

**SERVICE PLAN
FOR
VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
ADAMS COUNTY, COLORADO**

Prepared

by

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1641 California Street, Suite 300
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October 7, 2014

VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT SERVICE PLAN

I. INTRODUCTION

The Village at SouthGate Metropolitan District (the “District”) is located in the City of Brighton (hereinafter referred to as the “City” or “Brighton”), Adams County, Colorado, generally southwest of the intersection of East 120th Avenue and Interstate 76. The purpose of the District is to finance, construct and install local and regional public improvements for the Village at SouthGate Development (the “Development”), including potable water and sewer lines larger than twelve inches (12”) in diameter; storm drainage facilities; the full width of major and minor arterial and collector roadways; community parks; and recreation facilities and services (as the foregoing are defined in § 32-1-1004(2), C.R.S., as may be amended, and in the City of Brighton’s Special District Service Plan Approval Procedures; all of the foregoing will be referred to as the “Improvements”). The District will also finance certain regional water and sewer line improvements that were constructed by the City and such regional water and sewer line improvements shall also be considered as “Improvements” hereunder. Upon their completion, it is anticipated that the District shall dedicate the Improvements to the City or the City’s designee(s), unless the City determines otherwise, and, until such time, it is anticipated that the District will operate and maintain the Improvements, which operation and maintenance may include such items as curb and gutter repair, pothole repair, dredging of detention ponds, repair of District water and sewer lines, repairs to the sanitary sewer lift station, watering of grass, trees and shrubs associated with streetscaping improvements, and mowing of grass associated with streetscaping improvements. Notwithstanding the foregoing, it is anticipated that the District will own and maintain all open space, trails and landscape buffers located within its boundaries.

The District shall have all of the powers of a metropolitan district as such powers are described in §§ 32-1-1001 and -1004, C.R.S, as may be amended, except that the District shall not provide emergency medical or fire protection services or facilities, or ongoing water or sanitary sewer services. Subject to the limitations set forth herein, this service plan (hereinafter, the “Service Plan”) specifically authorizes the District to undertake those public improvements and services, as well as have such authority and powers as may be permitted by the Special District Act, §§ 32-1-101, *et seq.*, as may be amended. Such facilities or services will not duplicate or compete or interfere with facilities and services provided by the City or existing special districts (except as permitted by C.R.S. § 32-1-107) and shall be compatible with and integrated into City and existing special district facilities and services.

This Service Plan complies with all the requirements of § 32-1-202(2) and § 32-1-204.5, C.R.S., as may be amended, and any other applicable statutes. This Service Plan has been prepared by PFG Acquisitions, LLC, a Colorado limited liability company (the “Organizer”) and the following participating consultants:

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The Organizer's resume are attached to this Service Plan as **Exhibit A**. Current financial statements of the Organizer have been submitted separately to the financial advisor for the City.

II. PURPOSE OF AND NEED FOR THE PROPOSED DISTRICT

The Improvements are intended to be for the use and benefit of all of the residents, taxpayers and owners of real property within the Development. It is anticipated that the District will finance the construction of the Improvements through the issuance of indebtedness and through contributions to be made by the Organizer and the developers of the land within the District, as described in Section V of this Service Plan, and it is anticipated that the District shall provide for maintenance of the Improvements until such time as the Improvements are dedicated to the City or the City's designee(s). Metropolitan districts provide a benefit to their current and future residents because they allow for the long term financing of public improvements through the issuance of tax-exempt municipal bonds, which are repaid at a lower interest rate than taxable bonds. The formation of a metropolitan district also benefits the City because a district can construct public improvements that meet City standards and then dedicate those public improvements to the City. Because a metropolitan district can construct public facilities the City may not otherwise be able to build, the City is relieved of the expense and burden of having to construct new infrastructure, and

development pays its own way.

While the area to be served by the District is located entirely within the boundaries of Brighton, the City does not consider it feasible or practical to provide the District with certain services and/or facilities described in this Service Plan. There are no special districts that are contiguous with the boundaries of the District and non-contiguous special districts often do not have the ability to extend facilities or services to a remote district. Furthermore, the Organizer is unaware of any other special district in Brighton that has sufficient debt authorization to provide facilities to the Development. Additionally, prior to the public hearing for the approval of the Service Plan by the City, notice of the hearing is sent to every special district within a three-mile radius of the proposed District in accordance with § 32-1-204, C.R.S, as may be amended. This procedure allows any special district desiring to provide services or facilities to the proposed District to be present at the hearing and state the same.

Therefore, for the foregoing reasons, it is necessary that the District be organized to provide its inhabitants with the facilities and services described in this Service Plan. In addition, the Organizer is negotiating with the City on any additional regional improvements that may be required for the Development, which may affect the District's financial responsibilities. The District will have an ongoing obligation to work closely and cooperate with the City to serve and promote the health, safety, prosperity, security and general welfare of its inhabitants.

III. BOUNDARIES, POPULATION & VALUATION

The District will be organized to finance, construct, acquire and install the Improvements for the taxpayers and residents of the District. The property within the boundaries of the District consists of approximately eighty (80) acres. Although the District shall be receptive to the inclusion

of additional land into its boundaries upon the petition of landowners pursuant to C.R.S. §§ 32-1-401, *et seq.*, the District will not include land into its original boundaries pursuant to C.R.S. §§ 32-1-401, *et seq.*, without the prior approval of the City; the District may exclude property from its original boundaries in accordance with the provisions of C.R.S. §§ 32-1-501, *et seq.*, upon the prior notification to the City. The estimated daytime population of the District at full build-out is seven hundred and one (701) people. The property is being rezoned under the Village at SouthGate PUD and will consist of both residential and commercial property. For the purpose of this Service Plan, the current assessed value of the property within the boundaries of the District is deemed to be approximately Forty-Five Thousand Dollars (\$45,000.00). At full build-out, the assessed value of the residential property will be estimated to be Seven Million, One Hundred and Forty-Seven Thousand, Two Hundred and Twenty-Two Dollars (\$7,147,222). At full build-out, the assessed value of the commercial property will be estimated to be Four Million, Four Hundred and Ninety-Five Thousand and Thirteen Dollars (\$4,495,013).

A legal description and a boundary map of the District are attached hereto and incorporated herein as **Exhibits B** and **C**, respectively. A vicinity map showing the relative location of the District within the City is attached hereto and incorporated herein as **Exhibit D**. A letter from the Organizer, who owns one hundred percent (100%) of the property that will be located within the boundaries of the District, consenting to the formation of the District is attached hereto as **Exhibit E**.

IV. DESCRIPTION OF PROPOSED FACILITIES

a. Type of Improvements

The District will be organized to finance, construct, acquire and install the Improvements for

the Development. The Improvements, which will consist of potable water and sewer lines larger than twelve inches (12”) in diameter; storm drainage facilities; the full width of major and minor arterial and collector roadways; community parks; and recreation facilities and services (as the foregoing are defined in Section 32-1-1004(2), C.R.S. and in the City’s Special District Service Plan Approval Procedures), will not duplicate or compete or interfere with, but rather will be compatible with and will be integrated into, those facilities and services provided by the City or other special districts. Upon their completion, it is anticipated that the District will dedicate the Improvements to the City or the City’s designee(s), unless the City determines otherwise, and until such dedication, the District will be responsible for the maintenance of the Improvements.

The Organizer’s engineer has prepared a preliminary engineering construction estimate for the Improvements based upon the City’s construction standards. The estimate, attached hereto and incorporated herein as **Exhibit F**, lists the Improvements that the District, subject to development approval by Brighton, is expected to finance and/or construct. The estimate includes the costs in current dollars of each, together with an explanation of the methods, basis, and/or assumptions used in estimating the costs.

The total estimated cost of financing and/or constructing of all the Improvements required to serve the Development is Fourteen Million, Four Hundred Eighty-Seven Thousand and Thirty Dollars (\$14,487,030). The City shall not be responsible for assuming the costs of any of the Improvements, and the developer(s) of the property located within the boundaries of the District will be responsible for the costs of any Improvements that exceed the amount of debt issued by the District.

If the District enters into one or more reimbursement agreement(s) or participation agreement(s) in connection with the acquisition, construction or installation of the Improvements or

other public amenities, whereby the District is eligible for reimbursement for certain costs by parties, development(s) or district(s) abutting or otherwise benefiting from such Improvements, all reimbursement(s) received by the District pursuant to such agreement(s) shall be specifically accounted for and shall be used by the District to either defray the costs of capital expenditures by the District or to pay the principal of, or interest upon, any outstanding District debt as the same becomes due.

Maps showing the anticipated location of the Improvements are attached hereto and incorporated herein as **Exhibit G**. Such location may be subject to change as final development plans and approvals dictate. The District shall be authorized to construct the Improvements generally shown on **Exhibit G**, subject to the specific final design and approval thereof by the City. The District, in conformance with § 32-1-1001(1)(f), C.R.S., as amended, may not pay more than fair market value and reasonable settlement costs for any interest in real property and may not pay for any interest in real property which must otherwise be dedicated for public use or for the District's use in accordance with any governmental ordinance, regulation or law.

b. Description of existing conditions

The area within the boundaries of the District is predominantly undeveloped at this time.

c. Anticipated development

The Organizer anticipates that total build-out of the Development will occur within seven (7) years from the date the District is organized, in accordance with the estimated build-out schedules and also with market conditions for residential development within the Brighton area. Build-out for the Development is anticipated to occur within seven (7) years from the date the District is organized and in accordance with the following schedule, which is subject both to final design and development approval by the City and phasing considerations and market conditions as they exist at the time of development:

1. In 2016, 30 single family detached units, 20 multi-family townhomes and 16,800 commercial square feet are expected to be constructed;
2. In 2017, 50 single family detached units, 40 multi-family townhomes, 80 residential apartments and 4,000 commercial square feet are expected to be constructed; and
3. In 2018, 50 single family detached units, 40 multi-family townhomes, 80 residential apartments and 29,600 commercial square feet are expected to be constructed; and
4. In 2019, 20 single family detached units and 5,000 commercial square feet are expected to be constructed; and
5. In 2020, 9,000 commercial square feet are expected to be constructed.

An independent absorption and feasibility study supporting these development projections is attached as **Exhibit H**; the study is subject to change and is dependent upon phasing considerations and market conditions.

d. Improvement schedule

Construction of the Improvements will commence as soon as possible following approval of the Service Plan by the City, and the Organizer anticipates that construction of the Improvements will be completed by 2020, subject to development approval, phasing considerations and market conditions. Phasing of construction shall be determined by the District to meet the needs of residents and taxpayers within the Development.

e. City of Brighton construction standards

The District will ensure that the proposed Improvements are designed and constructed in accordance with the Public Works Standards and Specifications of the City and other governmental entities having jurisdiction over the District. The District will obtain approval of civil engineering plans and permits for construction and installation of public improvements from the City. All Improvements constructed by the District will be subject to review, monitoring and inspection by the City or its engineering consultant, the cost of which will be borne by the District.

f. Dedication of Improvements to the City of Brighton

Upon completion of construction, compliance with all applicable warranty periods and the issuance by the City of final acceptance, it is anticipated that the District will dedicate all the Improvements to Brighton or Brighton's designee(s), unless Brighton determines otherwise, and Brighton or such designee(s) will be responsible for the perpetual operation and maintenance of such dedicated Improvements. The District will comply with any conditions of construction acceptance until such time as the City or the City's designee(s) issue(s) final acceptance of the Improvements. Additionally, the District will dedicate all rights-of-way and easements necessary for the operation and maintenance of the dedicated Improvements to the City or its designee(s), to the extent the District has the necessary property interest to permit such dedication(s). All land and

easements customarily dedicated by the developer to public entities such as the City, the county, the school district or other public entities will be dedicated directly to such entities and will not be purchased by the District for dedication to such entities.

g. Services to be provided by other governmental entities

The District is currently located within the boundaries of the South Adams County Fire Protection District No. 4, but upon receiving a directive from the City, the District will take all steps necessary to exclude itself from the boundaries of South Adams County Fire Protection District No. 4 and become included in the Greater Brighton Fire Protection District. The City will provide emergency services, park and recreation and water and sanitary sewer services. The District boundaries do not overlap any existing special district authorized to provide the same or similar services as may be provided by the District.

h. Process for dispute resolution and formation of a homeowners' association

Upon the organization of the District, it is anticipated that the board of directors of the District will adopt an administrative plan to address the response to and resolution of any issues that arise from property owners or others related to the District and its services. The administrative plan shall include a referral and arbitration process for the resolution of issues that may arise regarding complaints or the coordination of issue resolution between landowners, the District and the City. Unless and until such time as the District has employees or consultants, Mr. Fred Cooke, the development manager for the Organizer, will serve as the contact person for individuals desiring to lodge a complaint or resolve an issue with the District, which duties may be transferred to a District employee or consultant when such an individual is hired or retained by the District. Mr. Cooke's contact information will be made publicly available, and Mr. Cooke will have the authority and responsibility to respond to and resolve issues on behalf of the District. The District anticipates adopting rules and regulations governing the affairs of the District, including a formal process to hear and resolve complaints and issues lodged by property owners and other members of the public. A draft of the dispute resolution process is attached hereto as **Exhibit I**, and the final form of the dispute resolution process adopted by the District will be subject to prior approval by the City. The City Manager will be provided, on at least an annual basis, with the current contact information for administrative personnel for the District. In the event that the District hires a management company, the District will promptly provide Brighton with the contact information for the management company.

A homeowners' association and/or owners' association ("HOA") may be formed to assume some or all of the operation and maintenance functions for the Development, including primarily covenant enforcement, maintenance of entry areas, and trash collection and snow

removal in common areas. The HOA and the District may enter into one or more agreements for the joint funding of streetscaping, irrigation, open space, trail, and sidewalk maintenance unless and until such time as these improvements are dedicated to the City or the City's designee(s). It is not currently anticipated that the HOA will maintain any Improvements. In the event an HOA is formed, the District and the HOA may coordinate with each other in the resolution of issues that may arise within the District. Neither the District nor the HOA will provide any services that will be provided by the City.

i. Regional Improvements

The District, or the Organizer or any developer(s) of land within the boundaries of the District, will finance a portion of certain regional water and sewer line improvements that were previously constructed by the City. Upon the prior consent of the City, the District may provide for certain additional regional improvements and/or upgraded on-site amenities necessary to serve the Development. Such regional improvements and/or upgraded on-site amenities may include, without limitation, major or minor arterial roadways to serve District and, if such major or minor arterial roadways are actually designed and constructed by the District, the District shall construct such facilities consistent with the Organizer's City-approved Traffic Improvement Analysis and the City's then-existing Transportation Master Plan, as it may be subsequently amended by sub-area plans.

j. City Approval

Approval of this Service Plan does not constitute the approval of any specific land use plan, or grant any vested rights, and that any such approval shall be subject to separate action by the City in accordance with its ordinances, rules, regulations and policies.

V. FINANCIAL INFORMATION

This section describes the nature, basis, method of funding, and debt and mill levy limitations associated with the construction, operation and maintenance of the Improvements by the District. A detailed Financing Plan is attached hereto and incorporated herein as **Exhibit J**. The Financing Plan projects the issuance of debt and the anticipated repayment based on the development assumptions for property within the proposed boundaries of the District. The Financing Plan demonstrates that, at various projected levels of development, the District will have the ability to discharge the proposed indebtedness on a reasonable basis.

The Financing Plan sets forth one or more schedules showing the anticipated sources and uses of the proceeds of two series of bonds to be issued by the District. The Financing Plan sets forth an estimated cash flow analysis prepared by an independent financial advisor, D.A. Davidson & Co., showing for each year, beginning with the year in which the District is organized and ending in the year in which the District's indebtedness is anticipated to be retired, the valuations for assessment of all taxable property in the District, mill levies, *ad valorem* tax receipts, utility fees, other revenues, debt service, and annual and cumulative surpluses. The cash flow analysis states the growth assumptions upon which it is based, in terms of residential and non-residential development.

a. General.

The District shall be authorized to provide for the payment, planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Improvements from its revenues and by and through the proceeds of debt to be issued by the District and from contributions by the Organizer and the developers of the land within the District. In addition to bonds, the District may also issue notes, certificates, debentures or other evidences of indebtedness. The financing plan sets forth one bond issuance scenario in which the District may

issue one series of bonds in the amount of Seven Million and Six Hundred and Twenty Thousand Dollars (\$7,620,000.00) in 2019 and a subordinate series of cash-flow bonds in the amount of One Million, Three Hundred and Five Thousand Dollars (\$1,305,000) in 2019 (for a total of Eight Million, Nine Hundred and Twenty-Five Thousand Dollars (\$8,925,000)), although the actual issuance date for any District indebtedness will be determined by the development phasing of the project and other market considerations. The District shall be authorized to issue general obligation debt in the amount of Eight Million, Nine Hundred and Twenty-Five Thousand Dollars (\$8,925,000) (the “Debt Limitation”).

In the event that the revenue available to the District would be capable of supporting the repayment of debt in excess of \$8,925,000, due to higher than anticipated assessment values, lower interest rates, or similar circumstances, the District may request an increase in the Debt Limitation under this Service Plan. The City Manager shall be authorized to increase the Debt Limitation up to a maximum amount of Ten Million, Seven Hundred and Ten Thousand Dollars (\$10,710,000), and any such approval of an increase in the Debt Limitation shall not be deemed to be a material modification of this Service Plan. In the event that the City Manager provides written approval of any such increase in the Debt Limitation, any such increased amount shall thereafter be deemed to be the Debt Limitation for all purposes of this Service Plan.

The District shall not issue any general obligation debt that exceeds the Debt Limitation set forth in this Service Plan, regardless of the amount of voter-approved District debt authorization, without first obtaining an amendment to this Service Plan in accordance with § 32-1-207, C.R.S, as may be amended, and that any such action in violation of this paragraph shall constitute a material modification of this Service Plan and shall entitle the City to all remedies available at law and in equity. It is further understood that any District general obligation debt

shall be expressly subject to any terms, conditions and limitations contained in this Service Plan, including, specifically, the Debt Limitation, the Mill Levy Limitation, as that term is defined in Section V.c, *infra*, and the IGA, as that term is defined in Section XI, *infra*. Subject to the Debt Limitation, the Mill Levy Limitation and any other limitations set forth in this Service Plan, the District will be authorized to fund any or all of the Improvements. The District may agree to repay the Organizer or the Organizer's successors or assigns, as applicable, for unreimbursed costs of Improvements so long as the District has the capacity to make such payments without exceeding the Debt Limitation, the Mill Levy Limitation and any other limitations set forth in this Service Plan.

The District shall only issue bonds or multiple fiscal year financial obligations that conform to the requirements and limitations of this Service Plan, as it may be amended from time to time with the approval of the City in accordance with the Special District Act. If such bonds or other multiple fiscal year financial obligations do not conform to the requirements and limitations of this Service Plan, such non-conformance shall constitute a material departure from this Service Plan within the meaning of C.R.S. § 32-1-207, as it may be amended.

Prior to the issuance of any bonds or the incurrence of any other multiple fiscal year financial obligations, the District shall obtain the opinion of the District's bond counsel or its general counsel that the District has complied with all of the requirements of this Service Plan relating to bonds or other financial obligations and furnish a copy of the same to the City Clerk. The District shall also obtain a fairness opinion by an independent financial advisor as to the interest rate on any bonds or other financial obligations sold in any transaction not involving a public offering of such bonds or other financial obligations. The District will not accelerate the principal of any bonds or other financial obligations except for credit-enhanced bonds or other financial

obligations.

The District shall be prohibited from issuing any bonds, or incurring any other multiple fiscal year financial obligation, to which *ad valorem* property taxes are pledged having a principal amount that, when added to the principal amount of all other such outstanding bonds or other financial obligations, exceed the greater of Two Million Dollars (\$2,000,000) or fifty percent (50%) of the valuation for assessment of the taxable property within the District, as certified by the Adams County Assessor, except for debt that complies with the provisions of C.R.S. §§ 32-1-1101(6)(a) or 32-1-1101(6)(b), as each may be amended from time to time.

This Service Plan assumes certain exemptions from registration under C.R.S. § 11-59-110, as amended, including the applicable Registration Exemption for Municipal Bonds Issued in Denominations of Five Hundred Thousand Dollars (\$500,000.00) or more under Colorado Code of Regulations Section 59-10.3, as amended, and waives the exemption afforded by § 11-59-110(1)(k), C.R.S., as amended. Any Notice of Claim of Exemption that is filed with the Colorado Securities Commission on behalf of the District will also be filed with the City Clerk.

The District shall only issue bonds or other multiple fiscal year financial obligations that conform to the requirements and limitations of this Service Plan, as it may be amended from time to time with the approval of the City Council in accordance with the Special District Act. Furthermore, if any such bonds or other financial obligations do not conform to the requirements and limitations of this Service Plan, such non-conformance shall constitute a material departure from the Service Plan within the meaning of C.R.S. § 32-1-207, as amended.

b. Maximum Interest Rate and Maximum Underwriting Discount.

The interest rate on any indebtedness of the District is expected to be the market rate at the time such debt is issued. The proposed maximum interest rate on any debt shall not exceed

twelve percent (12%). The proposed maximum underwriting discount will be five percent (5%). Except for refunding bonds, the maximum term of any general obligation debt shall not exceed thirty (30) years from the first date of the issuance of such general obligation debt without the prior written approval of the City Council. All debt, when issued, shall comply with all relevant requirements of this Service Plan, State law and federal law as then applicable to the issuance of public securities.

c. Limited Mill Levy.

“Limited Mill Levy” shall mean an *ad valorem* mill levy (a mill being equal to 1/10 of 1¢) imposed upon all taxable property in the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the bonds as the same become due and payable, and to make up any deficiencies in any debt service reserve for the bonds, such mill levy shall not exceed fifty (50.000) mills for debt service and operations and maintenance purposes for so long as the total principal amount of all of the District’s general obligation debt exceeds fifty percent (50%) of the valuation for assessment of the taxable property in the District, as certified by the Adams County Assessor. In the event that the District’s general obligation debt is equal to or less than fifty percent (50%) of the valuation for assessment of the taxable property in the District, the mill levy to be imposed to pay such debt shall not be subject to the Limited Mill Levy provided that the Board of Directors of the District approves terminating the Limited Mill Levy and the majority of votes of the Board of Directors of the District in favor of terminating the Limited Mill Levy are cast by members of the Board of Directors who are owners, or tenants of any owner, of any taxable real or personal property within the District which owner or tenant is intended to become burdened by the imposition of *ad valorem* property taxes subject to the Limited Mill Levy (“End User(s)”). By way of illustration, but without limitation, a resident

homeowner, renter, tenant, commercial property owner, or commercial tenant is an End User; a person or entity that constructs homes or commercial structures with the intention of selling to others is not an End User. In the event that the Limited Mill Levy is terminated in accordance with the previous provisions, the District may provide that such debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the District's debt to assessed ratio. All debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S., as amended, and all other requirements of Colorado law.

In the event of changes in the ratio of actual valuation to assessed valuation for residential real property, pursuant to Article X, Section 3(1)(b) of the Colorado Constitution and legislation implementing such constitutional provision, the fifty (50.000) debt service mill levy limitation provided herein will be increased or decreased (as to all taxable property in the District, including both residential and commercial property) to reflect such changes so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes (a "Gallagher Adjustment"). ~~The Limited Mill Levy shall be an enforceable limit on all combined District mill levies for debt service and operations and maintenance purposes.~~

In addition to the Limited Mill Levy applicable to all combined District mill levies, the total District mill levy for administration, warranty maintenance and other operating expenses shall be limited to ten (10.000) mills, as adjusted by the Gallagher Adjustment (the "O & M Limited Mill Levy"). So long as the Limited Mill Levy remains in effect, the combined debt service mill levy and O & M Mill Levy shall not exceed fifty (50) mills, subject to the Gallagher Adjustments. In the event that the Limited Mill Levy is terminated as set forth above, the

maximum O & M Mill Levy shall be ten (10.000) mills, as adjusted by any Gallagher Adjustment(s).

Pursuant to § 29-1-302(2)(b), C.R.S., the District may submit to qualified electors of the District a ballot issue permitting an increased mill levy above that proscribed by § 29-1-301, C.R.S., as amended, that would permit the District to increase its revenues by greater than five-and-one-half percent (5.5%) of the previous year (beginning in 2015 and for each year thereafter). The District intends to submit such a ballot issue to the qualified electors of the District at its organizational election to be held on November 4, 2014, or any regular or special election thereafter permitted by Colorado law. Pursuant to the provisions of Article X, Section 20 of the Colorado Constitution (commonly known as the “TABOR Amendment”), the District intends to submit to taxpaying electors within the District a ballot issue waiving the provisions and limitations imposed by the TABOR Amendment. The District intends to submit such a ballot issue to the taxpaying electors of the District at its organizational election to be held on November 4, 2014, or any regular or special election thereafter permitted by Colorado law.

d. Bonds Term and Timing.

The District shall not impose a levy for repayment of any and all debt (or use the proceeds of any mill levy for repayment of debt) on any single property developed for residential uses that exceeds thirty (30) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in C.R.S. §§ 11-56-101, *et seq.*, as amended.

Subject to the terms and conditions of this Service Plan, the maximum principal amount of bonds (excluding refunding bonds) to be issued by the District shall be the Service Plan Debt Limitation. Subject to the foregoing paragraph, the maximum term of bonds issued by the District (excluding refunding bonds) shall not extend past thirty (30) years from the date of issuance. The sum of all indebtedness issued by the District shall not exceed the Service Plan Debt Limitation, subject to any conditions, limitations or terms provided for in this Service Plan. The latest date by which all indebtedness (excluding refunding bonds) of the District may be issued shall be December 31, 2020; provided, however, that such date may be extended by the City Manager via written consent and the granting of such extension shall not be considered to be a material modification of this Service Plan.

e. Refunding Bonds.

General obligation refunding bonds may be issued by the District to defease original issue bonds in compliance with applicable law, but any such refunding shall not extend the maturity of the bonds being refunded nor increase the total debt service thereon and shall meet the requirements of § 32-1-1101(6)(a), C.R.S., as amended.

f. Debt Repayment Sources.

The District intends to rely primarily on *ad valorem* property taxes, and the mill levy imposed by the District to support the repayment of the bonds. It is anticipated that a debt service mill levy of forty-seven (47.000) mills will produce revenue sufficient to support debt service throughout the repayment period of any issued debt, plus an additional three (3.000) mills for operations, administrative and warranty maintenance expenses. Additionally, it is anticipated that the District will assess facility fees in the amount of Two Thousand, Five Hundred Dollars

(\$2,500.00) per single family detached unit, and One Thousand Five Hundred Dollars (\$1,500.00) per multi-family townhouse unit. Any facility fees will be due prior to the issuance by the City of a building permit, and will be collected by District personnel, who will then issue a certificate of payment of the same to the building permit applicant. It is also anticipated that the District will collect its proportionate share of specific ownership tax revenue from Adams County.

Except for reimbursement agreements between the District and developers, the repayment of which are subject to annual appropriation by the District, the total of all outstanding bonds and other financial obligations to which *ad valorem* property taxes are pledged shall not exceed twenty-five percent (25%) of the assessed value of all property within the District, except for: (a) such bonds or other financial obligations the outstanding principal amount of which does not at any time exceed One Million Dollars (\$1,000,000.00); (b) such bonds or other financial obligations which are sold in transactions not involving a public offering to “accredited investors” or “qualified institutional buyers” whose credentials as such are appropriately evidenced by customary documentation; (c) such bonds or other financial obligations that are rated “investment grade” by one or more nationally recognized rating agencies or that are guaranteed as to the timely payment of principal and interest by financial institutions the obligations of which are so rated; or (d) such bonds or other financial obligations issued or incurred for the purpose of refinancing such bonds or other financial obligations.

The District will not apply for Conservation Trust funds, Great Outdoors Colorado funds, or other grant moneys for which the City is eligible, without the prior written consent of the City. Furthermore, the District shall be prohibited from creating any TABOR enterprises or 63-20 corporations within the prior written consent of the City and such consent shall not be considered

to be a material modification of this Service Plan.

The District may also rely upon various other revenue sources authorized by law. At the District's discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided in C.R.S. § 32-1-1001(l), as amended from time to time. All bonds or other financial obligations of the District shall be payable only from the specified revenues or fees set forth in this Service Plan, unless additional revenues or fees are approved by the City and the Service Plan is amended accordingly.

Except as explicitly authorized by this Service Plan, the District shall be prohibited from pledging or encumbering District assets for the repayment of any indebtedness. The District does not expect to impose, collect or otherwise receive public improvement fees or other similar fees imposed upon retail sales occurring or being transacted within the boundaries of the District; no such public improvement fees or other similar fees may be imposed, collected or received by the District unless and until the City has consented thereto and approved an amendment to this Service Plan to reflect the same.

g. Security for Debt.

The District shall not pledge any revenue or property of the City as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the City of payment of any of the District's obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the City in the event of default by the District in the payment of any such obligation.

h. TABOR Compliance.

The District will comply with the provisions of TABOR, Colorado Constitution, Article X, Section XX. In the discretion of the Board, the District may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of the District's Board.

i. Subdistricts.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., as amended, the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

j. District's Operating Costs.

In addition to the capital costs of the Improvements, the District will require operating funds for administration and to plan and cause the Improvements to be constructed and maintained. The District will require sufficient operating funds to operate and maintain the Improvements until such time as the Improvements are dedicated to the City or the City's designee(s), which operation and maintenance costs may include such items as curb and gutter repair, pothole repair, dredging of detention ponds, repair of District water and sewer lines, repairs to the sanitary sewer lift station, watering of grass, trees and shrubs associated with streetscaping improvements, and mowing of grass associated with streetscaping improvements. Additionally, the District anticipates operations and maintenance expenses for maintaining such Improvements that are not otherwise dedicated to the City or the City's designee(s). Other costs

the District expects to incur are administrative in nature and include organizational, legal, engineering, accounting and debt issuance costs, and the costs of compliance with state reporting and other administrative requirements.

The District shall be authorized to impose a mill levy for operations, administrative and maintenance purposes in an amount not-to-exceed the O & M Limited Mill Levy, unless the District receives the prior approval of the City Manager to exceed that amount. The imposition by the District of the O & M Limited Mill Levy shall be expressly limited by the Limited Mill Levy, and under no circumstances shall the combined mill levy imposed by the District for debt service, operations, administrative and warranty maintenance purposes exceed the Limited Mill Levy, excepting permitted Gallagher Adjustments. The first year's operating budget is estimated to be Forty-Five Thousand Dollars (\$45,000.00) which is anticipated to be primarily derived from developer advances and other available revenues.

k. Financing Plan.

The Financing Plan, prepared by the District's underwriter, sets forth the following information:

1. The total debt limit for the District;
2. The total amount of debt to be issued during the eight (8) year period commencing with the formation of the District;
3. All proposed sources of revenue and projected District expenses for at least a ten (10) year period from the date of organization of the District;
4. The dollar amount of any anticipated financing, including capitalized interest, costs of issuance, estimated maximum rates and discounts, and any expenses related to the organization and initial operation of the District;

5. A detailed repayment plan covering the life of any financing, including the frequency and amounts expected to be collected from all sources; and
6. The amount of any reserve fund and the expected level of annual debt service coverage that will be maintained for any financing.

VII. ORGANIZER'S PUBLIC IMPROVEMENTS

The creation of the District shall not relieve the Organizer, its successors or assigns of the obligation to construct public improvements, including, without limitation, the Improvements, required by any subdivision improvement agreement between the Organizer and the City.

VIII. DISSOLUTION

The District shall file a petition in the Adams County District Court for dissolution when no financial obligations, including bonds, remain outstanding; or when any outstanding financial obligations, including bonds, are adequately secured by escrow funds or securities meeting the investment requirements in part 6 of article 75 of title 24, C.R.S., as amended, upon mutual agreement as to the successor entity for any ongoing services of the District, and upon an independent determination by the City Council that the purposes for which the District was created have been achieved. Dissolution of the District is subject to approval by the Adams County District Court of a plan of dissolution meeting the requirements of part 7 of article 1 of title 32, C.R.S., as amended. The District shall commence proceedings for the dissolution of the District if any bonds contemplated by this Service Plan are not issued by December 31, 2020, unless such deadline is otherwise extended by the City in writing; the granting by the City of such extension(s) shall not be considered a material modification of this Service Plan pursuant to C.R.S. 32-1-207, as amended.

The District Board of Directors shall take all actions necessary to dissolve the District and a failure to do so shall be considered to be a material modification of the Service Plan.

In the event that land use approvals for the SouthGate Brighton Planned Unit Development are not obtained by December 31, 2015, the District shall file a petition for dissolution with the Adams County District Court pursuant to C.R.S. §§ 32-1-701, *et seq.*, as amended. Additionally, the District will not issue any debt unless and until such land use approvals are provided by the City.

IX. MODIFICATION OF SERVICE PLAN

The District will obtain the City's approval before making any material modifications to this Service Plan. Material modifications include modifications of a basic or essential nature including additions to the types of services provided by District, change in dissolution date, the issuance of general obligation debt in excess of the Debt Limitation, or change in revenue sources. This is not an exclusive list of all actions that may be identified as a material modification. The District will notify the City of any material alteration or revision of the proposed schedule of debt issuance set forth in this Service Plan, in accordance with § 32-1-202(2)(b), C.R.S., as amended, and such alteration or revision shall be approved by the City Council.

Except as otherwise explicitly approved in this Service Plan, the inclusion of land, exclusion of land, material changes in financial plans and other material departures from this Service Plan, including, but not limited to, modifications to the Service Plan Debt Limitation, maximum discount, Limited Mill Levy, maximum net effective interest rate and maximum term for bonds or other multiple fiscal year financial obligations of the District, constitute material modifications to this Service Plan and shall require City Council approval of any such amendments to this Service Plan, as required by C.R.S. § 32-1-207, as amended.

X. RESOLUTION OF APPROVAL

The District shall incorporate the City's Resolution approving this Service Plan, including any conditions of approval, into this Service Plan to be presented to the Adams County District Court. A draft of the Resolution is attached hereto as **Exhibit K**.

XI. INTERGOVERNMENTAL AGREEMENTS

The District may enter into one or more intergovernmental agreement(s) with Brighton or other governmental or quasi-governmental entities regarding the construction or maintenance of certain improvements for the mutual use and benefit of the residents of the Districts and the City, as well as the possible sharing of sales tax revenue generated from property located within or without the District's boundaries. If the City enters into an agreement creating a public improvements authority ("PIA") for the construction of various improvements, including 120th Avenue, that may benefit the District, the District may participate in the PIA; likewise, the District may negotiate for inclusion into the South Brighton General Improvement District for the provision of certain public improvements, including regional water and sewer facilities.

The District and the City shall enter into an intergovernmental agreement relating to the limitations imposed on the District's activities in substantially the form attached hereto as **Exhibit L** and incorporated herein by this reference (as approved by the City and the District, the "IGA"). The District shall consider the approval of the IGA at its first Board meeting after its organizational election. Failure of the District to approve and execute the IGA as required herein shall constitute a material modification and shall require an amendment of this Service Plan. The IGA may be amended from time to time by the District and the City, and may include written

consents and agreements of the City as required throughout this Service Plan. Alternatively, such written consents of the City may be obtained by the District without amending the IGA, and the City and the District may execute additional written agreements concerning matters set forth in this Service Plan.

XII. SEMI-ANNUAL REPORTS AND BOARD MEETINGS

The District will make semi-annual reports to the City Council for the first five (5) years after the establishment of the District and make annual reports to the City Council thereafter; such reports shall contain a status report on material activities of the District, including construction projects, financings, intergovernmental agreement(s), any litigation involving the District, the District's most recent assessed valuation, issue resolution or other coordination issues, contact information for administrative personnel, and any other reasonable information deemed material by the City Manager. The District shall submit a copy of its annual report to the City within thirty (30) days of filing its annual audit with the State of Colorado. All annual and other meetings of the District Board will be held within the corporate city limits of the City, unless otherwise relocated by the District Board pursuant to C.R.S. § 32-1-903, as amended.

The District will file promptly with the City Clerk copies of the following documents once approved or ratified by the District Board of Directors:

1. Audited financial statements;
2. Annual budgets;
3. Architectural plans;
4. Bid documents evidencing compliance with City public bidding procedures;
5. Construction contracts;
6. Intergovernmental agreements;
7. Ballot questions;
8. Resolutions authorizing the issuance of bonds or the incurrence of other financial obligations;
9. Financing documents;

10. Credit agreements; and
11. Official statements.

The District will pay such reasonable charges for services and reimbursement for expenses as the City may require. The District will post notices on each construction project identifying the District as the project sponsor, which shall contain contact information for interested parties. The District shall furnish notice to property owners within the District of the existence of the District, the types and amounts of taxes levied and fees imposed, a description of the District's maintenance responsibilities for public improvements, a statement that the District is not related to or affiliated with the City, and contact information for further information and questions concerning District construction projects, taxes and fees, and maintenance activities.

XIII. CONCLUSION

This Service Plan demonstrates that:

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

Exhibit A

ORGANIZER'S RESUME

PFG Acquisitions, LLC, ("PFG" or the "LLC") is a "single-asset" limited liability company, that is managed by a Pine Financial Group Inc., Kevin Amolsch, President. PFG has funded \$2,000,000 in equity capital from private investors that are members of the LLC. PFG has entered into a management agreement with the FGC Management Enterprises, Ltd., JJ Vandemoer, Inc., Penguin Financial Group, Inc. and Pine Financial Group, Inc.

FGC Management Enterprises, Ltd. (Frederick Cooke) functions in the capacity of Development Manager for PFG. Mr. Cooke's professional resume includes over 35 years of development and construction management experience, which also involves structuring of public finance facilities for special districts within Colorado. He has significant experience in the formation, implementation, and management of Title 32 Special Districts. Mr. Cooke's professional resume shall be submitted with other PFG statements and disclosures, as required.

JJ Vandemoer, Inc. (John Vandemoer) functions in the capacity of development management consultant. Mr. Vandemoer professional experience includes over 25 years of forming and arranging financing for over 40 land partnerships for properties in northwest Colorado. He manages the acquisition, operation and sale of these partnerships and properties. Mr. Vandemoer's professional resume will be submitted with other PFG disclosures and statements, as required.

Penguin Financial Group (Mariano C. DeCola) functions in the capacity of development management consultant, with significant experience development projects to his credit. Mr. DeCola has been involved with numerous land development projects over his career throughout Colorado. He has managed the acquisition, financing, marketing and sale of these projects. Mr. DeCola's personal resume will be submitted with other PFG statements and disclosures, as required.

Pine Financial Group, Inc. (Kevin Amolsch) functions as the general manager of PFG, overseeing the day to day operation of the LLC. Mr. Amolsch owns and manages Pine Financial Group, Inc. a private finance company which provides financing to numerous real estate projects in Colorado and Minnesota. Mr. Amolsch's personal resume will be submitted with other PFG statements and disclosures, as required.

Legacy Capital Management (Jared Seidenberg) is a principal in PFG and helps manage the LLC. Mr. Seidenberg is an attorney who has spent the last ten (10) years practicing civil litigation and is the general counsel and manager of a financial services firm located in Denver, where he specializes in secured transitions and consumer finance. Mr. Seidenberg's personal resume will be submitted with other PFG statements and disclosures, as required.

Mr. Josef Guetlein functions as an acquisition and marketing consultant for active real estate land partnerships along the northern portion of the Colorado front range. Mr. Guetlein has over 30 years of real estate experience in purchasing, managing, leasing and sales activities within and

around an active metropolitan corridor. Mr. Guetlein's personal and professional resume shall be submitted with other PFG statements and disclosures, as required.

Exhibit B

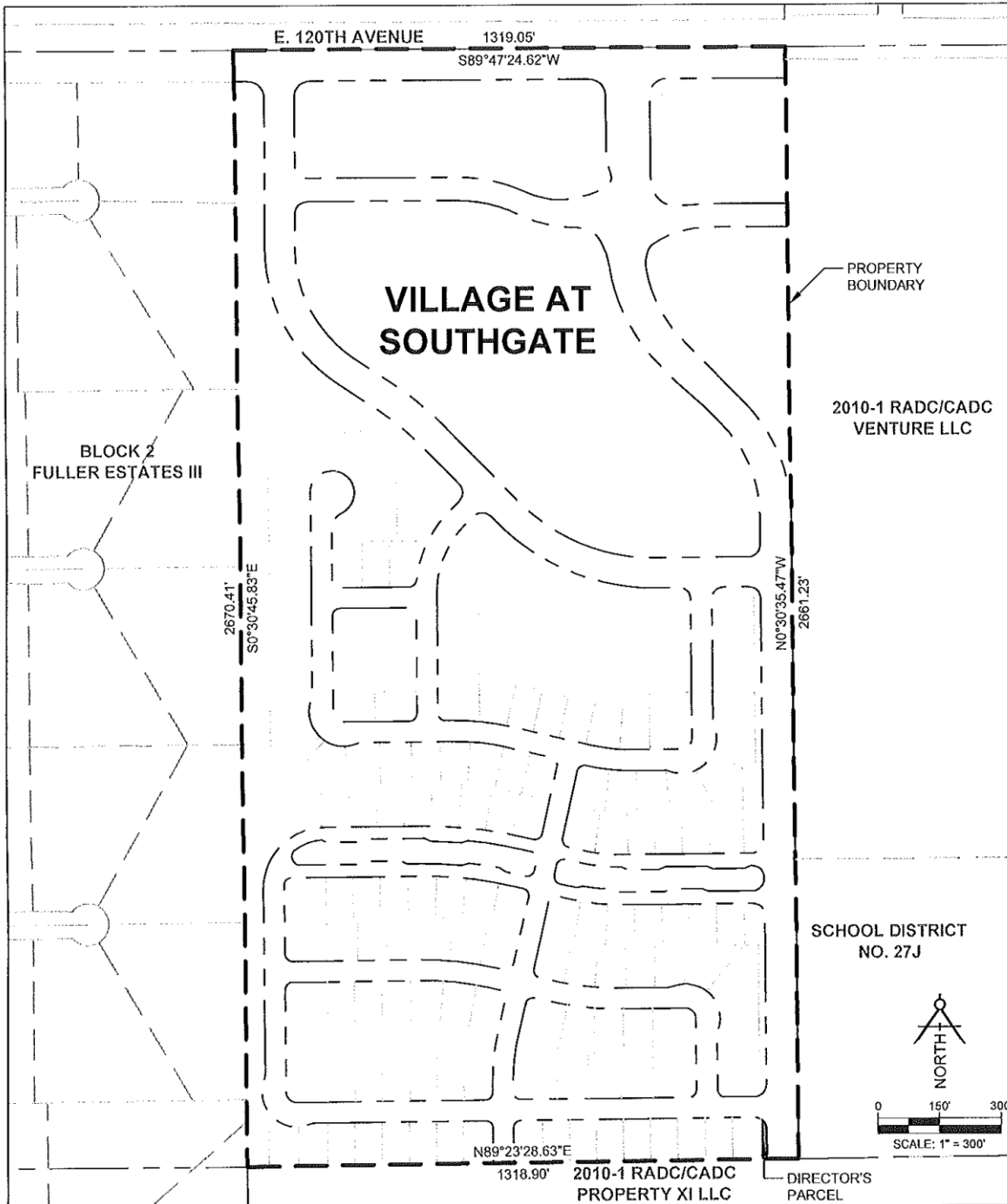
Legal Description

The West ½ of the Northeast ¼ of Section 1, Township 2 south, Range 67 West, of the 6th P.M., County of Adams, State of Colorado, except the right of way for 120th Avenue as described in Road Book 2 at Page 593.

Parcel described above contains a total of 79.811 acres, more or less.

Exhibit C

Boundary Map

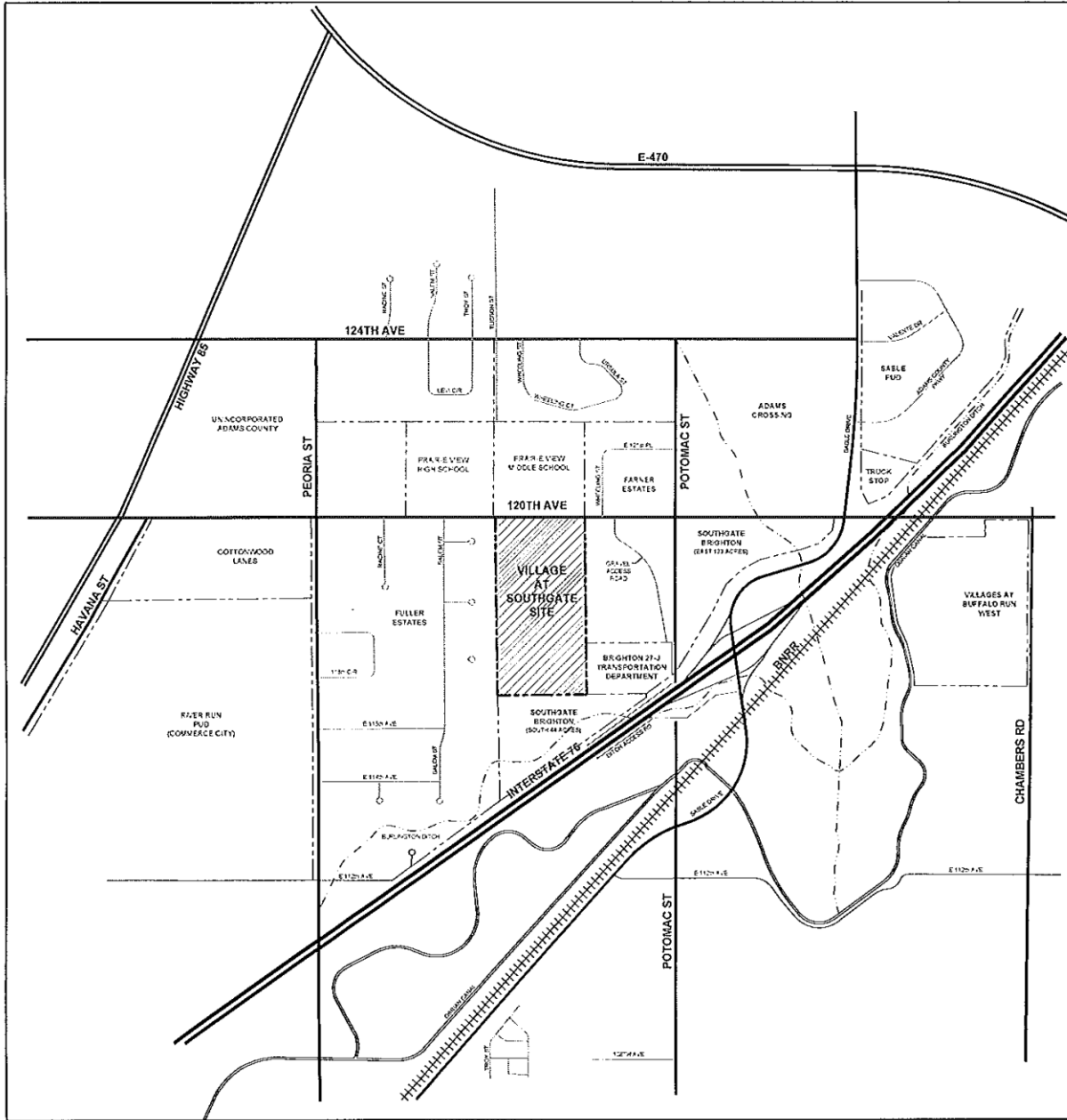


VILLAGE AT SOUTHGATE

Boundary Map

Exhibit D

Vicinity Map



VICINITY MAP
1" = 2000'



Exhibit E

Property Owner's Consent

August 1, 2014

City Council
City of Brighton, Colorado
500 South 4th Avenue, First Floor
Brighton, CO 80601

Re: Proposed SouthGate Metropolitan District (the "District")

To Whom It May Concern:

PFG Acquisitions, LLC, a Colorado limited liability company authorized to do business in Colorado, is the owner of 100% of the property attached hereto as **Exhibit A**, which property is proposed to constitute the initial boundaries of the District. The purpose of this letter is to advise that the property owner consents to the organization of the District.

PFG ACQUISITIONS, LLC,
a Colorado limited liability company

By: *[Signature]*
Kevin Amolsch, President of Pine Financial Group, Inc, Manager

State of Colorado)
) ss
County of Jefferson)

Subscribed and sworn to before me on this 1 day of August, 2014, by Kevin Amolsch as President of Pine Financial Group, Inc, Manager of PFG Acquisitions, LLC, a Colorado limited liability company.

(Seal)

Melissa Logan

Notary Public

My commission expires 11/20/17.

MELISSA LOGAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134073128
MY COMMISSION EXPIRES NOV. 20, 2017

EXHIBIT A
Legal Description of Initial Boundaries

LEGAL DESCRIPTION

The west 1/2 of the northeast 1/4 of Section 1, Township 2 south, Range 67 west, of the 6th P.P., county of Adams, state of Colorado, except the right of way for 120th avenue as described in road book 2 at page 593.

Parcel described above containing a total of 79.811 acres more or less.

Exhibit F

Engineering Construction Estimate

The Village at Southgate
 Engineers Opinion of Probable Costs
 Summary- Metro District Costs

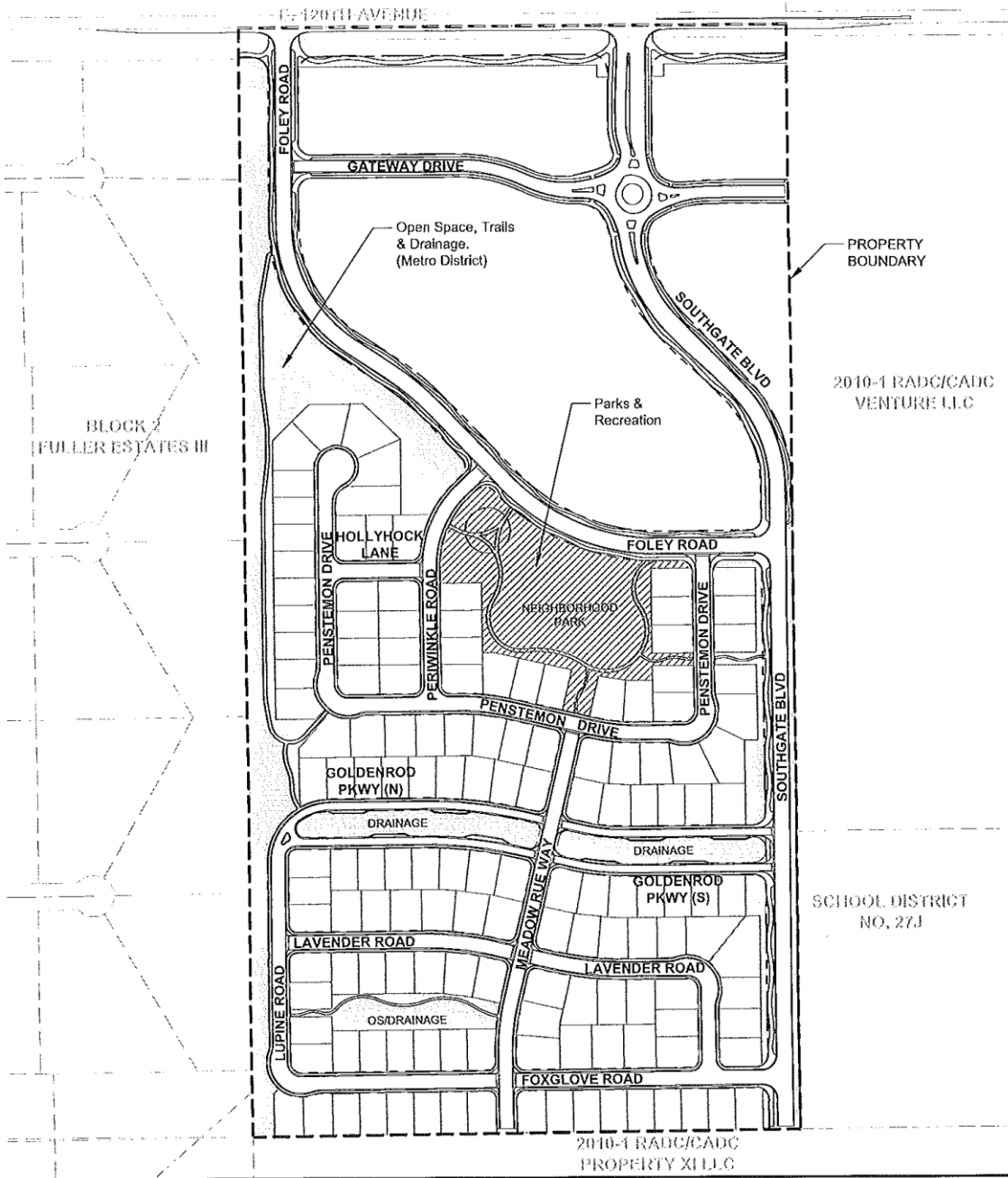
		120th Avenue	West Collector	East Collector	Commercial Road	Local Roads	Total
	LINEAL FEET	1319	2020	2773	1222	9329	16663
District Costs							
A. Existing Site Conditions (Also see Line Item M)		\$48,301	\$0	\$0	\$0	\$0	\$48,301
B. Erosion Control	2%	\$24,378	\$16,515	\$23,482	\$8,119	\$64,574	\$137,068
C. Sanitary Sewer		\$25,000	\$136,301	\$40,190	\$74,460	\$616,216	\$892,167
D. Water		\$25,000	\$99,160	\$128,680	\$50,900	\$564,325	\$868,065
E. Storm Sewer		\$52,995	\$102,860	\$107,593	\$131,862	\$529,273	\$924,583
F. Roadway		\$967,380	\$447,930	\$758,463	\$125,632	\$1,518,885	\$3,818,290
G. Right-of-way Landscaping		\$100,200	\$39,504	\$139,191	\$23,106	\$0	\$302,002
H. Miscellaneous Fees	3%	\$37,298	\$25,268	\$35,928	\$12,422	\$98,798	\$209,714
I. Professional Fees	14%	\$174,055	\$117,918	\$167,664	\$57,971	\$461,058	\$978,667
J. Existing Site Conditions							\$20,000
K. Open Space/Landscaping							\$838,433
L. Park							\$347,075
M. Earthwork (Overlot for Roads and Channel)							\$1,040,000
N. Regional Water Improvements							\$965,510
O. Regional Sanitary Sewer Improvements							\$815,028
	Contingency 10%	\$145,460.59	\$98,545.61	\$140,119.18	\$48,447.28	\$385,313.04	\$1,220,490.30
Total District Costs							\$13,425,393
Non-District Costs							
A. Dry Utilities							\$480,000
B. Clear and Grub							\$173,636
C. Earthwork (Overlot for Commercial)							\$260,000
D. Entry Features							\$100,000
	Contingency 10%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,000.00
Total Non-District Costs							\$1,061,636
Total		\$1,600,067	\$1,084,002	\$1,541,311	\$532,920	\$4,238,443	\$14,487,030

Notes:

- 1 This is an estimate of costs based on preliminary design quantities, assumptions, and unit prices from past projects.
- 2 Storm Sewer costs includes major drainage improvements for regional drainageway through site.
- 3 Roadway costs include signal on 120th Avenue. Roadway costs only include interim improvements on 120th Avenue and do not include the full build out of 120th Avenue.
- 4 Roadway costs include estimated depths for asphalt pavement based on a preliminary geotechnical report for an adjacent site.
- 5 Landscaping costs for the drainage areas, open space areas, and park are included under the Local Roads
- 6 Miscellaneous Fees are estimated by percentage and include costs for 1.5% Mobilization, 5% Permits, and 1% Bonding
- 7 Professional Fees are estimated by percentage to include Pre-Construction and Design Consultants (6%), Construction Staking (2%), Materials Testing (2%), Construction Management (4%)
- 8 Existing Site Conditions include demolition of existing structures. No costs have been included for relocation of the barn.
- 9 Dry Utility costs need to be updated. They currently include \$2000/unit for Single Family for electric and \$1200/unit for Single Family Gas. Need to also include costs for multi-family and commercial.
- 10 Earthwork costs include 130k cy of imported fill at \$10/cy. The quantity is a rough estimate at this time. Unit cost for imported fill could vary significantly based on hauling distance.

Exhibit G

Location of Public Improvements

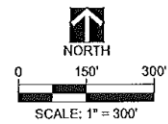


greenscape
DESIGNS
LANDSCAPE ARCHITECTURE
PLANNING | IRRIGATION
FORT COLLINS CO | 970.631.2822

VILLAGE AT SOUTHGATE

Parks & Recreation Facilities

June 27, 2014



E. 120TH AVENUE

FOLEY ROAD

GATEWAY DRIVE

Open Space, Trails & Drainage.
(Metro District)

PROPERTY BOUNDARY

SOUTHGATE BLVD

2010-1 RAD/CADC
VENTURE LLC

Parks & Recreation

BLOCK 2
FULLER ESTATES III

PENSTEMON DRIVE

HOLLYHOCK LANE

PERIWINKLE ROAD

NEIGHBORHOOD PARK

FOLEY ROAD

PENSTEMON DRIVE

PENSTEMON DRIVE

SOUTHGATE BLVD

GOLDENROD PKWY (N)

DRAINAGE

DRAINAGE

GOLDENROD PKWY (S)

SCHOOL DISTRICT
NO. 27J

LAVENDER ROAD

MEADOW RUE WAY

LAVENDER ROAD

LUPINE ROAD

OS/DRAINAGE

FOXGLOVE ROAD

2010-1 RAD/CADC
PROPERTY XI LLC

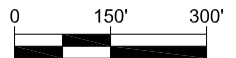
greenscape
DESIGNS

LANDSCAPE ARCHITECTURE
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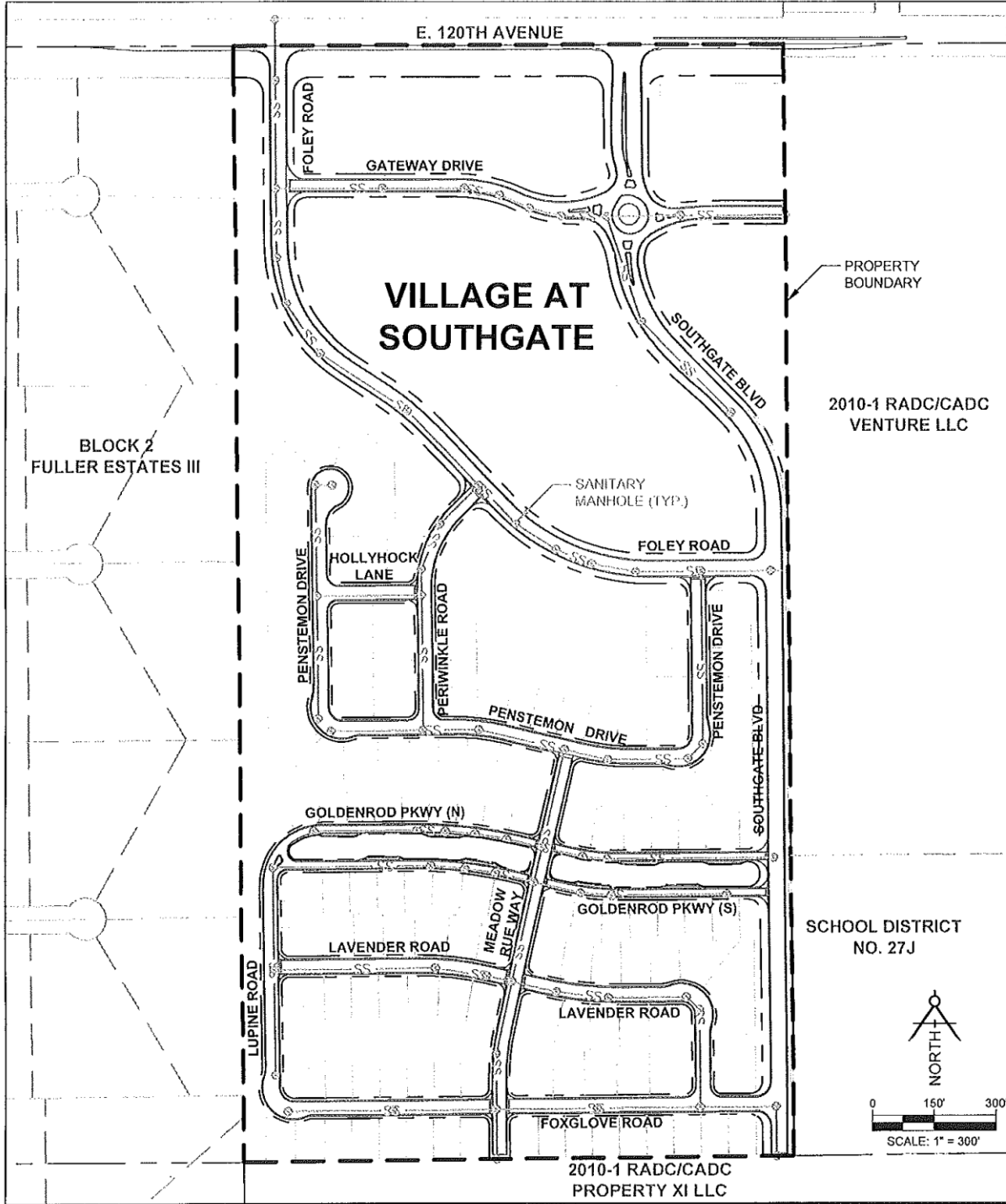
VILLAGE AT SOUTHGATE

Parks & Recreation Facilities

June 27, 2014



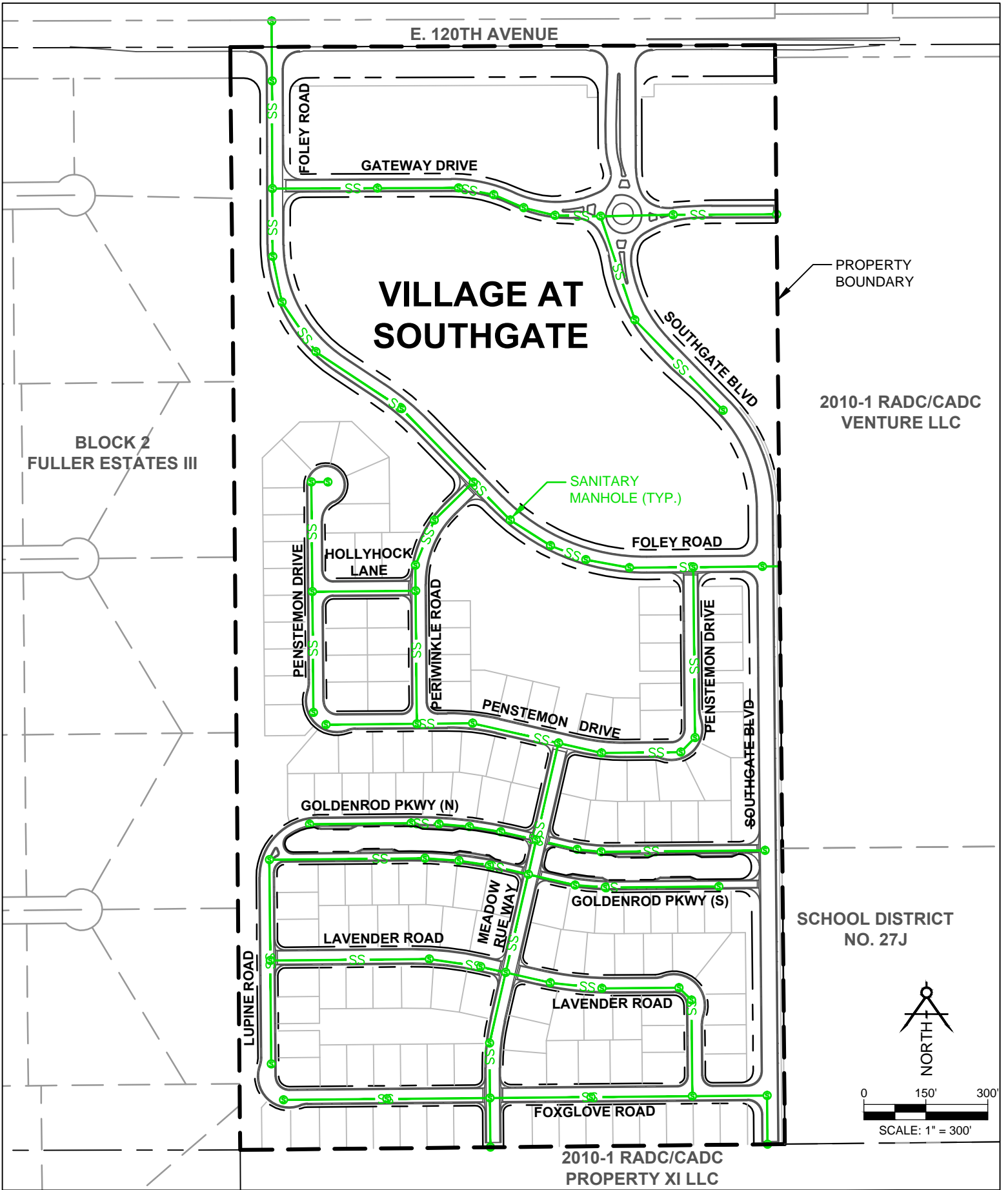
SCALE: 1" = 300'



VILLAGE AT SOUTHGATE

Sanitary Exhibit

June 27, 2014

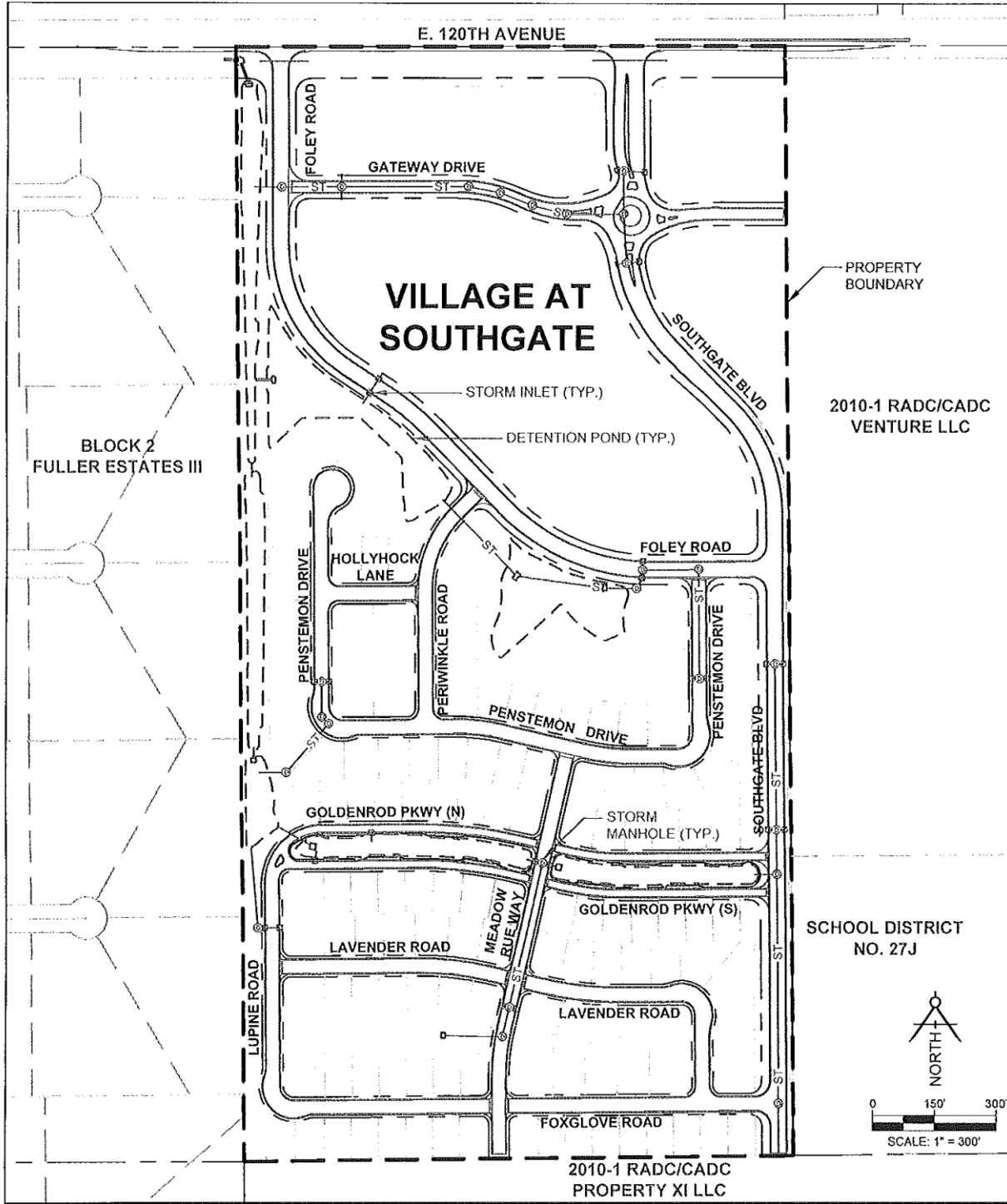


VILLAGE AT SOUTHGATE

Sanitary Exhibit

June 27, 2014

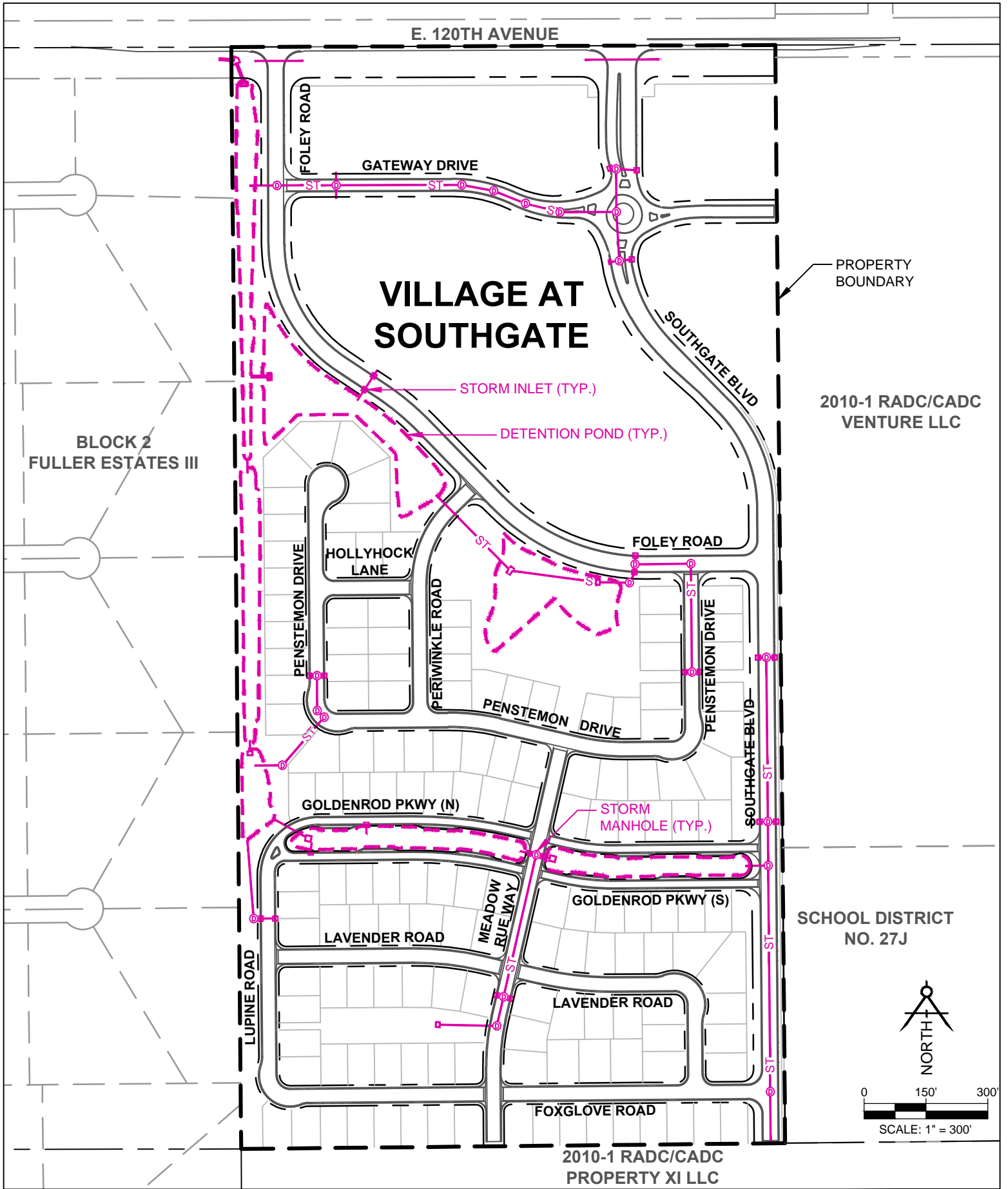




VILLAGE AT SOUTHGATE

Storm Drainage Exhibit

June 27, 2014

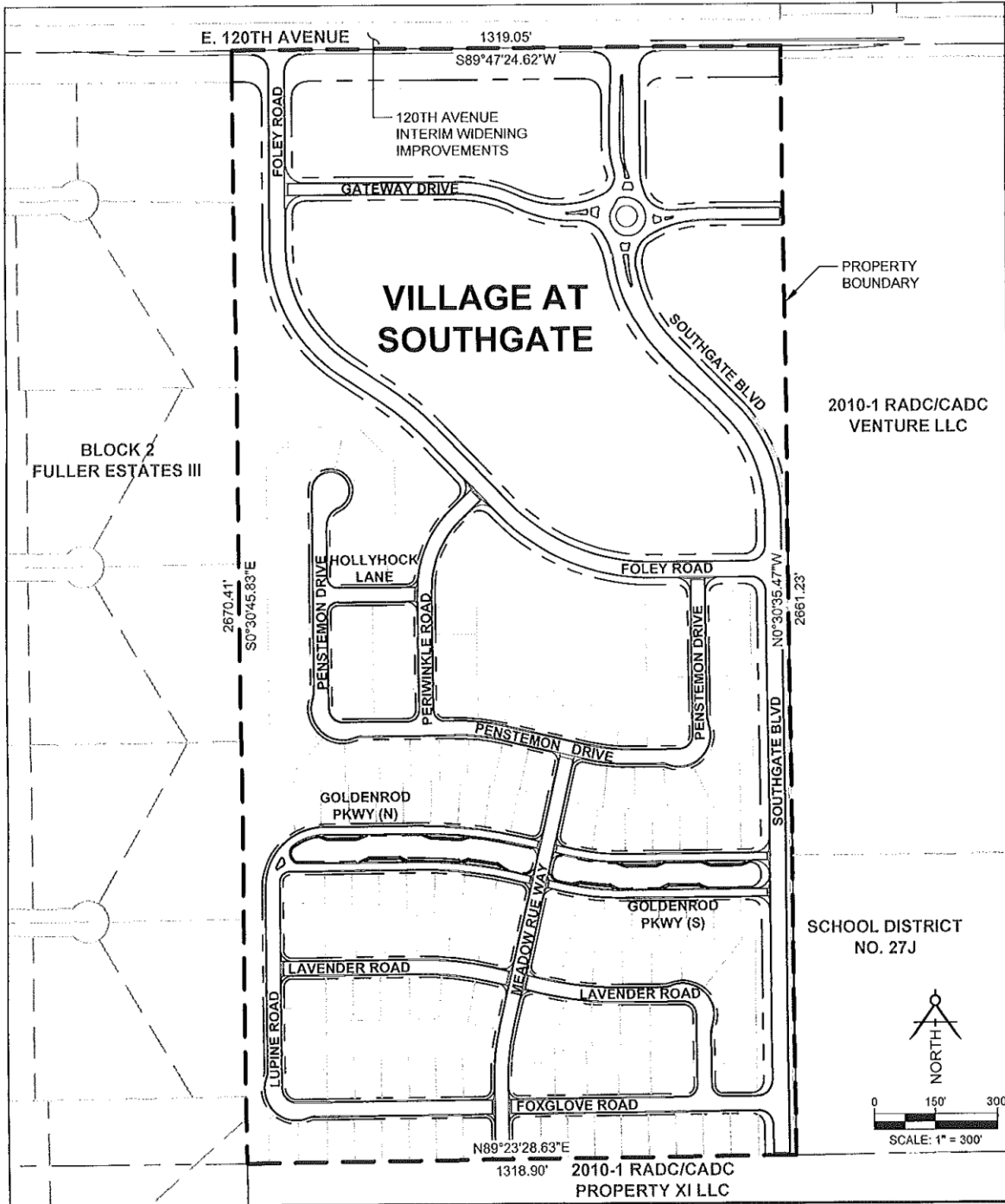


VILLAGE AT SOUTHGATE

Storm Drainage Exhibit

June 27, 2014



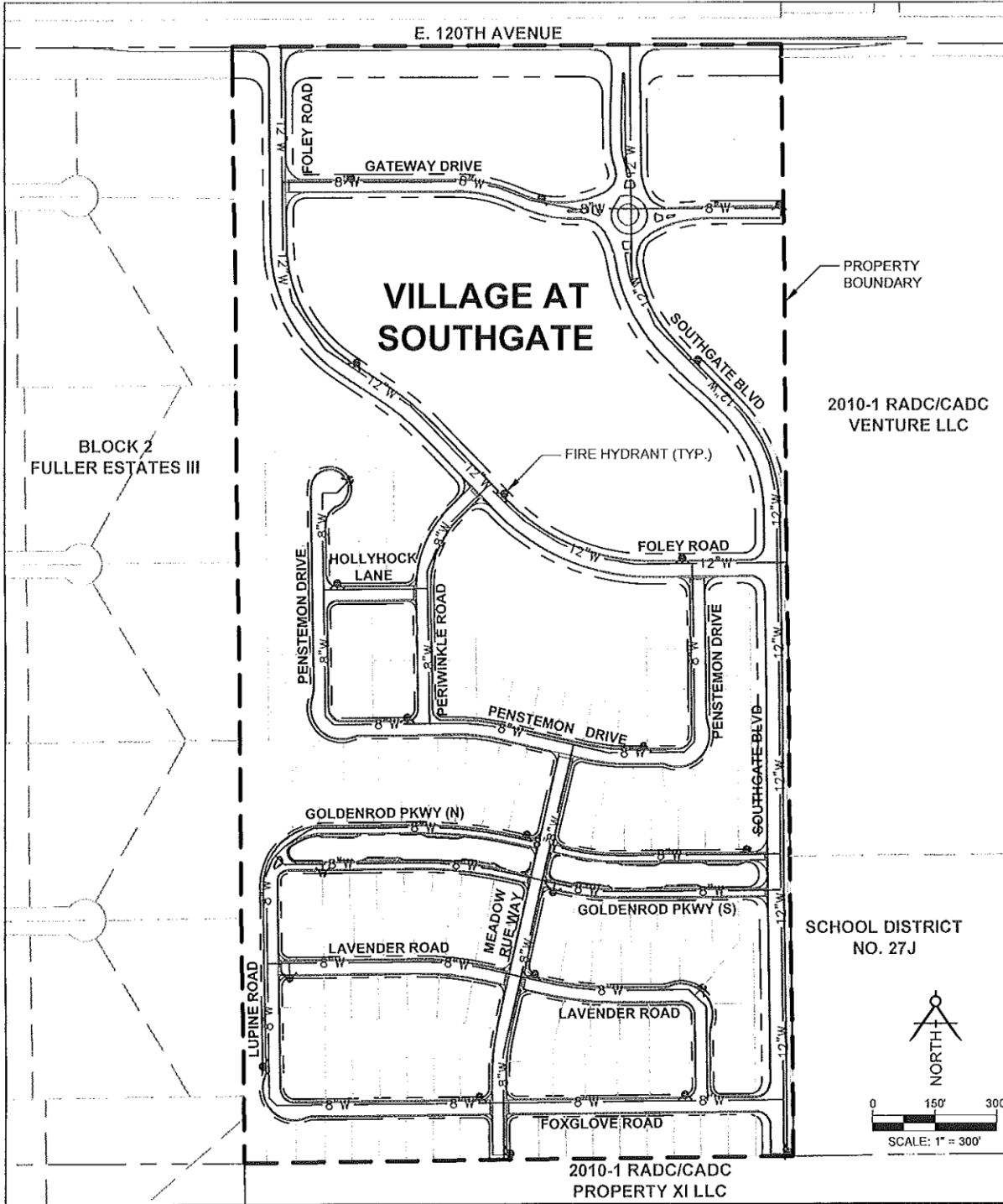


VILLAGE AT SOUTHGATE

Streets Exhibit

June 27, 2014

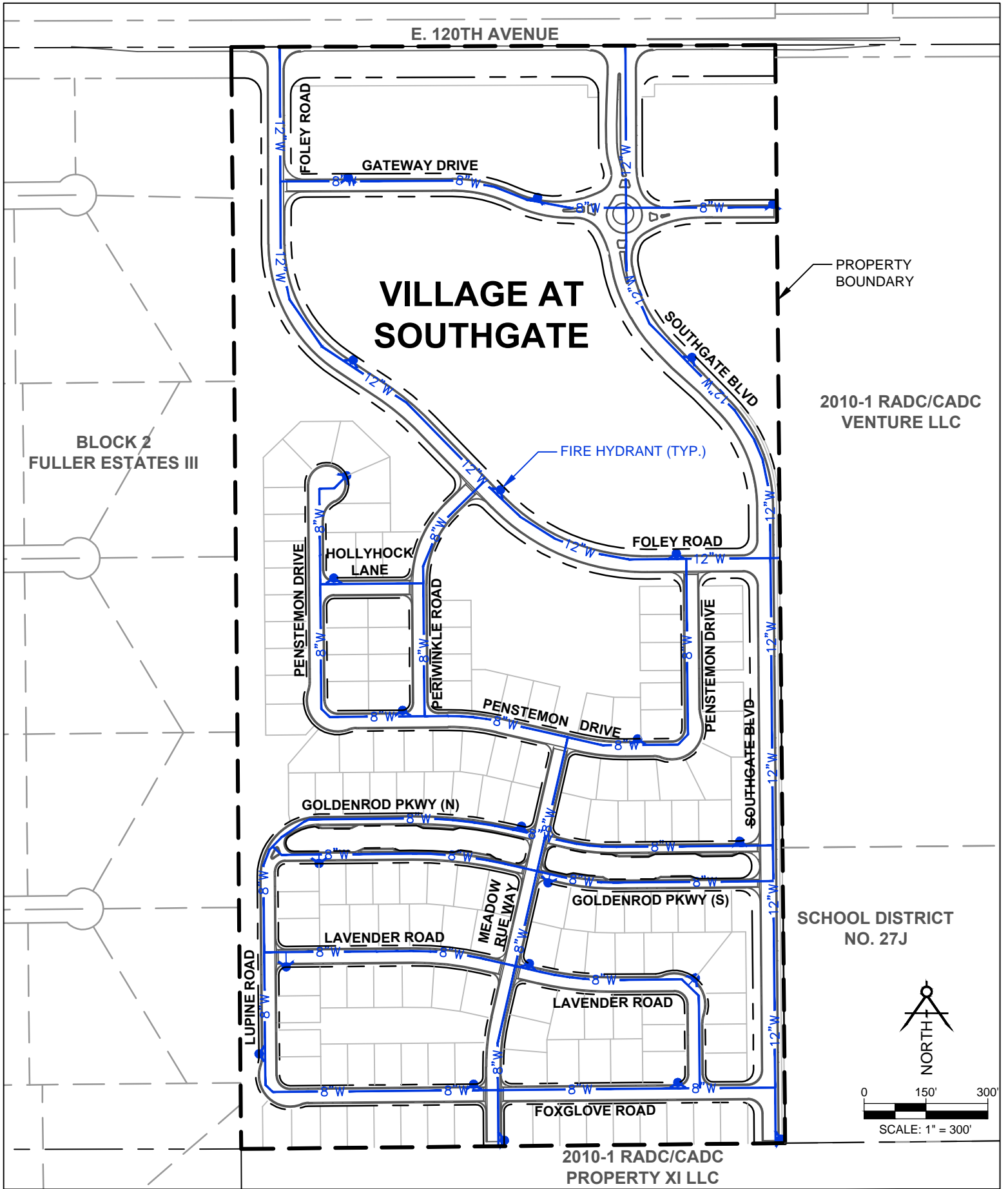




VILLAGE AT SOUTHGATE

Water Exhibit

June 27, 2014



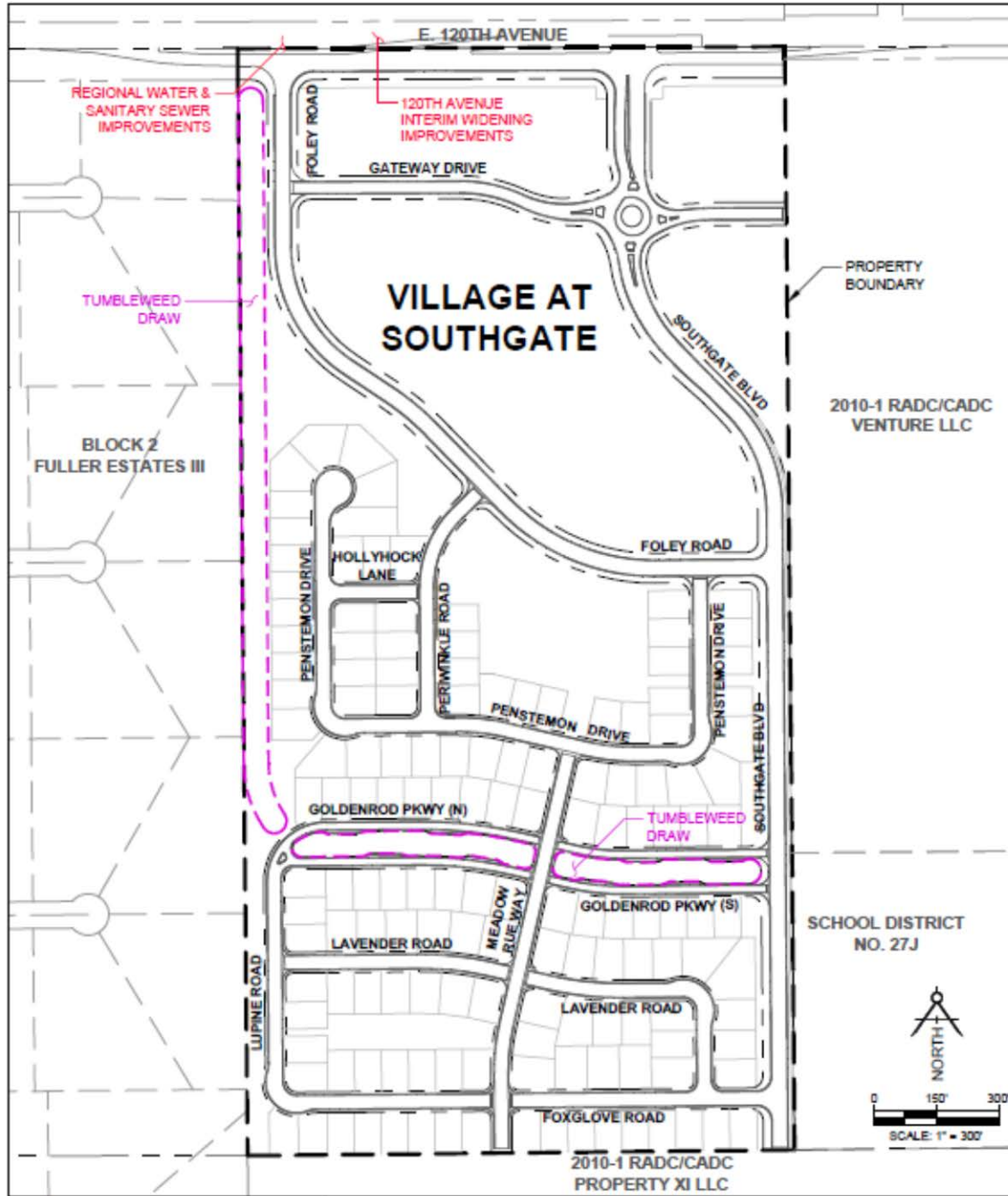
VILLAGE AT SOUTHGATE

VILLAGE AT SOUTHGATE

Water Exhibit

June 27, 2014





VILLAGE AT SOUTHGATE

Regional Improvements Exhibit

June 27, 2014

Exhibit H

Absorption and Feasibility Study

BILTMORE REALTY LTD

5655 S. Yosemite Street, Suite 201
Greenwood Village, Co 80111
303-721-1516

August 8, 2014

City of Brighton
Attention: Manuel Esquibel, City Manager
500 South 4th Avenue
Brighton, Colorado 80601

IN RE: The Villages at SouthGate Metropolitan District Service Plan

Dear Mr. Esquibel,

My office, Biltmore Realty, Ltd., has been asked to provide an opinion of project marketing and absorption figures for the real estate development project that is known as the Villages at SouthGate that is an 80 acre site located along the south side of 120th Avenue and east of Potomac Street. Biltmore has evaluated the market absorption and sales feasibility for the mixed use project that includes the use components of retail, commercial, office, restaurant, and residential (single family, multi-family) as it relates to the SouthGate Brighton Metropolitan District and the financial plan for the Service Plan. My conclusions are based on conversations with Fred Cooke, the Develop Manager for SouthGate, and my research and familiarity with the real estate market in Brighton.

A summary of the land uses that my opinion is based upon is as follows,

Development Absorption and Value Projections – Residential

<u>Year</u>	<u>Single Family Detached</u>	<u>Multi-Family (“For Rent”)</u>	<u>Multi-Family (“For Sale”)*</u>
2015	40	0	0
2016	60	120	80
2017	50	120	40

*the multi-family component of the SouthGate project has the potential of two possible development scenarios; 1) Apartments that would be developed as a “for rent” project that would allow for higher density projected 240 units; and 2) Condominium/townhomes that would be developed as a “for sale” project resulting in a lower density project, 120 to 160 units, with higher per unit values.

Projected/Estimated Values for the Residential Component

Single Family Detached	\$325,000 to \$400,000
Multi-Family ("For Rent")	\$140,000 to \$180,000
Multi-Family ("For Sale")	\$200,000 to \$250,000

Development Absorption Projections – Commercial

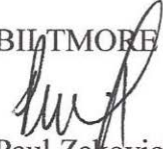
<u>Year</u>	<u>Parcel #</u>	<u>SF Land</u>	<u>SF Building</u>
2016	G & H	98,000 SF	20,000 SF
2017	D & E	80,000 SF	15,000 SF
2018	A, B, & C	110,000 SF	25,000 SF
2019	J, K, & L	110,000 SF	30,000 SF

The above schedule only presents a projection of absorptions as the specific uses on each individual site could contain a wide variety of uses which values could vary significantly. The Developer and consultant providing the financial plan can better address these values as it relates to the specific uses based on a value for the finished buildings to be located on each site.

Hopefully the information provided meets the needs of the City of Brighton in evaluating the SouthGate Metropolitan District Service Plan. Should you have any questions and require further clarification please contact me directly at (303) 721-1516.

Sincerely,

BILTMORE REALTY, LTD.


Paul Zakovich, Broker/Principal

August 9, 2014

Brighton City Council Members
City of Brighton
500 South 4th Avenue
Brighton, Colorado 80601

IN RE: Analysis of Development Projections for The Villages at SouthGate
Metropolitan District Service Plan

Dear Brighton City Council Members,

I have reviewed the marketing and absorption projections contained within the letter from Biltmore Realty, Ltd., Paul Zakovich, Broker, and support its findings. The Development and Sales Projections also satisfactorily confirm our projections relating to the development of the Villages at SouthGate project and I request that it be admitted as part of the Villages at SouthGate Metropolitan District Service Plan.

Should you have any questions and require further clarification please contact me (970) 667-1292.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fred Cooke', written in a cursive style.

Fred Cooke, Development Manager

Exhibit I

Dispute Resolution Process

DISTRICT DISPUTE RESOLUTION PROCESS

1. APPLICATION. The hearing and appeal procedures established by this Section shall apply to all complaints concerning any determination of the District, or concerning the interpretation, application or enforcement of the Rules and Regulations of the District, as such Rules and Regulations now exist or may hereafter be amended. However, the hearing and appeal procedures established by this Section shall not apply to the complaints arising out of the interpretation of the terms of District contracts.

2. INITIAL COMPLAINT RESOLUTION. Complaints concerning a determination of the District or concerning the interpretation, application or enforcement of the Rules and Regulations of the District must be presented in writing to the District Manager, or such representative as may be designated. Upon receipt of a complaint, the complainant and the District Manager or a representative, within sixty (60) days after the District Manager's receipt of the complaint, shall engage in a single, non-binding arbitration session that shall not exceed three (3) hours in length. Payment of the costs associated with such arbitration session will an issue for resolution during the arbitration. Any decisions of the District Manager or representative made at such arbitration session which impact the District financially will not be binding upon the District unless approved by the Board at a special or regular meeting of the Board.

3. FORMAL HEARING. In the event the outcome of the arbitration is deemed unsatisfactory to the complainant or the District, a written request for formal hearing may be submitted by either the complainant or the District to the City of Brighton Manager ("City Manager") or such hearing officer as the City Manager may appoint within thirty (30) days from the date the arbitration was conducted. A deposit in an amount as established by the City shall be made to the City by the party requesting the hearing, along with the request for the hearing. This amount shall be retained by the City to cover the costs of the hearing until the final decision following such hearing, and, at such time, the party that does not prevail at the hearing shall be directed to either forfeit or pay the cost of such deposit.

Upon receipt of the request, if it be timely, and if any and all other prerequisites prescribed by these Rules and Regulations and the City of Brighton Municipal Code have been met, the City or hearing officer shall conduct a hearing at the City's convenience, but in any event not later than sixty (60) days after the submission of the request for a formal hearing. The formal hearing shall be conducted in accordance with and subject to all pertinent provisions of these Rules and Regulations and the City of Brighton Municipal Code.

4. CONDUCT OF HEARING. At the hearing, the City Manager or hearing officer shall preside. The complainant and representatives of the District shall be permitted to appear in person, and the complainant may be represented by an individual of the complainant's choice or by legal counsel.

The complainant or the complainant's representative and the District representatives shall have the right: (1) to present evidence and arguments, (2) to confront and cross-examine any Person and (3) to oppose any testimony or statement that may be relied upon in support of or in opposition to the matter of the complaint. The City Manager or hearing officer may receive and consider any evidence which has probative value commonly accepted by reasonable and prudent persons in the conduct of their affairs.

The City Manager or hearing officer shall determine whether clear and convincing grounds exist to alter, amend, defer or cancel the interpretation, application and/or enforcement of the Rules and Regulations that are the subject of the complaint. The decision shall be based upon evidence presented at the hearing. The burden of showing that the required grounds exist to alter, amend, defer or cancel the action shall be upon the complainant.

5. FINDINGS. Subsequent to the formal hearing, the City Manager or hearing officer shall make written findings and an order disposing of the matter and shall mail a copy thereto to the complainant not later than thirty (30) days after the date of the formal hearing.

6. RULE 106 PROCEEDING. The district court of the 17th Judicial District of the State of Colorado shall have original jurisdiction in proceedings to review all questions of law and fact determined by the City Manager by order or writ under Rule 106(a)(4) of the Colorado Rules of Civil Procedure.

7. NOTICE. A complainant shall be given notice of any hearing before the hearing officer or before the Board, by certified mail at least seven (7) calendar days prior to the date of the hearing, unless the complainant requests or agrees to a hearing in less time. When a complainant is represented by an attorney, notice of any action, finding, determination, decision or order affecting the complainant shall also be served upon the complainant's attorney.

Exhibit J
Financing Plan

SOUTHGATE BRIGHTON METROPOLITAN DISTRICT
 Development Projection at 47,000 (target) District Mills (Residential & Commercial)

Series 2019, General Obligation Bonds, Non-Rated, 30-yr, Final Maturity; plus Series 2019B Cash-Flow Subs.

YEAR	Total Res't Units	Mkt Value @ 2.0%	Biennial Reassmnt @ 2.0%	Cumulative Market Value	As'd Value @ 7.0%	Sub-Total Residential Assessed Value	Res't DB Mill Levy [47.00 Target] [50.00 Cap]	Res't Collections @ 85%	Res't S.O. Taxes Collected	Res't S.O. Taxes Collected @ 85%	Com'm1 DB Mill Levy [47.00 Target] [50.00 Cap]	Com'm1 Collections @ 85%	Com'm1 S.O. Taxes Collected @ 85%	Total Facility Fees Collections
2015	0	0	0	0	0	0	47,000	0	0	0	47,000	0	0	0
2016	50	14,025,000	0	14,025,000	0	0	47,000	0	0	0	47,000	0	0	138,000
2017	170	47,577,900	0	3,831,000	1,116,380	1,116,380	47,000	0	0	0	47,000	23,077	1,439	313,000
2018	170	82,753,418	82,753,418	3,787,201	3,787,201	3,787,201	47,000	51,421	3,085	10,668	47,000	101,636	6,098	384,200
2019	20	86,789,225	6,597,172	9,184,373	6,597,172	6,597,172	47,000	305,405	18,204	2,894,086	47,000	123,628	7,418	60,000
2020	0	1,798,785	91,585,010	7,147,222	7,147,222	7,147,222	47,000	359,201	19,752	3,986,175	47,000	181,300	10,879	18,000
2021	0	1,851,700	93,416,710	7,290,167	7,290,167	7,290,167	47,000	335,785	20,147	4,022,254	47,000	185,265	11,116	0
2022	0	1,868,334	95,285,044	7,435,970	7,435,970	7,435,970	47,000	342,501	20,550	4,495,013	47,000	207,040	12,422	0
2023	0	1,905,701	97,190,745	7,584,989	7,584,989	7,584,989	47,000	348,351	20,861	4,854,914	47,000	211,181	12,871	0
2024	0	1,943,815	99,134,560	7,736,383	7,736,383	7,736,383	47,000	358,338	21,390	5,163,358	47,000	215,405	13,183	0
2025	0	1,982,581	101,117,251	7,891,111	7,891,111	7,891,111	47,000	363,465	21,608	5,479,396	47,000	219,713	13,446	0
2026	0	2,022,345	103,139,596	8,048,933	8,048,933	8,048,933	47,000	370,734	22,244	5,795,847	47,000	224,107	13,688	0
2027	0	2,062,702	105,202,388	8,209,912	8,209,912	8,209,912	47,000	378,149	22,689	6,112,800	47,000	228,589	13,915	0
2028	0	2,104,048	107,306,436	8,374,110	8,374,110	8,374,110	47,000	385,712	23,143	6,432,115	47,000	233,151	14,166	0
2029	0	2,146,129	109,452,564	8,541,592	8,541,592	8,541,592	47,000	393,426	23,606	6,752,525	47,000	237,824	14,428	0
2030	0	2,189,051	111,641,616	8,712,424	8,712,424	8,712,424	47,000	401,294	24,079	7,077,957	47,000	242,581	14,695	0
2031	0	2,232,832	113,874,448	8,886,673	8,886,673	8,886,673	47,000	409,320	24,559	7,407,396	47,000	247,432	14,964	0
2032	0	2,277,469	116,151,937	9,064,406	9,064,406	9,064,406	47,000	417,507	25,050	7,741,844	47,000	252,381	15,233	0
2033	0	2,322,929	118,474,876	9,245,684	9,245,684	9,245,684	47,000	425,857	25,551	8,081,292	47,000	257,429	15,502	0
2034	0	2,369,500	120,844,475	9,430,608	9,430,608	9,430,608	47,000	434,374	26,062	8,426,740	47,000	262,577	15,775	0
2035	0	2,417,181	123,261,656	9,620,676	9,620,676	9,620,676	47,000	443,052	26,583	8,777,188	47,000	267,826	16,050	0
2036	0	2,465,982	125,725,628	9,816,400	9,816,400	9,816,400	47,000	451,885	27,125	9,132,636	47,000	273,274	16,329	0
2037	0	2,515,905	128,235,583	10,018,280	10,018,280	10,018,280	47,000	460,874	27,688	9,493,084	47,000	278,922	16,611	0
2038	0	2,567,050	130,790,532	10,226,816	10,226,816	10,226,816	47,000	470,018	28,272	9,858,532	47,000	284,770	16,897	0
2039	0	2,619,425	133,390,467	10,442,519	10,442,519	10,442,519	47,000	479,317	28,877	10,223,980	47,000	290,818	17,188	0
2040	0	2,673,030	136,035,397	10,666,089	10,666,089	10,666,089	47,000	488,761	29,502	10,599,428	47,000	297,066	17,484	0
2041	0	2,727,875	138,725,322	10,897,926	10,897,926	10,897,926	47,000	498,350	30,147	10,984,876	47,000	303,614	17,785	0
2042	0	2,783,960	141,460,252	11,137,520	11,137,520	11,137,520	47,000	508,084	30,812	11,370,324	47,000	310,362	18,091	0
2043	0	2,841,595	144,240,187	11,384,471	11,384,471	11,384,471	47,000	518,063	31,507	11,757,772	47,000	317,310	18,402	0
2044	0	2,900,880	147,065,127	11,638,128	11,638,128	11,638,128	47,000	528,287	32,232	12,151,220	47,000	324,458	18,718	0
2045	0	2,961,815	150,935,072	11,899,101	11,899,101	11,899,101	47,000	538,756	33,007	12,551,668	47,000	331,806	19,040	0
2046	0	3,024,500	154,859,022	12,167,000	12,167,000	12,167,000	47,000	549,470	33,832	12,959,116	47,000	339,354	19,368	0
2047	0	3,088,935	158,836,977	12,441,575	12,441,575	12,441,575	47,000	560,429	34,707	13,373,564	47,000	347,102	19,701	0
2048	0	3,155,120	162,868,947	12,723,326	12,723,326	12,723,326	47,000	571,633	35,632	13,794,012	47,000	355,050	20,040	0
2049	0	3,223,155	166,955,922	13,012,751	13,012,751	13,012,751	47,000	583,082	36,607	14,220,460	47,000	363,298	20,385	0
2050	0	3,293,040	171,098,902	13,310,460	13,310,460	13,310,460	47,000	594,786	37,642	14,662,908	47,000	371,846	20,736	0
2051	0	3,364,875	175,297,887	13,617,063	13,617,063	13,617,063	47,000	606,745	38,737	15,121,356	47,000	380,694	21,093	0
2052	0	3,438,660	179,552,877	13,932,270	13,932,270	13,932,270	47,000	618,959	39,892	15,595,804	47,000	389,842	21,456	0
2053	0	3,514,495	183,863,872	14,256,691	14,256,691	14,256,691	47,000	631,428	41,117	16,086,252	47,000	399,290	21,825	0
2054	0	3,592,380	188,230,872	14,599,836	14,599,836	14,599,836	47,000	644,152	42,412	16,592,700	47,000	409,038	22,200	0
2055	0	3,672,315	192,654,887	14,961,305	14,961,305	14,961,305	47,000	657,131	43,775	17,115,148	47,000	419,086	22,581	0
2056	0	3,754,400	197,135,907	15,342,000	15,342,000	15,342,000	47,000	670,365	45,207	17,654,596	47,000	429,434	22,968	0
2057	0	3,838,635	201,674,932	15,742,721	15,742,721	15,742,721	47,000	683,854	46,710	18,209,044	47,000	440,086	23,361	0
2058	0	3,925,020	206,374,972	16,164,270	16,164,270	16,164,270	47,000	697,598	48,284	18,774,492	47,000	451,044	23,761	0
2059	0	4,013,555	211,137,027	16,607,449	16,607,449	16,607,449	47,000	711,597	49,929	19,350,940	47,000	462,308	24,168	0
2060	0	4,104,240	215,964,097	17,073,968	17,073,968	17,073,968	47,000	725,851	51,644	19,939,388	47,000	473,878	24,582	0
2061	0	4,197,075	220,857,172	17,565,327	17,565,327	17,565,327	47,000	740,360	53,430	20,539,836	47,000	485,754	24,994	0
2062	0	4,292,060	225,817,262	18,082,336	18,082,336	18,082,336	47,000	755,124	55,295	21,152,284	47,000	497,936	25,413	0
2063	0	4,389,195	230,845,367	18,625,805	18,625,805	18,625,805	47,000	770,153	57,239	21,777,732	47,000	510,424	25,839	0
2064	0	4,488,480	235,942,487	19,196,544	19,196,544	19,196,544	47,000	785,447	59,262	22,415,180	47,000	523,220	26,271	0
2065	0	4,589,915	241,108,622	19,795,363	19,795,363	19,795,363	47,000	800,996	61,375	23,066,628	47,000	536,324	26,710	0
2066	0	4,693,500	246,344,772	20,423,172	20,423,172	20,423,172	47,000	816,800	63,578	23,732,076	47,000	549,736	27,157	0
2067	0	4,800,035	251,652,937	21,081,771	21,081,771	21,081,771	47,000	832,859	65,871	24,412,524	47,000	563,456	27,611	0
2068	0	4,909,520	257,034,127	21,772,960	21,772,960	21,772,960	47,000	849,173	68,255	25,107,972	47,000	577,484	28,072	0
2069	0	5,022,055	262,491,352	22,498,349	22,498,349	22,498,349	47,000	865,742	70,729	25,818,420	47,000	591,820	28,541	0
2070	0	5,137,640	268,024,622	23,258,948	23,258,948	23,258,948	47,000	882,566	73,294	26,543,868	47,000	606,464	29,018	0
2071	0	5,255,275	273,634,947	24,055,567	24,055,567	24,055,567	47,000	899,645	75,949	27,285,316	47,000	621,412	29,503	0
2072	0	5,375,060	279,323,327	24,889,616	24,889,616	24,889,616	47,000	916,979	78,694	28,043,764	47,000	636,664	30,005	0
2073	0	5,497,095	285,099,762	25,762,005	25,762,005	25,762,005	47,000	934,568	81,529	28,818,212	47,000	652,220	30,516	0
2074	0	5,621,380	290,964,252	26,673,744	26,673,744	26,673,744	47,000	952,412	84,454	29,609,660	47,000	668,080	31,037	0
2075	0	5,747,915	296,917,797	27,616,343	27,616,343	27,616,343	47,000	970,511	87,469	30,418,108	47,000	684,240	31,568	0
2076	0	5,876,600	302,960,307	28,591,802	28,591,802	28,591,802	47,000	988,875	90,574	31,244,556	47,000	700,704	32,109	0
2077	0	6,007,535	309,092,792	29,599,921	29,599,921	29,599,921	47,000	1,007,504	93,769	32,088,004	47,000	717,472	32,660	0
2078	0	6,140,720	315,315,762	30,641,610	30,641,610	30,641,610	47,000	1,026,398	97,054	32,948,452	47,000	734,544	33,221	0
2079	0	6,276,155	321,629,817	31,717,869	31,717,869	31,717,869	47,000	1,045,557	100,429	33,825,900	47,000	751,920	33,792	0
2080	0	6,413,840	328,035,957	32,830,708	32,830,708	32,830,70								

YEAR	Net Available for Debt Svc	Series 2019 \$7,620,000 Par (Net \$4,200 MM) Net Debt Service	Surplus Release @ to \$762,000	Surplus to \$762,000 Target	Senior Debt/ Assessed Ratio	Senior Debt/ Act'l Value Ratio	Gov. of Net Cos. @ 47.00 Res'l Mills @ 47.00 Comm'l Mills
2015	\$0		n/a	0	n/a	n/a	0%
2016	138,600		n/a	0	n/a	n/a	0%
2017	338,415		n/a	0	0%	0%	0%
2018	526,441		n/a	0	0%	0%	0%
2019	375,951		n/a	0	0%	0%	0%
2020	531,788		375,951	375,951	72%	7%	0%
2021	545,354	452,953	531,788	145,738	782,000	7%	120%
2022	575,365	475,538	92,471	92,471	782,000	89%	7%
2023	575,365	475,538	99,457	99,457	782,000	84%	7%
2024	586,903	484,953	97,757	97,757	782,000	84%	7%
2025	586,903	484,953	102,840	102,840	782,000	82%	7%
2026	586,903	484,953	101,965	101,965	782,000	81%	7%
2027	586,641	485,538	103,109	103,109	782,000	90%	9%
2028	610,614	455,213	103,328	103,328	782,000	59%	5%
2029	610,614	504,813	105,801	105,801	782,000	57%	6%
2030	622,826	539,488	102,126	102,126	782,000	59%	5%
2031	622,826	518,613	106,213	106,213	782,000	54%	5%
2032	635,282	526,653	103,913	103,913	782,000	53%	5%
2033	635,282	526,653	109,619	109,619	782,000	51%	5%
2034	647,688	536,566	108,694	108,694	782,000	49%	5%
2035	647,688	536,566	111,025	111,025	782,000	47%	5%
2036	660,648	549,693	111,750	111,750	782,000	46%	5%
2037	660,648	549,693	110,865	110,865	782,000	43%	5%
2038	674,167	550,113	113,635	113,635	782,000	41%	4%
2039	674,167	559,536	115,054	115,054	782,000	39%	4%
2040	687,650	569,138	114,629	114,629	782,000	37%	4%
2041	687,650	572,303	118,512	118,512	782,000	34%	4%
2042	701,403	579,468	115,287	115,287	782,000	32%	3%
2043	701,403	580,238	121,915	121,915	782,000	29%	3%
2044	715,431	594,886	121,165	121,165	782,000	27%	3%
2045	715,431	594,886	120,543	120,543	782,000	24%	3%
2046	729,740	604,238	122,818	122,818	782,000	21%	2%
2047	744,335	617,263	125,502	125,502	782,000	18%	2%
2048	744,335	619,886	127,072	127,072	782,000	15%	2%
2049	744,335	619,886	124,447	124,447	782,000	11%	1%
			886,447	886,447	0	8%	120%
			4,145,166	4,145,166			
	20,839,174	15,690,552					

(Data in \$ thousands)

SOUTHGATE BRIGHTON METROPOLITAN DISTRICT
 Development Projection at 47,000 (target) District Mills (Residential & Commercial)
 Series 2015, General Obligation Bonds, Non-Rated, 120x, 30-yr, Final Maturity; plus Series 2019B Cash-Flow Subs.

YEAR	Surplus Available for Debt Service		Date Bonds Issued	Sub Bond Interest on Balance @ 8.50%		Less Payments Toward Sub Bond Interest		Accrued Interest + Int. on Bal. @ 8.00%	Less Payments Toward Accrued Interest		Balance of Sub Bonds Issued	Sub Bonds Principal Issued	Less Payments Toward Bond Principal	Balance of Sub Bond Principal	Surplus Cash Flow to District
	Sub	Sub		Sub	Sub	Sub	Sub		Sub	Sub					
2015	\$0														\$0
2016	0														0
2017	0														0
2018	0		12/15/10												0
2019	145,738	0		104,400	0	0	0	0	0	0	1,305,000	0	41,338	1,305,000	0
2020	62,471	101,083		62,471	8,622	0	8,622	0	0	0	0	0	0	1,283,662	0
2021	99,457	101,083		99,457	2,326	0	2,326	0	10,948	0	0	0	0	1,283,662	0
2022	97,757	101,083		97,757	4,272	0	4,272	0	15,160	0	0	0	0	1,283,662	0
2023	102,840	101,083		101,083	1,213	1,747	1,747	1,747	14,825	0	0	0	0	1,283,662	0
2024	101,965	101,083		101,083	1,170	872	872	872	14,825	0	0	0	0	1,283,662	0
2025	103,103	101,083		101,083	1,184	2,010	2,010	2,010	14,107	0	0	0	0	1,283,662	0
2026	103,328	101,083		101,083	1,128	2,335	2,335	2,335	13,001	0	0	0	0	1,283,662	0
2027	105,801	101,083		101,083	747	4,708	4,708	4,708	9,333	0	0	0	0	1,283,662	0
2028	106,126	101,083		101,083	724	5,120	5,120	5,120	9,047	0	0	0	0	1,283,662	0
2029	106,213	101,083		101,083	372	2,820	2,820	2,820	2,203	0	0	0	0	1,283,662	0
2030	109,618	101,083		101,083	176	2,378	2,378	2,378	0	0	0	0	0	1,283,662	0
2031	108,694	100,601		100,601	0	0	0	0	0	0	0	0	0	1,283,662	0
2032	111,025	99,954		99,954	0	0	0	0	0	0	0	0	0	1,283,662	0
2033	111,750	99,068		99,068	0	0	0	0	0	0	0	0	0	1,283,662	0
2034	110,685	98,053		98,053	0	0	0	0	0	0	0	0	0	1,283,662	0
2035	113,635	97,018		97,018	0	0	0	0	0	0	0	0	0	1,283,662	0
2036	115,054	95,650		95,650	0	0	0	0	0	0	0	0	0	1,283,662	0
2037	114,829	94,140		94,140	0	0	0	0	0	0	0	0	0	1,283,662	0
2038	118,512	92,501		92,501	0	0	0	0	0	0	0	0	0	1,283,662	0
2039	115,287	90,421		90,421	0	0	0	0	0	0	0	0	0	1,283,662	0
2040	121,915	88,431		88,431	0	0	0	0	0	0	0	0	0	1,283,662	0
2041	121,185	85,753		85,753	0	0	0	0	0	0	0	0	0	1,283,662	0
2042	120,543	82,919		82,919	0	0	0	0	0	0	0	0	0	1,283,662	0
2043	122,818	79,910		79,910	0	0	0	0	0	0	0	0	0	1,283,662	0
2044	125,502	76,477		76,477	0	0	0	0	0	0	0	0	0	1,283,662	0
2045	127,072	72,555		72,555	0	0	0	0	0	0	0	0	0	1,283,662	0
2046	886,447	63,583		63,583	0	0	0	0	0	0	0	0	0	1,283,662	0
2047															0
2048															0
2049															0
TOTAL	4,145,166	2,802,865		2,788,301	22,924		22,924		22,924		1,305,000	1,305,000	1,305,000	1,305,000	27,941

SOUTHGATE BRIGHTON METROPOLITAN DISTRICT
 Operations Revenue and Expense Projection

YEAR	Grand Total (Row 1 & Comm 1) Assessed Value	Oper'n's Mill Levy	Total Collections (@ 88%)	S.O. Taxes Collected (@ 5%)	Total Available For O&M	Total Mills
2015	0	3.000	0	0	0	50,000
2016	520,550	3.000	1,530	52	1,622	50,000
2017	3,323,000	3.000	9,770	588	10,356	50,000
2018	6,471,257	3.000	19,026	1,142	20,167	50,000
2019	10,523,347	3.000	30,539	1,898	32,795	50,000
2020	11,159,475	3.000	32,838	1,970	34,808	50,000
2021	11,785,180	3.000	34,648	2,079	36,727	50,000
2022	11,785,180	3.000	34,648	2,079	36,727	50,000
2023	12,020,884	3.000	35,341	2,200	37,462	50,000
2024	12,020,884	3.000	35,341	2,200	37,462	50,000
2025	12,291,302	3.000	35,048	2,163	38,211	50,000
2026	12,506,528	3.000	35,048	2,163	38,211	50,000
2027	12,506,528	3.000	35,048	2,163	38,211	50,000
2028	12,506,528	3.000	35,769	2,206	38,075	50,000
2029	12,506,528	3.000	35,769	2,206	38,075	50,000
2030	12,756,658	3.000	37,505	2,250	39,755	50,000
2031	12,756,658	3.000	37,505	2,250	39,755	50,000
2032	13,011,781	3.000	38,255	2,285	40,550	50,000
2033	13,011,781	3.000	38,255	2,285	40,550	50,000
2034	13,272,027	3.000	39,020	2,341	41,361	50,000
2035	13,272,027	3.000	39,020	2,341	41,361	50,000
2036	13,537,458	3.000	39,800	2,388	42,188	50,000
2037	13,537,458	3.000	39,800	2,388	42,188	50,000
2038	13,808,217	3.000	40,595	2,436	43,032	50,000
2039	13,808,217	3.000	40,595	2,436	43,032	50,000
2040	14,084,381	3.000	41,408	2,484	43,893	50,000
2041	14,084,381	3.000	41,408	2,484	43,893	50,000
2042	14,355,060	3.000	42,238	2,534	44,770	50,000
2043	14,355,060	3.000	42,238	2,534	44,770	50,000
2044	14,633,300	3.000	43,081	2,585	45,666	50,000
2045	14,633,300	3.000	43,081	2,585	45,666	50,000
2046	14,946,458	3.000	43,943	2,637	46,579	50,000
2047	14,946,458	3.000	43,943	2,637	46,579	50,000
2048	15,245,387	3.000	44,821	2,689	47,511	50,000
2049	15,245,387	3.000	44,821	2,689	47,511	50,000
			1,201,045	72,063	1,273,109	

SOUTHGATE BRIGHTON METROPOLITAN DISTRICT
 Development Projection – Buildout Plan (updated 9/23/14)

Residential Development

YEAR	SFDs										Condos										Apts (Inc. Rent)										Residential Summary			
	# Lots Devel'd	Incr(Dest) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 2%	Market Value	# Lots Devel'd	Incr(Dest) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 2%	Market Value	# Lots Devel'd	Incr(Dest) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 2%	Market Value	# Lots Devel'd	Incr(Dest) in Finished Lot Value @ 10%	# Units Completed	Price Inflated @ 2%	Market Value	Total Residential Market Value	Total SFD Units	Total MP Units	Total Rent Units	Total SFD Facility Fees @ \$2,600/unit	Total MF Facility Fees @ \$1,500/unit								
2015	30	975,000	0	3325,000	0	20	400,000	0	204,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2016	50	650,000	0	3315,500	9,645,000	40	400,000	20	204,000	4,020,000	80	800,000	0	102,000	0	0	0	0	0	0	0	14,025,000	30	20	50	75,000	30,000							
2017	50	0	0	3395,100	16,908,500	40	0	40	208,080	8,323,200	80	0	90	104,040	8,322,200	0	0	0	0	0	0	33,552,000	50	120	170	125,000	150,000							
2018	20	(875,000)	0	344,893	17,244,800	0	(800,000)	40	212,242	8,488,864	0	(800,000)	80	108,121	8,485,664	0	0	0	0	0	0	34,223,658	50	120	170	125,000	150,000							
2019	0	(850,000)	0	351,789	7,035,868	0	0	0	218,488	0	0	0	0	0	0	0	0	0	0	0	0	7,035,868	20	0	0	50,000	0							
2020	0	0	0	358,628	0	0	0	0	220,816	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2021	0	0	0	366,003	0	0	0	0	225,232	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2022	0	0	0	373,323	0	0	0	0	229,737	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2023	0	0	0	380,789	0	0	0	0	234,332	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2024	0	0	0	388,405	0	0	0	0	239,019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2025	0	0	0	396,173	0	0	0	0	243,799	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2026	0	0	0	404,067	0	0	0	0	248,675	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2027	0	0	0	412,178	0	0	0	0	253,646	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2028	0	0	0	420,422	0	0	0	0	258,721	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2029	0	0	0	428,831	0	0	0	0	263,856	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2030	0	0	0	437,407	0	0	0	0	269,174	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2031	0	0	0	446,155	0	0	0	0	274,557	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2032	0	0	0	455,078	0	0	0	0	280,048	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2033	0	0	0	464,180	0	0	0	0	285,846	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2034	0	0	0	473,464	0	0	0	0	291,382	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
2035	0	0	0	482,933	0	0	0	0	297,180	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
TOTAL	150	0	150	51,131,898	51,131,898	100	0	100	20,862,964	20,862,964	160	0	160	16,812,964	16,812,964	130	0	130	0	0	88,837,867	280	410	375,000	380,000	380,000								

SOUTHGATE BRIGHTON METROPOLITAN DISTRICT
 Development Projection – Buildout Plan (Updated 9/23/14)

YEAR	A - Auto Service				B - Auto Parts				C - D - Fast Food						
	SF Dev'd	Incr/(Decr) in Finished Lot Value @ 10%	Square Ft Completed	per Sq Ft. Inflated @ 2%	Market Value	SF Dev'd	Incr/(Decr) in Finished Lot Value @ 10%	Square Ft Completed	per Sq Ft. Inflated @ 2%	Market Value	SF Dev'd	Incr/(Decr) in Finished Lot Value @ 10%	Square Ft Completed	per Sq Ft. Inflated @ 2%	Market Value
2015	0	0	0	\$150.00	\$0	0	0	0	\$150.00	\$0	0	0	0	\$250.00	\$0
2016	0	0	0	150.00	0	0	0	0	150.00	0	0	0	0	250.00	0
2017	0	0	0	150.00	0	0	0	0	150.00	0	0	0	0	250.10	1,040,400
2018	0	0	0	150.18	0	0	0	0	150.18	0	0	0	0	255.30	1,051,200
2019	4,500	87,500	4,500	162.36	0	4,500	87,500	4,500	162.36	0	0	0	0	270.61	0
2020	0	(87,500)	4,500	165.61	745,255	0	(87,500)	4,500	165.61	745,255	0	0	0	270.02	0
2021	0	0	0	166.82	0	0	0	0	166.82	0	0	0	0	281.54	0
2022	0	0	0	172.30	0	0	0	0	172.30	0	0	0	0	287.17	0
2023	0	0	0	175.75	0	0	0	0	175.75	0	0	0	0	292.91	0
2024	0	0	0	176.26	0	0	0	0	176.26	0	0	0	0	298.77	0
2025	0	0	0	182.85	0	0	0	0	182.85	0	0	0	0	304.75	0
2026	0	0	0	186.51	0	0	0	0	186.51	0	0	0	0	310.84	0
2027	0	0	0	190.24	0	0	0	0	190.24	0	0	0	0	317.06	0
2028	0	0	0	194.04	0	0	0	0	194.04	0	0	0	0	323.40	0
2029	0	0	0	197.82	0	0	0	0	197.82	0	0	0	0	329.87	0
2030	0	0	0	201.88	0	0	0	0	201.88	0	0	0	0	336.47	0
2031	0	0	0	205.92	0	0	0	0	205.92	0	0	0	0	343.20	0
2032	0	0	0	210.04	0	0	0	0	210.04	0	0	0	0	350.06	0
2033	0	0	0	214.24	0	0	0	0	214.24	0	0	0	0	357.06	0
2034	0	0	0	218.52	0	0	0	0	218.52	0	0	0	0	364.20	0
2035	0	0	0	222.89	0	0	0	0	222.89	0	0	0	0	371.49	0
	4,500	0	4,500		745,255	4,500	0	4,500		745,255	8,000	0	8,000		2,101,608

Commercial Development

SOUTHGATE BRIGHTON METROPOLITAN DISTRICT
 Development Projection - Buildout Plan (updated 9/23/14)

YEAR	E.G.M. - In-Line Retail				J. Bank				K. Restaurant				
	SF Developed	Incr(Decr) in Finished Lot Value @ 10%	Square Ft. Completed	per Sq Ft. Initiated @ 2%	SF Developed	Incr(Decr) in Finished Lot Value @ 10%	Square Ft. Completed	per Sq Ft. Initiated @ 2%	SF Developed	Incr(Decr) in Finished Lot Value @ 10%	Square Ft. Completed	per Sq Ft. Initiated @ 2%	Market Value
2015	18,800	420,000	18,800	\$250.00	0	0	0	\$200.00	0	0	0	\$250.00	\$0
2016	0	(420,000)	18,800	255.00	0	0	0	204.00	0	0	0	255.00	0
2017	12,000	300,000	0	260.10	8,800	136,000	0	208.08	0	8,800	170,000	260.10	0
2018	0	(300,000)	12,000	265.30	0	(136,000)	6,800	212.24	1,443,243	0	(170,000)	265.30	1,804,054
2019	0	0	0	270.81	0	0	0	216.48	0	0	0	270.81	0
2020	0	0	0	276.02	0	0	0	220.62	0	0	0	276.02	0
2021	0	0	0	281.54	0	0	0	225.23	0	0	0	281.54	0
2022	0	0	0	287.17	0	0	0	229.74	0	0	0	287.17	0
2023	0	0	0	292.91	0	0	0	234.33	0	0	0	292.91	0
2024	0	0	0	298.77	0	0	0	238.92	0	0	0	298.77	0
2025	0	0	0	304.75	0	0	0	243.60	0	0	0	304.75	0
2026	0	0	0	310.84	0	0	0	248.67	0	0	0	310.84	0
2027	0	0	0	317.09	0	0	0	253.85	0	0	0	317.09	0
2028	0	0	0	323.40	0	0	0	259.17	0	0	0	323.40	0
2029	0	0	0	329.87	0	0	0	264.60	0	0	0	329.87	0
2030	0	0	0	336.47	0	0	0	270.15	0	0	0	336.47	0
2031	0	0	0	343.20	0	0	0	274.86	0	0	0	343.20	0
2032	0	0	0	350.08	0	0	0	280.05	0	0	0	350.08	0
2033	0	0	0	357.06	0	0	0	285.65	0	0	0	357.06	0
2034	0	0	0	364.20	0	0	0	291.36	0	0	0	364.20	0
2035	0	0	0	371.49	0	0	0	297.19	0	0	0	371.49	0
	28,800	0	28,800		6,800	7,487,324	6,800		1,443,243	6,800	0		1,804,054

SOUTHGATE BRIGHTON METROPOLITAN DISTRICT
 Development Projection — Buildout Plan (update 9/23/14)

YEAR	L - Danzara				Commercial Summary					
	SF Dev'd	Incr(Dec) in Finished Lot Value @ 10%	Square Ft Completed @ 2%	per Sq Ft, Inforce	Market Value	Commercial Market Value	Total Commercial SF	Comm'l Facility Fees @ \$2,000/SF	Value of Platted & Developed Lots Adjustment	Adjusted Value
2015	0	0	0	\$150.00	\$0	0	0	0	0	1,765,000
2016	0	0	0	153.00	0	4,284,000	15,900	33,600	0	1,500,000
2017	0	0	0	156.06	0	1,049,400	4,000	8,000	0	908,000
2018	5,000	75,000	156.18	159.18	0	7,482,128	29,600	59,200	0	(3,281,000)
2019	0	(75,000)	5,000	182.38	811,824	811,824	5,000	10,000	0	(515,000)
2020	0	0	0	185.61	0	1,499,509	9,000	18,000	0	(135,000)
2021	0	0	0	188.82	0	0	0	0	0	0
2022	0	0	0	172.30	0	0	0	0	0	0
2023	0	0	0	175.75	0	0	0	0	0	0
2024	0	0	0	179.26	0	0	0	0	0	0
2025	0	0	0	182.85	0	0	0	0	0	0
2026	0	0	0	186.51	0	0	0	0	0	0
2027	0	0	0	190.24	0	0	0	0	0	0
2028	0	0	0	194.04	0	0	0	0	0	0
2029	0	0	0	197.92	0	0	0	0	0	0
2030	0	0	0	201.88	0	0	0	0	0	0
2031	0	0	0	205.92	0	0	0	0	0	0
2032	0	0	0	210.04	0	0	0	0	0	0
2033	0	0	0	214.24	0	0	0	0	0	0
2034	0	0	0	218.52	0	0	0	0	0	0
2035	0	0	0	222.89	0	0	0	0	0	0
5,000	0	0	5,000		811,824	15,118,862	84,400	128,800	0	0

[1] Adj to actual/program AV

SOURCES AND USES OF FUNDS

**SOUTHGATE BRIGHTON METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019
47.00 (target) District Mills (Residential & Commercial)
Non-Rated, 120x, 30-yr Maturity
[Preliminary -- for discussion only]**

Dated Date 12/01/2019
Delivery Date 12/01/2019

Sources:

Bond Proceeds:	
Par Amount	7,620,000.00
	7,620,000.00

Uses:

Project Fund Deposits:	
Project Fund	6,202,950.18
Other Fund Deposits:	
Capitalized Interest Fund	417,549.82
Debt Service Reserve Fund	618,500.00
	1,036,049.82
Other Delivery Date Expenses:	
Cost of Issuance (est.)	381,000.00
	7,620,000.00

BOND SUMMARY STATISTICS

**SOUTHGATE BRIGHTON METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019
47.00 (target) District Mills (Residential & Commercial)
Non-Rated, 120x, 30-yr Maturity
[Preliminary -- for discussion only]**

Dated Date	12/01/2019
Delivery Date	12/01/2019
First Coupon	06/01/2020
Last Maturity	12/01/2049
Arbitrage Yield	5.500000%
True Interest Cost (TIC)	5.500000%
Net Interest Cost (NIC)	5.500000%
All-In TIC	5.928996%
Average Coupon	5.500000%
Average Life (years)	21.818
Duration of Issue (years)	12.450
Par Amount	7,620,000.00
Bond Proceeds	7,620,000.00
Total Interest	9,144,025.00
Net Interest	9,144,025.00
Bond Years from Dated Date	166,255,000.00
Bond Years from Delivery Date	166,255,000.00
Total Debt Service	16,764,025.00
Maximum Annual Debt Service	1,239,625.00
Average Annual Debt Service	558,800.83
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
30-yr Term Bond	7,620,000.00	100.000	5.500%	21.818	09/25/2041	11,125.20
	7,620,000.00			21.818		11,125.20

	TIC	All-In TIC	Arbitrage Yield
Par Value	7,620,000.00	7,620,000.00	7,620,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts		-381,000.00	
Target Value	7,620,000.00	7,239,000.00	7,620,000.00
Target Date	12/01/2019	12/01/2019	12/01/2019
Yield	5.500000%	5.928996%	5.500000%

BOND DEBT SERVICE

**SOUTHGATE BRIGHTON METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019
47.00 (target) District Mills (Residential & Commercial)
Non-Rated, 120x, 30-yr Maturity
[Preliminary -- for discussion only]**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2020			209,550.00	209,550.00	
12/01/2020			209,550.00	209,550.00	419,100
06/01/2021			209,550.00	209,550.00	
12/01/2021	35,000	5.500%	209,550.00	244,550.00	454,100
06/01/2022			208,587.50	208,587.50	
12/01/2022	60,000	5.500%	208,587.50	268,587.50	477,175
06/01/2023			206,937.50	206,937.50	
12/01/2023	65,000	5.500%	206,937.50	271,937.50	478,875
06/01/2024			205,150.00	205,150.00	
12/01/2024	75,000	5.500%	205,150.00	280,150.00	485,300
06/01/2025			203,087.50	203,087.50	
12/01/2025	80,000	5.500%	203,087.50	283,087.50	486,175
06/01/2026			200,887.50	200,887.50	
12/01/2026	95,000	5.500%	200,887.50	295,887.50	496,775
06/01/2027			198,275.00	198,275.00	
12/01/2027	100,000	5.500%	198,275.00	298,275.00	496,550
06/01/2028			195,525.00	195,525.00	
12/01/2028	115,000	5.500%	195,525.00	310,525.00	506,050
06/01/2029			192,362.50	192,362.50	
12/01/2029	125,000	5.500%	192,362.50	317,362.50	509,725
06/01/2030			188,925.00	188,925.00	
12/01/2030	140,000	5.500%	188,925.00	328,925.00	517,850
06/01/2031			185,075.00	185,075.00	
12/01/2031	150,000	5.500%	185,075.00	335,075.00	520,150
06/01/2032			180,950.00	180,950.00	
12/01/2032	165,000	5.500%	180,950.00	345,950.00	526,900
06/01/2033			176,412.50	176,412.50	
12/01/2033	175,000	5.500%	176,412.50	351,412.50	527,825
06/01/2034			171,600.00	171,600.00	
12/01/2034	195,000	5.500%	171,600.00	366,600.00	538,200
06/01/2035			166,237.50	166,237.50	
12/01/2035	205,000	5.500%	166,237.50	371,237.50	537,475
06/01/2036			160,600.00	160,600.00	
12/01/2036	230,000	5.500%	160,600.00	390,600.00	551,200
06/01/2037			154,275.00	154,275.00	
12/01/2037	240,000	5.500%	154,275.00	394,275.00	548,550
06/01/2038			147,675.00	147,675.00	
12/01/2038	265,000	5.500%	147,675.00	412,675.00	560,350
06/01/2039			140,387.50	140,387.50	
12/01/2039	280,000	5.500%	140,387.50	420,387.50	560,775
06/01/2040			132,887.50	132,887.50	
12/01/2040	305,000	5.500%	132,887.50	437,887.50	570,375
06/01/2041			124,300.00	124,300.00	
12/01/2041	325,000	5.500%	124,300.00	449,300.00	573,600
06/01/2042			115,362.50	115,362.50	
12/01/2042	350,000	5.500%	115,362.50	465,362.50	580,725
06/01/2043			105,737.50	105,737.50	
12/01/2043	370,000	5.500%	105,737.50	475,737.50	581,475
06/01/2044			95,562.50	95,562.50	
12/01/2044	405,000	5.500%	95,562.50	500,562.50	596,125
06/01/2045			84,425.00	84,425.00	
12/01/2045	425,000	5.500%	84,425.00	509,425.00	593,850
06/01/2046			72,737.50	72,737.50	
12/01/2046	460,000	5.500%	72,737.50	532,737.50	605,475
06/01/2047			60,087.50	60,087.50	
12/01/2047	485,000	5.500%	60,087.50	545,087.50	605,175
06/01/2048			46,750.00	46,750.00	
12/01/2048	525,000	5.500%	46,750.00	571,750.00	618,500
06/01/2049			32,312.50	32,312.50	
12/01/2049	1,175,000	5.500%	32,312.50	1,207,312.50	1,239,625
	7,620,000		9,144,025.00	16,764,025.00	16,764,025

NET DEBT SERVICE

**SOUTHGATE BRIGHTON METROPOLITAN DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2019
47.00 (target) District Mills (Residential & Commercial)
Non-Rated, 120x, 30-yr Maturity
[Preliminary -- for discussion only]**

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service
12/01/2020		419,100	419,100		-419,100	
12/01/2021	35,000	419,100	454,100	-1,237		452,863
12/01/2022	60,000	417,175	477,175	-1,237		475,938
12/01/2023	65,000	413,875	478,875	-1,237		477,638
12/01/2024	75,000	410,300	485,300	-1,237		484,063
12/01/2025	80,000	406,175	486,175	-1,237		484,938
12/01/2026	95,000	401,775	496,775	-1,237		495,538
12/01/2027	100,000	396,550	496,550	-1,237		495,313
12/01/2028	115,000	391,050	506,050	-1,237		504,813
12/01/2029	125,000	384,725	509,725	-1,237		508,488
12/01/2030	140,000	377,850	517,850	-1,237		516,613
12/01/2031	150,000	370,150	520,150	-1,237		518,913
12/01/2032	165,000	361,900	526,900	-1,237		525,663
12/01/2033	175,000	352,825	527,825	-1,237		526,588
12/01/2034	195,000	343,200	538,200	-1,237		536,963
12/01/2035	205,000	332,475	537,475	-1,237		536,238
12/01/2036	230,000	321,200	551,200	-1,237		549,963
12/01/2037	240,000	308,550	548,550	-1,237		547,313
12/01/2038	265,000	295,350	560,350	-1,237		559,113
12/01/2039	280,000	280,775	560,775	-1,237		559,538
12/01/2040	305,000	265,375	570,375	-1,237		569,138
12/01/2041	325,000	248,600	573,600	-1,237		572,363
12/01/2042	350,000	230,725	580,725	-1,237		579,488
12/01/2043	370,000	211,475	581,475	-1,237		580,238
12/01/2044	405,000	191,125	596,125	-1,237		594,888
12/01/2045	425,000	168,850	593,850	-1,237		592,613
12/01/2046	460,000	145,475	605,475	-1,237		604,238
12/01/2047	485,000	120,175	605,175	-1,237		603,938
12/01/2048	525,000	93,500	618,500	-1,237		617,263
12/01/2049	1,175,000	64,625	1,239,625	-619,737		619,888
	7,620,000	9,144,025	16,764,025	-654,373	-419,100	15,690,552

BOND SOLUTION

**SOUTHGATE BRIGHTON METROPOLITAN DISTRICT
 GENERAL OBLIGATION BONDS, SERIES 2019
 47.00 (target) District Mills (Residential & Commercial)
 Non-Rated, 120x, 30-yr Maturity
 [Preliminary -- for discussion only]**

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
12/01/2020		419,100	-419,100		531,788	531,788	
12/01/2021	35,000	454,100	-1,237	452,863	545,334	92,471	120.41921%
12/01/2022	60,000	477,175	-1,237	475,938	575,395	99,457	120.89703%
12/01/2023	65,000	478,875	-1,237	477,638	575,395	97,757	120.46674%
12/01/2024	75,000	485,300	-1,237	484,063	586,903	102,840	121.24513%
12/01/2025	80,000	486,175	-1,237	484,938	586,903	101,965	121.02636%
12/01/2026	95,000	496,775	-1,237	495,538	598,641	103,103	120.80625%
12/01/2027	100,000	496,550	-1,237	495,313	598,641	103,328	120.86113%
12/01/2028	115,000	506,050	-1,237	504,813	610,614	105,801	120.95839%
12/01/2029	125,000	509,725	-1,237	508,488	610,614	102,126	120.08419%
12/01/2030	140,000	517,850	-1,237	516,613	622,826	106,213	120.55948%
12/01/2031	150,000	520,150	-1,237	518,913	622,826	103,913	120.02512%
12/01/2032	165,000	526,900	-1,237	525,663	635,282	109,619	120.85357%
12/01/2033	175,000	527,825	-1,237	526,588	635,282	108,694	120.64128%
12/01/2034	195,000	538,200	-1,237	536,963	647,988	111,025	120.67650%
12/01/2035	205,000	537,475	-1,237	536,238	647,988	111,750	120.83965%
12/01/2036	230,000	551,200	-1,237	549,963	660,948	110,985	120.18043%
12/01/2037	240,000	548,550	-1,237	547,313	660,948	113,635	120.76232%
12/01/2038	265,000	560,350	-1,237	559,113	674,167	115,054	120.57793%
12/01/2039	280,000	560,775	-1,237	559,538	674,167	114,629	120.48634%
12/01/2040	305,000	570,375	-1,237	569,138	687,650	118,512	120.82310%
12/01/2041	325,000	573,600	-1,237	572,363	687,650	115,287	120.14232%
12/01/2042	350,000	580,725	-1,237	579,488	701,403	121,915	121.03843%
12/01/2043	370,000	581,475	-1,237	580,238	701,403	121,165	120.88198%
12/01/2044	405,000	596,125	-1,237	594,888	715,431	120,543	120.26319%
12/01/2045	425,000	593,850	-1,237	592,613	715,431	122,818	120.72487%
12/01/2046	460,000	605,475	-1,237	604,238	729,740	125,502	120.77027%
12/01/2047	485,000	605,175	-1,237	603,938	729,740	125,802	120.83027%
12/01/2048	525,000	618,500	-1,237	617,263	744,335	127,072	120.58631%
12/01/2049	1,175,000	1,239,625	-619,737	619,888	744,335	124,447	120.07567%
	7,620,000	16,764,025	-1,073,473	15,690,552	19,459,768	3,769,216	

Exhibit K

Resolution of Approval

CITY OF BRIGHTON, COLORADO

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRIGHTON, COLORADO, APPROVING THE ORGANIZATION OF THE VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT PURSUANT TO THE STATUTORY REQUIREMENTS OF TITLE 32, ARTICLE 1 OF THE COLORADO REVISED STATUTES; SETTING FORTH CERTAIN FINDINGS IN RELATION THERETO; AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION ON BEHALF OF THE CITY AND THE CITY CLERK TO ATTEST THERETO; AND APPROVING AN INTERGOVERNMENTAL AGREEMENT, AND SETTING FORTH OTHER DETAILS RELATED THERETO

RESOLUTION NO. _____

WHEREAS, Section 32-1-204.5, C.R.S., provides that no special district shall be organized if its boundaries are wholly contained within the boundaries of a municipality, except upon adoption of a resolution of approval of the governing body of such municipality; and

WHEREAS, pursuant to Section 32-1-204.5, C.R.S., a Service Plan for the proposed Village at SouthGate Metropolitan District (the "Service Plan") was submitted to the City Council (the "City Council") of the City of Brighton, Colorado (the "City"); and

WHEREAS, the property within the boundaries of the proposed Village at SouthGate Metropolitan District (the "District") is entirely within the City; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, C.R.S., as amended (the "Special District Act"), the City Council held a public hearing on the Service Plan of the District on October 7, 2014; and

WHEREAS, notice of the hearing before the City Council was duly published in the Brighton Standard-Blade, a newspaper of general circulation within the City, on September 3, 2014; and

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

WHEREAS, the City has determined to incorporate an Intergovernmental Agreement to address certain additional matters.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRIGHTON, COLORADO AS FOLLOWS:

Section 1. That notice of the public hearing was properly given; that the hearing before the City Council was open to the public; that all interested parties were heard or had the opportunity to be heard; that all relevant testimony and evidence submitted to the City Council was considered and that the City Council has jurisdiction to hear this matter.

Section 2. The City Council hereby makes the following findings:

a. There is sufficient existing and projected need for the organized service in the area to be serviced by the proposed special District.

b. The existing service in the area to be served by the proposed special District is inadequate for present and projected needs.

c. The proposed special District is capable of providing economical and sufficient service to the area within its proposed boundaries.

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

Section 3. The Service Plan for the District is hereby approved. Nothing herein limits the City's powers with respect to the District, the property within the District, or the improvements to be constructed by the District. The City's findings are based solely upon the evidence in the Service Plan and such other evidence presented at the public hearing or otherwise submitted to the City, and the City has not conducted any independent investigation of the evidence. The City makes no guarantee as to the financial viability of the District or the achievability of the results.

Section 4. This Resolution shall be filed in the records of the City and a certified copy thereof submitted to the petitioners forthwith, for the purpose of filing in the Adams County District Court.

Section 5. The City hereby approves the Intergovernmental Agreement, attached as Exhibit A.

RESOLVED this 7th day of October, 2014.

CITY OF BRIGHTON, COLORADO

Mayor Richard N. McLean

ATTEST:

Natalie Hoel, City Clerk

APPROVED AS TO FORM:

Margaret R. Brubaker, Esq.
City Attorney

Exhibit A

Intergovernmental Agreement

INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE CITY OF BRIGHTON, COLORADO
AND
VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT

THIS AGREEMENT is made and entered into by and between the City of Brighton, a municipal corporation of the State of Colorado (the "City"); and Village at SouthGate Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District").

RECITALS

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District's Service Plan dated October 7, 2014, as amended from time to time by City approval (the "Service Plan"); and

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

WHEREAS, the City and the District have determined it to be in their best interests to enter into this Intergovernmental Agreement; and

WHEREAS, the City and the District are authorized by Section 29-1-203, C.R.S. to enter into cooperative agreements for the sharing of costs, imposition of taxes, or incurring of debt, if such agreements are authorized by each party thereto with the approval of its legislative body;

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

COVENANTS AND AGREEMENTS

1. Incorporation by Reference. The Service Plan is hereby incorporated in this agreement by this reference. The District agrees to comply with all provisions of the Service Plan.

2. Enforcement. The parties agree that this agreement may be enforced in law, or in equity for specific performance, injunctive, or other appropriate relief. The parties also agree that this agreement may be enforced pursuant to Section 32-1-207, C.R.S. and other provisions

of Title 32, Article 1, C.R.S., granting rights to municipalities or counties approving a service plan of a special district.

3. Entire Agreement of the Parties. This written agreement constitutes the entire agreement between the parties and supersedes all prior written or oral agreements, negotiations, or representations and understandings of the parties with respect to the subject matter contained herein.

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

5. Governing Law: Venue. The internal laws of the State of Colorado shall govern the interpretation and enforcement of this agreement, without giving effect to choice of law or conflict of law principles. The parties hereby submit to the jurisdiction of and venue in the district court in Adams County, Colorado. In any proceeding brought to enforce the provisions of this agreement, the prevailing party therein shall be entitled to an award of reasonable attorneys' fees, actual court costs and other expenses incurred.

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

7. Effect of Invalidity. If any portion of this agreement is held invalid or unenforceable for any reason by a court of competent jurisdiction as to either party or as to both parties, such portion shall be deemed severable and its invalidity or its unenforceability shall not cause the entire agreement to be terminated.

8. Assignability. Neither the City nor the District shall assign their rights or delegate their duties hereunder without the prior written consent of the other party.

9. Successors and Assigns. This agreement and the rights and obligations created hereby shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**VILLAGE AT SOUTHGATE METROPOLITAN
DISTRICT**

BY: President

ATTEST:

Secretary/Treasurer

CITY OF BRIGHTON, COLORADO

Mayor Richard N. McLean

ATTEST:

Natalie Hoel, City Clerk

APPROVED AS TO FORM:

**Margaret R. Brubaker, Esq.
City Attorney**

Exhibit L

Intergovernmental Agreement

**INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE CITY OF BRIGHTON, COLORADO
AND
VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT**

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VILLAGE AT SOUTHGATE METROPOLITAN
DISTRICT

BY: _____
President

ATTEST:

By: _____
Secretary/Treasurer

CITY OF BRIGHTON, COLORADO

By: _____
Mayor

ATTEST:

By: _____
City Clerk