

Proposed Service Plan for Takoda Metropolitan District

Takoda

Louisville, Colorado



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RMCS, LLC

August 26, 2008

Malcolm Flemming, City Manager
City of Louisville
749 Main St.
Louisville, CO

Re: Proposed Takoda Metropolitan District in the City of Louisville

Dear Malcolm,

We would like to take this opportunity to thank the City for its support and approval of the Takoda Development.

Due to an unprecedented nationwide constriction of credit, RMCS has recently found that banks have virtually withdrawn from lending for land acquisition and public infrastructure construction for residential/commercial development projects. The nationwide problem with home prices, which is the source of the banking crisis, is not evidenced in the Louisville market; unfortunately the freeze on credit seems to be a blanket policy that does not spare good projects in healthy markets, and there is no indication how long this policy will last.

Though RMCS is well capitalized and we have a quality homebuilder who is ready to purchase and build on over 100 of the Takoda lots, neither we nor the potential homebuilder can secure the financing for the Public Improvements (streets, parks, trails, trunk utilities) from our traditional bank lenders. The only remaining option for private financing for the public improvements is to look for non-bank equity lenders, who now demand interest rates of over 20% and equity stakes in the development. Such crushing interest costs and the dilution of control will seriously impact the quality of the Takoda Development. Either these costs will force home prices to rise, or the amenities and special features of the development will have to be cut, or both.

An even worse, but increasingly likely scenario is that the non-bank loan terms will make the Takoda development as planned and approved no longer practical. This would mean the development would unwind back to the original separate land parcels, and new PUDs would have to be brought forward by the different land owners at some future time. Years of work would be wasted, our company would have to close our business in Louisville, and the City would have to start the process over again.

RMCS's financial advisor, Alan Matlosz of George K. Baum Company, has advised that a Takoda Metropolitan (Metro) District could provide much of the funding for the construction of Public Improvements at Takoda, but that the organization of a district and a TABOR election are required before special district financing would be possible. The organization of a district requires the approval of City Council, and by this letter and the attached Service Plan, RMCS is

RMCS, LLC

asking for Council approval of a resolution approving the Service Plan on or before September 16. This relatively rapid approval is needed for the district to hold a November 4 election to

approve organization of the District and the TABOR ballot issues required for financing. Missing the November 4 date would require a delay of an entire year, because November 3, 2009 would be the next possible date for a TABOR election to authorize bonds.

Metro districts are an established tool used to help constrain the costs associated with constructing streets, parks and utilities in new developments, and we ask that the City allow us to use this tool to ensure that the unique qualities of the Takoda development become a reality. There are over a thousand metro districts located in cities and counties across Colorado. RMCS has made metro district presentations to City Council and the Business Retention and Development Committee previously this year. During those meetings we listened to members concerns, and we have tried to shape our Service Plan to answer the issues raised.

The Service Plan is intended to limit this District's powers to the furnishing of Public Improvements for streets and traffic safety, water, sewer and drainage, and parks and recreation. Other than the bare minimum needed to administer the District and provide the improvements, the District would have no ongoing maintenance powers – the idea is to have the District build the public improvements, dedicate them, pay for them, and go away. The District can only spend funds on Public Improvements that will be dedicated to the City.

The District will have limited financial powers. The maximum mill levy for debt and operations combined is 45 mills, however we project that only 35 mills will ultimately be required. This lower mill levy will be possible because our proposal includes a very high up-front development fee to be paid by the developer as each residential unit is constructed and sold.

We look forward to presenting the Takoda Metropolitan District proposal to City Council. As always, RMCS appreciates the opportunity to work with staff and City Council to ensure that the Takoda Development becomes an outstanding addition to the City in which we can all take pride.

Very truly yours,

RMCS, LLC



Richard Brew



Justin McClure

SERVICE PLAN
FOR
TAKODA METROPOLITAN DISTRICT

City of Louisville, Colorado

Prepared for RMCS, LLC
726 Front Street #B
Louisville, CO 80027

Submitted
August 11, 2008
Revised
September 9, 2008

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I. INTRODUCTION

A. Overview and Need for the District

This Service Plan ("Service Plan"), submitted in accordance with Part 2 of the Special District Act (' 32-1-201, *et seq.*, C.R.S.), sets forth a proposal for the formation of Takoda Metropolitan District (the "District") which is intended to serve that area which is coextensive with the Takoda planned unit development (the "Development"). The Development is located entirely within the boundaries of the City of Louisville, Colorado (the "City") and will be developed by RMCS, LLC, a Colorado limited liability company, or its successors and/or assigns (the "Land Owner"), pursuant to such land and special use submittals approved by the City. The District has no power over land use approvals.

The Development is planned for residential, commercial / office, and retail uses and is located south of Paschal Drive, north of Christopher Village, west of Highway 42, and east of the Burlington Northern Santa Fe rail line.

The primary objective of the District is to furnish public improvements consisting of the spine infrastructure. Formation of the District is necessary in order for the public improvements required for the Development to be provided in the most economic manner possible. The District will be formed to assist in the funding, construction and acquisition of such public improvements within and near the boundaries of the District, limited to public improvements authorized under the City-Approved Plans within the categories of street improvements, park and recreation related improvements, and certain water, sanitary sewer and drainage improvements (collectively, such improvements shall be referred to herein as the "Public Improvements").

The District will authorize bonded and other indebtedness that will finance a portion of the Public Improvements. (See the discussion below in Section VI, Financial Plan, concerning the District's limited debt issuance ability.)

Although the District provides a tool for financing Public Improvements needed for the Development, approval of the District does not relieve the Land Owner, developer or subdivider (and their successors and assigns) of their obligations to the City to complete the Public Improvements that are required by the City.

The District is a quasi-municipal corporation, separate from the City of Louisville. It is the intent of both the District and the City that the District's primary purpose is to finance the construction of the Public Improvements. The City provides services and the District will not provide ongoing services. It is the express intent of the District and the City to avoid fragmentation in governance, avoid duplication, and to establish clear lines of communication and responsibility to promote open and accountable government.

B. Configuration and Boundaries

Initial and Future Boundaries and Service Area

Initially the boundaries of the District will cover a 10.75 acre area as shown in Exhibit A-1, which is the land owned by RMCS, LLC as of the date that the petition for organization of the District will be filed with the Boulder County District Court (anticipated to be on or before September 18). By the date of the organizational election on November 4, RMCS, LLC or its affiliates are expected to have exercised options to purchase an additional 51.60 acres as shown on Exhibit A-2, and shortly after the District records the Court Order organizing the District, these additional 51.60 acres would be included into the District, for a total District area of approximately 62.35 acres.

The District shall not impose any taxes or incur debt or any financial obligation whatsoever prior to the inclusion of the property shown in Exhibit A-2 into the District boundaries. It shall be a material modification of this Service Plan for the District to enter into any inclusion agreement that is inconsistent with this Service Plan.

If the property shown in Exhibit A-2 is not included into the District on or before July 4, 2010, then the District shall dissolve.

The inclusion, if any, of property outside of the area shown in Exhibit A-2 shall be considered a material modification of this Service Plan and shall require: (1) the approval of the landowner whose property would be included, (2) the approval of the inclusion by City Council resolution, and (3) the District's compliance with the requirements of the Special District Act.

The exclusion, if any, of property within the boundaries of the District as shown on Exhibit A-2 shall require (1) the approval of the landowner whose property would be excluded, (2) the approval of the exclusion by City Council resolution, and (3) the District's compliance with the requirements of the Special District Act.

At build-out, it is anticipated that the District will contain approximately 350 residential units, including approximately 123 single family detached homes, 178 multi-family homes, and 49 row homes. At build-out, it is also anticipated that the District will contain approximately 71,743 square feet of commercial/office/retail space. Projections and phasing for the District are more particularly set forth in **Exhibit B**, the Financial Plan attached to this Service Plan.

The District is currently completely undeveloped, and the current population of the District is zero. At build-out of the residential and commercial development within the District (projected to be completed by 2016), the expected assessed valuation is estimated at approximately \$16,895,580.

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the District, nor does it imply approval of the floor area of commercial or industrial buildings or number of residential units which may be identified in this Service Plan or any of the exhibits attached thereto. The permitted level of development within the District is as contained in the City-Approved Plans.

Approval of this Service Plan by the City in no way releases or relieves the Land Owner of the Development, or any developer or any subdivider of any property within the Development, or any of their respective successors or assigns, of obligations to construct Public Improvements for the Development or of obligations to provide to the City such financial guarantees as may be required by the City to ensure the completion of the Public Improvements, or of any other obligations to the City under the Municipal Code or any applicable annexation agreement, subdivision agreement, or other agreements affecting the property or development thereof.

C. Objective of the City regarding District Service Plans

The City's objective in approving the Service Plan for the District is to authorize the District to provide for the planning, design, financing, acquisition, construction and installation of the Public Improvements from the proceeds of Debt to be issued by the District. The District's mill levy shall be no higher than the Maximum Mill Levy (as defined below).

This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints. The primary purpose is to provide for the Public Improvements associated with the Development and regional needs.

The District shall not have perpetual existence and shall not operate or maintain any Public Improvements except for warranty maintenance required prior to the time Public Improvements are accepted by the City. The District shall dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt, or upon the occurrence of an event specified in Section 32-1-701(2) or (3), C.R.S., or as otherwise specified in Section X.

The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from tax revenues collected from a mill levy which shall not exceed the Maximum Mill Levy, together with the Development Fees as hereinafter defined. It is the intent of this Service Plan to assure to the extent possible that no property bear an economic burden of the District that is greater than that associated with the Maximum Mill Levy. Generally, the costs of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District.

D. Existing Services and Districts

There are currently no other entities in existence in the vicinity of the Development which have the ability to undertake the design, financing, construction, operation and maintenance of the Public Improvements which are required for the Development. The Development is located within the boundaries of the Boulder Valley School District RE-2, the Louisville Fire Protection District, the Northern Colorado Water Conservancy District, and the Urban Drainage and Flood Control District. It is the Land Owner's understanding that it is not feasible or practicable for the City or any of these districts to provide the public improvements necessitated by the Development.

E. General Financial Information and Assumptions

For purposes of this Service Plan, the initial assessed valuation of all taxable property within the boundaries of the District is assumed to be negligible.

The estimated costs of the Public Improvements are set forth in **Exhibit C**. The District may obtain financing for the Public Improvements through the issuance of publicly or privately placed limited tax general obligation debt which may include bonds, notes, debentures, certificates, leases, loan agreements, reimbursement agreements, or other contracts ("Debt"). Debt will be payable from revenues derived from ad valorem property taxes, development fees, and from other sources authorized under this Service Plan. If the Land Owner constructs Public Improvements and conveys such Public Improvements to the District in return for Debt or proceeds from Debt, prior to issuing the Debt or making such payment, the District must receive the report of an independent engineer or accountant confirming that the amount of Debt or payment, as applicable, is reasonable.

The financial forecasts for the District are contained in the Financial Plan presented in Section VI hereof. The Financial Plan demonstrates one method which might be used by the District to finance the cost of the Public Improvements. At the time Debt is proposed to be issued, alternative financial plans may be employed and be utilized by the District within the limits of the Service Plan. Pursuant to 32-1-202(2)(b), C.R.S., the Board of Directors of the District shall notify the City Council of the City of Louisville, Colorado ("City Council") of any alteration or revision of the proposed schedule of Debt issuance set forth in the Financial Plan so City Council may determine whether a material modification to the Service Plan is needed.

F. Consultants

The assumptions contained within this Service Plan were derived from a variety of sources. Information regarding the present status of property within the District, as well as the current status and projected future level of services, was obtained from the Land Owner. Construction cost estimates were assembled by the Land Owner, with the assistance of Jason Margraf with J3 Engineering. Legal advice in the preparation of this Service Plan was provided by Grimshaw and Harring, P.C., which represents numerous special districts.

Consultant Contact Information:

General Counsel:	Grimshaw and Harring, P.C. 1700 Lincoln Street, Suite 3800 Denver, CO 80203 (303) 839-3800 (303) 839-3838 Fax Attn: Norman F. Kron, Esq. Marcus A. McAskin, Esq.
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Construction Cost Estimates:	J3 Engineering Jason Margraf, Principle 3151 Vaughn Aurora, CO 80014 303-368-5601 303-368-5603 Fax
Accounting Support:	Kevin Collins, Partner Clifton Gunderson 6399 S. Fiddler's Green Circle, Suite 100 Greenwood Village, CO 80111 (303) 779-5710 (303) 779-0348 Fax
Financial Plan Preparation:	Alan Matlosz Senior Vice President George K. Baum & Company 717 Seventeenth Street, Suite 2500 Denver, CO 80202

G. City's Laws and Regulations

The District shall be subject to and shall comply with all applicable provisions of the City's Charter, municipal code, rules, regulations, engineering specifications, standards and policies, including City requirements that must be met before improvements are accepted by the City (collectively, "City Policy").

H. Dedication of Improvements

The Land Owner or the District shall, in accordance with City Policy, dedicate to the City, or cause to be dedicated on its behalf, all Public Improvements and other facilities and improvements required to be dedicated to the City pursuant to the PUD, GDP, Plat, and documents approved by the City ("City-Approved Plans"), including but not limited to street improvements, water system improvements, sanitary sewer system improvements, drainage facilities, trails, public lands, parks, and open space, free and clear of all liens and encumbrances.

The District shall at no expense to the City transfer to the City all rights-of-way, fee interests and easements that the City determines are necessary for access to and operation and maintenance of the Public Improvements, consistent with the City-Approved Plans and to the extent such interests have not been acquired by the City through the subdivision and development plan process for the Takoda Development. Following final acceptance of the Public Improvements, the City shall own, operate and maintain said Improvements. In the event that the City determines that Public Improvements have been constructed in accordance with City Policy, an initial acceptance letter shall be issued by the City specifying that the Public Improvements dedicated to the City shall be

warranted for a period of two (2) calendar years from the date of such dedication, or such other warranty period as may be required by City Policy.

The Public Improvements which are to be dedicated to the City shall be designed and constructed in accordance with applicable state and federal laws, regulations and standards, and with City Policy.

Improvements that are not accepted by the City, including any improvements that are required under the City-Approved Plans to be operated and maintained by a party other than the City, if any, shall be operated and maintained by a homeowners association.

II. DESCRIPTION OF PROPOSED IMPROVEMENTS

The District will be permitted to finance, construct, or acquire the Public Improvements described in this Section II either directly or by contract. The District will operate and maintain facilities during warranty periods only, prior to final acceptance by the City. Where appropriate, the District will contract with various public and/or private entities to undertake such functions.

The Public Improvements will be constructed in accordance with the City-Approved Plans, City Policy, and this Service Plan. It is important to note that, if approved by the City, modifications to the type, configuration, and location of the Public Improvements may be necessary as development proceeds. Either the District or the Land Owner may construct the Public Improvements necessary to serve the Development. The District shall not finance, construct, acquire or install any improvements outside the boundaries of the District except for (1) the Public Improvements set forth in the City-Approved Plans for the Development; (2) the Regional Improvements identified in the IGA set forth at Exhibit D; (3) such improvements as are determined by the City and District to be necessary to connect improvements for the District to the facilities of the City or other entities providing services to the District; or (4) such other improvements as are approved in advance by resolution of City Council.

The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work. The District will pay or cause to be paid any applicable fees, taxes (including use taxes) and charges owed to the City. Nothing herein requires the City to accept the transfer of any Public Improvement.

The following sections and Exhibit C contain descriptions of the Public Improvements proposed to be financed by the District.

A. General

Construction of the Public Improvements will be scheduled in accordance with the City-Approved Plans to allow for proper sizing and phasing and to keep pace with the need for service. Estimated costs associated with the Public Improvements are set forth in **Exhibit C** to this Service Plan.

B. General Design Standards

(1) Water System.

(a) Overall Plan.

The water system will be comprised of a complete water distribution system consisting of buried water mains, fire hydrants, valves, and related appurtenances located in right-of-way or easements predominately within the District's boundaries. It is currently anticipated that the main components of the water system described above will be completed no later than December 31, 2015. When construction has been finalized, the water system will serve each residential and commercial lot within the Development from adjacent streets and roads. All major elements of the water system will be designed and installed by the Land Owner or the District. The District shall, in accordance with City Policy, dedicate the water system to the City. Following final acceptance of the water system improvements, the City shall own the water system and shall thereafter provide operation and maintenance services related to said water system. The City shall be the sole provider of water service within the boundaries of the District.

(b) Design Criteria.

Water system components will be installed in accordance with City Public Works Policy ("City of Louisville Design Standards and Guidelines") and any other applicable rules and regulations of other governmental entities having jurisdiction over the District. The water system will also be designed in accordance with applicable fire protection requirements.

(2) Sanitary Sewer and Storm Drainage.

The District will install the sanitary sewer improvements necessary to provide service to the Development, including gravity mains, lift station, and force mains. The District will also install storm sewers, flood and surface drainage improvements, including but not limited to Bullhead Gulch improvements, water quality ponds and other storm water facilities, box culverts, pipes, dams, retaining walls, access ways, inlets, detention ponds and paving, roadside swales and curb and gutter, and all necessary or proper equipment and appurtenances incident thereto, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

All major elements of the sanitary sewer and storm drainage improvements will be designed and installed by the Land Owner or the District in accordance with City Policy and the City-Approved Plans. Following final acceptance of the sanitary sewer and storm drainage improvements, the City shall own the same and shall thereafter provide operation and maintenance services related to said improvements. The City shall be the sole provider of sanitary sewer service within the boundaries of the District.

As applicable, storm drainage improvements will be built to the standards necessary for the Urban Drainage and Flood Control District to accept maintenance of the improvements.

(3) Street System and Traffic Safety.

(a) General.

The District will perform design, acquisition, installation, and construction of street and roadway improvements including but not limited to curbs, gutters, culverts, storm sewers and other drainage facilities, detention ponds, retaining walls and appurtenances, as well as sidewalks, alleys, bridges, parking facilities, paving, lighting, grading, streetscaping or landscaping, pedestrian ways, undergrounding of public utilities, snow removal equipment, or tunnels and other street improvements, together with all necessary, incidental and appurtenant facilities, signage, land and easements, and all necessary extensions of and improvements to said facilities. Public street improvements installed by the District will be dedicated to the City for ownership and maintenance. Alleys will be maintained by the HOA.

(b) Landscaping.

The District may install (and if it does shall arrange for the HOA to maintain) landscaping along the internal streets and entry features at major entrances in accordance with City Policy and the City-Approved Plans. Additional features may be installed by the Land Owners of the individual tracts within the Development.

(c) Traffic and Safety Controls.

The design, acquisition, installation, and construction of traffic and safety protection facilities and services through traffic and safety controls and devices on public streets and highways, funding of a pedestrian railroad grade separation, as well as other facilities and improvements including but not limited to signalization at intersections, traffic signs, area identification signs, directional assistance, and driver information signs, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities. The District will dedicate all traffic and safety protection facilities installed on public streets to the City for ownership and maintenance of such facilities in accordance with City Policy.

(d) Signals and Signage.

Signals and signage, including City entryway signage at Highway 42 and Paschal Drive, may be installed by the District or the Land Owner as required by City Policy. Upon installation, and final acceptance by the City, the signals and signage within the City rights of way shall be owned and maintained by the City.

(4) Parks and Recreation.

The design, acquisition, installation, and construction of public park and recreation facilities including but not limited to grading, soil preparation, multi-use trails, common area

landscaping, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities. The District shall, in accordance with the City-Approved Plans dedicate all park and recreation facilities and open space improvements to the City including, but not limited to, Cowboy's Park, Takoda Park, and Bullhead Open Space.

C. Estimated Cost of Facilities

The estimated costs of the Public Improvements are set forth in **Exhibit C**. These costs may be summarized as follows:

Public Improvements	\$12,935,560
Regional Improvements*	290,000
Total	\$13,229,560
District Financed-Net	8,367,409
Not District or City Financed**	4,862,151
Total	\$13,229,560

***Regional Improvements" consist of a \$250,000 contribution toward a railroad underpass or other street improvements, and \$40,000 for entryway monumentation at Highway 42 and Paschal Drive as more fully described in an intergovernmental agreement to be entered into between the City and the District.

**Does not include additional funding, if any, that the City or others may furnish for the Regional Improvements.

The figures provided are in 2008 dollars and represent a preliminary estimate of the actual capital costs associated with the Public Improvements. Actual costs, as well as the timing and sequence of construction, may vary from the stated amounts to reflect fluctuations in general price levels, the pace and scope of improvements within the District, and other contingencies.

D. City's Non-Participation

The City shall have no obligation to participate in the funding of any Public Improvement that is funded by the District. The District has no authority to obligate the City for any expenditure.

E. Not-Authorized Powers

The District shall not provide:

- (1) Fire protection;
- (2) Elimination and control of mosquitoes;
- (3) Establishment and maintenance of television relay and translator facilities;
- (4) Transportation;
- (5) Solid waste disposal facilities or collection and transportation of solid waste;
- (6) Security services;
- (7) Covenant enforcement and design review services;
- (8) Activities in support of business recruitment, management, and development.

III. MISCELLANEOUS AUTHORITY

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 expressly authorized by and in a manner consistent with this Service Plan.

IV. PROPOSED AND EXISTING INTERGOVERNMENTAL AGREEMENTS

The proposed form of intergovernmental agreement concerning District financing of Regional Improvements and this Service Plan is attached hereto as **Exhibit D**. The District shall approve and execute the intergovernmental agreement at its first Board meeting after its organizational election, in the same form as the intergovernmental agreement approved by City Council, and shall promptly deliver an executed original to the City. In the event of a failure of the District to execute the intergovernmental agreement, the District shall not impose any taxes or incur Debt or any financial obligation whatsoever. The City Council may approve the intergovernmental agreement at the public hearing approving the Service Plan. Such intergovernmental agreement may be amended by agreement of the City and the District without a modification to this Service Plan unless such modification is required by the City.

No intergovernmental agreements between the District and any other government are anticipated. Any intergovernmental agreement proposed regarding the subject matter of this Service Plan shall be subject to review and approval by the City prior to their execution by the District.

V. OVERVIEW OF THE DISTRICT'S FINANCIAL PLAN

A. Bond Details

The District shall not impose any taxes or incur Debt or any financial obligation whatsoever until: (a) after the inclusion of the property described in Exhibit A-2 into the boundaries of the District, (b) the Plat, PUD, GDP and Subdivision Agreement for the property described in Exhibit A-1 and Exhibit A-2 have been recorded in the records of the Boulder County Clerk and Recorder, and (c) the District has entered into the intergovernmental agreement with the City concerning certain Regional Improvements. The maximum voted interest rate on Debt will be 12%. However, the District shall not issue Debt with an interest rate in excess of 9% without the prior written consent of City Council. The maximum initial term shall be 30 years. The maximum underwriting discount shall not exceed 3%. The estimated costs of the organization and initial operation of the District through December 31, 2008, including legal, engineering, administrative and financial services, are expected to be approximately \$50,000.00. Organizational costs and engineering costs for Public Improvements may be reimbursed to the Land Owner by the District out of its initial revenue sources including Debt proceeds.

Notwithstanding the cost estimates set forth in **Exhibit C**, the District shall be permitted to reallocate costs between the Public Improvements as necessary. The combined estimated costs of the Public Improvements total approximately \$12,935,560 inclusive of contingencies. Regional

Improvements add an additional \$290,000. All cost estimates contained in **Exhibit C** are estimates only and are subject to modification as engineering, development plans, economics, adherence to City Policy, and construction scheduling may require. It is currently anticipated that the District will issue Debt in amounts sufficient to permit the District to construct a portion of the Public Improvements.

As mentioned above, the District would finance approximately \$8,367,409 of the improvements; however, due primarily to the cost of issuing bonds, the need to capitalize early interest payments, and reserve funds, the maximum principal amount of bonds that may be issued by the District is \$10,550,000.

All Debt issued by the District and operations expenses may be payable from any and all legally available revenues of the District, including general ad valorem taxes to be imposed upon all taxable property within the District, which will not exceed fifty (50) mills for both Debt and operations except as otherwise allowed by this Service Plan (the "Mill Levy Cap").

The Mill Levy Cap shall be subject to adjustment upward or downward if there are changes in the ratio of actual valuation to assessed valuation, pursuant to Article X, Section 3(1)(b) of the Colorado Constitution and amendments or legislation affecting or implementing such Section. In such event, the Mill Levy Cap shall be automatically adjusted so that the overall tax liability of property owners neither increases nor decreases as a result of any such changes, thereby maintaining a constant level of tax receipts of the District and overall tax payments from property owners. Any Debt issued by the District must be issued in compliance with the requirements of Colorado law.

Due to the support expected to be received from the Land Owner and use of development fees, the Financial Plan demonstrates that costs associated with the Public Improvements may be met with a reasonable debt service mill levy assuming reasonable increases in assessed valuation and assuming the Development achieves the rate of build-out projected in the Financial Plan.

In addition to revenues from the District's mill levy, the District anticipates revenue from specific ownership taxes, investment income, and system development fees as identified in the Financial Plan.

If imposed by the District, the system development fee referenced herein and shown in the Financial Plan attached hereto as **Exhibit B**, will be a one-time fee and will be collected by the District at any time prior to a third-party closing by a builder for each residential unit against which the system development fee is imposed. Due to the higher assessment ratio applied against commercial property resulting in higher tax collections, no system development fee is expected to be applied against the commercial property.

B. Security for Debt

No Debt or other financial obligation of any District will constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of any Debt or other financial obligation of the District. This will be clearly stated on all offering circulars,

prospectuses, or disclosure statements associated with any securities issues by any District. The District shall not utilize “Louisville” in the name of the District.

C. Denominations

All District Bonds or other Debt instruments, if not rated in one of its four highest rating categories by one or more national recognized organizations which regularly rate such obligations, must be issued in minimum denominations of \$500,000. The foregoing shall not prohibit the redemption by the District of such Debt instruments in denominations smaller than \$500,000.

D. Maximum Mill Levy Imposition Term

The District shall not impose a debt service mill levy for more than forty (40) years after the year of the initial imposition of a debt service mill levy by the District.

E. Privately Placed Debt Limitation

Prior to the issuance of any Privately Placed Debt, the District shall obtain the certification of an External Financial Advisor (as defined below) substantially as follows:

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

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

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

Privately Placed Debt shall have no call protection.

F. No Default Provisions

Debt issued by the District shall be structured so that failure to pay debt service when due notwithstanding the levy of the Maximum Mill Levy, shall not of itself constitute an event of default. The foregoing shall not be construed to prohibit events of default and remedies for other occurrences

including, without limitation, (1) failure to apply pledged revenues in accordance with the terms of the Debt, (2) failure to abide by other covenants made in connection with such Debt, or (3) filing by a District as a debtor under any bankruptcy or other applicable insolvency laws. Notwithstanding the foregoing, Debt will not be structured with a remedy which requires the District to increase the Maximum Mill Levy or the Maximum Mill Levy Imposition Term.

G. Other Financial Information

Upon approval of this Service Plan, the District will continue to develop and refine cost estimates contained herein and prepare for Debt issues. All cost estimates will be inflated to then-current dollars at the time of Debt issuance and construction. All construction cost estimates assume construction to applicable City-Approved Plans and City Policy.

In addition to ad valorem property taxes, and in order to offset the expenses of the anticipated construction as well as continued operation of the Public Improvements prior to final acceptance, the District will also rely upon other revenue sources authorized by law and this Service Plan.

The Financial Plan does not project any significant accumulation of fund balances which might represent receipt of revenues in excess of expenditures under TABOR. To the extent annual District revenues exceed expenditures in this manner, the District will comply with the provisions of TABOR. Initial spending and revenue limits of the District, as well as mill levies, will be established by an election which satisfies TABOR requirements.

H. Elections

In order to issue Debt, the District will seek the authorization of its electors. The District shall be authorized by this Service Plan to issue no more than \$10,550,000 in Debt without the prior written approval of City Council.

Although the District has no authority to issue more than \$10,550,000 in Debt, the exact pace and timing of development are not known at this time. In addition, inflation in construction materials and other costs may be different for some items (pipes) as compared to others (asphalt). To better serve its constituents, the District needs the ability to spend different amounts of money in each category of improvements than is known at this time. In other words, if streets cost more than anticipated and water lines less, the District needs to have the ability to issue more bonds for street purposes and less for water within the overall cap of \$10,550,000.

The way to achieve this flexibility is to request voter authority for more than the total limit of \$10,550,000 although the Service Plan limits the total debt that can actually be issued to \$10,550,000. The voters will be asked to approve a total of \$15,000,000 in bond authority to allow the required flexibility.

If approved, a District Court Order shall include the call of an election to be held on November 4, 2008, on the questions of setting in place the proposed financial structure as required by TABOR. This election will be conducted as provided in the Uniform Election Code of 1992, the Special District Act, the Court Order, the Rules and Regulations of the Secretary of State and TABOR.

The ballot shall deal with the following topics (in several questions, but not necessarily using the exact divisions shown here):

1. Approval of taxes;
2. Approval of a maximum operational mill levy;
3. Approval of bond and other indebtedness limits;
4. Approval of a property tax revenue limit;
5. Approval of a total revenue limit;
6. Approval of fiscal year spending limits; and
7. Elimination of term limits.

I. Additional Bond Limitations

1. In addition to the limitations set forth in this Service Plan, all Debt issued by the District shall also be subject to the limitations of State law. In the event of a conflict between the limitations of this Service Plan and State law, the more restrictive provision shall control.

2. Unless approved by the City, proceeds from the sale of Debt instruments and other revenues of the District may not be used to pay landowners within the District for any land required to be dedicated by annexation agreements or land use codes. Examples of ineligible reimbursements include: the acquisition of rights of way, easements, land for drainage, parkland or open space. Additionally, if the Land Owner/developer constructs the public infrastructure and conveys it to the District contingent upon a pledge from the District that it will issue bonds to pay the Land Owner/developer, the District must receive the report of a qualified independent engineer or accountant confirmation that the amount of the reimbursement is reasonable, limited to the actual cost of construction, and does not include any mark-up or overhead imposed by the Land Owner/developer.

3. The District shall not issue bonds without including in such issuance the concurrent allocation and delivery to the City of the Regional Improvements Funds, and such delivery of funds to the City shall be a condition of closing for the Bonds. The District specifically agrees that the foregoing requirement for deposit of the Regional Improvements Funds shall be enforceable by the City by all remedies available at law or in equity, including without limitation affirmative injunctive relief.

4. The District shall construct the Public Improvements needed for the five acre commercial area of the Development as part of the Public Improvements for Phase 1. If the Public Improvements for such commercial area are not completed with Phase 1, then the District shall not issue any additional Bonds (other than refunding bonds) thereafter except with the written approval of the City Council.

J. Operations

The maximum mill levy for operations shall be five (5) mills (that may be adjusted from time to time in the same manner as the Mill Levy Cap).

The District will require operating funds to plan and cause the Public Improvements to be constructed or acquired. Additional costs to the capital costs indicated herein are expected to include: the operation of improvements by the District from the time of their construction to the time of their final acceptance by the City; debt administration; and expenses related to operation of the District, such as legal, engineering, accounting and administrative services, preparation of budgets, audits, map filings, elections, informational filings, and the like. The first full year's operating budget is estimated to be \$30,000.00, and will likely be funded through a Land Owner advance. Future operational revenues will be raised by an operating mill levy subject to the Mill Levy Cap.

K. No Fees, Charges or Assessments

Except for the System Development Fee identified in the Financial Plan, which shall not exceed the amounts stated in the Financial Plan, (and interest, penalties, and costs of collection accruing in the event of a third party closing by a builder for a residential unit without payment of such Systems Development Fee), the District shall not impose or assess any fee, toll, charge, rate, penalty or assessment, and shall not utilize any fee, toll, charge, rate, penalty or assessment imposed by any public or private entity, without City approval of an amendment to this Service Plan, which amendment shall be deemed to be a material modification hereof. The District shall have no authority to collect fees for any services provided by the City, including but not limited to periodic fees related to the provision of water service or sanitary sewer service.

L. Conservation Trust Fund

The District shall claim no entitlement to funds from the Conservation Trust Fund, the Great Outdoor Colorado Fund or any other grant moneys for which the City may be eligible, without the prior written consent of the City Council. Subject to the foregoing, the District may retain and use any grant it receives. Any such funds received by the District without the prior written consent of City Council shall be promptly remitted to the City.

VI. ADDITIONAL LIMITATIONS

A. Consolidation Limitation

The District shall not file a request with any Court to consolidate with another Title 32 District without the prior written consent of the City.

B. Eminent Domain and Dominant Eminent Domain Powers Limitation

The District shall not exercise the power of eminent domain and dominant eminent domain except upon the prior written consent of the City.

C. Subdistricts; 63-20 Corporations

No subdistricts shall be created by the District pursuant to Section 32-1-1101(1.5), C.R.S without approval from City Council by resolution. The District shall not create any corporation to issue Bonds on the District's behalf.

D. Bankruptcy Limitation

Subject to federal bankruptcy law, all of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Mill levy have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

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

Any debt issued with a pledge or which results in a pledge that exceeds the Maximum Mill Levy shall be deemed a material departure from this Service Plan pursuant to Section 32-1-207, C.R.S., and the City shall be entitled to all remedies available under state and local law to enjoin such actions of the District.

VII. ANNUAL REPORT

The District shall be responsible for submitting an annual report to the City no later than May 1 of each year following the year in which the District is formed. The annual report shall include information as to any of the following significant events that occurred during the preceding calendar year:

- (1) Proposed boundary changes.
- (2) Proposed Intergovernmental Agreements.
- (3) Changes or proposed changes in the District's operations.
- (4) A summary of any litigation which involves the District.
- (5) A summary of proposed construction plans (if any) plans for the year immediately following the year summarized in the annual report.
- (6) A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City.

In addition, the annual report shall include a summary of the following information:

- (1) Total acreage of property within the District.
- (2) The District's current outstanding Debt (stated separately for each class of debt).
- (3) The District's current debt service mill levy (stated separately for each class of debt).
- (4) The District's tax revenue.
- (5) Other revenues of the District.
- (6) Public improvement expenditures of the District.
- (7) The current assessed valuation in the District, as certified by the Boulder County Assessor.

VIII. NOTICE OF MEETINGS; PLACE OF MEETINGS

The District shall deliver to the City Manager a copy of written notice of every regular or special meeting of the District at least three (3) days prior to such meeting; provided, however, that the City may waive the notice requirement upon request from the District. The notice furnished to the City Manager shall include an agenda with a list of all substantive topics expected to be addressed at the meeting (however, such list shall not preclude addressing public comments raised after sending the notice) and agenda package materials to the extent they are available and are open records under the Colorado Public (Open) Records Act.

All meetings of the Board of Directors shall be held in Louisville in locations that are acceptable to the public; however, for good cause (which shall include a special meeting at a location requested by Bond Counsel for the District, or a meeting required to address an unforeseen emergency, or a special meeting for another purpose authorized under criteria approved by the City Manager), a meeting of the Board of Directors may be held at a location outside of Louisville.

IX. MODIFICATION OF THE SERVICE PLAN

Material modifications of this Service Plan.

Except as otherwise stated herein, material modifications of this Service Plan shall be subject to approval by City Council in accordance with the provisions of Section 32-1-207, C.R.S. Following formation of the District, the Board of Directors of the District may, from time to time, submit a letter to the City Manager or his or her designee outlining the proposed action(s) of the District for which the Board of Directors is unclear as to whether a Service Plan amendment is required. The City Manager or his or her designee shall determine whether an amendment to this Service Plan is required under the provisions of Section 32-1-207, C.R.S., and shall provide a copy of said determination to the Board of Directors of the District.

Non-Compliance with Service Plan.

In the event it is determined that the District has undertaken any act or omission which violates the Service Plan or constitutes a material departure from the Service Plan, the City Council by resolution may impose one (1) or more of the following sanctions, as it deems appropriate:

- (1) Exercise any applicable remedy under the Special District Act;
- (2) Withhold the issuance of any permit, authorization, acceptance or other administrative approval necessary for the District's development or construction of District Improvements;
- (3) Exercise any legal remedy under the terms of any intergovernmental agreement under which the District is in default; or
- (4) Exercise any other legal remedy, including seeking injunctive relief against the District, to ensure compliance with the provisions of this Service Plan.

Except when the City determines in its discretion that doing so would be injurious to the interests of the City, the City will provide the District with written notice of any material departure from the Service Plan. The District shall have sixty (60) days to provide the City with written evidence that no material departure occurred, which evidence must be reasonably satisfactory to the City, or to cure such material departure.

X. DISSOLUTION

Promptly when all of the general obligation bonds to be issued by the District have been paid (or when provision for payment thereof has been made through establishment of an escrow as provided by § 32-1-702(3)(b), C.R.S.), the District will so notify the City and will cooperate fully with the City in taking all steps necessary under then applicable law to dissolve the District (including, without limitation: formulating a plan of dissolution; executing the District's consent to dissolve pursuant to § 32-1-704(3)(b), C.R.S.; 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; submitting a petition for dissolution to the District Court; and, conducting any required dissolution election).

In addition, at any time after the District has issued all of its general obligation bonds (excluding refunding bonds) as contemplated by the Financial Plan, upon the City's request and City's determination that the purposes for which the District was created have been accomplished and the Public Improvements have been accepted by the City, the District will cooperate fully with the City to dissolve the District pursuant to a plan for dissolution stating that there are outstanding financial obligations and providing that the District will continue in existence (with the City Council serving as the District Board of Directors if the City so elects) to such extent as is necessary to adequately provide for the payment of such financial obligations, as provided in §§ 32-1-702(3)(c) and 32-1-707(2)(c), C.R.S. To the extent that any financial obligations are owned by the Land Owner, the Land Owner shall cooperate fully with the City to dissolve the District.

XI. DISCLOSURE TO PURCHASERS; DISTRICT LETTER

The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers or lessees of property in the District regarding the Maximum Mill Levy and the Development Fee. The form of notice shall be substantially in the form of **Exhibit E** hereto; provided that such form may be modified by the District so long as a new form is approved by the City prior to use. The District will also record a statement

against the property within the District which will include notice of the existence of the District, anticipated mill levy and maximum allowed mill levy. The form of the recorded notice shall be substantially similar in the form of **Exhibit E**, provided that such form may be modified by the District so long as a new form is approved by the City prior to use. The notice shall be recorded against all property within the District prior to the District's issuance of Debt or initial imposition of a mill levy. A copy of the recorded notice shall be provided to the City Manager within thirty (30) days of the date of recordation.

There is attached hereto as **Exhibit F** the form of a District Indemnification Letter. The District shall approve and execute the Indemnification Letter at its first Board meeting after its organizational election, in the same form as the Indemnification Letter set forth in **Exhibit F** and shall promptly deliver an executed original to the City.

XII. CONCLUSIONS

It is submitted that this Service Plan for Takoda Metropolitan District, as required by Section 32-1-203(2), C.R.S., has established that:

- (a) There is sufficient existing and projected need for organized service in the area to be served by the District;
- (b) The existing service in the area to be served by the District is inadequate for present and projected needs;
- (c) The District is capable of providing economical and sufficient service to the area within its boundaries;
- (d) The area included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

Therefore, it is requested that the City Council of City of Louisville, Colorado, which has jurisdiction to approve this Service Plan by virtue of Section 32-1-204.5, *et seq.*, C.R.S., as amended, adopt a resolution which approves this Service Plan for the Takoda Metropolitan District as submitted, a form of which is attached hereto as **Exhibit G**.

XIII. LIST OF EXHIBITS

- Exhibit A1: Initial Legal Description and Boundary Map of the District
- Exhibit A2: Final Legal Description and Boundary Map of the District
- Exhibit B: Financial Plan
- Exhibit C: Construction Costs

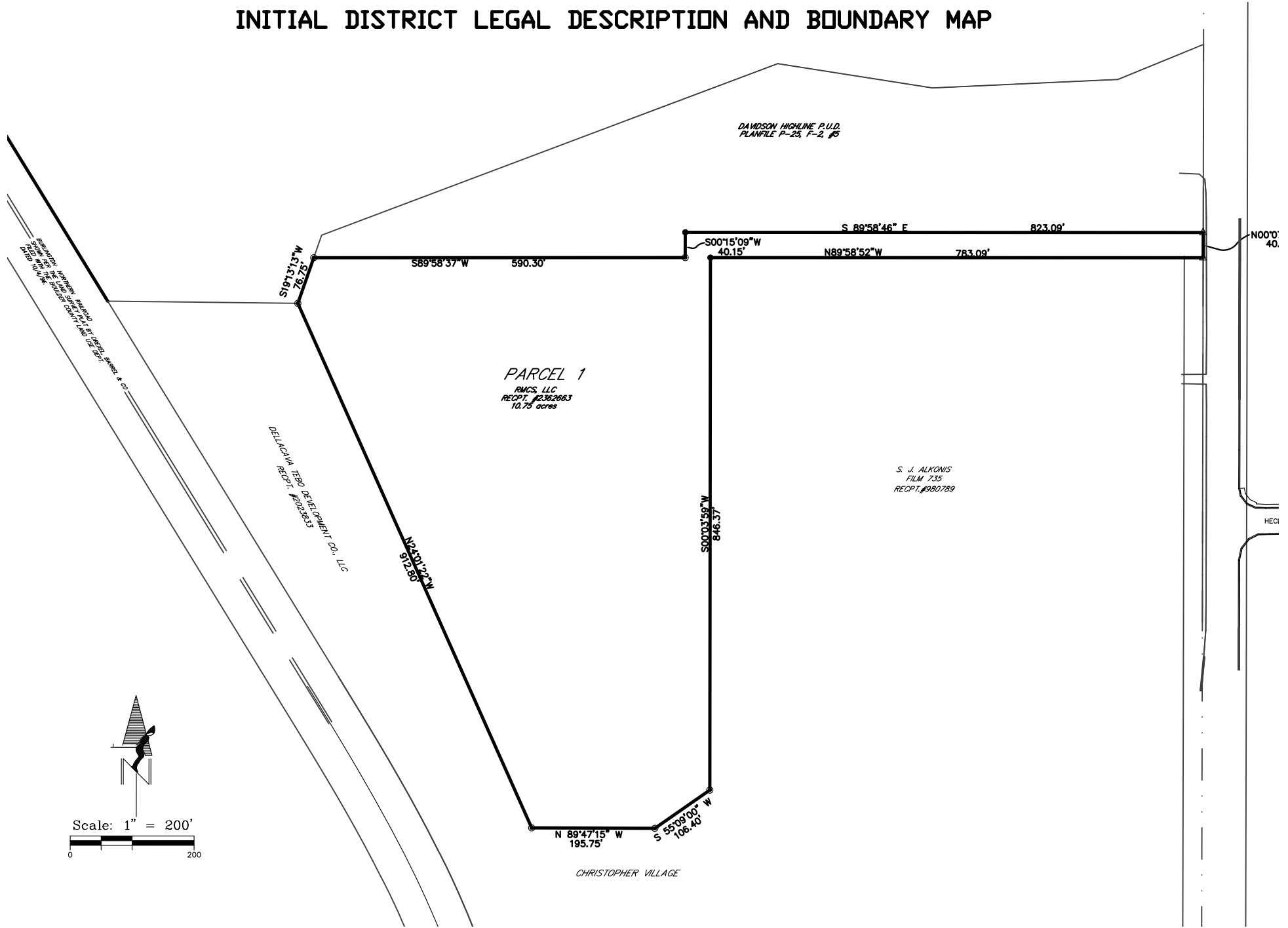
Exhibit D: Form of Intergovernmental Agreement

Exhibit E: Form of Disclosure

Exhibit F: District Indemnification Letter

Exhibit G: Form of Resolution

EXHIBIT A-1
INITIAL DISTRICT LEGAL DESCRIPTION AND BOUNDARY MAP



LEGAL DESCRIPTION (EXHIBIT A-1)

That portion of the Southeast ¼ of Section 5, Township 1 South, Range 69 West of the 6th P.M., County of Boulder, State of Colorado, described as follows:

Beginning at the Southeast Corner of said Section 5;

Thence N 00°07'00" E along the East line of Section 5 a distance of 1365.08 feet to the approximate centerline of that right of way for electric transmission lines granted by Sam Milano to Public Service Company of Colorado by instrument recorded February 16, 1942 in Book 713 at Page 130;

Thence N 89°59'40" W, along the approximate centerline of the said easement described in Book 713 at Page 130 a distance of 783.09 feet to the True Point of Beginning;

Thence S 00°07'00" W a distance of 846.77 feet to the North line of that tract of land which is excepted in the description of "Tract 1" contained in that Deed from Esta D. Parr and Glennie Parr to Davidson Investments, Inc. a Colorado Corporation, Recorded January 22, 1962 in Book 1216 at Page 503;

Thence S 55°09'00" W, along the North line and along the North line extended Westerly of the said tract of land which is excepted in the description of "Tract 1" contained in said deed recorded in Book 1216 at Page 503 a distance of 106.40 feet to the North line of that tract of land conveyed by John J. Harper, Jean N. Otis and Mary McCune Harper to Peter Philip by deed recorded August 9, 1909 in Book 340 at Page 173;

Thence N 89°47'15" W, along the North line of the said tract of land described in Book 340 at Page 173 a distance of 195.84 feet to the East line of that tract of land conveyed by John J. Harper, Jean N. Otis and Mary McCune Harper to Nicola Digiacomo by Deed recorded January 31, 1910 in Book 340 at Page 262;

Thence N 23°57'15" W along the Easterly line of the said tract of land described in Book 340 at Page 262 a distance of 913.00 feet to the Northeast corner thereof and the North line of that tract of land described as "Tract 1" in the said Deed in Book 1216 at Page 503;

Thence N 19°12'50" E, along the said North line of "Tract 1" as described in Book 1216 at Page 503 a distance of 76.82 feet to a point on a line that bears N 89°59'40" W from the True Point of Beginning and which point is on the approximate centerline of the easement described in Book 713 at Page 130;

Thence S 89°59'40" E, along the approximate centerline of the said easement described in Book 713 at Page 130 a distance of 590.28 feet to a point from which the True Point of Beginning bears S 89°59'40" E a distance of 40.00 feet;

Thence N 00°07'00" E a distance of 40.00 feet;

Thence S 89°59'40" E a distance of 823.09 feet to the East line of said Section 5;

Thence S 00°07'00" W along the East line of said Section 5 a distance of 40.00 feet to the approximate centerline of the said easement described in Book 713 at page 130;

Thence N 89°59'40" W, along the approximate centerline of the said easement described in Book 713 at Page 130 a distance of 783.09 feet to the True Point of Beginning;

Together with a non-exclusive easement for ingress and egress to and from State Highway No. 42 described as follows:

Beginning at the Southeast Corner of said Section 5;

Thence N 00°07'00" E, along the East line of said Section 5 a distance of 1405.08 feet to the True Point of Beginning;

Thence continuing N 00°07'00" E along the East line of said Section 5 a distance of 100.00 feet;

Thence N 89°59'40" W a distance of 90.00 feet;

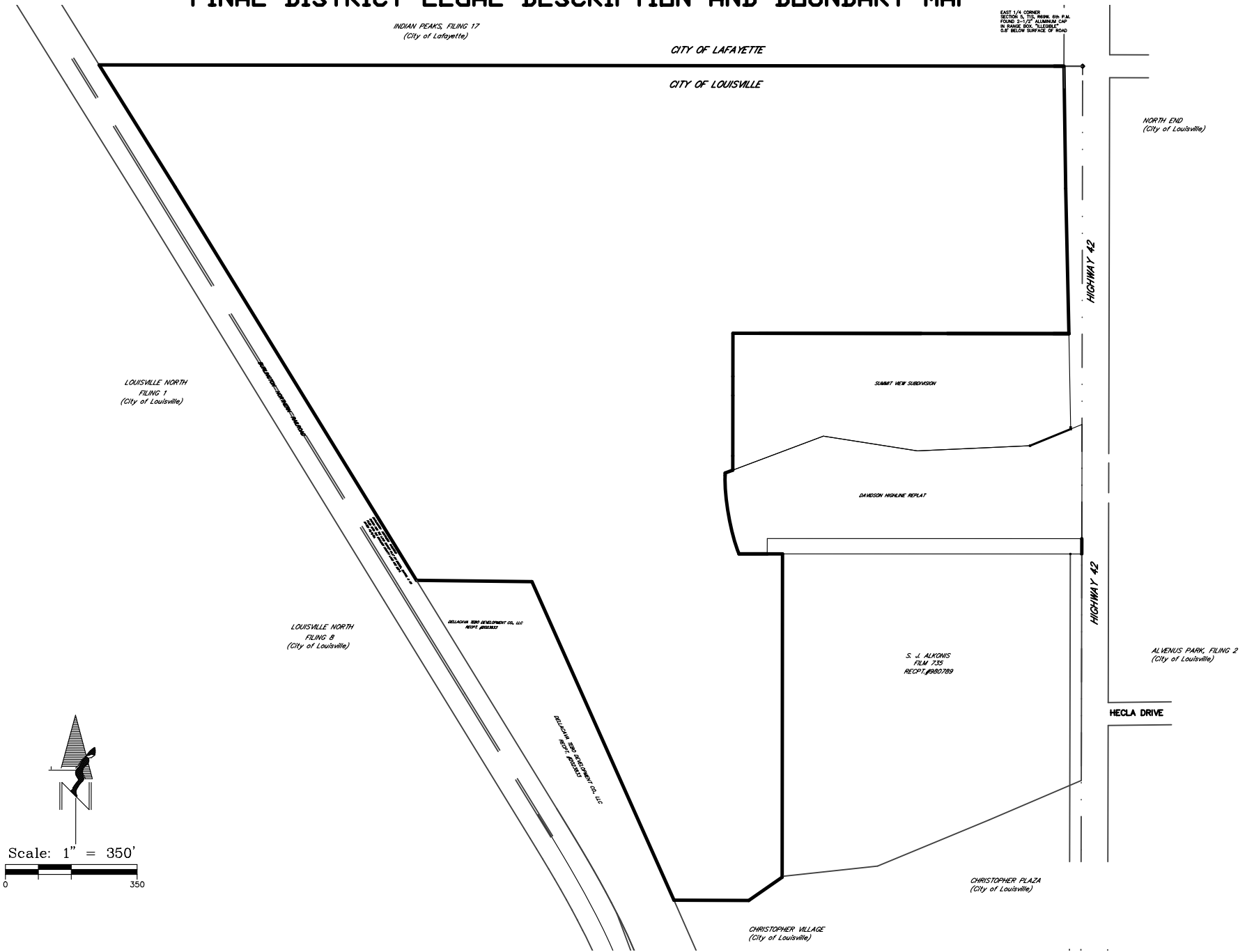
Thence S 00°07'00" W a distance of 100.00 feet to the North line of the hereinabove described tract of land;

Thence S 89°59'40" E, along the North line of the hereinabove described tract of land a distance of 90.00 feet to the True Point of Beginning, County of Boulder, State of Colorado.

Area = 10.75 acres

EXHIBIT A-2

FINAL DISTRICT LEGAL DESCRIPTION AND BOUNDARY MAP



LEGAL DESCRIPTION (EXHIBIT A-2)

A tract of land located in the Southeast $\frac{1}{4}$ of Section 5, Township 1 South, Range 69 West of the 6th P.M., more particularly described as follows:

Beginning at a point on the North line of said Southeast $\frac{1}{4}$ of Section 5 from which the East $\frac{1}{4}$ Corner of said Section 5 bears S 89°55'30" E, 48.90 feet;
Thence S 00°49'35" E, 320.21 feet;
Thence S 01°16'02" E, 380.08 feet to the Northeast corner of Lot 2, Summit View Subdivision;
Thence N89°55'59"W along the North line of said Summit View Subdivision, 879.12 feet to the Northwest corner of said Summit View Subdivision;
Thence S 00°04'07" W along the West line of said Summit View Subdivision, 358.29 feet to the Southwest corner of said Summit View Subdivision and a point on the North line of Outlot "B" of the Davidson Highline P.U.D.;
Thence S 69°22'23" W along said North line of said Outlot "B", 21.32 feet;
Thence along a curve to the left with a radius of 595.08 feet , a length of 209.63 and a chord that bears S 09°42'46" E , 214.79 feet;
Thence N 89°58'37" E, 73.79 feet;
Thence S 89°59'23" E, 40.09 feet to the Northeast corner of that tract of land recorded June 28, 1971 at Reception No. 980789, Boulder County records;
Thence S 00°03'59" W along the West line of said tract, 846.37 feet to the Southwest corner of said tract and a point on the North line of Christopher Village filing 4 Subdivision;
Thence S 55°09'00" W along said North line of Christopher Village Filing 4 Subdivision, 106.40 feet;
Thence N 89°47'15" W along said North line of Christopher Village Filing 4 Subdivision, 195.75 feet to the Northwest corner of said Christopher Village Filing 4 Subdivision;
Thence N 24°01'22" W along the East line of that tract of land recorded February 25, 2000 at Reception No. 2023833, Boulder County records, 912.81 feet to the Northeast corner of said tract;
Thence N 89°20'27" W along the North line of said tract, 302.22 feet to the Northwest corner of said tract and a point on the East right of way line of the Colorado and Southern Railroad;
Thence N 31°31'16" W along said East right of way line, 1207.38 feet;
Thence N 31°53'24" W along said East right of way line, 376.81 feet to a point on the North line of said Southeast $\frac{1}{4}$ of Section 5;
Thence S 89°55'30" E along said North line of said Southeast $\frac{1}{4}$ of Section 5, 2524.51 feet to the Point of Beginning.
County of Boulder
State of Colorado
Area = 62.35 acres

Exhibit B

Financial Plan

Financial Plan – Takoda Metropolitan District

The District plans to issue a total of \$10,550,000 of limited tax general obligation bonds in two series. The first series of approximately \$6,925,000 would be issued in 2009. The second series of approximately \$3,625,000 would be issued in 2011 or at some later date. The bonds would be secured by a mill levy of a maximum of 50 mills as well as development fees charged when a home is sold to the ultimate buyer. Based on the assumptions in the financial plan, the District would have to levy 40 mills to repay the bonds and pay for operating expenses.

By charging development fees, the District should receive significant cash flow over the next few years. This revenue will be combined with capitalized interest for the first two years to provide debt service coverage in the early years of development. In addition, the bonds are expected to be secured by a debt service reserve fund. The financial plan includes a conservative approach to the financing. In this plan, the District would wait to issue the second series of bonds until development has progressed to a point where the second series of bonds can be supported.

It has been assumed that the bonds would be issued as bank qualified to expand the investor base to include Colorado banks. The assumed interest rate on the bonds is 6.75%. It is expected that the two series of bonds would be issued with 30 year final maturities with the last payment of the second series of bonds in 2040.

There are three types of housing product planned for the development. The single family homes are expected to have an average value of \$575,000. The row homes are expected to have an average value of \$390,000 and the multi-family units would have an average value of \$330,000. No price increases have been assumed. In addition to the residential development, the District is expected to include approximately 72,000 of retail development. The financial plan assumes the retail development would have a market value of \$175 per square foot. The Development is expected to be built out by 2016.

**Takoda Metropolitan District
In the City of Louisville, Colorado
Limited Tax General Obligation Bonds
Series 2009 & Series 2011**

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Table of Schedules

Assumptions		Development Fees - SF=\$15k, Row=\$4.5k, Town=\$10.5k	
35 mill bond redemption levy		\$575,000	Average SF Home Price
5 mill operating levy (2010-11)		\$390,000	Average Row Home Price
Preliminary as of 09/03/2008		\$330,000	Average MF Home Price
Non Rated - 6.75% Interest Rate			
	Par Amount	Project Amount at Close	Project Amount (with interest)
Series 2009 - 30 year	\$6,925,000	\$5,239,313	\$5,421,968
Series 2011 - 30 year	\$3,625,000	\$2,842,063	\$2,945,441
	\$10,550,000	\$8,081,375	\$8,367,409

- 1 . Cover Page
- 2 . Schedule of Cashflows
- 3 . Schedule of Vacant Lot AV
- 4 . Schedule of Residential Homes Built and Sold
- 5 . Schedule of Commercial Valuation
- 6 . Schedule of Development Fees
- 7 . Assessed Valuation Summary
- 8 . Series 2009 Debt Service Schedule
- 9 . Series 2009 Sources and Uses of Funds
- 10 . Series 2009 Capitalized Interest Fund
- 11 . Series 2009 Project Draw Schedule
- 12 . Series 2011 Debt Service Schedule
- 13 . Series 2011 Sources and Uses of Funds
- 14 . Series 2011 Capitalized Interest Fund
- 15 . Series 2011 Project Draw Schedule

Schedule of Cashflows

Collection Year	Projected Assessed Valuation	Operations Expense	Operations Levy	Mill	Property Tax @ 98.5%	Specific Ownership		Annual Operations Mill Levy Surplus	Bond Fund Mill Levy	Property Tax @ 98.5%	Specific Ownership		Development Fees	Reserve Fund Earnings 3.50%	Developer / (Repayment)	Revenue Available for Debt Service	\$6,925,000 Series 2009 Capitalized Interest	\$3,625,000 Series 2011 Debt Service	Series 2011 Capitalized Interest	Total Net Debt Service	Annual Surplus/ Deficit	Cumulative Fund Balance
						7%	98.5%				7%	98.5%										
2009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2010	338,720	25,000	5.00	1,668	117	1,677	830	255,000	0	0	23,500	267,792	443,200	358,253	443,200	0	0	0	0	0	267,792	267,792
2011	4,158,240	25,000	5.00	20,479	1,434	143,355	10,188	765,000	9,373	9,373	3,500	928,329	568,200	568,200	0	188,893	188,893	568,200	568,200	360,129	627,921	
2012	5,804,407	25,750	4.21	24,070	1,685	200,107	14,221	754,500	21,977	21,977	3,500	930,810	564,763	564,763	0	232,000	232,000	564,763	564,763	310,047	937,968	
2013	8,665,193	26,523	2.91	24,837	1,739	298,733	21,230	735,000	32,829	32,829	0	1,067,845	555,988	555,988	0	252,000	252,000	1,067,845	1,067,845	279,857	1,217,825	
2014	11,746,989	27,318	2.21	25,571	1,790	404,977	28,780	255,000	42,624	42,624	0	1,373,425	547,213	547,213	0	255,650	255,650	1,373,425	1,373,425	802,863	1,416,388	
2015	13,614,589	28,138	1.97	26,418	1,849	469,363	33,356	135,000	40,124	40,124	0	1,542,713	543,438	543,438	0	258,938	258,938	1,542,713	1,542,713	802,400	1,424,428	
2016	15,233,024	28,982	1.81	27,158	1,901	525,158	37,321	135,000	35,769	35,769	0	1,733,325	529,325	529,325	0	259,938	259,938	1,733,325	1,733,325	786,263	969,023	
2017	15,847,064	29,851	1.79	27,991	1,956	546,328	38,825	126,000	33,916	33,916	0	1,718,114	520,550	520,550	0	259,938	259,938	1,718,114	1,718,114	911,674	911,674	
2018	16,895,580	30,747	1.73	28,791	2,015	582,475	41,394	0	31,909	31,909	0	1,655,837	516,775	516,775	0	257,888	257,888	1,655,837	1,655,837	774,663	774,663	
2019	16,895,580	31,669	1.78	29,623	2,074	582,475	41,394	0	27,750	27,750	0	1,655,837	507,663	507,663	0	255,525	255,525	1,655,837	1,655,837	763,188	763,188	
2020	17,402,447	32,619	1.78	30,512	2,136	599,949	42,636	0	23,846	23,846	0	1,666,459	493,550	493,550	0	253,163	253,163	1,666,459	1,666,459	746,713	746,713	
2021	17,402,447	33,598	1.84	31,540	2,208	599,949	42,636	0	21,037	21,037	0	1,666,459	488,775	488,775	0	255,800	255,800	1,666,459	1,666,459	745,575	745,575	
2022	17,924,521	34,606	1.84	32,486	2,274	635,604	45,170	18,174	18,174	18,174	0	1,699,102	500,663	500,663	0	253,100	253,100	1,699,102	1,699,102	753,763	753,763	
2023	17,924,521	35,644	1.89	33,369	2,336	635,604	45,170	16,281	16,281	16,281	0	1,715,495	500,200	500,200	0	255,400	255,400	1,715,495	1,715,495	755,600	755,600	
2024	18,462,256	36,713	1.89	34,370	2,406	654,672	46,525	14,213	14,213	14,213	0	1,715,495	499,063	499,063	0	257,363	257,363	1,715,495	1,715,495	756,425	756,425	
2025	18,462,256	37,815	1.95	35,461	2,482	654,672	46,525	12,780	12,780	12,780	0	1,714,105	502,250	502,250	0	258,988	258,988	1,714,105	1,714,105	756,425	756,425	
2026	19,016,124	38,949	1.95	36,525	2,567	674,312	47,921	11,130	11,130	11,130	0	1,732,612	499,425	499,425	0	260,275	260,275	1,732,612	1,732,612	759,700	759,700	
2027	19,016,124	40,118	2.01	37,649	2,635	674,312	47,921	10,213	10,213	10,213	0	1,732,612	500,925	500,925	0	261,225	261,225	1,732,612	1,732,612	762,150	762,150	
2028	19,586,608	41,321	2.01	38,779	2,714	694,541	49,358	9,179	9,179	9,179	0	1,753,250	481,413	481,413	0	256,838	256,838	1,753,250	1,753,250	738,250	738,250	
2029	19,586,608	42,561	2.07	39,936	2,796	694,541	49,358	8,179	8,179	8,179	0	1,753,250	473,388	473,388	0	257,450	257,450	1,753,250	1,753,250	734,688	734,688	
2030	20,174,206	43,838	2.07	41,134	2,879	715,377	50,839	7,179	7,179	7,179	0	1,776,764	467,388	467,388	0	267,725	267,725	1,776,764	1,776,764	734,688	734,688	
2031	20,174,206	45,153	2.13	42,326	2,963	715,377	50,839	6,179	6,179	6,179	0	1,776,764	459,175	459,175	0	266,988	266,988	1,776,764	1,776,764	765,113	765,113	
2032	20,779,432	46,507	2.13	43,596	3,052	716,371	50,910	5,179	5,179	5,179	0	1,776,764	459,175	459,175	0	266,988	266,988	1,776,764	1,776,764	762,163	762,163	
2033	20,779,432	47,903	2.19	44,824	3,138	716,371	50,910	4,179	4,179	4,179	0	1,776,764	459,175	459,175	0	266,988	266,988	1,776,764	1,776,764	762,163	762,163	
2034	21,402,815	49,340	2.19	46,169	3,232	737,862	52,437	3,179	3,179	3,179	0	1,802,651	526,113	526,113	0	264,500	264,500	1,802,651	1,802,651	766,875	766,875	
2035	21,402,815	50,820	2.26	47,645	3,335	737,862	52,437	2,179	2,179	2,179	0	1,802,651	526,113	526,113	0	264,500	264,500	1,802,651	1,802,651	766,875	766,875	
2036	22,044,899	52,344	2.26	49,074	3,435	759,998	54,010	1,179	1,179	1,179	0	1,828,024	555,825	555,825	0	258,238	258,238	1,828,024	1,828,024	787,475	787,475	
2037	22,044,899	53,915	2.33	50,594	3,542	759,998	54,010	1,179	1,179	1,179	0	1,828,024	555,825	555,825	0	258,238	258,238	1,828,024	1,828,024	814,063	814,063	
2038	22,706,246	55,532	2.33	52,112	3,648	782,798	55,630	1,179	1,179	1,179	0	1,853,025	521,563	521,563	0	250,475	250,475	1,853,025	1,853,025	811,600	811,600	
2039	22,706,246	57,198	2.40	53,678	3,757	782,798	55,630	1,179	1,179	1,179	0	1,853,025	521,563	521,563	0	250,475	250,475	1,853,025	1,853,025	839,275	839,275	
2040	23,387,434	58,914	2.40	55,288	3,870	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	839,275	839,275	
2041	23,387,434	60,640	2.40	56,903	3,984	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	868,450	868,450	
2042	23,387,434	62,366	2.40	58,518	4,098	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	868,450	868,450	
2043	23,387,434	64,092	2.40	60,133	4,212	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	868,450	868,450	
2044	23,387,434	65,818	2.40	61,748	4,326	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	868,450	868,450	
2045	23,387,434	67,544	2.40	63,363	4,440	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	868,450	868,450	
2046	23,387,434	69,270	2.40	64,978	4,554	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	868,450	868,450	
2047	23,387,434	71,000	2.40	66,602	4,668	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	868,450	868,450	
2048	23,387,434	72,726	2.40	68,226	4,782	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	868,450	868,450	
2049	23,387,434	74,452	2.40	69,850	4,896	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	868,450	868,450	
2050	23,387,434	76,178	2.40	71,474	5,010	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	868,450	868,450	
2051	23,387,434	77,904	2.40	73,100	5,124	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	868,450	868,450	
2052	23,387,434	79,630	2.40	74,726	5,238	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	868,450	868,450	
2053	23,387,434	81,356	2.40	76,352	5,352	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	868,450	868,450	
2054	23,387,434	83,082	2.40	77,978	5,466	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	868,450	868,450	
2055	23,387,434	84,808	2.40	79,604	5,580	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	868,450	868,450	
2056	23,387,434	86,534	2.40	81,230	5,694	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,879,153	868,450	868,450	
2057	23,387,434	88,260	2.40	82,856	5,808	806,282	57,299	1,179	1,179	1,179	0	1,879,153	521,563	521,563	0	250,475	250,475	1,879,153	1,87			

**Takoda Metropolitan District
In the City of Louisville, Colorado
Limited Tax General Obligation Bonds
Series 2009**

Takoda Met
VacantLot

Vacant Lot Inventory and Valuation

Appraisal Year	Phase								Vacant Lot Valuation	Assessed Valuation
	Single Family Homes		Multi Family Homes		Row Home		Undeveloped			
	Lots	Appraised Value	Lots	Appraised Value	Lots	Appraised Value	Lots/ Acres	Appraised Value		
										29%
2009	123	5,000	178	2,000	49	3,000	5	10,000	1,168,000	338,720
2010	113	55,000	178	20,000	39	35,000	5	110,000	11,690,000	3,390,100
2011	83	55,000	178	20,000	9	35,000	5	110,000	8,990,000	2,607,100
2012	48	55,000	148	20,000	0	35,000	5	110,000	6,150,000	1,783,500
2013	8	55,000	118	20,000	0	35,000	5	110,000	3,350,000	971,500
2014	0	55,000	88	20,000	0	35,000	5	110,000	2,310,000	669,900
2015	0	55,000	58	20,000	0	35,000	5	110,000	1,710,000	495,900
2016	0	55,000	28	20,000	0	35,000	5	110,000	1,110,000	321,900
2017	0	55,000	0	20,000	0	35,000	5	110,000	550,000	159,500
2018	0	55,000	0	20,000	0	35,000	5	110,000	550,000	159,500
2019							5	110,000	550,000	159,500
2020							5	110,000	550,000	159,500
2021							5	110,000	550,000	159,500
2022							5	110,000	550,000	159,500
2023							5	110,000	550,000	159,500
2024							5	110,000	550,000	159,500
2025							5	110,000	550,000	159,500
2026							5	110,000	550,000	159,500
2027							5	110,000	550,000	159,500
2028							5	110,000	550,000	159,500
2029							5	110,000	550,000	159,500
2030							5	110,000	550,000	159,500
2031							5	110,000	550,000	159,500
2032							5	110,000	550,000	159,500
2033							5	110,000	550,000	159,500
2034							5	110,000	550,000	159,500
2035							5	110,000	550,000	159,500
2036							5	110,000	550,000	159,500
2037							5	110,000	550,000	159,500

**Takoda Metropolitan District
In the City of Louisville, Colorado
Limited Tax General Obligation Bonds
Series 2009**

Takoda Met
ResSold

Residential Homes Sold

Sale Year	Phase						Residential Construction Valuation	Assessed Valuation
	Single Family Homes		Multi Family Homes		Row Home			
	Sales	Value/ Sale	Sales	Value/ Sale	Sales	Value/ Sale		
2007							-	-
2009	10	575,000	0	330,000	10	390,000	9,650,000	768,140
2010	30	575,000	0	330,000	30	390,000	28,950,000	2,304,420
2011	35	575,000	30	330,000	9	390,000	33,535,000	2,669,386
2012	40	575,000	30	330,000	0	390,000	32,900,000	2,618,840
2013	8	575,000	30	330,000	0	390,000	14,500,000	1,154,200
2014	0	575,000	30	330,000	0	390,000	9,900,000	788,040
2015			30	330,000	0	390,000	9,900,000	788,040
2016			28	330,000	0	390,000	9,240,000	735,504
Total	123		178		49			

Takoda Metropolitan District
In the City of Louisville, Colorado
Limited Tax General Obligation Bonds
Series 2009

Takoda Met
 CommAV

Retail Property

Appraisal Year	Appraised Value		Total Appraised & Assessed Valuation	
	Completed Square Footage	Commercial Property \$175 per square foot	Commercial Appraised	Assessed Valuation 29%
2011	20,000	3,500,000	3,500,000	1,015,000
2012	20,000	7,000,000	7,000,000	2,030,000
2013	20,000	10,500,000	10,500,000	3,045,000
2014	11,743	12,555,025	12,555,025	3,640,957
Total	71,743			

**Takoda Metropolitan District
In the City of Louisville, Colorado
Limited Tax General Obligation Bonds
Series 2009**

Takoda Met
DevFees
9/4/2008 0:00

Schedule of Development Fees							
Year	Single Family Units Completed	SF Development Fee \$15,000	Row House Units Completed	Multi-Family Development Fee \$4,500	Multi-Family Units Completed	Row Home Development Fee \$10,500	Total Development Fees
2007	0	\$0	\$0	\$0	0	\$0	0
2008	0	0	0	0	0	0	0
2009	10	150,000	0	0	10	105,000	255,000
2010	30	450,000	0	0	30	315,000	765,000
2011	35	525,000	30	135,000	9	94,500	754,500
2012	40	600,000	30	135,000	0	0	735,000
2013	8	120,000	30	135,000	0	0	255,000
2014	0	0	30	135,000	0	0	135,000
2015	0	0	30	135,000	0	0	135,000
2016	0	0	28	126,000	0	0	126,000
	123	\$1,845,000	178	\$801,000	49	\$514,500	\$3,160,500

**Takoda Metropolitan District
In the City of Louisville, Colorado
Limited Tax General Obligation Bonds
Series 2009**

Takoda Met
SumAV

Assessed Valuation Summary

Completion Assessment		Tax Collection		Incremental Residential Assessed Valuation		Incremental Commercial AV		Total Assessed Valuation		
Year	Year	Year	Year	Vacant Lots (AV Reduced as homes built/sold)	Res Home Sold	Commercial Property	Incremental AV	Incremental AV	Growth Factor	Cumulative Assessed Valuation
2007	2008	2009	2009	-	-	-	-	-	3.00%	-
2008	2009	2010	2010	338,720	-	-	338,720	338,720	-	338,720
2009	2010	2011	2011	3,051,380	768,140	-	3,819,520	3,819,520	-	4,158,240
2010	2011	2012	2012	(783,000)	2,304,420	-	1,521,420	1,521,420	124,747	5,804,407
2011	2012	2013	2013	(823,600)	2,669,386	1,015,000	2,860,786	2,860,786	-	8,665,193
2012	2013	2014	2014	(812,000)	2,618,840	1,015,000	2,821,840	2,821,840	259,956	11,746,989
2013	2014	2015	2015	(301,600)	1,154,200	1,015,000	1,867,600	1,867,600	-	13,614,589
2014	2015	2016	2016	(174,000)	788,040	595,957	1,209,997	1,209,997	408,438	15,233,024
2015	2016	2017	2017	(174,000)	788,040	-	614,040	614,040	-	15,847,064
2016	2017	2018	2018	(162,400)	735,504	-	573,104	573,104	475,412	16,895,580
2017	2018	2019	2019	-	-	-	-	-	-	16,895,580
2018	2019	2020	2020	-	-	-	-	-	506,867	17,402,447
2019	2020	2021	2021	-	-	-	-	-	-	17,402,447
2020	2021	2022	2022	-	-	-	-	-	522,073	17,924,521
2021	2022	2023	2023	-	-	-	-	-	-	17,924,521
2022	2023	2024	2024	-	-	-	-	-	537,736	18,462,256
2023	2024	2025	2025	-	-	-	-	-	-	18,462,256
2024	2025	2026	2026	-	-	-	-	-	553,868	19,016,124
2025	2026	2027	2027	-	-	-	-	-	-	19,016,124
2026	2027	2028	2028	-	-	-	-	-	570,484	19,586,608
2027	2028	2029	2029	-	-	-	-	-	-	19,586,608
2028	2029	2030	2030	-	-	-	-	-	587,598	20,174,206
2029	2030	2031	2031	-	-	-	-	-	-	20,174,206
2030	2031	2032	2032	-	-	-	-	-	605,226	20,779,432
2031	2032	2033	2033	-	-	-	-	-	-	20,779,432
2032	2033	2034	2034	-	-	-	-	-	623,383	21,402,815
2033	2034	2035	2035	-	-	-	-	-	-	21,402,815
2034	2035	2036	2036	-	-	-	-	-	642,084	22,044,899
2035	2036	2037	2037	-	-	-	-	-	-	22,044,899
Total				159,500	11,826,570	3,640,957	15,627,027	15,627,027	6,417,872	

Takoda Metropolitan District
In the City of Louisville, Colorado
Limited Tax General Obligation Bonds
Series 2009

Takoda Met
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Debt Service Schedule
\$6,925,000

Date	Principal	Interest Rate	Interest	P & I	Annual P & I	Capitalized Interest	DSRF Earnings 3.50000	Net Annual P & I
06/01/09			144,126.56	144,126.56		(136,653.33)	(7,473.23)	
12/01/09	0	6.750	233,718.75	233,718.75	377,845.31	(221,600.00)	(12,118.75)	(0.00)
06/01/10			233,718.75	233,718.75		(221,600.00)	(12,118.75)	
12/01/10	0	6.750	233,718.75	233,718.75	467,437.50	(221,600.00)	(12,118.75)	0.00
06/01/11			233,718.75	233,718.75		0.00	(12,118.75)	
12/01/11	125,000	6.750	233,718.75	358,718.75	592,437.50	0.00	(12,118.75)	568,200.00
06/01/12			229,500.00	229,500.00			(12,118.75)	
12/01/12	130,000	6.750	229,500.00	359,500.00	589,000.00		(12,118.75)	564,762.50
06/01/13			225,112.50	225,112.50			(12,118.75)	
12/01/13	130,000	6.750	225,112.50	355,112.50	580,225.00		(12,118.75)	555,987.50
06/01/14			220,725.00	220,725.00			(12,118.75)	
12/01/14	130,000	6.750	220,725.00	350,725.00	571,450.00		(12,118.75)	547,212.50
06/01/15			216,337.50	216,337.50			(12,118.75)	
12/01/15	135,000	6.750	216,337.50	351,337.50	567,675.00		(12,118.75)	543,437.50
06/01/16			211,781.25	211,781.25			(12,118.75)	
12/01/16	130,000	6.750	211,781.25	341,781.25	553,562.50		(12,118.75)	529,325.00
06/01/17			207,393.75	207,393.75			(12,118.75)	
12/01/17	130,000	6.750	207,393.75	337,393.75	544,787.50		(12,118.75)	520,550.00
06/01/18			203,006.25	203,006.25			(12,118.75)	
12/01/18	135,000	6.750	203,006.25	338,006.25	541,012.50		(12,118.75)	516,775.00
06/01/19			198,450.00	198,450.00			(12,118.75)	
12/01/19	135,000	6.750	198,450.00	333,450.00	531,900.00		(12,118.75)	507,662.50
06/01/20			193,893.75	193,893.75			(12,118.75)	
12/01/20	130,000	6.750	193,893.75	323,893.75	517,787.50		(12,118.75)	493,550.00
06/01/21			189,506.25	189,506.25			(12,118.75)	
12/01/21	135,000	6.750	189,506.25	324,506.25	514,012.50		(12,118.75)	489,775.00
06/01/22			184,950.00	184,950.00			(12,118.75)	
12/01/22	155,000	6.750	184,950.00	339,950.00	524,900.00		(12,118.75)	500,662.50
06/01/23			179,718.75	179,718.75			(12,118.75)	
12/01/23	165,000	6.750	179,718.75	344,718.75	524,437.50		(12,118.75)	500,200.00
06/01/24			174,150.00	174,150.00			(12,118.75)	
12/01/24	175,000	6.750	174,150.00	349,150.00	523,300.00		(12,118.75)	499,062.50
06/01/25			168,243.75	168,243.75			(12,118.75)	
12/01/25	190,000	6.750	168,243.75	358,243.75	526,487.50		(12,118.75)	502,250.00
06/01/26			161,831.25	161,831.25			(12,118.75)	
12/01/26	200,000	6.750	161,831.25	361,831.25	523,662.50		(12,118.75)	499,425.00
06/01/27			155,081.25	155,081.25			(12,118.75)	
12/01/27	215,000	6.750	155,081.25	370,081.25	525,162.50		(12,118.75)	500,925.00
06/01/28			147,825.00	147,825.00			(12,118.75)	
12/01/28	210,000	6.750	147,825.00	357,825.00	505,650.00		(12,118.75)	481,412.50
06/01/29			140,737.50	140,737.50			(12,118.75)	
12/01/29	220,000	6.750	140,737.50	360,737.50	501,475.00		(12,118.75)	477,237.50
06/01/30			133,312.50	133,312.50			(12,118.75)	
12/01/30	255,000	6.750	133,312.50	388,312.50	521,625.00		(12,118.75)	497,387.50
06/01/31			124,706.25	124,706.25			(12,118.75)	
12/01/31	270,000	6.750	124,706.25	394,706.25	519,412.50		(12,118.75)	495,175.00
06/01/32			115,593.75	115,593.75			(12,118.75)	
12/01/32	290,000	6.750	115,593.75	405,593.75	521,187.50		(12,118.75)	496,950.00
06/01/33			105,806.25	105,806.25			(12,118.75)	
12/01/33	315,000	6.750	105,806.25	420,806.25	526,612.50		(12,118.75)	502,375.00
06/01/34			95,175.00	95,175.00			(12,118.75)	
12/01/34	360,000	6.750	95,175.00	455,175.00	550,350.00		(12,118.75)	526,112.50
06/01/35			83,025.00	83,025.00			(12,118.75)	
12/01/35	385,000	6.750	83,025.00	468,025.00	551,050.00		(12,118.75)	526,812.50
06/01/36			70,031.25	70,031.25			(12,118.75)	
12/01/36	440,000	6.750	70,031.25	510,031.25	580,062.50		(12,118.75)	555,825.00
06/01/37			55,181.25	55,181.25			(12,118.75)	
12/01/37	475,000	6.750	55,181.25	530,181.25	585,362.50		(12,118.75)	561,125.00
06/01/38			39,150.00	39,150.00			(12,118.75)	
12/01/38	1,160,000	6.750	39,150.00	1,199,150.00	1,238,300.00		(704,618.75)	521,562.50
	6,925,000		9,773,170.31	16,698,170.31	16,698,170.31	(801,453.33)	(1,414,979.48)	14,481,737.50

Dated	02/10/09	Average Coupon	6.750000
		NIC	6.833700
Settlement	02/10/09	TIC	6.920744
		Arbitrage Yield	6.751240
		Bond Years	144,787.71
		Average Life	20.91
		Accrued Interest	0.00

**Takoda Metropolitan District
In the City of Louisville, Colorado
Limited Tax General Obligation Bonds
Series 2009**

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Sources and Uses of Funds

Sources

Principal Amount of Bond Issue	6,925,000.00
	<hr/>
	6,925,000.00
	<hr/>

Uses

Project Fund	5,239,312.50
Reserve Fund	692,500.00
Bond Discount	\$17.50 /\$1,000 121,187.50
Capitalized Interest Fund	772,000.00
Cost of Issuance	100,000.00
Contingency	0.00
	<hr/>
	6,925,000.00
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Cost of Issuance

Estimated Cost of Issuance	100,000.00
	<hr/>
	100,000.00
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**Takoda Metropolitan District
In the City of Louisville, Colorado
Limited Tax General Obligation Bonds
Series 2009**

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Capitalized Interest Schedule

periods	Date	Days	Interest @ 3.5000%	D/S Draws	Fund Balance
	02/10/09	initial deposit			772,000
1	06/01/09	111	8,217	(136,653)	643,564
2	12/01/09	183	11,293	(221,600)	433,257
3	06/01/10	182	7,561	(221,600)	219,218
4	12/01/10	183	3,847	(221,600)	1,465
			30,918	(801,453)	
Average Life		1.134	Years		

**Takoda Metropolitan District
In the City of Louisville, Colorado
Limited Tax General Obligation Bonds
Series 2009**

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Project Draw Schedule

periods	Date	Days	Interest @ 3.5000%	Project Draws	Fund Balance
	02/10/09	initial deposit			5,239,313
1	03/10/09	28	14,067	(241,863)	5,011,516
2	04/10/09	31	14,897	(242,693)	4,783,720
3	05/10/09	30	13,761	(241,558)	4,555,924
4	06/10/09	31	13,543	(241,339)	4,328,128
5	07/10/09	30	12,451	(240,247)	4,100,332
6	08/10/09	31	12,189	(239,985)	3,872,535
7	09/10/09	31	11,512	(239,308)	3,644,739
8	10/10/09	30	10,485	(238,281)	3,416,943
9	11/10/09	31	10,157	(237,953)	3,189,147
10	12/10/09	30	9,174	(236,970)	2,961,351
11	01/10/10	31	8,803	(236,599)	2,733,554
12	02/10/10	31	8,126	(235,922)	2,505,758
13	03/10/10	28	6,728	(234,524)	2,277,962
14	04/10/10	31	6,771	(234,568)	2,050,166
15	05/10/10	30	5,898	(233,694)	1,822,370
16	06/10/10	31	5,417	(233,213)	1,594,573
17	07/10/10	30	4,587	(232,383)	1,366,777
18	08/10/10	31	4,063	(231,859)	1,138,981
19	09/10/10	31	3,386	(231,182)	911,185
20	10/10/10	30	2,621	(230,417)	683,389
21	11/10/10	31	2,031	(229,828)	455,592
22	12/10/10	30	1,311	(229,107)	227,796
23	01/10/11	31	677	(228,473)	(0)
			182,655	(5,421,968)	

Debt Service Schedule
\$3,625,000

Date	Principal	Interest Rate	Interest	P & I	Annual P & I	Capitalized Interest	DSRF Earnings 3.50	Net Annual P & I
06/01/11			76,804.69	76,804.69		(72,892.71)	(3,911.98)	
12/01/11	0	6.750	122,343.75	122,343.75	199,148.44	(116,000.00)	(6,343.75)	0.00
06/01/12			122,343.75	122,343.75		(116,000.00)	(6,343.75)	
12/01/12	0	6.750	122,343.75	122,343.75	244,687.50	0.00	(6,343.75)	116,000.00
06/01/13			122,343.75	122,343.75		0.00	(6,343.75)	
12/01/13	20,000	6.750	122,343.75	142,343.75	264,687.50	0.00	(6,343.75)	252,000.00
06/01/14			121,668.75	121,668.75			(6,343.75)	
12/01/14	25,000	6.750	121,668.75	146,668.75	268,337.50		(6,343.75)	255,650.00
06/01/15			120,825.00	120,825.00			(6,343.75)	
12/01/15	30,000	6.750	120,825.00	150,825.00	271,650.00		(6,343.75)	258,962.50
06/01/16			119,812.50	119,812.50			(6,343.75)	
12/01/16	30,000	6.750	119,812.50	149,812.50	269,625.00		(6,343.75)	256,937.50
06/01/17			118,800.00	118,800.00			(6,343.75)	
12/01/17	30,000	6.750	118,800.00	148,800.00	267,600.00		(6,343.75)	254,912.50
06/01/18			117,787.50	117,787.50			(6,343.75)	
12/01/18	35,000	6.750	117,787.50	152,787.50	270,575.00		(6,343.75)	257,887.50
06/01/19			116,606.25	116,606.25			(6,343.75)	
12/01/19	35,000	6.750	116,606.25	151,606.25	268,212.50		(6,343.75)	255,525.00
06/01/20			115,425.00	115,425.00			(6,343.75)	
12/01/20	35,000	6.750	115,425.00	150,425.00	265,850.00		(6,343.75)	253,162.50
06/01/21			114,243.75	114,243.75			(6,343.75)	
12/01/21	40,000	6.750	114,243.75	154,243.75	268,487.50		(6,343.75)	255,800.00
06/01/22			112,893.75	112,893.75			(6,343.75)	
12/01/22	40,000	6.750	112,893.75	152,893.75	265,787.50		(6,343.75)	253,100.00
06/01/23			111,543.75	111,543.75			(6,343.75)	
12/01/23	45,000	6.750	111,543.75	156,543.75	268,087.50		(6,343.75)	255,400.00
06/01/24			110,025.00	110,025.00			(6,343.75)	
12/01/24	50,000	6.750	110,025.00	160,025.00	270,050.00		(6,343.75)	257,362.50
06/01/25			108,337.50	108,337.50			(6,343.75)	
12/01/25	55,000	6.750	108,337.50	163,337.50	271,675.00		(6,343.75)	258,987.50
06/01/26			106,481.25	106,481.25			(6,343.75)	
12/01/26	60,000	6.750	106,481.25	166,481.25	272,962.50		(6,343.75)	260,275.00
06/01/27			104,456.25	104,456.25			(6,343.75)	
12/01/27	65,000	6.750	104,456.25	169,456.25	273,912.50		(6,343.75)	261,225.00
06/01/28			102,262.50	102,262.50			(6,343.75)	
12/01/28	65,000	6.750	102,262.50	167,262.50	269,525.00		(6,343.75)	256,837.50
06/01/29			100,068.75	100,068.75			(6,343.75)	
12/01/29	70,000	6.750	100,068.75	170,068.75	270,137.50		(6,343.75)	257,450.00
06/01/30			97,706.25	97,706.25			(6,343.75)	
12/01/30	85,000	6.750	97,706.25	182,706.25	280,412.50		(6,343.75)	267,725.00
06/01/31			94,837.50	94,837.50			(6,343.75)	
12/01/31	90,000	6.750	94,837.50	184,837.50	279,675.00		(6,343.75)	266,987.50
06/01/32			91,800.00	91,800.00			(6,343.75)	
12/01/32	95,000	6.750	91,800.00	186,800.00	278,600.00		(6,343.75)	265,912.50
06/01/33			88,593.75	88,593.75			(6,343.75)	
12/01/33	100,000	6.750	88,593.75	188,593.75	277,187.50		(6,343.75)	264,500.00
06/01/34			85,218.75	85,218.75			(6,343.75)	
12/01/34	105,000	6.750	85,218.75	190,218.75	275,437.50		(6,343.75)	262,750.00
06/01/35			81,675.00	81,675.00			(6,343.75)	
12/01/35	110,000	6.750	81,675.00	191,675.00	273,350.00		(6,343.75)	260,662.50
06/01/36			77,962.50	77,962.50			(6,343.75)	
12/01/36	115,000	6.750	77,962.50	192,962.50	270,925.00		(6,343.75)	258,237.50
06/01/37			74,081.25	74,081.25			(6,343.75)	
12/01/37	115,000	6.750	74,081.25	189,081.25	263,162.50		(6,343.75)	250,475.00
06/01/38			70,200.00	70,200.00			(6,343.75)	
12/01/38	190,000	6.750	70,200.00	260,200.00	330,400.00		(6,343.75)	317,712.50
06/01/39			63,787.50	63,787.50			(6,343.75)	
12/01/39	725,000	6.750	63,787.50	788,787.50	852,575.00		(6,343.75)	839,887.50
06/01/40			39,318.75	39,318.75			(6,343.75)	
12/01/40	1,165,000	6.750	39,318.75	1,204,318.75	1,243,637.50		(368,843.75)	868,450.00
	3,625,000		6,021,360.94	9,646,360.94	9,646,360.94	(304,892.71)	(740,693.23)	8,600,775.00

Dated	02/08/11	Average Coupon	6.750000
		NIC	6.821114
Settlement	02/08/11	TIC	6.905245
		Arbitrage Yield	6.751115
		Bond Years	89,205.35
		Average Life	24.61
		Accrued Interest	0.00

**Takoda Metropolitan District
In the City of Louisville, Colorado
Limited Tax General Obligation Bonds
Series 2011**

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Sources and Uses of Funds

Sources

Principal Amount of Bond Issue	3,625,000.00
	<u>3,625,000.00</u>

Uses

Project Fund	2,842,062.50
Reserve Fund	362,500.00
Bond Discount	\$17.50 /\$1,000 63,437.50
Capitalized Interest Fund	297,000.00
Cost of Issuance	60,000.00
Contingency	0.00
	<u>3,625,000.00</u>

Cost of Issuance

Estimated Cost of Issuance	60,000.00
	<u>60,000.00</u>

**Takoda Metropolitan District
In the City of Louisville, Colorado
Limited Tax General Obligation Bonds
Series 2011**

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Project Draw Schedule

periods	Date	Days	Interest @ 3.5000%	Project Draws	Fund Balance
	02/08/11	initial deposit			2,842,063
1	03/08/11	28	7,631	(126,050)	2,723,643
2	04/08/11	31	8,096	(126,516)	2,605,224
3	05/08/11	30	7,494	(125,914)	2,486,805
4	06/08/11	31	7,392	(125,812)	2,368,385
5	07/08/11	30	6,813	(125,232)	2,249,966
6	08/08/11	31	6,688	(125,108)	2,131,547
7	09/08/11	31	6,336	(124,756)	2,013,128
8	10/08/11	30	5,791	(124,210)	1,894,708
9	11/08/11	31	5,632	(124,051)	1,776,289
10	12/08/11	30	5,110	(123,529)	1,657,870
11	01/08/12	31	4,928	(123,347)	1,539,451
12	02/08/12	31	4,576	(122,995)	1,421,031
13	03/08/12	29	3,952	(122,371)	1,302,612
14	04/08/12	31	3,872	(122,291)	1,184,193
15	05/08/12	30	3,407	(121,826)	1,065,773
16	06/08/12	31	3,168	(121,587)	947,354
17	07/08/12	30	2,725	(121,145)	828,935
18	08/08/12	31	2,464	(120,883)	710,516
19	09/08/12	31	2,112	(120,531)	592,096
20	10/08/12	30	1,703	(120,123)	473,677
21	11/08/12	31	1,408	(119,827)	355,258
22	12/08/12	30	1,022	(119,441)	236,839
23	01/08/13	31	704	(119,123)	118,419
24	02/08/13	31	352	(118,771)	0
			103,378	(2,945,441)	

Average Life 1.028 Years

**Takoda Metropolitan District
In the City of Louisville, Colorado
Limited Tax General Obligation Bonds
Series 2011**

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Capitalized Interest Schedule

periods	Date	Days	Interest @ 3.5000%	D/S Draws	Fund Balance
	02/08/11	initial deposit			297,000
1	06/01/11	113	3,218	(72,893)	227,325
2	12/01/11	183	3,989	(116,000)	115,315
3	06/01/12	183	2,024	(116,000)	1,338
			9,231	(304,893)	
Average Life		0.882	Years		

Exhibit C
Construction Costs

TAKODA METROPOLITAN DISTRICT

Takoda Properties, Inc

Opinion of Probable Cost for Public Improvements to be funded by Metro District

9/5/2008

Category of Improvement	Metro District Public Improvements	Public Improvements <u>not funded</u> by the Metro District or City	Total Public Improvement Project Costs
Survey	49,970	60,066	110,036
Getechnical Services	0	217,516	217,516
Grading	1,256,592	493,460	1,750,052
Erosion Control	168,814	151,701	320,515
Sanitary Sewer	1,017,495	139,133	1,156,628
Water	827,980	148,225	976,205
Storm Water Management	715,946	254,701	970,647
Irrigation	71,840	0	71,840
Concrete	602,777	169,577	772,354
Paving	899,867	208,816	1,108,683
General Site Improvements (stripings, signs, etc.)	618,523	170,813	789,336
SH 42 Improvements	348,084	0	348,084
Organizational Costs	50,000	0	50,000
Bullhead Underpass/Other Regional Improvements	250,000	0	250,000
City of Louisville Gateway Monumentation	40,000	0	40,000
Landscaping Improvements	965,521	468,642	1,434,163
Site Design and Engineering	484,000	383,580	867,580
Dry Utilities	0	305,500	305,500
Entitlements	0	798,489	798,489
HOA	0	75,000	75,000
Contingency (approximately 5%)	0	654,056	654,056
Construction Management and Support	0	162,876	162,876
TOTALS	\$8,367,409	\$4,862,151	\$13,229,560

Exhibit C

THE SOUTHEAST QUARTER
SECTION 5, TOWNSHIP 1 SOUTH, RANGE 69 WEST, of the 6th P.M.
CITY OF LOUISVILLE, BOULDER COUNTY, COLORADO

INDIAN PEAKS, FILING 17
(City of Lafayette)

EAST 1/4 CORNER
SECTION 5, T1S, R69W, 6th P.M.

NORTH END
(City of Louisville)

LOUISVILLE NORTH
FILING 1
(City of Louisville)

BURLINGTON-NORTHERN-RAILROAD

LOUISVILLE NORTH
FILING 8
(City of Louisville)

LOUISVILLE NORTH
FILING 9
(City of Louisville)

LOUISVILLE NORTH
FILING 10
(City of Louisville)

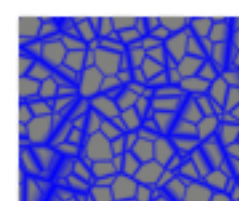
DELLACAVA TEBB DEVELOPMENT CO., LLC
REC'D. #0026653

S. J. ALKONIS
FILM 735
REC'D. #980789

ALVENUS PARK, FILING 2
(City of Louisville)

CHRISTOPHER PLAZA
(City of Louisville)

CHRISTOPHER VILLAGE
(City of Louisville)



Surveying, Water System,
Sanitary Sewer System, Streets,
Storm Water Management,
SH42



Parks and Open Space

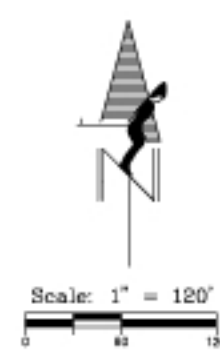
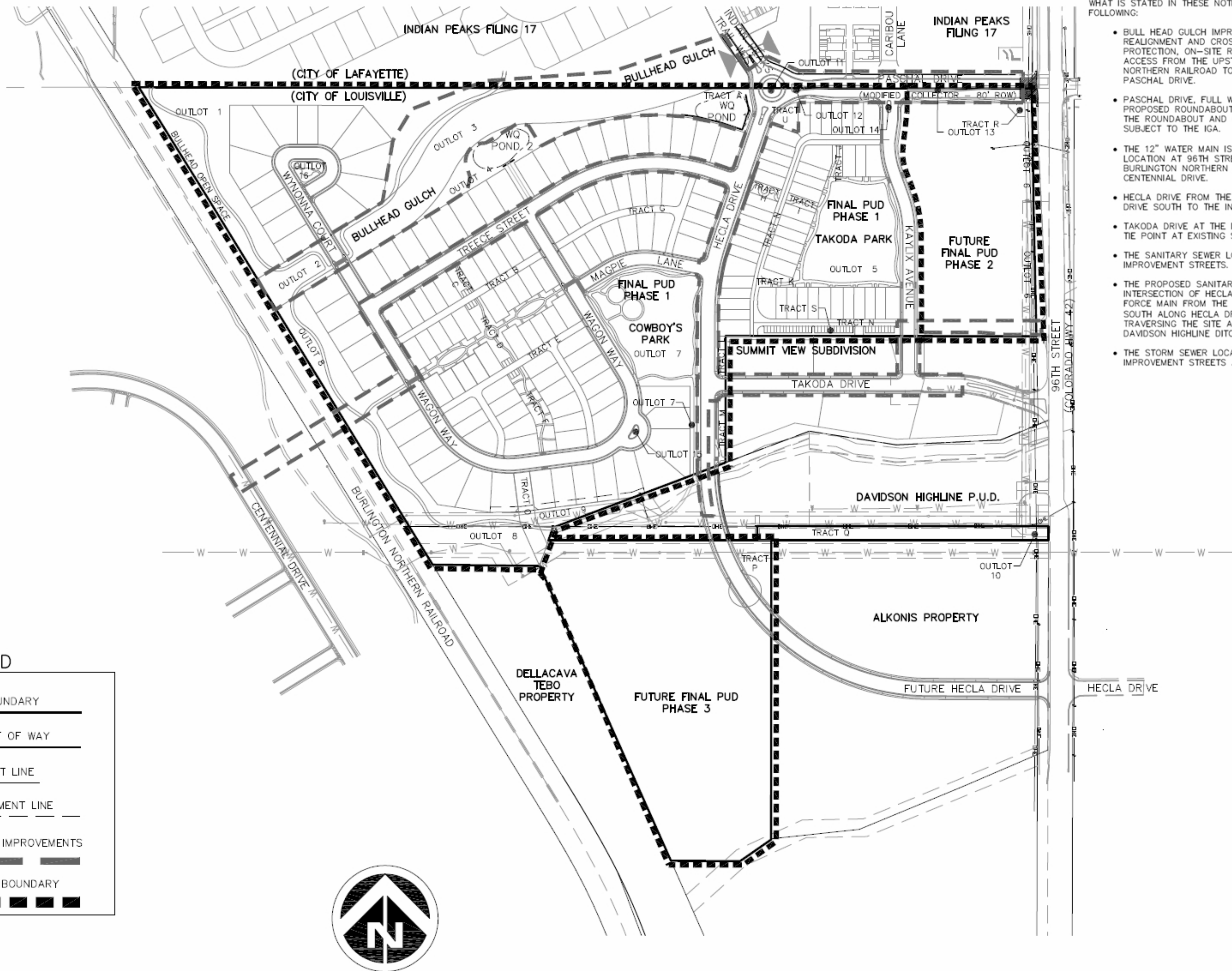


Exhibit C

REGIONAL IMPROVEMENT NOTES

REGIONAL IMPROVEMENTS FOR THE PROPERTY WILL BE CONSTRUCTED TO SERVICE THE FIRST PHASE OF THE PROJECT. THIS PHASING PLAN IS NOT MEANT TO DICTATE THE PHASING ASSOCIATED WITH THIS PROJECT BEYOND WHAT IS STATED IN THESE NOTES. THE REGIONAL IMPROVEMENTS INCLUDE THE FOLLOWING:

- BULL HEAD GULCH IMPROVEMENTS INCLUDING PROPOSED CHANNEL REALIGNMENT AND CROSS SECTION, DROP STRUCTURES, BANK PROTECTION, ON-SITE REINFORCED BOX CULVERT AND MAINTENANCE ACCESS FROM THE UPSTREAM TIE LOCATION AT THE BURLINGTON NORTHERN RAILROAD TO THE DOWNSTREAM CONNECTION POINT AT PASCHAL DRIVE.
- PASCHAL DRIVE, FULL WIDTH, FROM 96TH STREET WEST TO THE PROPOSED ROUNDABOUT. PASCHAL DRIVE IMPROVEMENTS WILL INCLUDE THE ROUNDABOUT AND DEVELOPMENT OF THESE IMPROVEMENTS IS SUBJECT TO THE IGA.
- THE 12" WATER MAIN IS DEPICTED IN THIS PDP FROM THE EAST TIE LOCATION AT 96TH STREET THROUGH THE SITE, AND UNDER THE BURLINGTON NORTHERN RAILROAD TO THE WEST TIE LOCATION AT CENTENNIAL DRIVE.
- HECLA DRIVE FROM THE ROUNDABOUT INTERSECTION AT PASCHAL DRIVE SOUTH TO THE INTERSECTION WITH SUMMIT VIEW DRIVE.
- TAKODA DRIVE AT THE INTERSECTION WITH HECLA DRIVE EAST TO THE TIE POINT AT EXISTING SUMMIT VIEW DRIVE.
- THE SANITARY SEWER LOCATED WITHIN THE IDENTIFIED REGIONAL IMPROVEMENT STREETS.
- THE PROPOSED SANITARY SEWER LIFT STATION LOCATED ADJACENT TO INTERSECTION OF HECLA DRIVE AND PASCHAL DRIVE AND ASSOCIATED FORCE MAIN FROM THE LIFT STATION WEST TO HECLA DRIVE AND THEN SOUTH ALONG HECLA DRIVE TO THE EXISTING 12" SANITARY SEWER TRAVERSING THE SITE ADJACENT TO THE SOUTH OF THE EXISTING DAVIDSON HIGHLINE DITCH.
- THE STORM SEWER LOCATED WITHIN THE IDENTIFIED REGIONAL IMPROVEMENT STREETS AND WATER QUALITY POND 1.



LEGEND

PROPOSED BOUNDARY

PROPOSED RIGHT OF WAY

PROPOSED LOT LINE

PROPOSED EASEMENT LINE

PROPOSED REGIONAL IMPROVEMENTS

PROPOSED PHASE BOUNDARIES





Engineering Consultants, Inc.
Your project, our pride.™

August 19, 2008

Justin McClure
RMCS, LLC
726 Front Street, Suite B
Louisville, Colorado 80027
Phone: (720) 524-3620

RE: Statement of Representation

Dear Mr. McClure,

This letter is being provided as requested by the City of Louisville staff to accompany the Proposed Service Plan for Takoda Metropolitan District (referred to the Service Plan hereafter) and the associated Exhibit C – “Opinion of Probable Cost for Public Improvements to be funded by Metro District” (referred to as the Cost Estimate hereafter).

The Cost Estimate was determined based on the City Approved Plans (the defined term in the Service Plan that includes the GDP, PUD, and Plat) and associated construction plans. The construction plans were prepared to adhere to the City of Louisville standards and criteria. The design of Bullhead Gulch and some of the public storm sewer infrastructure were completed in accordance with the Urban Drainage and Flood Control District’s (UDFCD) Urban Storm Drainage Criteria Manual (UDSCM). In addition, improvements proposed along State Highway 42 were coordinated with the Colorado Department of Transportation (CDOT) and their associated design guidelines.

The Cost Estimate was prepared utilizing reasonable unit cost rates set by current industry construction standards. Estimates from both the project engineer and contractor were subsequently compared to prepare the most reasonable, realistic cost estimate.

Please feel free to contact me if you have any questions or comments.

Respectfully Submitted,

J3 Engineering Consultants, Inc.

A handwritten signature in black ink, appearing to read 'J. R. D.', is written over a horizontal line.

Josh R. Duncan, P.E., CFM
Project Engineer

Exhibit D
Form of Intergovernmental Agreement

INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF LOUISVILLE, COLORADO
AND THE TAKODA METROPOLITAN DISTRICT

THIS AGREEMENT is made and entered into as of this ____ day of _____, 2008, by and between the CITY OF LOUISVILLE, a home rule municipal corporation of the State of Colorado (the “City”), and the TAKODA METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”). The City and the District are collectively referred to as the Parties.

WITNESSETH:

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

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District’s Service Plan approved by the City on September 16, 2008 (the “Service Plan”); and

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

WHEREAS, certain public improvements necessary for development are identified in the Service Plan (the “Public Improvements”), and two of these improvements that are of special interest to the City are listed on Exhibit A attached hereto (the “Regional Improvements”); and

WHEREAS, the City and District acknowledge the need for the Public Improvements in order to accomplish the comprehensive development of the property located within the District’s boundaries (the “Property”); and

WHEREAS, the City has approved the final plat for the Property; and

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

WHEREAS, the Parties have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (“Agreement”) to address certain matters related to the organization, powers and authorities of the District.

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

1. Regional Improvements Funding.

- a. Deposit. On the first to occur of (a) the issuance of bonds by the District or (b) the deadlines set forth on Exhibit A, the District shall deposit the sums set forth in Exhibit A with the City (the "Regional Improvements Funds"). The District acknowledges and agrees that deposit of the Regional Improvements Funds with the City is a material consideration in the City's approval of the District's Service Plan, and that the City has relied thereon in approving the District's Service Plan. The District shall not issue bonds without including in such issuance the concurrent allocation and delivery to the City of the Regional Improvements Funds, and such delivery of funds to the City shall be a condition of closing for the bonds. The District specifically agrees that the foregoing requirement for deposit of the Regional Improvements Funds shall be enforceable by the City by all remedies available at law or in equity, including without limitation affirmative injunctive relief. The District represents and warrants that it has obtained all voter authorizations necessary to issue debt to make the Regional Improvements Funds deposit to the City as required by this Agreement. Payments by the District are conditioned upon the receipt of proceeds from issuance of debt by the District for such purpose.
- b. Use of Regional Improvements Funds. Except as provided in Section 1.d hereof, the City shall use the Regional Improvements Funds solely and exclusively for constructing the Regional Improvements, as depicted on final design plans approved by the City.
- c. Deposit of Regional Improvements Funds. The City shall deposit and maintain the Regional Improvements Funds in a separate escrow account earmarked specifically for use only in constructing the Regional Improvements (the "Regional Improvements Escrow"). The City shall apply interest accrued in the Regional Improvements Escrow to the costs of constructing the Regional Improvements. The City is not required to implement a formal escrow with an escrow agent, but rather may maintain the Regional Improvements Escrow by book entry. Except as provided in Section 1.d hereof, the Regional Improvement Funds may be applied to any design, planning, engineering, surveying, construction management, labor, materials and administrative costs related to construction of the Regional Improvements.
- d. Alternate Use of a Portion of the Regional Improvement Funds. (1) At any time prior to the seventh anniversary following the deposit of funds for the Underpass (as defined in Exhibit A hereof), the District may furnish a plan for the use of all or a portion of such funds for specific street improvement purposes as an alternative to the Underpass. The City Council may, by resolution following a public hearing, approve such plan and reallocate such funds for use as stated in the plan; (2) notwithstanding the foregoing, at any time after the seventh anniversary of the deposit of funds for the Underpass, following a public hearing, the City Council may by resolution, determine not to proceed with the Underpass and instead

determine to use such funds to construct one or more improvements within or adjacent to the District that are of benefit to the District and the region; provided, however, that such improvement is within the allowed street improvement purposes of the bond proceeds that were used by the District to make the deposit for the Underpass.

2. Operations and Maintenance. The District shall dedicate the Public Improvements (as defined in the Service Plan) to the City or other appropriate jurisdiction or owners association as directed by the City in a manner consistent with City policy and the City-approved plans. The District shall not be authorized to operate and maintain any part or all of the Public Improvements, unless specifically provided for in this Agreement or separate agreement with the City.

3. Fire Protection. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services; however, this provision shall not limit the District's authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system.

4. Television Relay and Translation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services; however, this provision shall not preclude the District from installing a conduit as a part of a street construction project.

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

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

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

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

7. Inclusion and Exclusion. The District shall not include within its boundaries any property outside the approximately 62.35 acre service area (as described in the Service Plan) without the prior written consent of the City Council. The District shall not exclude any property from the 62.35 acre service area of the District without the prior written consent of the City Council.

8. Total Debt Issuance. The District shall not issue Debt in excess of \$10,550,000 in total aggregate principal amount.

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

10. Consolidation; Dissolution. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City. The District agrees that it shall take all action necessary to dissolve the District in accordance with the provisions of the Service Plan and applicable state statutes.

11. Service Plan Amendment Requirement. Any action of the District which violates the limitations set forth in the Service Plan shall be deemed to be a material modification to the Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin any such action(s) of the District. The City may also seek damages for breach of this Agreement arising from material violations by the District of any provision of the Service Plan. To the extent permitted by law, the District hereby waives the provisions of Section 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 Town of any provisions of this Service Plan.

12. Applicable Laws. The District 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 and related plans.

13. Annual Report. The District shall submit an annual report ("Annual Report") to the City no later than May 1st of each year following the year in which the Order and Decree creating the District has been issued by the District Court for and in Boulder County, Colorado and containing the information for the Annual Report set forth in the Service Plan.

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

To the District: Takoda Metropolitan District
c/o Grimshaw & Harring, P.C.

1700 Lincoln St., Suite 3800
Denver, CO 80203-4538
Attn: Norman F. Kron

Phone: 303-839-3704
Fax: 303-839-3838

To the City: City of Louisville
Attn: City Manager
749 Main Street
Louisville, CO 80027

Phone: (303) 666-6565
Fax: (303) 335-4550

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

Miscellaneous.

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

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

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

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

affect any of the remaining provisions of this Agreement.

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

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

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

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

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

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

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

L. Entirety. This Agreement merges and supersedes all prior negotiations, representations, and agreements between the parties hereto relating to the subject matter hereof and this Agreement, together with the Service Plan provisions that serve to supplement or complement this Agreement, constitutes the entire agreement between the Parties concerning the subject matter hereof.

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

CITY OF LOUISVILLE, COLORADO

ATTEST:

_____, Mayor

_____, City Clerk

APPROVED AS TO FORM:

_____, City Attorney

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

By: _____
_____, President

ATTEST:

_____, Secretary

EXHIBIT A

Regional Improvements

<u>Street Improvements</u>	<u>Amount</u>	<u>Deposit Date</u>
Contribution toward gateway monumentation for the City of Louisville to be constructed at Highway 42 and Pascal Drive (“Gateway Monumentation”)	\$40,000	October 1, 2010
Contribution toward regional trail underpass beneath BNSF railroad tracks plus storm drainage associated therewith (“Underpass”)	\$250,000	October 1, 2012

The City shall be responsible for the design, engineering, construction, operation, and maintenance for the two particular Regional Improvements listed above.

Exhibit E

DISCLOSURE TO PURCHASERS

Special Taxing District. This property is located within the boundaries of Takoda Metropolitan District, a special taxing district which is an independent, quasi-municipal corporation and political subdivision of the state (the “District”). The District has issued or expects to issue general obligation indebtedness that is paid by revenues produced from annual tax levies on the taxable property within the District, together with a one-time Development Fee, as discussed further below. Buyer should investigate the debt financing requirements of the authorized general obligation indebtedness of the District, existing mill levies of the District servicing such indebtedness, and the potential for an increase in such mill levies.

The District has or will impose a one-time Development Fee of \$15,000 per-unit for a single-family residential structure, \$4,500 for a row home, or \$10,500 for a townhome, which must be paid at or prior to the sale of the unit to a homebuyer for such unit or structure. Additionally, the District has or may impose a mill levy upon taxable property within the District for the payment of indebtedness and operating expenses. Such District taxes are collected as part of the property tax bill from Boulder County.

Public water, sewer, roads, and parks infrastructure (such as the water mains and sewer mains in the streets) serving the Development have been or will be financed and furnished by the District or the Land Owner/developer. Costs of these improvements that are financed by the District are paid by debt financing funded by mill levies imposed on properties in the District, and from other revenues sources of the District. The City of Louisville provides water and sewer services, and for ongoing road, park and recreation operations, maintenance, repair, and replacement.

When evaluating whether to buy a home in the District, the prospective buyer should consider all of the factors involved in that decision. The full cost of homeownership includes the costs of principal, interest, taxes, and insurance. The existence of the District may decrease principal and interest, but increase taxes.

For more information regarding the District, the mill levy imposed by the District, or the Development Fee, contact the District Manager at _____.
(Check with the District for the current contact information)

PURCHASER

Date: _____

Exhibit F
Form of District Indemnification Letter
TAKODA METROPOLITAN DISTRICT

c/o Grimshaw & Haring, P.C.
1700 Lincoln Street, Suite 3800
Denver, Colorado 80203

[Date of Organizational Meeting]

City of Louisville
749 Main Street
Louisville, CO 80027

RE: Takoda Metropolitan District

To the City Council:

This Indemnification Letter (the “Letter”) is delivered by the Takoda Metropolitan District (the “District”) in order to comply with the Service Plan, including all amendments heretofore or hereafter made thereto (the “Service Plan”) for the District. The District, for and on behalf of itself and its 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, contractors or insurers (the “Released Persons”) in any manner related to or connected with the Service Plan or any action or omission with respect thereto.

2. To the fullest extent permitted by law, the District hereby agrees to indemnify and hold harmless the Released Persons 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 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 therein; or (b) the formation of the District; or (c) any actions or omissions of the District or RMCS, LLC (the “Landowner”) in connection with the District, including, without limitation, any actions or omissions of the District or Landowner, in relation to 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 reasonable attorney’s fees and expenses for counsel of the City’s choice for any such liabilities, claims, demands, suits, actions or other proceedings.

3. 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, its officers, or its employees.

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

Very truly yours,

Takoda Metropolitan District

By: _____
President

Attest:

By: _____
Secretary

Exhibit G
Form Resolution