	445,656.74
12/01/2013		5,570.71	109,346.79	4,082.50	119,000	336,309.95
06/01/2014		4,203.87	110,713.63	4,082.50	119,000	225,596.32
12/01/2014		2,819.95	112,097.55	4,082.50	119,000	113,498.77
06/01/2015		1,418.73	113,498.77	4,082.50	119,000	
	553,653.57	20,933.93	553,653.57	20,412.50	595,000	

Average Life (years): 1.5124

DEBT SERVICE RESERVE FUND
STONEBRAKER METROPOLITAN DISTRICT
SERIES 2012 G.O. BONDS
Non-Rated Bonds, 30-yr maturity

Debt Service Reserve

Date	Deposit	Interest @ 2.5%	Principal	Capitalized Interest & Expenses Fund	Debt Service	Balance
12/01/2012	326,600					326,600
06/01/2013		4,082 50		-4,082 50		326,600
12/01/2013		4,082 50		-4,082 50		326,600
06/01/2014		4,082 50		-4,082 50		326,600
12/01/2014		4,082 50		-4,082 50		326,600
06/01/2015		4,082 50		-4,082 50		326,600
12/01/2015		4,082 50			-4,082 50	326,600
06/01/2016		4,082 50			-4,082 50	326,600
12/01/2016		4,082 50			-4,082 50	326,600
06/01/2017		4,082 50			-4,082 50	326,600
12/01/2017		4,082 50			-4,082 50	326,600
06/01/2018		4,082 50			-4,082 50	326,600
12/01/2018		4,082 50			-4,082 50	326,600
06/01/2019		4,082 50			-4,082 50	326,600
12/01/2019		4,082 50			-4,082 50	326,600
06/01/2020		4,082 50			-4,082 50	326,600
12/01/2020		4,082 50			-4,082 50	326,600
06/01/2021		4,082 50			-4,082 50	326,600
12/01/2021		4,082 50			-4,082 50	326,600
06/01/2022		4,082 50			-4,082 50	326,600
12/01/2022		4,082 50			-4,082 50	326,600
06/01/2023		4,082 50			-4,082 50	326,600
12/01/2023		4,082 50			-4,082 50	326,600
06/01/2024		4,082 50			-4,082 50	326,600
12/01/2024		4,082 50			-4,082 50	326,600
06/01/2025		4,082 50			-4,082 50	326,600
12/01/2025		4,082 50			-4,082 50	326,600
06/01/2026		4,082 50			-4,082 50	326,600
12/01/2026		4,082 50			-4,082 50	326,600
06/01/2027		4,082 50			-4,082 50	326,600
12/01/2027		4,082 50			-4,082 50	326,600
06/01/2028		4,082 50			-4,082 50	326,600
12/01/2028		4,082 50			-4,082 50	326,600
06/01/2029		4,082 50			-4,082 50	326,600
12/01/2029		4,082 50			-4,082 50	326,600
06/01/2030		4,082 50			-4,082 50	326,600
12/01/2030		4,082 50			-4,082 50	326,600
06/01/2031		4,082 50			-4,082 50	326,600
12/01/2031		4,082 50			-4,082 50	326,600
06/01/2032		4,082 50			-4,082 50	326,600
12/01/2032		4,082 50			-4,082 50	326,600
06/01/2033		4,082 50			-4,082 50	326,600
12/01/2033		4,082 50			-4,082 50	326,600
06/01/2034		4,082 50			-4,082 50	326,600
12/01/2034		4,082 50			-4,082 50	326,600
06/01/2035		4,082 50			-4,082 50	326,600
12/01/2035		4,082 50			-4,082 50	326,600
06/01/2036		4,082 50			-4,082 50	326,600
12/01/2036		4,082 50			-4,082 50	326,600
06/01/2037		4,082 50			-4,082 50	326,600
12/01/2037		4,082 50			-4,082 50	326,600
06/01/2038		4,082 50			-4,082 50	326,600
12/01/2038		4,082 50			-4,082 50	326,600
06/01/2039		4,082 50			-4,082 50	326,600
12/01/2039		4,082 50			-4,082 50	326,600
06/01/2040		4,082 50			-4,082 50	326,600
12/01/2040		4,082 50			-4,082 50	326,600
06/01/2041		4,082 50			-4,082 50	326,600
12/01/2041		4,082 50			-4,082 50	326,600
06/01/2042		4,082 50			-4,082 50	326,600
12/01/2042		4,082 50	326,600		-330,682 50	
	326,600	244,950 00	326,600	-20,412 50	-551,137 50	

Average Life (years): 30 0000

SOURCES AND USES OF FUNDS

**STONEBRAKER METROPOLITAN DISTRICT
SERIES 2015 G.O. BONDS
Non-Rated Bonds, 30-yr maturity**

Dated Date 12/01/2015
Delivery Date 12/01/2015

Sources:

Bond Proceeds:	
Par Amount	2,300,000.00
	<hr/>
	2,300,000.00

Uses:

Project Fund Deposits:	
Project Fund	1,604,015.56
Other Fund Deposits:	
Capitalized Interest & Expenses Fund	373,984.44
Debt Service Reserve	<hr/>
	230,000.00
	603,984.44
Delivery Date Expenses:	
Costs of Issuance (est)	92,000.00
	<hr/>
	2,300,000.00

BOND DEBT SERVICE
STONEBRAKER METROPOLITAN DISTRICT
SERIES 2015 G.O. BONDS
Non-Rated Bonds, 30-yr maturity

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2016			80,500	80,500	
12/01/2016			80,500	80,500	161,000
06/01/2017			80,500	80,500	
12/01/2017			80,500	80,500	161,000
06/01/2018			80,500	80,500	
12/01/2018			80,500	80,500	161,000
06/01/2019			80,500	80,500	
12/01/2019			80,500	80,500	161,000
06/01/2020			80,500	80,500	
12/01/2020			80,500	80,500	161,000
06/01/2021			80,500	80,500	
12/01/2021			80,500	80,500	161,000
06/01/2022			80,500	80,500	
12/01/2022	5,000	7.000%	80,500	85,500	166,000
06/01/2023			80,325	80,325	
12/01/2023	5,000	7.000%	80,325	85,325	165,650
06/01/2024			80,150	80,150	
12/01/2024	5,000	7.000%	80,150	85,150	165,300
06/01/2025			79,975	79,975	
12/01/2025	10,000	7.000%	79,975	89,975	169,950
06/01/2026			79,625	79,625	
12/01/2026	15,000	7.000%	79,625	94,625	174,250
06/01/2027			79,100	79,100	
12/01/2027	15,000	7.000%	79,100	94,100	173,200
06/01/2028			78,575	78,575	
12/01/2028	20,000	7.000%	78,575	98,575	177,150
06/01/2029			77,875	77,875	
12/01/2029	15,000	7.000%	77,875	92,875	170,750
06/01/2030			77,350	77,350	
12/01/2030	25,000	7.000%	77,350	102,350	179,700
06/01/2031			76,475	76,475	
12/01/2031	25,000	7.000%	76,475	101,475	177,950
06/01/2032			75,600	75,600	
12/01/2032	30,000	7.000%	75,600	105,600	181,200
06/01/2033			74,550	74,550	
12/01/2033	30,000	7.000%	74,550	104,550	179,100
06/01/2034			73,500	73,500	
12/01/2034	40,000	7.000%	73,500	113,500	187,000
06/01/2035			72,100	72,100	
12/01/2035	40,000	7.000%	72,100	112,100	184,200
06/01/2036			70,700	70,700	
12/01/2036	50,000	7.000%	70,700	120,700	191,400
06/01/2037			68,950	68,950	
12/01/2037	50,000	7.000%	68,950	118,950	187,900
06/01/2038			67,200	67,200	
12/01/2038	55,000	7.000%	67,200	122,200	189,400
06/01/2039			65,275	65,275	
12/01/2039	60,000	7.000%	65,275	125,275	190,550
06/01/2040			63,175	63,175	
12/01/2040	70,000	7.000%	63,175	133,175	196,350
06/01/2041			60,725	60,725	
12/01/2041	75,000	7.000%	60,725	135,725	196,450
06/01/2042			58,100	58,100	
12/01/2042	85,000	7.000%	58,100	143,100	201,200
06/01/2043			55,125	55,125	
12/01/2043	410,000	7.000%	55,125	465,125	520,250
06/01/2044			40,775	40,775	
12/01/2044	450,000	7.000%	40,775	490,775	531,550
06/01/2045			25,025	25,025	
12/01/2045	715,000	7.000%	25,025	740,025	765,050
	2,300,000		4,287,500	6,587,500	6,587,500

NET DEBT SERVICE

**STONEBRAKER METROPOLITAN DISTRICT
SERIES 2015 G.O. BONDS
Non-Rated Bonds, 30-yr maturity**

Date	Principal	Interest	Total Debt Service	Debt Service Reserve	Capitalized Interest & Expenses Fund	Net Debt Service	Annual Net D/S
06/01/2016		80,500	80,500		80,500		
12/01/2016		80,500	80,500		80,500		
06/01/2017		80,500	80,500		80,500		
12/01/2017		80,500	80,500		80,500		
06/01/2018		80,500	80,500		80,500		
12/01/2018		80,500	80,500	2,875		77,625	77,625
06/01/2019		80,500	80,500	2,875		77,625	
12/01/2019		80,500	80,500	2,875		77,625	155,250
06/01/2020		80,500	80,500	2,875		77,625	
12/01/2020		80,500	80,500	2,875		77,625	155,250
06/01/2021		80,500	80,500	2,875		77,625	
12/01/2021		80,500	80,500	2,875		77,625	155,250
06/01/2022		80,500	80,500	2,875		77,625	
12/01/2022	5,000	80,500	85,500	2,875		82,625	160,250
06/01/2023		80,325	80,325	2,875		77,450	
12/01/2023	5,000	80,325	85,325	2,875		82,450	159,900
06/01/2024		80,150	80,150	2,875		77,275	
12/01/2024	5,000	80,150	85,150	2,875		82,275	159,550
06/01/2025		79,975	79,975	2,875		77,100	
12/01/2025	10,000	79,975	89,975	2,875		87,100	164,200
06/01/2026		79,625	79,625	2,875		76,750	
12/01/2026	15,000	79,625	94,625	2,875		91,750	168,500
06/01/2027		79,100	79,100	2,875		76,225	
12/01/2027	15,000	79,100	94,100	2,875		91,225	167,450
06/01/2028		78,575	78,575	2,875		75,700	
12/01/2028	20,000	78,575	98,575	2,875		95,700	171,400
06/01/2029		77,875	77,875	2,875		75,000	
12/01/2029	15,000	77,875	92,875	2,875		90,000	165,000
06/01/2030		77,350	77,350	2,875		74,475	
12/01/2030	25,000	77,350	102,350	2,875		99,475	173,950
06/01/2031		76,475	76,475	2,875		73,600	
12/01/2031	25,000	76,475	101,475	2,875		98,600	172,200
06/01/2032		75,600	75,600	2,875		72,725	
12/01/2032	30,000	75,600	105,600	2,875		102,725	175,450
06/01/2033		74,550	74,550	2,875		71,675	
12/01/2033	30,000	74,550	104,550	2,875		101,675	173,350
06/01/2034		73,500	73,500	2,875		70,625	
12/01/2034	40,000	73,500	113,500	2,875		110,625	181,250
06/01/2035		72,100	72,100	2,875		69,225	
12/01/2035	40,000	72,100	112,100	2,875		109,225	178,450
06/01/2036		70,700	70,700	2,875		67,825	
12/01/2036	50,000	70,700	120,700	2,875		117,825	185,650
06/01/2037		68,950	68,950	2,875		66,075	
12/01/2037	50,000	68,950	118,950	2,875		116,075	182,150
06/01/2038		67,200	67,200	2,875		64,325	
12/01/2038	55,000	67,200	122,200	2,875		119,325	183,650
06/01/2039		65,275	65,275	2,875		62,400	
12/01/2039	60,000	65,275	125,275	2,875		122,400	184,800
06/01/2040		63,175	63,175	2,875		60,300	
12/01/2040	70,000	63,175	133,175	2,875		130,300	190,600
06/01/2041		60,725	60,725	2,875		57,850	
12/01/2041	75,000	60,725	135,725	2,875		132,850	190,700
06/01/2042		58,100	58,100	2,875		55,225	
12/01/2042	85,000	58,100	143,100	2,875		140,225	195,450
06/01/2043		55,125	55,125	2,875		52,250	
12/01/2043	410,000	55,125	465,125	2,875		462,250	514,500
06/01/2044		40,775	40,775	2,875		37,900	
12/01/2044	450,000	40,775	490,775	2,875		487,900	525,800
06/01/2045		25,025	25,025	2,875		22,150	
12/01/2045	715,000	25,025	740,025	232,875		507,150	529,300
	2,300,000	4,287,500	6,587,500	388,125	402,500	5,796,875	5,796,875

CAPITALIZED INTEREST FUND
STONEBRAKER METROPOLITAN DISTRICT
SERIES 2015 G.O. BONDS
Non-Rated Bonds, 30-yr maturity

Capitalized Interest & Expenses Fund

Date	Deposit	Interest @ 2.5%	Principal	Debt Service Reserve	Scheduled Draws	Balance
12/01/2015	373,984.44					373,984.44
06/01/2016		4,674.81	72,950.19	2,875	80,500	301,034.25
12/01/2016		3,762.93	73,862.07	2,875	80,500	227,172.18
06/01/2017		2,839.65	74,785.35	2,875	80,500	152,386.83
12/01/2017		1,904.84	75,720.16	2,875	80,500	76,666.67
06/01/2018		958.33	76,666.67	2,875	80,500	
	373,984.44	14,140.56	373,984.44	14,375	402,500	

Average Life (years): 1.5124

DEBT SERVICE RESERVE FUND
STONEBRAKER METROPOLITAN DISTRICT
SERIES 2015 G.O. BONDS
Non-Rated Bonds, 30-yr maturity

Debt Service Reserve

Date	Deposit	Interest @ 2.5%	Principal	Capitalized Interest & Expenses Fund	Debt Service	Balance
12/01/2015	230,000					230,000
06/01/2016		2,875		-2,875		230,000
12/01/2016		2,875		-2,875		230,000
06/01/2017		2,875		-2,875		230,000
12/01/2017		2,875		-2,875		230,000
06/01/2018		2,875		-2,875		230,000
12/01/2018		2,875			-2,875	230,000
06/01/2019		2,875			-2,875	230,000
12/01/2019		2,875			-2,875	230,000
06/01/2020		2,875			-2,875	230,000
12/01/2020		2,875			-2,875	230,000
06/01/2021		2,875			-2,875	230,000
12/01/2021		2,875			-2,875	230,000
06/01/2022		2,875			-2,875	230,000
12/01/2022		2,875			-2,875	230,000
06/01/2023		2,875			-2,875	230,000
12/01/2023		2,875			-2,875	230,000
06/01/2024		2,875			-2,875	230,000
12/01/2024		2,875			-2,875	230,000
06/01/2025		2,875			-2,875	230,000
12/01/2025		2,875			-2,875	230,000
06/01/2026		2,875			-2,875	230,000
12/01/2026		2,875			-2,875	230,000
06/01/2027		2,875			-2,875	230,000
12/01/2027		2,875			-2,875	230,000
06/01/2028		2,875			-2,875	230,000
12/01/2028		2,875			-2,875	230,000
06/01/2029		2,875			-2,875	230,000
12/01/2029		2,875			-2,875	230,000
06/01/2030		2,875			-2,875	230,000
12/01/2030		2,875			-2,875	230,000
06/01/2031		2,875			-2,875	230,000
12/01/2031		2,875			-2,875	230,000
06/01/2032		2,875			-2,875	230,000
12/01/2032		2,875			-2,875	230,000
06/01/2033		2,875			-2,875	230,000
12/01/2033		2,875			-2,875	230,000
06/01/2034		2,875			-2,875	230,000
12/01/2034		2,875			-2,875	230,000
06/01/2035		2,875			-2,875	230,000
12/01/2035		2,875			-2,875	230,000
06/01/2036		2,875			-2,875	230,000
12/01/2036		2,875			-2,875	230,000
06/01/2037		2,875			-2,875	230,000
12/01/2037		2,875			-2,875	230,000
06/01/2038		2,875			-2,875	230,000
12/01/2038		2,875			-2,875	230,000
06/01/2039		2,875			-2,875	230,000
12/01/2039		2,875			-2,875	230,000
06/01/2040		2,875			-2,875	230,000
12/01/2040		2,875			-2,875	230,000
06/01/2041		2,875			-2,875	230,000
12/01/2041		2,875			-2,875	230,000
06/01/2042		2,875			-2,875	230,000
12/01/2042		2,875			-2,875	230,000
06/01/2043		2,875			-2,875	230,000
12/01/2043		2,875			-2,875	230,000
06/01/2044		2,875			-2,875	230,000
12/01/2044		2,875			-2,875	230,000
06/01/2045		2,875			-2,875	230,000
12/01/2045		2,875	230,000		-232,875	
	230,000	172,500	230,000	-14,375	-388,125	

Average Life (years): 30 0000

SOURCES AND USES OF FUNDS

**STONEBRAKER METROPOLITAN DISTRICT
SERIES 2018 G.O. BONDS
Non-Rated Bonds, 30-yr maturity**

Dated Date 12/01/2018
Delivery Date 12/01/2018

Sources:

Bond Proceeds:	
Par Amount	2,400,000.00
	<hr/>
	2,400,000.00

Uses:

Project Fund Deposits:	
Project Fund	1,598,573.20
Other Fund Deposits:	
Capitalized Interest & Expenses Fund	465,426.80
Debt Service Reserve	240,000.00
	<hr/>
	705,426.80
Delivery Date Expenses:	
Costs of Issuance (est.)	96,000.00
	<hr/>
	2,400,000.00

BOND DEBT SERVICE
STONEBRAKER METROPOLITAN DISTRICT
SERIES 2018 G.O. BONDS
Non-Rated Bonds, 30-yr maturity

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2019			84,000	84,000	
12/01/2019			84,000	84,000	168,000
06/01/2020			84,000	84,000	
12/01/2020			84,000	84,000	168,000
06/01/2021			84,000	84,000	
12/01/2021			84,000	84,000	168,000
06/01/2022			84,000	84,000	
12/01/2022			84,000	84,000	168,000
06/01/2023			84,000	84,000	
12/01/2023			84,000	84,000	168,000
06/01/2024			84,000	84,000	
12/01/2024			84,000	84,000	168,000
06/01/2025			84,000	84,000	
12/01/2025			84,000	84,000	168,000
06/01/2026			84,000	84,000	
12/01/2026			84,000	84,000	168,000
06/01/2027			84,000	84,000	
12/01/2027			84,000	84,000	168,000
06/01/2028			84,000	84,000	
12/01/2028			84,000	84,000	168,000
06/01/2029			84,000	84,000	
12/01/2029			84,000	84,000	168,000
06/01/2030			84,000	84,000	
12/01/2030			84,000	84,000	168,000
06/01/2031			84,000	84,000	
12/01/2031			84,000	84,000	168,000
06/01/2032			84,000	84,000	
12/01/2032	5,000	7.000%	84,000	89,000	173,000
06/01/2033			83,825	83,825	
12/01/2033	5,000	7.000%	83,825	88,825	172,650
06/01/2034			83,650	83,650	
12/01/2034	5,000	7.000%	83,650	88,650	172,300
06/01/2035			83,475	83,475	
12/01/2035	10,000	7.000%	83,475	93,475	176,950
06/01/2036			83,125	83,125	
12/01/2036	10,000	7.000%	83,125	93,125	176,250
06/01/2037			82,775	82,775	
12/01/2037	10,000	7.000%	82,775	92,775	175,550
06/01/2038			82,425	82,425	
12/01/2038	20,000	7.000%	82,425	102,425	184,850
06/01/2039			81,725	81,725	
12/01/2039	20,000	7.000%	81,725	101,725	183,450
06/01/2040			81,025	81,025	
12/01/2040	25,000	7.000%	81,025	106,025	187,050
06/01/2041			80,150	80,150	
12/01/2041	20,000	7.000%	80,150	100,150	180,300
06/01/2042			79,450	79,450	
12/01/2042	25,000	7.000%	79,450	104,450	183,900
06/01/2043			78,575	78,575	
12/01/2043	35,000	7.000%	78,575	113,575	192,150
06/01/2044			77,350	77,350	
12/01/2044	40,000	7.000%	77,350	117,350	194,700
06/01/2045			75,950	75,950	
12/01/2045	35,000	7.000%	75,950	110,950	186,900
06/01/2046			74,725	74,725	
12/01/2046	585,000	7.000%	74,725	659,725	734,450
06/01/2047			54,250	54,250	
12/01/2047	625,000	7.000%	54,250	679,250	733,500
06/01/2048			32,375	32,375	
12/01/2048	925,000	7.000%	32,375	957,375	989,750
	2,400,000		4,781,700	7,181,700	7,181,700

NET DEBT SERVICE

**STONEBRAKER METROPOLITAN DISTRICT
SERIES 2018 G.O. BONDS
Non-Rated Bonds, 30-yr maturity**

Date	Principal	Interest	Total Debt Service	Debt Service Reserve	Capitalized Interest & Expenses Fund	Net Debt Service	Annual Net D/S
06/01/2019		84,000	84,000		84,000		
12/01/2019		84,000	84,000		84,000		
06/01/2020		84,000	84,000		84,000		
12/01/2020		84,000	84,000		84,000		
06/01/2021		84,000	84,000		84,000		
12/01/2021		84,000	84,000		84,000		
06/01/2022		84,000	84,000	3,000		81,000	
12/01/2022		84,000	84,000	3,000		81,000	162,000
06/01/2023		84,000	84,000	3,000		81,000	
12/01/2023		84,000	84,000	3,000		81,000	162,000
06/01/2024		84,000	84,000	3,000		81,000	
12/01/2024		84,000	84,000	3,000		81,000	162,000
06/01/2025		84,000	84,000	3,000		81,000	
12/01/2025		84,000	84,000	3,000		81,000	162,000
06/01/2026		84,000	84,000	3,000		81,000	
12/01/2026		84,000	84,000	3,000		81,000	162,000
06/01/2027		84,000	84,000	3,000		81,000	
12/01/2027		84,000	84,000	3,000		81,000	162,000
06/01/2028		84,000	84,000	3,000		81,000	
12/01/2028		84,000	84,000	3,000		81,000	162,000
06/01/2029		84,000	84,000	3,000		81,000	
12/01/2029		84,000	84,000	3,000		81,000	162,000
06/01/2030		84,000	84,000	3,000		81,000	
12/01/2030		84,000	84,000	3,000		81,000	162,000
06/01/2031		84,000	84,000	3,000		81,000	
12/01/2031		84,000	84,000	3,000		81,000	162,000
06/01/2032		84,000	84,000	3,000		81,000	
12/01/2032	5,000	84,000	89,000	3,000		86,000	167,000
06/01/2033		83,825	83,825	3,000		80,825	
12/01/2033	5,000	83,825	88,825	3,000		85,825	166,650
06/01/2034		83,650	83,650	3,000		80,650	
12/01/2034	5,000	83,650	88,650	3,000		85,650	166,300
06/01/2035		83,475	83,475	3,000		80,475	
12/01/2035	10,000	83,475	93,475	3,000		90,475	170,950
06/01/2036		83,125	83,125	3,000		80,125	
12/01/2036	10,000	83,125	93,125	3,000		90,125	170,250
06/01/2037		82,775	82,775	3,000		79,775	
12/01/2037	10,000	82,775	92,775	3,000		89,775	169,550
06/01/2038		82,425	82,425	3,000		79,425	
12/01/2038	20,000	82,425	102,425	3,000		99,425	178,850
06/01/2039		81,725	81,725	3,000		78,725	
12/01/2039	20,000	81,725	101,725	3,000		98,725	177,450
06/01/2040		81,025	81,025	3,000		78,025	
12/01/2040	25,000	81,025	106,025	3,000		103,025	181,050
06/01/2041		80,150	80,150	3,000		77,150	
12/01/2041	20,000	80,150	100,150	3,000		97,150	174,300
06/01/2042		79,450	79,450	3,000		76,450	
12/01/2042	25,000	79,450	104,450	3,000		101,450	177,900
06/01/2043		78,575	78,575	3,000		75,575	
12/01/2043	35,000	78,575	113,575	3,000		110,575	186,150
06/01/2044		77,350	77,350	3,000		74,350	
12/01/2044	40,000	77,350	117,350	3,000		114,350	188,700
06/01/2045		75,950	75,950	3,000		72,950	
12/01/2045	35,000	75,950	110,950	3,000		107,950	180,900
06/01/2046		74,725	74,725	3,000		71,725	
12/01/2046	585,000	74,725	659,725	3,000		656,725	728,450
06/01/2047		54,250	54,250	3,000		51,250	
12/01/2047	625,000	54,250	679,250	3,000		676,250	727,500
06/01/2048		32,375	32,375	3,000		29,375	
12/01/2048	925,000	32,375	957,375	243,000		714,375	743,750
	2,400,000	4,781,700	7,181,700	402,000	504,000	6,275,700	6,275,700

CAPITALIZED INTEREST FUND
STONEBRAKER METROPOLITAN DISTRICT
SERIES 2018 G.O. BONDS
Non-Rated Bonds, 30-yr maturity

Capitalized Interest & Expenses Fund

Date	Deposit	Interest @ 2.5%	Principal	Debt Service Reserve	Scheduled Draws	Balance
12/01/2018	465,426.80					465,426.80
06/01/2019		5,817.84	75,182.16	3,000	84,000	390,244.64
12/01/2019		4,878.06	76,121.94	3,000	84,000	314,122.70
06/01/2020		3,926.53	77,073.47	3,000	84,000	237,049.23
12/01/2020		2,963.12	78,036.88	3,000	84,000	159,012.35
06/01/2021		1,987.65	79,012.35	3,000	84,000	80,000.00
12/01/2021		1,000.00	80,000.00	3,000	84,000	
	465,426.80	20,573.20	465,426.80	18,000	504,000	

Average Life (years): 1.7681

DEBT SERVICE RESERVE FUND
STONEBRAKER METROPOLITAN DISTRICT
SERIES 2018 G.O. BONDS
Non-Rated Bonds, 30-yr maturity

Debt Service Reserve

Date	Deposit	Interest @ 2.5%	Principal	Capitalized Interest & Expenses Fund	Debt Service	Balance
12/01/2018	240,000					240,000
06/01/2019		3,000		-3,000		240,000
12/01/2019		3,000		-3,000		240,000
06/01/2020		3,000		-3,000		240,000
12/01/2020		3,000		-3,000		240,000
06/01/2021		3,000		-3,000		240,000
12/01/2021		3,000		-3,000		240,000
06/01/2022		3,000			-3,000	240,000
12/01/2022		3,000			-3,000	240,000
06/01/2023		3,000			-3,000	240,000
12/01/2023		3,000			-3,000	240,000
06/01/2024		3,000			-3,000	240,000
12/01/2024		3,000			-3,000	240,000
06/01/2025		3,000			-3,000	240,000
12/01/2025		3,000			-3,000	240,000
06/01/2026		3,000			-3,000	240,000
12/01/2026		3,000			-3,000	240,000
06/01/2027		3,000			-3,000	240,000
12/01/2027		3,000			-3,000	240,000
06/01/2028		3,000			-3,000	240,000
12/01/2028		3,000			-3,000	240,000
06/01/2029		3,000			-3,000	240,000
12/01/2029		3,000			-3,000	240,000
06/01/2030		3,000			-3,000	240,000
12/01/2030		3,000			-3,000	240,000
06/01/2031		3,000			-3,000	240,000
12/01/2031		3,000			-3,000	240,000
06/01/2032		3,000			-3,000	240,000
12/01/2032		3,000			-3,000	240,000
06/01/2033		3,000			-3,000	240,000
12/01/2033		3,000			-3,000	240,000
06/01/2034		3,000			-3,000	240,000
12/01/2034		3,000			-3,000	240,000
06/01/2035		3,000			-3,000	240,000
12/01/2035		3,000			-3,000	240,000
06/01/2036		3,000			-3,000	240,000
12/01/2036		3,000			-3,000	240,000
06/01/2037		3,000			-3,000	240,000
12/01/2037		3,000			-3,000	240,000
06/01/2038		3,000			-3,000	240,000
12/01/2038		3,000			-3,000	240,000
06/01/2039		3,000			-3,000	240,000
12/01/2039		3,000			-3,000	240,000
06/01/2040		3,000			-3,000	240,000
12/01/2040		3,000			-3,000	240,000
06/01/2041		3,000			-3,000	240,000
12/01/2041		3,000			-3,000	240,000
06/01/2042		3,000			-3,000	240,000
12/01/2042		3,000			-3,000	240,000
06/01/2043		3,000			-3,000	240,000
12/01/2043		3,000			-3,000	240,000
06/01/2044		3,000			-3,000	240,000
12/01/2044		3,000			-3,000	240,000
06/01/2045		3,000			-3,000	240,000
12/01/2045		3,000			-3,000	240,000
06/01/2046		3,000			-3,000	240,000
12/01/2046		3,000			-3,000	240,000
06/01/2047		3,000			-3,000	240,000
12/01/2047		3,000			-3,000	240,000
06/01/2048		3,000			-3,000	240,000
12/01/2048		3,000	240,000		-243,000	
	240,000	180,000	240,000	-18,000	-402,000	

Average Life (years): 30.0000

Exhibit H
Underwriter's Letter



D.A. Davidson & Co.

member SIPC

September 8, 2008

City of Dacono, Colorado
512 Cherry Street
Dacono, CO 80514

RE: *Proposed Stonebraker Metropolitan District*

To Whom It May Concern:

As part of the service plan approval process, you have asked about the relationship between the investment bankers and the proposed Stonebraker Metropolitan District. We have been engaged by the petitioners of the proposed Metropolitan District. We have the intention of serving as underwriters for the District's voter authorized debt once sufficient credit support can be identified based on assessed value or guarantees provided by the landowners. The structure represented in the financial plan involves non-rated bonds issued to a third party, which we believe will be marketable based on the growth assumptions also included in this plan. In this model, the debt would be sold to institutional investors and secured by an escrow of bond proceeds, which would be released pro-rata upon receipt of building permits.

You also requested an explanation of the level of credit risk associated with the type of financing we are considering for this District. As with most start-up special districts, this District expects to market bonds to third parties to raise capital for infrastructure before the entire project is completed. The level of risk taken by a bondholder and the interest rate required for the financing decrease as development occurs. Our recent special district underwritings vary from bonds sold at 8% with land in the District sold to builders and no homes constructed to refunding bonds issued with most of the homes built at interest rates of 5% with "AAA" rated insurance. In the case of "AAA" rated, insured bonds, the underlying Districts generally have debt/AV ratios of 50% or less. The information relating to debt service projections contained in the Financial Plan (including interest rate assumptions) is reasonable based on current market conditions and related calculations presented in our Financial Plan as part of Exhibit G to the Service Plan are mathematically correct.

Because the financing in these districts is intended to pay for public infrastructure, we issue bonds as close to the time the infrastructure is needed as possible. During the period of time when homes are being constructed but not yet on the tax rolls, the District is projected to meet its debt service obligation with capitalized interest and facility fees. While this does increase the bondholders' risk, the bondholders understand that risk and are compensated with a higher

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www.dadavidson.com

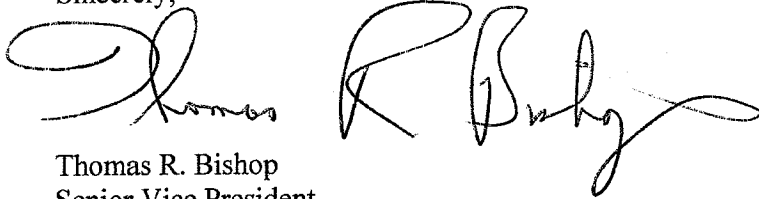
D.A. Davidson & Co.
Member SIPC

interest rate on the bonds. With regard to the City's risk, we know of no example where a City was implicated in a special district default and see no legal argument for such implication.

In the process of underwriting bonds for a non-rated residential metropolitan district, one key criterion is the level of homebuilder activity. Methods of evaluating such activity include contracts for sale of land in the District to builders, closing of land in the District to builders, model home construction and home sales activity, building permits and certificates of occupancy. This financial plan includes an escrow mechanism with release of bond proceeds based on building permits in the District.

We hope this letter helps to clarify the financing model represented in the financial plan and the current market for special district bonds. Please call if you have any questions or require further clarification.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas R. Bishop". The signature is fluid and cursive, with a large initial "T" and a long, sweeping underline.

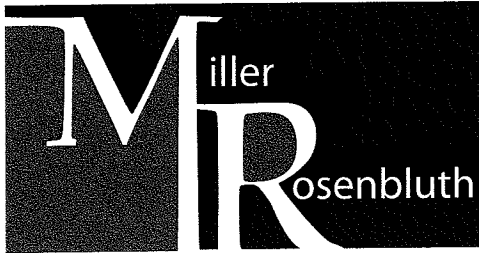
Thomas R. Bishop
Senior Vice President



D.A. Davidson & Co.

member SIFC

Exhibit I
District Counsel Letter



September 8, 2008

City of Dacono
Post Office Box 186
Dacono, Colorado 80514

RE: Organization of Stonebraker Metropolitan District

This firm has acted as counsel to the Petitioners, Forestar (USA) Real Estate Group, Inc., in connection with the organization of the Stonebraker Metropolitan District (the "District"). Pursuant to the requirements of V.m. of the Service Plan for the District, as approved by the City on September 8, 2008 (the "Service Plan"), this letter confirms that the Service Plan and the petition, notice, hearing and other procedures in connection with the approval of the Service Plan, have met the requirements of the Special District Act, §§ 32-1-101, *et seq.*, C.R.S., and that the provisions of the Service Plan, including, without limitation, provisions as to the structure and terms of the District's financial obligations, mill levies, fees and other revenue sources, as well as the form of the Intergovernmental Agreement to be entered into between the City and the District (**Exhibit M** to the Service Plan), are consistent with applicable provisions of titles 11 and 32, C.R.S., and other applicable law.

Please be advised, however, that this firm has not been engaged as bond counsel to the District, nor will this firm serve as bond counsel at any time for the District. This letter does not purport to offer any opinion of the type customarily required to be given by bond counsel with regard to any bond transaction of the District.

This letter is limited to the use of the addressee as set forth above, and may not be relied upon by other parties or in connection with any future sale, resale or transfer of bonds and may be relied upon only as stated herein. This letter may not be used, quoted or referred to, in whole or in part, for any other purpose without the prior, written consent of the firm

Very truly yours,

MILLER ROSENBLUTH, LLC

A handwritten signature in black ink that reads "Miller Rosenbluth, LLC".

Exhibit J-1
Stonebraker, LLC Indemnity Letter

September 8, 2008

City of Dacono
Post Office Box 186
Dacono, Colorado 80514

RE: Stonebraker Metropolitan District

Ladies and Gentlemen:

This Indemnity Letter (the "Indemnity Letter") is delivered by the undersigned Forestar (USA) Real Estate Group, Inc., a Delaware corporation ("Developer") in order to induce the City of Dacono (the "City") to approve the Service Plan, dated September 8, 2008, including all amendments heretofore or hereafter made thereto (the "Service Plan") for the Stonebraker Metropolitan District (the "District"). In consideration of the City's approval of the Service Plan, Developer, for and on behalf of itself and its transferees, successors and assigns, and controlled affiliates, represents, warrants, covenants and agrees to and for the benefit of the City as follows:

1. Developer hereby waives and releases any present or future claims it might have against the City or the City's elected or appointed officers, employees, agents or contractors in any manner related to or connected with the Service Plan or any action or omission with respect thereto. Developer further hereby agrees to indemnify and hold harmless the City and the City's elected and appointed officers, employees, agents and contractors, from and against any and all liabilities resulting from any and all claims, demands, suits, actions or other proceedings of whatsoever kind or nature made or brought by any third party, including attorneys' fees and expenses and court costs, which directly or indirectly or purportedly arise, or are alleged to arise, out of or are in any manner related to or connected with any of the following: (a) the Service Plan or any document or instrument contained or referred to therein; or (b) the formation of the District or any actions or omissions of Developer, the District, the City or any other person or entity in connection with the District, including, without limitation, any bonds or other financial obligations of the District or any offering documents or other disclosures made in connection therewith. Developer further agrees to investigate, handle, respond to and to provide defense for and defend against, or at the City's option to pay the attorneys' fees and expenses for counsel of the City's choice for, any such liabilities, claims, demands, suits, actions or other proceedings. It is understood and agreed that the City does not waive or intend to waive the monetary limits (presently \$150,000 per person and \$600,000 per occurrence) or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., as from time to time amended, or otherwise available to the City, its officers or its employees.

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

3. Developer hereby represents and warrants to the City that it will be an accredited investor if and when it acquires any construction financing notes, and that Developer and its controlled affiliates will be accredited investors if and when they acquire any Developer Bonds (all as defined and as further provided in the Service Plan).

4. Developer believes and represents that the assumptions, projections and forecasts contained in the District's financial plan (Article V and **Exhibit G** of the Service Plan) are reasonable.

5. It is understood and agreed, and Developer hereby expressly acknowledges, that the City, in acting to approve the Service Plan, has relied upon the provisions of this Indemnity Letter.

6. This Indemnity Letter has been duly authorized and executed on behalf of Developer and Developer hereby represents and warrants to the City that it has taken and will take any and all action necessary or appropriate to make this Indemnity Letter binding on any present or future transferees, successors and assigns, and controlled affiliates.

Very truly yours,

Forestar (USA) Real Estate Group, Inc., a Delaware corporation

A handwritten signature in black ink, appearing to read "John K. Pierret", written over a horizontal line.

John K. Pierret, its Executive Vice President

Exhibit J-2
Stonebraker Metropolitan District Indemnity Letter

September 8, 2008

City of Dacono
Post Office Box 186
Dacono, Colorado 80514

RE: Stonebraker Metropolitan District

Ladies and Gentlemen:

This Indemnity Letter (the "Indemnity Letter") is delivered by the undersigned Forestar (USA) Real Estate Group, Inc., a Delaware corporation ("Developer") in order to induce the City of Dacono (the "City") to approve the Service Plan, dated September 8, 2008, including all amendments heretofore or hereafter made thereto (the "Service Plan") for the Stonebraker Metropolitan District (the "District"). In consideration of the City's approval of the Service Plan, Developer, for and on behalf of itself and its transferees, successors and assigns, and controlled affiliates, represents, warrants, covenants and agrees to and for the benefit of the City as follows:

1. Developer hereby waives and releases any present or future claims it might have against the City or the City's elected or appointed officers, employees, agents or contractors in any manner related to or connected with the Service Plan or any action or omission with respect thereto. Developer further hereby agrees to indemnify and hold harmless the City and the City's elected and appointed officers, employees, agents and contractors, from and against any and all liabilities resulting from any and all claims, demands, suits, actions or other proceedings of whatsoever kind or nature made or brought by any third party, including attorneys' fees and expenses and court costs, which directly or indirectly or purportedly arise, or are alleged to arise, out of or are in any manner related to or connected with any of the following: (a) the Service Plan or any document or instrument contained or referred to therein; or (b) the formation of the District or any actions or omissions of Developer, the District, the City or any other person or entity in connection with the District, including, without limitation, any bonds or other financial obligations of the District or any offering documents or other disclosures made in connection therewith. Developer further agrees to investigate, handle, respond to and to provide defense for and defend against, or at the City's option to pay the attorneys' fees and expenses for counsel of the City's choice for, any such liabilities, claims, demands, suits, actions or other proceedings. It is understood and agreed that the City does not waive or intend to waive the monetary limits (presently \$150,000 per person and \$600,000 per occurrence) or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., as from time to time amended, or otherwise available to the City, its officers or its employees.

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

3. Developer hereby represents and warrants to the City that it will be an accredited investor if and when it acquires any construction financing notes, and that Developer and its controlled affiliates will be accredited investors if and when they acquire any Developer Bonds (all as defined and as further provided in the Service Plan).

4. Developer believes and represents that the assumptions, projections and forecasts contained in the District's financial plan (Article V and **Exhibit G** of the Service Plan) are reasonable.

5. It is understood and agreed, and Developer hereby expressly acknowledges, that the City, in acting to approve the Service Plan, has relied upon the provisions of this Indemnity Letter.

6. This Indemnity Letter has been duly authorized and executed on behalf of Developer and Developer hereby represents and warrants to the City that it has taken and will take any and all action necessary or appropriate to make this Indemnity Letter binding on any present or future transferees, successors and assigns, and controlled affiliates.

Very truly yours,

Forestar (USA) Real Estate Group, Inc., a
Delaware corporation

_____, its _____

_____, 2008
(Date of Organizational Meeting)

City of Dacono
Post Office Box 186
Dacono, Colorado 80514

RE: Stonebraker Metropolitan District

Ladies and Gentlemen:

This Indemnity Letter (the "Indemnity Letter") is delivered by the Stonebraker Metropolitan District (the "District") in order to comply with the Service Plan dated September 8, 2008, including all amendments heretofore or hereafter made thereto (the "Service Plan") for the District. In consideration of the City's approval of the Service Plan, the District, for and on behalf of itself and its transferees, successors and assigns, represents, warrants, covenants and agrees to and for the benefit of the City as follows:

1. The District hereby waives and releases any present or future claims it might have against the City or the City's elected or appointed officers, employees, agents or contractors in any manner related to or connected with the Service Plan or any action or omission with respect thereto. To the fullest extent permitted by law, the District hereby agrees to indemnify and hold harmless the City and the City's elected and appointed officers, employees, agents and contractors, from and against any and all liabilities resulting from any and all claims, demands, suits, actions or other proceedings of whatsoever kind or nature made or brought by any third party, including attorneys' fees and expenses and court costs, which directly or indirectly or purportedly arise, or are alleged to arise, out of or are in any manner related to or connected with any of the following: (a) the Service Plan or any document or instrument contained or referred to therein; or (b) the formation of the District or any actions or omissions of the District, the City, Forestar (USA) Real Estate Group, Inc., a Delaware corporation ("Developer"), or any other person or entity in connection with the District, including, without limitation, any bonds or other financial obligations of the District or any offering documents or other disclosures made in connection therewith. The District further agrees to investigate, handle, respond to and to provide defense for and defend against, or at the City's option to pay the attorneys' fees and expenses for counsel of the City's choice for, any such liabilities, claims, demands, suits, actions or other proceedings. It is understood and agreed that neither the District nor the City waives or intends to waive the monetary limits (presently \$150,000 per person and \$600,000 per occurrence) or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., as from time to time amended, or otherwise available to the City, the District, or their officers or employees.

2. The District hereby consents to the City Disclaimer Statement contained in Exhibit L to the Service Plan; agrees that the District will include such City Disclaimer Statement or any modified or substitute City Disclaimer Statement hereafter furnished by the City to the District in all offering materials used in connection with any bonds or other financial

obligations of the District (or, if no offering materials are used, the City Disclaimer Statement will be given by the District to any prospective purchaser, investor or lender in connection with any bonds or other financial obligations of the District); and waives and releases the City from any claims the District might have based on or relating to the use of or any statements made or to be made in such City Disclaimer Statement (including any modifications thereto).

3. It is understood and agreed, and the District hereby expressly acknowledges, that the City, in acting to approve the Service Plan, has relied upon the provisions of this Indemnity Letter.

4. This Indemnity Letter has been duly authorized and executed on behalf of the District.

Very truly yours,

STONEBRAKER METROPOLITAN DISTRICT

President

Exhibit K
Form of District Disclosure Statement

STONEBRAKER METROPOLITAN DISTRICT
WELD COUNTY, COLORADO

DISCLOSURE STATEMENT
Pursuant to Article XII of the Service Plan
of Stonebraker Metropolitan District

DISTRICT ORGANIZATION:

The Stonebraker Metropolitan District (the “District”), Weld County, Colorado is a quasi-municipal corporation and political subdivision of the State of Colorado duly organized and existing as a metropolitan district pursuant to Title 32, Colorado Revised Statutes. The District was declared organized and an existing metropolitan district on _____, 2008, pursuant to an Order and Decree Organizing District and Issuance of Certificates of Election for the Stonebraker Metropolitan District, issued in the District Court of Weld County, Colorado. The Order and Decree was recorded in the records of the Weld County Clerk and Recorder on _____, 200_ at Reception # _____.

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

DISTRICT PURPOSE:

The District was organized as a “financing only” district for the purpose of financing streets, street lighting, traffic and safety controls, water, landscaping, storm sewers and flood and surface drainage and park and recreation improvements, all in accordance with its Service Plan approved by the City Council of Dacono. When completed, improvements shall be dedicated to the City of Dacono or other governmental entities, all for the use and benefit of residents and taxpayers; tract landscaping improvements may be retained by the District and may be operated and maintained by contract with a homeowners’ association formed for the Stonebraker development. The District’s Service Plan is on file and available for review at the office of the District’s general counsel, Miller Rosenbluth, LLC, 700 17th Street, Suite 2200, Denver, Colorado 80202.

TAX LEVY INFORMATION:

The primary source of revenue for the District is *ad valorem* property taxes. The property tax rate is determined annually by the District’s Board of Directors, based upon the assessed valuation of the property within the District, and property taxes at the rate so determined are levied by the Board of County Commissioners for Weld County. The property tax levy is expressed in terms of mills. A mill is 1/1,000 of the assessed valuation, and a levy of one mill equals \$1 of tax for each \$1,000 of assessed value. The financial forecast for the District (as set forth in its Service Plan) assumes that the District will be able to set its tax levy at approximately 40 mills (or less) for 2009 through 2048 for debt service and administration purposes. Except for

certain adjustments permitted by the Service Plan to compensate for legally required changes to residential valuation ratios, the District shall not impose a mill levy in excess of 50 mills. District taxes are collected as part of the property tax bill from Weld County.

**STONEBRAKER METROPOLITAN
DISTRICT**

President

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____
200_, by _____ as President of the Stonebraker Metropolitan District.

WITNESS my hand and official seal.

[SEAL]

Notary Public

My commission expires: _____.

EXHIBIT A

(Legal Description of District)

Exhibit L
Form of City Disclaimer Statement

CITY OF DACONO, COLORADO – DISCLAIMER STATEMENT

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

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

The City and the District are separate legal entities. The City is not a party to and is not obligated with respect to any borrowings, financings, bonds or other financial obligations of the District. As a statutory requirement for the formation of the District, the City approved a Service Plan containing financial and other information furnished by the District’s organizers. The City’s approval of the Service Plan was based upon such information furnished by the District’s organizers, without independent investigation by the City. The District’s Service Plan was prepared in 2008 and not in connection with the offering of any bonds or other financial obligations. The City’s approval of the District’s Service Plan should not be relied upon by prospective purchasers, bondholders, investors or lenders in evaluating the investment quality of the District’s bonds or other financial obligations. The Service Plan and related agreements do not impose upon the City any duties to, nor confer any rights against the City upon, any purchasers, investors, lenders, bondholders or other third parties. By purchasing or otherwise accepting any bond or other financial obligation of the District, the owner or holder thereof waives and releases any then existing or future claim against the City or the City’s elected or appointed officers, employees, agents or contractors in any manner related to or connected with the District or its Service Plan or any action or omission with respect thereto.

Exhibit M
Intergovernmental Agreement

INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE CITY OF DACONO, COLORADO
AND
STONEBRAKER METROPOLITAN DISTRICT

THIS AGREEMENT (the "Agreement") is made and entered into as of this ___ day of _____ 200_, by and between the CITY OF DACONO, a home-rule municipal corporation of the State of Colorado (the "City"), and the STONEBRAKER METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District").

RECITALS

WHEREAS, the District was organized to provide those public improvements and to exercise such powers as are more specifically set forth in the District's Service Plan dated September 8, 2008, and approved by the City on September 8, 2008, by Resolution No. 08-___ (including all exhibits thereto, the "Service Plan"); and

WHEREAS, the Service Plan makes reference to and requires the execution of an intergovernmental agreement between the City and the District; and

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

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

COVENANTS AND AGREEMENTS

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

2. NATURE OF DISTRICT. The District agrees that it is organized for the purpose of financing certain public improvements for the area within its boundaries only, which area is designated as the proposed Stonebraker development, and that the District's purposes, powers, facilities and activities are to be limited and governed by the Service Plan. The District shall fully comply with all provisions, requirements, restrictions and limitations of the Service Plan. The District is not intended to and shall not provide facilities or service outside its boundaries (except to the extent specifically permitted in the Service Plan). Further, the District is not intended to and shall not exist perpetually, but instead shall be dissolved in accordance with the Service Plan and this Agreement. The property within the District will receive water service from the City through the City's arrangements with the Central Weld County Water District. The property within the District will receive sanitary sewer service

from the St. Vrain Sanitation District. The District shall not provide any services or facilities within any area of the District overlapping with the service area of another district without first obtaining the written consent of each and every district whose service area is so overlapped.

3. CHANGE IN BOUNDARIES. The District agrees that, as set forth in the Service Plan, inclusion of properties within, or any exclusion of properties from, its boundaries shall constitute a material modification of the Service Plan; any purported inclusion or exclusion that has not been approved by the City pursuant to the procedures applicable to a material modification of the Service Plan shall be void and of no effect.

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

5. OWNERSHIP OF IMPROVEMENTS; LIMITED FUNCTIONS. The parties agree that the District shall serve as a "financing only" district and shall not be permitted to undertake ownership, operation or maintenance of public facilities and services, except as specifically set forth in the Service Plan. All functions, activities, improvements, services and programs of the District are limited to those expressly authorized in the Service Plan, notwithstanding any different, additional or expanded power or authority that may be granted to the District by any present or future statutory or regulatory provisions.

6. CONSOLIDATION. The District shall not file a request with the district court to consolidate with another district without the prior written approval of the City.

7. DISSOLUTION. The District agrees that it shall take all action necessary to dissolve the District upon the request of the City, at the times and upon the events provided in the Service Plan.

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

9. ANNUAL REPORT; OTHER INFORMATION. The District shall be responsible for submitting to the City an annual report pursuant to and as set forth in Article VII of the Service Plan.

10. ENTIRE AGREEMENT OF THE PARTIES. This written Agreement, together with the Service Plan, constitutes the entire agreement between the parties and supersedes all prior written or oral agreements, negotiations or representations and understandings of the parties with respect to the subject matter contained herein.

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

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

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

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

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

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

17. SUCCESSORS AND ASSIGNS. Subject to Section 16 hereof, this Agreement and the rights and obligations created hereby shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

[Remainder of page intentionally left blank].

STONEBRAKER METROPOLITAN DISTRICT

President

ATTEST:

Secretary

CITY OF DACONO

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

Exhibit N
Resolution of Approval

CITY OF DACONO, COUNTY OF WELD, STATE OF COLORADO

IN RE THE ORGANIZATION OF THE STONEBRAKER METROPOLITAN DISTRICT, IN
THE CITY OF DACONO, COUNTY OF WELD, STATE OF COLORADO

RESOLUTION NO. 08-70

R E S O L U T I O N O F A P P R O V A L

WHEREAS, pursuant to the provisions of Title 32, Article 1, Part 2, C.R.S. as amended, the City Council of the City of Dacono, County of Weld, State of Colorado, following due notice, held a public hearing on the Service Plan (together with all Exhibits thereto, the "Service Plan") of the proposed Stonebraker Metropolitan District on the 8th day of September 2008; and

WHEREAS, the City Council has considered the Service Plan and all other testimony and evidence presented at the hearing; and

WHEREAS, based upon the testimony and evidence presented at the hearing, it appears that the Service Plan should be approved by the City Council, subject to certain conditions set forth below, in accordance with C.R.S. § 32-1-204.5(1)(c).

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DACONO, COLORADO:

Section 1. That the City Council, as the governing body of the City of Dacono, Colorado, does hereby determine, based on representations by and on behalf of Forestar (USA) Real Estate Group, Inc., a Delaware corporation (the "Developer"), that all of the requirements of Title 32, Article 1, Part 2, C.R.S., as amended, relating to the filing of a Service Plan for the proposed Stonebraker Metropolitan District have been fulfilled and that notice of the hearing was given in the time and manner required by law.

Section 2. That, based on representations by and on behalf of the Developer, the City Council of the City of Dacono, Colorado, has jurisdiction over the subject matter of this proposed special district pursuant to Title 32, Article 1, part 2, C.R.S., as amended.

Section 3. That, pursuant to C.R.S. §§ 32-1-204.5, 32-1-202(2) and 32-1-203(2), the City Council of the City of Dacono, Colorado, does hereby find and determine, based on the Service Plan and other evidence presented by and on behalf of the Developer, that the Developer has submitted evidence satisfactory to the City Council of each of the following:

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

- (b) The existing service in the area to be served by the proposed District is inadequate for present and projected needs;
- (c) The proposed special district is capable of providing economical and sufficient service to the area within its proposed boundaries;
- (d) 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) The creation of the proposed District will be in the best interests of the area proposed to be served.

Section 4. That pursuant to C.R.S. § 32-1-204.5(1)(c), the City Council hereby imposes the following conditions upon its approval of the Service Plan:

- (a) The Developer agrees that the City Attorney will be given reasonable notice of all proceedings in the District Court of Weld County relating to the organization of the District (including notice as described in C.R.S. § 32-1-304).
- (b) The Developer agrees that, prior to the hearing date set by the District Court of Weld County pursuant to C.R.S. § 32-1-304, all fees and expenses that have then been submitted to the Developer for payment by or on behalf of the City or its attorneys or financial or other advisors shall be paid in full, and the Developer shall also promptly pay all such fees and expenses submitted thereafter.
- (c) Prior to the hearing date set by the District Court of Weld County pursuant to C.R.S. § 32-1-304, the District shall fully comply with the provisions of C.R.S. § 32-1-107(3) with respect to the overlapping of service areas. The District's authorization to provide services or facilities within any overlapping area is expressly conditioned upon the District first obtaining the written consent of each and every district whose service area is so overlapped.
- (d) Prior to the Mayor's execution of this Resolution, there shall be provided to the City an executed, conformed copy of the Service Plan reflecting all changes required by Exhibit B hereto, including, without limitation fully and properly executed and updated originals of the accountant's letter and market projection consultant's analysis, as required under the Service Plan and set forth in Exhibit G thereto.
- (e) At its organizational meeting, the District shall execute the District indemnity letter and intergovernmental agreement with the City that are

required under the Service Plan and set forth in Part II of Exhibit J and Exhibit M thereto, and shall provide the fully executed originals of such documents to the City.

If any of the above-stated conditions (a) through (d) are not met, the City may file a motion with the District Court of Weld County requesting that the hearing on the organization of the District be delayed until such conditions are met, and Developer has represented that it will not oppose such motion. Further, if any of the above-stated conditions (a) through (e) are not met, the City may pursue all legal and equitable remedies available to it for failure of compliance with such conditions of approval.

Section 5. That the Service Plan of the proposed Stonebraker Metropolitan District, as set forth in Exhibit A to this Resolution and dated September 8, 2008, is hereby approved subject to the conditions stated in Section 4, above (including, without limitation, compliance with the requirements set forth in Exhibit B hereto), in accordance with C.R.S. § 32-1-204.5(1)(c).

Section 6. That a certified copy of this Resolution be filed in the records of the City of Dacono and submitted to the Developer for the purpose of filing in the District Court of Weld County for further proceedings concerning the District.

Section 7. That, following formation of the District and upon the District filing with the City an executed Intergovernmental Agreement (“IGA”) in substantially the form as set forth in Exhibit M of the Service Plan, the Mayor is hereby authorized to execute the IGA on behalf of the City; provided, however, the Mayor is further authorized to negotiate such revisions to the IGA as the Mayor determines are necessary or desirable for the protection of the City, so long as the essential terms and conditions of the IGA are not altered.

RESOLVED, ADOPTED AND APPROVED this 8th day of September, 2008.

CITY COUNCIL,
CITY OF DACONO, COLORADO

(S E A L)

ATTEST:

Wade Carlson, Mayor

Valerie Elliott-Lucero, City Clerk

C E R T I F I C A T E

I, Valerie Elliott-Lucero, do hereby certify that the above and foregoing is a true, correct and complete copy of a resolution adopted by the City Council of the City of Dacono, Colorado, at a public meeting held on the 8th day of September, 2008.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the City of Dacono, Colorado, this ____ day of _____ 2008.

(S E A L)

Valerie Elliott-Lucero, City Clerk

EXHIBIT A
(insert Service Plan)

EXHIBIT B

Revisions to Service Plan for the Stonebraker Metropolitan District – changes based on submittal received September 5, 2008 (Dacono City Council Meeting, September 8, 2008)

1. In the final bound copies of the Service Plan to be provided the City, ensure that all exhibits are placed behind the appropriate exhibit tab and in the correct order.
2. Revise the Table of Exhibits as follows:
 - a. change “Financing Plan” to “Financial Plan” and relocate phrase to appear immediately after “Exhibit G” rather than on a separate line
 - b. delete “Cover Letter” and “Letter of Intent” under Exhibit H
 - c. revise the title of Exhibit L to read “Form of City Disclaimer Statement”
3. Page 6, lines 2 and 3 of Section IV.a, revise to read as follows: “. . . water, landscaping, ~~and storm sewers~~, park and recreation, storm sewers and flood and surface drainage improvements. . . .”
4. Page 16, line 5, insert dollar sign symbol between “approximately” and “8,100,000.”
5. Revise Exhibit G, Accountant’s letter (Community Resource Services), as follows:
 - a. revise “calculating” to read “calculated” in line 3 of the first paragraph
 - b. revise “Debt Service” to read “Development” in the first three headings
 - c. under “Development Projections,” delete “Collected” in the first bullet
 - d. under “Development Projections,” bullet 10, revise “\$500,000” to read “\$810,000 Target”
 - e. revise first bullet under “Operations Revenue and Expense Projection” to read “Total Assessed Value”
 - f. delete “revised 7/30/08” from the paragraph heading for “Development Projection – Buildout”
6. Revise Exhibit G, Market Projection Consultant’s Analysis letter (Kirschner Partners), as follows:
 - a. revise the second sentence of the letter text to read “I have reviewed the development projections in the September 8, 2008 Service Plan for the proposed Stonebraker Metropolitan District and made an estimate. . . .”
 - b. revise the second paragraph to read “I have projected the rate of absorption for the subject’s proposed 577 single-family lots units and 100 multi-family units to be in the area of 100 to 110 lots units annually for the first two years (first units projected to be constructed in 2011). This number should increase in subsequent years by 25 to 35 lots units as the property matures and the demand decreases.”

7. Revise the Exhibit J cover page to denote the Stonebraker, LLC Indemnity Letter as “Exhibit J-I” and the Stonebraker Metropolitan District Indemnity Letter as “Exhibit J-II.”