

SERVICE PLAN
FOR
PROSPERITY METROPOLITAN DISTRICT
TOWN OF FREDERICK, COLORADO

Prepared

by

SETER & VANDER WALL, P.C.
7400 E. Orchard Road, Suite 3300
Greenwood Village, Colorado 80111

Submitted: June 25, 2019

Approved: August 27, 2019

RECEIVED
DEC 04 2019
Div of Local Government

TABLE OF CONTENTS

I. INTRODUCTION1
A. Purpose and Intent.....1
B. Need for the District.....1
C. Objective of the Town Regarding the District’s Service Plan1

II. DEFINITIONS.....2

III. BOUNDARIES.....4

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION..4

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES;
SERVICE PLAN AMENDMENT5
A. Powers of the District.....5
1. Operations and Maintenance Limitation.....5
2. Street Limitation5
3. Sanitation Limitation5
4. Water Limitation.....6
5. Park and Recreation Limitation6
6. Fire Protection Limitation.....6
7. Television Relay and Translation Limitation6
8. Construction Standards Limitation6
9. Privately Placed Debt Limitation.....7
10. Inclusion and Exclusion Limitation7
11. Initial Debt Limitation7
12. Total Debt Issuance Limitation.....7
13. Monies from Other Governmental Sources7
14. Consolidation Limitation7
15. Bankruptcy Limitation7
16. Revenue Bond Limitation.....8
17. Eminent Domain Limitation8
18. Overlapping Districts8
B. Capital Plan.....8
C. Service Plan Amendment.....9

VI. FINANCIAL PLAN.....10
A. General10
B. Maximum Voted Interest Rate and Maximum Underwriting Discount11
C. Limited Mill Levy.....11
D. Debt Repayment Sources.....12
E. Debt Instrument Disclosure Requirement.....12
F. Security for Debt.....13
G. TABOR Compliance.....13
H. District’s Operating Costs.....13

I.	Subdistricts.....	14
VII.	ANNUAL REPORT	14
A.	General	14
B.	Reporting of Significant Events.....	14
VIII.	DISSOLUTION	15
IX.	DISCLOSURE TO PURCHASERS.....	15
X.	INTERGOVERNMENTAL AGREEMENTS.....	15
XI.	CONCLUSION.....	16

LIST OF EXHIBITS

EXHIBIT A	Legal Description of District Boundaries
EXHIBIT B	Frederick Vicinity Map
EXHIBIT C	District Boundary Map
EXHIBIT D	Capital Plan
EXHIBIT E	Map Depicting Public Improvements
EXHIBIT F	Financial Plan
EXHIBIT G	Form of Intergovernmental Agreement
EXHIBIT H	Form of Mill Levy Disclosure
EXHIBIT I	Proof of Ownership for all Properties within District

I. INTRODUCTION

A. Purpose and Intent.

The District is an independent unit of local government, separate and distinct from the Town, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the Town only insofar as they may deviate in a material matter from the requirements of this Service Plan. It is intended that the District will provide a part or all of the Public Improvements for the use and benefit of all anticipated taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements.

It is anticipated that a homeowners association (HOA), separate from the District, may own, operate and maintain certain common area improvements that are not financed by the District.

It is also anticipated that all streets constructed and/or improved by the District will be conveyed to and maintained by the Town. The District and/or the HOA shall not be permitted to provide ongoing maintenance of any street improvements, except by written agreement with the Town. Services not being assumed by the Town or other governmental entities will be provided by the District and/or the HOA.

B. Need for the District.

There are currently no other governmental entities, including the Town, located in the immediate vicinity of the District that consider it desirable, feasible, or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements needed for the Project. Formation of the District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

C. Objective of the Town Regarding the District's Service Plan.

The Town's objective in approving the Service Plan for the District is to authorize the District to provide for the planning, design, acquisition, construction, installation, relocation, maintenance and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the District subject to the following limitations: all Debt is to be repaid by taxes at a tax mill levy no higher than the Limited Mill Levy, and Development Fees, if imposed, subject to Section VI.D. It is the intent of this Service Plan to assure that the Limited Mill Levy shall apply even under bankruptcy or other unusual situations. Generally, the costs of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District. Debt which is issued within these parameters (as further described in the Financial Plan) is anticipated to insulate property owners from excessive tax burdens to support the servicing of the Debt and result in a timely and reasonable discharge of the Debt.

This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with the Project and those regional

improvements necessitated by the Project. Unless otherwise agreed, the Town will not be required to pay for or construct any of the Public Improvements for the Project. Ongoing operational and maintenance activities shall be allowed, but only as specifically set forth in the Intergovernmental Agreement.

It is the intent of the District to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt and for the performance of ongoing operational services of the District. Alternatively, if the District has operational service obligations under or as permitted by the Intergovernmental Agreement and no other entity has assumed the responsibility to provide such services, the District shall remain in existence solely to perform such services and to impose and collect taxes or fees to pay for the costs of such services.

II. DEFINITIONS

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Approved Development Plan: means a development plan or other process established by the Town (including, but not limited to, approval of a final plat, minor development plat or site plan by the Town Board) for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service Area, as approved by the Town pursuant to the Town Code, and as amended pursuant to the Town Code from time to time.

Board: means the board of directors of the District.

Bond, Bonds or Debt: means bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy or has pledged District revenues.

Capital Plan: means the Capital Plan described in Section V.B.

Contribution Mill Levy: is defined in Section VI.C.

Debt Mill Levy: is defined in Section VI.C.

Development Fee: means the one-time development or system development fee described in Section VI.D. of this Service Plan.

District: means the Prosperity Metropolitan District.

District Boundaries: means the boundaries of the area described in the District Boundary Map.

District Boundary Map: means the map attached hereto as **Exhibit C**, describing the District Boundaries.

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

Financial Plan: means the Financial Plan described in Section VI which describes: (a) how the Public Improvements may be financed; (b) how the Debt is anticipated to be incurred; (c) the estimated operating revenue derived from property taxes for the first budget year; (d) the total amount of Debt planned for at least the five-year period commencing with the formation of the District; (e) all proposed sources of revenue and projected District expenses, as well as the assumptions upon which they are based, for at least a ten-year period from the date of District formation; (f) the dollar amount of any anticipated financing, including estimated capitalized interest, costs of issuance, maximum rates and discounts, and any anticipated expenses related to the organization and initial operation of the District; (g) a detailed repayment plan covering the life of any financing, including the expected frequency and amounts to be collected from all sources; (h) the amount of any reserve fund and level of annual Debt service coverage expected which will be maintained for any financing; (i) the total authorized Debt for the District; (j) the provisions regarding credit enhancement, if any, for the proposed financing, including, but not limited to, letters of credit and insurance; and (k) a list and written explanation of potential risks of the financing.

Intergovernmental Agreement: means: (a) the intergovernmental agreement required by Article 14 of the Town Land Use Code and attached hereto as **Exhibit G**, and any amendments or supplements thereto; and (b) any other intergovernmental agreement entered into by the Town and the District.

Limited Mill Levy: is defined in Section VI.C.

Map Depicting Public Improvements: means the map attached hereto as **Exhibit E**, showing the location(s) of the Public Improvements listed in the Capital Plan.

Operating Mill Levy: is defined in Section VI.C.

Project: means the development or property commonly referred to as the Prosperity Subdivision located in the Town.

Proof of Ownership: means a current title commitment showing ownership and all encumbrances on properties within the District Boundaries, or other documentation acceptable to the Town Attorney and attached hereto as **Exhibit I**.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped, and maintained as part of an Approved Development Plan and financed as generally permitted by the Special District Act and other applicable Colorado law, except as specifically limited herein, to

serve the future taxpayers and inhabitants of the Service Area as determined by the Board of the District.

Service Area: means the property within the District Boundaries, as such boundaries may be changed from time to time pursuant to this Service Plan.

Service Plan: means this Service Plan for the District approved by the Town Board.

Service Plan Amendment: means an amendment to the Service Plan approved by the Town Board in accordance with Article 14 of the Town Land Use Code and applicable State law.

Special District Act: means Article 1 of Title 32 of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

Town: means the Town of Frederick, Colorado.

Town Board: means the Board of Trustees of the Town of Frederick, Colorado.

Town Code: means the Town of Frederick Municipal Code, as amended.

Town Land Use Code: means the Town of Frederick Land Use Code, as amended.

III. BOUNDARIES

The area of the District Boundaries includes approximately sixty-eight and eighty-seven tenths (68.87) acres. No area is currently identified as an “inclusion area.” A legal description of the District Boundaries is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the District Boundaries is attached hereto as **Exhibit C**. Proof of Ownership for all properties within the District Boundaries is attached hereto as **Exhibit I**.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The current assessed valuation of the property within the District’s boundaries is assumed to be \$0.00 for purposes of this Service Plan and, at build-out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The proposed use is between two hundred and two hundred ten (200 – 210) single-family detached residential units. In the event expectations change and the number of residential units increases or decreases, such changes shall not constitute a material modification of the Service Plan.

Approval of this Service Plan by the Town does not imply approval of the development of a specific area within the District, nor does it imply approval of the number of residential units that may be identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

**V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES;
SERVICE PLAN AMENDMENT**

A. Powers of the District.

The District shall have the power and authority to provide the Public Improvements within and without the District Boundaries, and to exercise all power and authority vested in special districts under the Special District Act and other applicable statutes, common law, and the Constitution, subject to the limitations set forth in this Section V.A.

1. Operations and Maintenance Limitation. The purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop, operate, maintain, and finance the Public Improvements, as may be appropriate for the Project. The District shall either retain ownership of or dedicate the Public Improvements to the Town or other appropriate entity or jurisdiction in a manner consistent with the Approved Development Plan, other rules and regulations of the Town, and applicable provisions of the Town Code. The District shall provide for the operation and maintenance of any part or all of the Public Improvements of which it retains ownership and which are not operated and maintained by the HOA, as specifically provided for in the Intergovernmental Agreement. The District may impose an Operating Mill Levy that is subject to the Limited Mill Levy restrictions set forth in Section VI.C., as necessary, to provide for administrative and general operating expenses, operating and maintaining any Public Improvements retained by the District or prior to their conveyance to the Town or other entity, and financing Public Improvements on a cash-flow basis.

2. Street Limitation. The District shall be authorized to plan for, design, construct, install, relocate, redevelop, and finance street improvements pursuant to an Intergovernmental Agreement with the Town. In no event shall the District be permitted to permanently acquire or provide ongoing maintenance of any street improvements without a prior written agreement with the Town; provided, however, that nothing contained herein shall limit the District's ability to reimburse the developer of the Project for costs incurred in providing for the street improvements.

3. Sanitation Limitation. The District shall not, to the extent prohibited by law, duplicate the services provided by the St. Vrain Sanitation District within the District Boundaries in any area of overlap except as may be consented to, and approved by, the St. Vrain Sanitation District's Board of Directors as expressed through the execution of an intergovernmental agreement between the District and the St. Vrain Sanitation District, which will apply in the event the District finances sanitation improvements. The District's Board will execute such approved intergovernmental agreement at the initial meeting of the Board after the entry of the order of formation by the District Court for and in Weld County, Colorado. Along with the other Service Plan requirements, the District shall comply with Section V.A.18. of this Service Plan. Any sanitation facilities financed by the District will be conveyed to the St. Vrain Sanitation District; provided, however, that nothing contained herein shall limit the District's ability to reimburse the developer of the Project for costs incurred in providing for the sanitation improvements.

4. Water Limitation. Water service to the Project will be provided by the Town. The District shall be authorized to plan for, design, construct, install, relocate, redevelop, finance, operate, and maintain both potable and non-potable water facilities within the Project, pursuant to an Intergovernmental Agreement with the Town. The District shall be authorized to acquire the non-potable water facilities, as may be appropriate for the Project, but shall not be authorized to acquire any potable water facilities or to provide potable water service; provided, however, that nothing contained herein shall limit the District's ability to reimburse the developer of the Project for costs incurred in providing any water facilities, whether potable or non-potable.

5. Park and Recreation Limitation. The District shall be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate, and maintain park and recreation facilities or programs, including, but not limited to, trails, open space, landscaping, irrigation facilities, and all necessary incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the District Boundaries, as may be appropriate for the Project. Notwithstanding the foregoing, it is currently anticipated that certain common area improvements shall be owned, operated and maintained by the HOA. Nothing contained herein shall limit the District's ability to reimburse the developer of the Project for costs incurred in providing for the park and recreation improvements.

The District shall not, to the extent prohibited by law, duplicate the services provided by the Carbon Valley Park and Recreation District within the District Boundaries in any area of overlap except as may be consented to, and approved by, the Carbon Valley Park and Recreation District's Board of Directors as expressed through the execution of a letter of consent or an intergovernmental agreement between the District and the Carbon Valley Park and Recreation District.

6. Fire Protection Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services. The authority to plan for, design, acquire, construct, install, relocate, redevelop, or finance fire hydrants and related improvements installed as part of any water system shall not be limited by this provision; and nothing contained herein shall limit the District's ability to reimburse the developer of the Project for costs incurred in providing for the fire hydrants and related improvements.

7. Television Relay and Translation Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an Intergovernmental Agreement with the Town.

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

9. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

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

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

10. Inclusion and Exclusion Limitation. The District shall not include within its boundaries any property from outside the District Boundaries, or exclude any property from its boundaries, without the prior written consent of the Town Board. Notice of all inclusions or exclusions shall be provided to the Town pursuant to the annual report filed in accordance with Sec. VII.A. of this Service Plan.

11. Initial Debt Limitation. On or before the effective date of approval by the Town of an Approved Development Plan and the execution of the Town Intergovernmental Agreement, the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose or collect any fees used for the purpose of repayment of Debt.

12. Total Debt Issuance Limitation. The District shall not issue Debt in excess of \$8,000,000.

13. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities for which the Town is eligible to apply for, except pursuant to an Intergovernmental Agreement with the Town. This Section shall not apply to specific ownership taxes, which shall be distributed to and a revenue source for the District without any limitation.

14. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town Board.

15. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Limited Mill Levy, have been

established under the authority of the Town to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment that is approved by the Town Board; and

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

Any Debt issued, with a pledge or which results in a pledge, that exceeds the Limited Mill Levy (unless previously approved by the Town Board), shall be deemed a material modification of this Service Plan, pursuant to Section 32-1-207, C.R.S., and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the Town Board as part of a Service Plan Amendment.

16. Revenue Bond Limitation. The District shall not issue revenue bonds, except as set forth in this Section. Prior to issuing any revenue bonds, the District shall submit all relevant details of such issuance to the Town Manager, who shall determine whether the issuance of revenue bonds constitutes a material modification of the Service Plan. If it is determined that the issuance of revenue bonds constitutes a material modification of the Service Plan, the District shall then proceed to amend the Service Plan in accordance with Section 32-1-207, C.R.S., prior to issuing the revenue bonds.

17. Eminent Domain Limitation. The District shall not exercise its statutory power of eminent domain without the prior written consent of the Town Board.

18. Overlapping Districts. The Town shall be held harmless if any overlapping district refuses to authorize services, and from any claims brought by such overlapping district for improvements constructed or installed or services provided prior to receiving consent from that district.

B. Capital Plan.

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance and financing of the Public Improvements within and without the boundaries of the District, as limited by this Service Plan, and to be more specifically defined in an Approved Development Plan. Public Improvements are currently expected to include streets, sewer, drainage, water, parks, and trails. A Capital Plan is attached hereto as **Exhibit D**. A map depicting Public Improvements within the District is attached hereto as **Exhibit E**. As shown in the Capital Plan, the current estimated cost of the Public Improvements within the District Boundaries which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained, or financed by the District is approximately \$10,066,800 in 2019 dollars. The District shall be permitted to allocate costs between such categories of the Public Improvements as deemed necessary in its discretion.

All of the Public Improvements described herein will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the Town and shall be in accordance with the requirements of the Approved Development Plan. All descriptions of the Public Improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, the Town's requirements, and construction scheduling may require. Upon approval of this Service Plan, the District (or its proponents) will continue to develop and refine the Capital Plan and the map depicting Public Improvements, as necessary, and prepare for issuance of Debt. Any phasing of development will be addressed during the Town's land use approval process. All cost estimates will be inflated to then-current dollars at the time of the issuance of Debt and construction. All construction cost estimates contained in **Exhibit D** assume construction to applicable local, state, or federal requirements.

C. Service Plan Amendment.

1. This Service Plan is general in nature and does not include specific detail in some instances because development plans have not been finalized. The Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. Modification of the general types of services and facilities making up the Public Improvements, and changes in proposed configurations, locations or dimensions of the Public Improvements shall be permitted to accommodate development needs consistent with the then-current Approved Development Plan(s) for the Project. The District is an independent unit of local government, separate and distinct from the Town, and its activities are subject to review by the Town only insofar as they may constitute a material modification from the requirements of or limitations in the Service Plan. The following shall constitute a material modification:

(a) Default in the payment of principal or interest of any District bonds, notes, certificates, debentures, contracts or other evidences of indebtedness or borrowing issued or incurred by the District which:

(i) Persists for a period of one hundred twenty (120) days or more; and

(ii) The defaulted payment aggregates either Fifty Thousand Dollars (\$50,000) or ten percent (10%) of the outstanding principal balance of the indebtedness, whichever is less; and

(iii) The creditors have not agreed in writing with the District to forbear from pursuit of legal remedies.

(b) The failure of the District to develop, cause to be developed, or consent to the development by others of any capital facility proposed in its Service Plan when necessary to serve approved development within the District.

(c) Failure of the District to realize at least seventy-five percent (75%) of the development revenues (including developer contributions, loans, or advances) projected in the financial portion of the Service Plan for repayment of debt during the three-year period

ending with the report year, where development revenue is defined as fees, exactions, and charges imposed by the District on residential development, excluding taxes, provided that the disparity between projected and realized revenue exceeds Fifty Thousand Dollars (\$50,000).

(d) The development of any capital facility in excess of One Hundred Thousand Dollars (\$100,000) in cost, which is not either identified in the Service Plan or authorized by the Town in the course of a separate development approval, excluding bona fide cost projection miscalculations; and state or federally mandated improvements, particularly water or sanitation facilities.

(e) The occurrence of any event or condition that is defined under the Service Plan or Intergovernmental Agreement as necessitating a Service Plan Amendment.

(f) The material default by the District under any Intergovernmental Agreement with the Town.

(g) Any of the events or conditions enumerated in Section 32-1-207(2), C.R.S., as amended.

2. Amendment of this Service Plan shall be pursuant to Section 14.6 of the Town Land Use Code.

VI. FINANCIAL PLAN

A. General.

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation, operation, maintenance, redevelopment, and/or financing of the Public Improvements, subject to the limitations set forth in this Service Plan, from its revenues and by and through the proceeds of Debt to be issued by the District. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay from revenues derived from the Limited Mill Levy and other legally available revenues. The total Debt that the District shall be permitted to issue shall not exceed \$8,000,000. Debt shall be permitted to be issued on a schedule and in such year or years as the District determines shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general *ad valorem* taxes to be imposed upon all taxable property of the District. The District will also rely upon various other revenue sources authorized by law. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time, and as limited by the Service Plan. The Debt that the District may issue for Public Improvements is supported by the Financial Plan prepared by Stifel Financial Corporation, which is attached hereto as **Exhibit F** as an example of the manner in which the Public Improvements may be financed. The Financial Plan sets forth reasonably estimated projections regarding issuance of Debt, and such projections shall not serve as limitations on the issuance of Debt except as otherwise expressly set forth in the Service Plan.

In accordance with this Service Plan, the District may convey any or all of the Public Improvements to other jurisdictions, but shall provide for the operation and maintenance

of the Public Improvements of which it retains ownership and which are not operated and maintained by the HOA. Pursuant to the financial model presented in **Exhibit F**, it is anticipated that a Debt Mill Levy of 40.000 mills and an Operating Mill Levy of 7.000 mills will produce sufficient revenue to support debt service and operations and maintenance expenses throughout the repayment period.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. The proposed maximum interest rate on any Debt is twelve percent (12%). The proposed maximum underwriting discount will be four percent (4%). Debt, when issued, will 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 of the District each year in an amount that does not exceed a combined total of fifty (50) mills for the Debt Mill Levy, Contribution Mill Levy, and Operating Mill Levy; provided that if, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation may be increased or decreased to offset such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2019, are neither diminished nor enhanced as a result of such changes. The Limited Mill Levy, or any component mill levy thereof, may be adjusted at any time with the prior written consent of the Town Board.

1. The Debt Mill Levy shall be imposed in an amount sufficient to pay the principal of, premium if any, and interest on Debt as the same become due and payable, and to make up any deficiencies in any debt service reserve for the Debt and shall not exceed fifty (50) mills, including the Contribution Mill Levy of three (3) mills to the Town, subject to adjustment as described in Section VI.C. of this Service Plan.

2. Without increasing the Debt Mill Levy, at any time the District imposes a mill levy for debt service purposes, the District shall impose a Contribution Mill Levy of three (3) mills for purposes of financing capital improvements or for financing operations and maintenance expenses associated with Town capital improvements, which revenues shall be remitted to the Town upon the District’s receipt. The Contribution Mill Levy shall be subject to adjustment as described in Section VI.C. of this Service Plan. The revenues received by the Town from the Contribution Mill Levy may be applied to any Town capital improvement so long as the capital improvement is one that the District could otherwise finance (e.g., streets, traffic safety controls, street lighting, water, sanitary sewer, storm drainage, landscaping improvements, and parks and recreation). The District’s imposition of the three (3) mills for Town capital improvements or operation and maintenance of Town capital improvements shall be memorialized in the Intergovernmental Agreement and the District’s failure to levy, collect, and remit the three (3) mills shall constitute a material modification of this Service Plan. In the event

that the District does not impose a Debt Mill Levy, the District shall have no obligation to levy, collect, or pay over to the Town the three (3) mills set forth herein.

3. The Operating Mill Levy shall be imposed by the District to fund administrative, operating, and facilities maintenance expenses, as required, including the repayment of any advances provided to the District for such purposes, and shall not be imposed in an amount that, when combined with the Debt Mill Levy and Contribution Mill Levy, exceeds fifty (50) mills, subject to adjustment as described in Section VI.C. of this Service Plan.

4. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S., and all other requirements of State law.

D. Debt Repayment Sources.

The District may impose a mill levy on all taxable property of the District as a primary source of revenue for repayment of debt service and for operations and maintenance, subject to Section V.A.1. of the Service Plan. In no event shall the Debt Mill Levy in the District exceed the Limited Mill Levy, except with the prior written consent of the Town Board.

The District may also impose and collect a Development Fee to assist with the planning and development of the Public Improvements, as allowed and limited by Colorado law, which Development Fee, if imposed, shall be a one-time fee collected by the District at or prior to the issuance of a building permit and shall not exceed the following limits:

1. For each single-family detached residential unit, the Development Fee shall not exceed \$2,000.

2. For each single-family attached or multi-family residential unit, the Development Fee shall not exceed \$1,500.

3. For a structure other than a single-family or multi-family residential structure, the Development Fee shall not exceed \$0.25 per square foot of the structure.

The Development Fee set forth in this Service Plan may increase by up to the Consumer Price Index for Denver-Boulder, all items, all urban consumers (or its successor index for any years for which Consumer Price Index is not available) each year thereafter (as an inflation adjustment) commencing on January 1, 2020. If imposed, the Development Fee shall be collected by the District at or prior to the issuance of a building permit for a unit or structure. The Development Fee shall constitute a perpetual lien pursuant to Section 32-1-1001(1)(j), C.R.S.

E. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of

the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond, and in the Service Plan of the District.

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the District.

F. Security for Debt.

The District shall not pledge any revenue or property of the Town as security for any District indebtedness. Approval of this Service Plan shall not be construed as a guarantee by the Town 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 Town in the event of default by the District in the payment of any such obligation.

G. TABOR Compliance.

The District will comply with the provisions of Article X, Section 20 of the Colorado Constitution ("TABOR"). In the discretion of the Board, the District may set up enterprises 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.

H. District's Operating Costs.

The estimated cost of engineering services, legal services and other services related to the District's organization and initial operations, which will be eligible for reimbursement from Debt proceeds, are anticipated to not exceed One Hundred Thousand Dollars (\$100,000).

In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained, as such maintenance is addressed in the Intergovernmental Agreement. The first year's operating budget is estimated to be Sixty Thousand Dollars (\$60,000), which is anticipated to be derived from developer advances and other available revenues.

The District may impose an Operating Mill Levy as necessary to provide for administrative and general operating expenses, operating and maintaining Public Improvements that are retained by the District or prior to their conveyance to the Town or other entity, and financing Public Improvements on a cash-flow basis.

The Operating Mill Levy shall be subject to the Limited Mill Levy restrictions contained in Section VI.C.

I. Subdistricts.

The District may only organize subdistricts or areas as allowed by Section 32-1-1101(1)(f), C.R.S., with the prior written approval of the Town Board; provided, however, that any such subdistrict(s) or area(s) shall be subject to all limitations on Debt and other provisions of the Service Plan as if combined with the District. Neither the Limited Mill Levy nor any Debt limit shall be increased as a result of creation of a subdistrict. Subject to obtaining Town approval, and in accordance with Section 32-1-1101(1)(f)(I), C.R.S., the District shall notify the Town prior to establishing any such subdistrict(s) or area(s), and shall provide the Town with details regarding the purpose, location, financing, and relationship of the subdistrict(s) or area(s).

VII. ANNUAL REPORT

A. General. In accordance with Section 14.3(a) of Town Land Use Code, as it may be amended, the District shall file an annual report with the Town Clerk no later than September 1, which annual report shall reflect activity and financial events of the District through the preceding December 31 (the “report year”).

B. Reporting of Significant Events.

The annual report shall include the following:

1. A narrative summary of the progress of the District in implementing its Service Plan for the report year;
2. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the District for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operations (i.e., revenues and expenditures) for the report year. If exempt from audit, the District shall provide a copy of the Request for Exemption and the State’s approval for the exemption;
3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of Public Improvements in the report year, as well as any Public Improvements proposed to be undertaken in the five (5) years following the report year;
4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the report year, including the amount of outstanding Debt, the amount and terms of any new Debt issued in the report year, the amount of payment or retirement of existing Debt of the District in the report year, the total assessed valuation of all taxable property of the District as of January 1 of the report year and the current mill levy of the District pledged to Debt retirement in the report year;
5. The District’s budget for the calendar year in which the annual report is submitted;

6. A summary of the residential and commercial development in the District for the report year;

7. A summary of all fees, charges and assessments imposed by the District as of January 1 of the report year;

8. Certification of the Board that no action, event or condition enumerated in Section 14.4 of the Town Land Use Code (Material Modification) has occurred in the report year, or certification that such event has occurred but that an amendment to the Service Plan that allows such event has been approved by Town Board; and

9. The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings, if any, of the Board.

VIII. DISSOLUTION

Upon an independent determination of the Town Board that the purposes for which the District was created have been accomplished, the District shall file a petition in the District Court for and in Weld County, Colorado, for dissolution, pursuant to the applicable state statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations, and, if applicable, the assumption by another entity reasonably acceptable to the Town of the responsibility to provide any service obligations of the District as required pursuant to state statutes.

IX. DISCLOSURE TO PURCHASERS

The District shall provide written and recorded notice of the total (overlapping) tax burden, including the Limited Mill Levy, in the form set forth in **Exhibit H** attached hereto. The notice shall be recorded against all property within the District.

X. INTERGOVERNMENTAL AGREEMENTS

A proposed form of the Intergovernmental Agreement required by Article 14 of the Town Land Use Code, relating to the limitations imposed on the District's activities, as modified to conform with this Service Plan, is attached hereto as **Exhibit G**. The District is expected to approve the Intergovernmental Agreement at its first Board meeting after its organizational election and prior to the issuance of any Debt, in the same form as is attached and with any revisions as approved by the Town Board. Failure of the District to execute the Intergovernmental Agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The Town Board may approve the Intergovernmental Agreement at the public hearing approving the Service Plan. Except as otherwise determined by the Town Board, any subsequent amendment to the Intergovernmental Agreement approved by the Town Board shall not constitute a material modification of this Service Plan.

The District expects to obtain a consent letter from, and enter into an intergovernmental agreement with, the St. Vrain Sanitation District concerning consent to the District's overlap of boundaries and the terms governing the construction and installation of any sanitation improvements to be financed by the District.

XI. CONCLUSION

It is submitted that this Service Plan for the District, to the extent required by Section 32-1-203(2), C.R.S., and as required by Section 14.16(b) of the Town Land Use Code, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District.
2. The existing service in the area to be served by the District is inadequate for present and projected needs.
3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries.
4. The area to be included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
5. Adequate service is not, and will not be, available to the area through the Town or County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.
6. The facility and service standards of the District are compatible with the facility and service standards of the Town.
7. The proposal is in substantial compliance with the Town's Master Plan.
8. The proposal is in compliance with any duly adopted Town, regional or State long-range water quality management plan for the area.
9. The creation of the District is in the best interests of the area proposed to be served.
10. The creation of the District is in the best interests of the residents and future residents of the area proposed to be served.
11. The proposal is in substantial compliance with Article 14 of the Town Land Use Code.
12. The proposal will not foster urban development that is remote or incapable of being integrated with existing urban areas, and will not place a burden on the Town or adjacent jurisdictions to provide urban services to residents of the District.

EXHIBIT A

LEGAL DESCRIPTION OF DISTRICT BOUNDARIES

EXHIBIT

METROPOLITAN DISTRICT DESCRIPTION:

A PARCEL OF LAND LOCATED IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 2 NORTH, RANGE 67 WEST OF THE 6TH P.M., TOWN OF FREDERICK, COUNTY OF WELD, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32 (2.5" ALUMINUM CAP, PLS 24305, 1998) FROM WHENCE THE NORTH QUARTER CORNER OF SECTION 32 (2.5" ALUMINUM CAP, PLS 24305, 1998) LIES S89°41'09"E, 1,319.64 FEET (BASIS OF BEARINGS);

THENCE S00°34'31"W, 30.00 FEET ALONG THE WESTERLY LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32 TO THE POINT OF BEGINNING;

THENCE S89°41'09"E, 1,196.99 FEET ALONG THE SOUTHERLY RIGHT OF WAY LINE OF TIPPLE PARKWAY, BEING A LINE PARALLEL WITH AND 30.00 FEET SOUTH OF THE NORTH LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32;

THENCE S00°45'26"W, 561.20 FEET ALONG THE EASTERLY LINE OF "PARCEL 2" AS DESCRIBED IN DEED RECORDED 07/21/2000 AT RECEPTION NO. 2781936;

THENCE ALONG THE SOUTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN FINAL ORDER RECORDED 08/03/2015 AT RECEPTION NO. 4130263 THE FOLLOWING THREE COURSES:

- 1) N56°42'10"E, 69.71 FEET;
- 2) 65.84 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 159.95 FEET, A CENTRAL ANGLE OF 23°35'10", AND A CHORD BEARING N44°54'38"E, 65.38 FEET;
- 3) N33°07'07"E, 37.47 FEET TO THE EASTERLY LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32;

THENCE S00°39'12"W, 839.17 FEET ALONG THE SAID EASTERLY LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER;

THENCE S00°39'13"W, 1,313.65 FEET ALONG THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER;

THENCE S89°52'55"W, 61.00 FEET ALONG THE SOUTHERLY LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER TO THE EASTERLY LINE OF "SAVANNAH SUBDIVISION REPLAT A";

THENCE N01°06'23"W, 292.54 FEET ALONG SAID EASTERLY SUBDIVISION LINE;

THENCE S89°52'55"W, 1,246.38 FEET ALONG THE NORTHERLY LINE OF "SAVANNAH SUBDIVISION REPLAT A" TO THE WESTERLY LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32 (ALSO BEING THE EASTERLY LINE OF "ANGEL VIEW ESTATES SUBDIVISION");

THENCE N00°34'07"E, 1,026.10 FEET ALONG SAID WESTERLY LINE;

THENCE N00°34'31"E, 1,288.67 FEET ALONG THE WESTERLY LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32 (ALSO BEING THE EASTERLY LINE OF "ANGEL VIEW ESTATES SUBDIVISION") TO THE POINT OF BEGINNING, CONTAINING 68.87 ACRES, MORE OR LESS.

DESCRIPTION PREPARED BY:
BO BAIZE, COLORADO PLS 37990
FOR AND ON BEHALF OF HURST & ASSOCIATES, INC.

**PROSPERITY METROPOLITAN DISTRICT DESCRIPTION
FREDERICK, COLORADO**

HURST

**CIVIL ENGINEERING
PLANNING
SURVEYING**

1265 S Public Road, Suite B
Lafayette, CO 80026
303.449.9105
www.hurst-assoc.com

SCALE	HOR. N/A VERT. N/A
DESIGN/APPR.	
DRAWN BY	BO
DATE	04/23/19
SHEET	1 OF 2

FILE G:\25263\SURVEY\LEGAL\PROSPERITY METRO DISTRICT DESC

EXHIBIT B
FREDERICK VICINITY MAP

EXHIBIT B

CR 18/GODDING HOLLOW PKWY

FIRESTONE

30

29

28

CR 15/RIDGEWAY BLVD

CR 17

CR 19

FREDERICK

31

32

33

SITE

CR 16/TIPPLE PKWY

CR 13/COLORADO BLVD

SH 52

DACONO

6

5

SH 52

4

VICINITY MAP



1"=1/2 Mile

**PROSPERITY METROPOLITAN DISTRICT
FREDERICK, COLORADO**

HURST

**CIVIL ENGINEERING
PLANNING
SURVEYING**

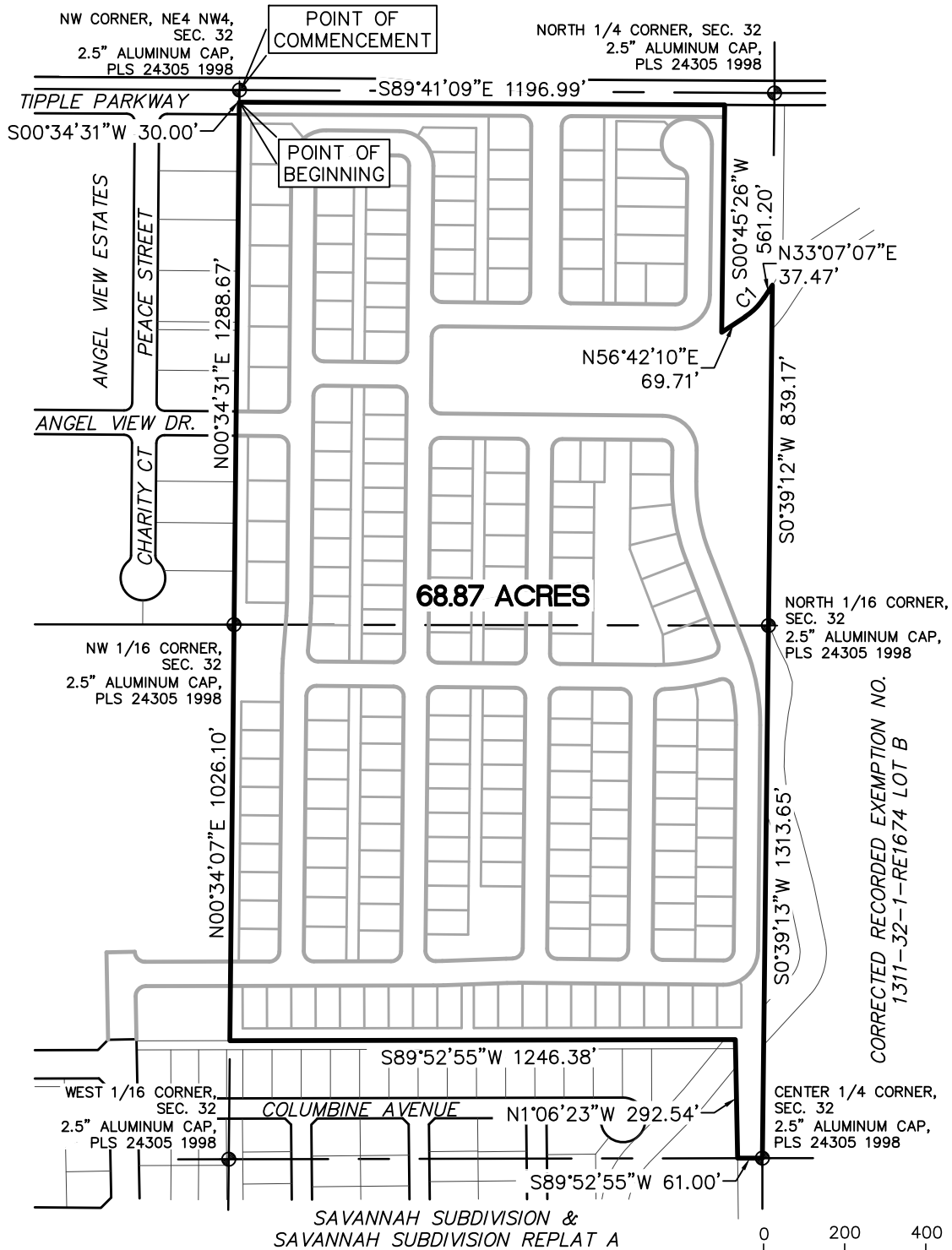
1265 S Public Road, Suite B
Lafayette, CO 80026
303.449.9105
www.hurst-assoc.com

SCALE	HOR. N/A	VERT. N/A
DESIGN/APPR.		
DRAWN BY	BO	
DATE	06/06/19	
SHEET	1	OF 1

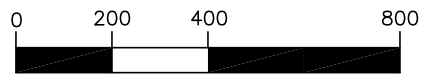
FILE G:\25263\SURVEY\PROSPERITY_VMAP

EXHIBIT C
DISTRICT BOUNDARY MAP

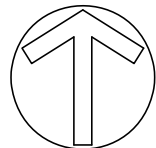
EXHIBIT



CURVE TABLE					
CURVE	LENGTH	RADIUS	DELTA	BEARING	CHORD
C1	65.84'	159.95'	23°35'10"	N44°54'38"E	65.38'



1 inch = 400 ft.



NOTE: THIS IS NOT A LAND SURVEY PLAT OR AN IMPROVEMENT SURVEY PLAT. THIS EXHIBIT IS ONLY INTENDED TO DEPICT THE ACCOMPANYING DESCRIPTION.

**PROSPERITY METROPOLITAN DISTRICT DESCRIPTION
FREDERICK, COLORADO**

HURST
CIVIL ENGINEERING
PLANNING
SURVEYING

1265 S Public Road, Suite B
Lafayette, CO 80026
303.449.9105
www.hurst-assoc.com

SCALE	HOR. 1"=400'
	VERT. N/A
DESIGN/APPR.	
DRAWN BY	BO
DATE	04/23/19
SHEET	2 OF 2

FILE G:\25263\SURVEY\LEGAL\PROSPERITY METRO DISTRICT DESC

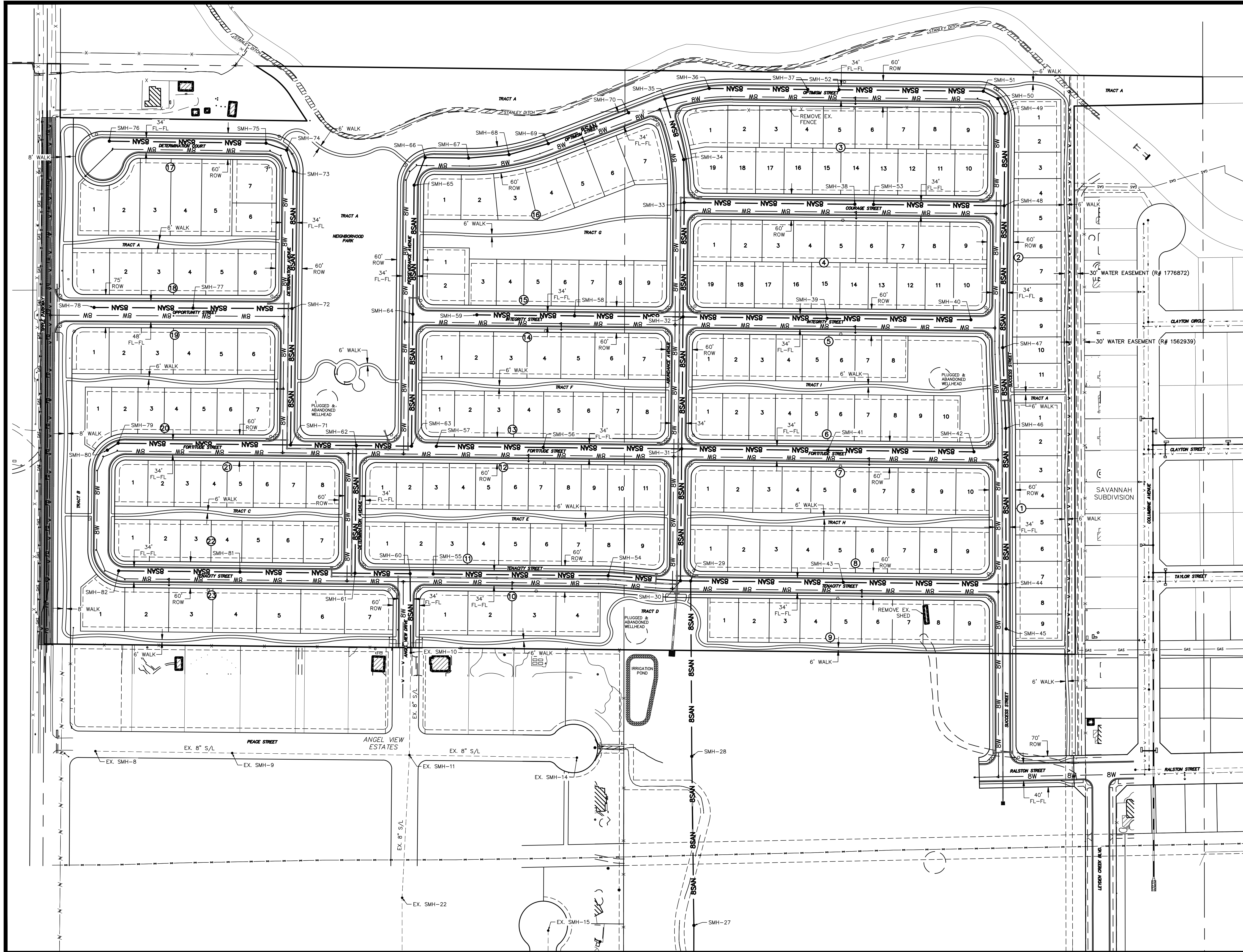
EXHIBIT D
CAPITAL PLAN

**PROSPERITY METRO DISTRICT
CAPITAL PLAN COST ESTIMATE
6/20/19**

Water System	\$1,286,000
Storm System	\$521,000
Sanitary Sewer	\$1,192,000
Concrete Walks, Curb, & Gutter	\$2,172,000
Street Paving	\$2,242,000
Offsite Street Improvements	\$176,000
Neighborhood Park	\$550,000
Streetscape	\$250,000
Subtotal	\$8,389,000
20% Contingency	\$1,677,800
Total	\$10,066,800

EXHIBIT E

MAP DEPICTING PUBLIC IMPROVEMENTS



LEGEND

- Proposed Waterline
- Existing Waterline
- Proposed Sewerline
- Existing Sewerline
- Stormline
- Water Service
- Sewer Service
- Fire Service
- Existing Gas Line
- Ex. Underground Electric
- Ex. Overhead Electric
- Existing Fiber Optic
- Existing Telephone Line
- Existing Cable TV Line
- Thrust Block
- Water Valve
- Fire Hydrant
- Plug
- Manhole
- Type 'R' Inlet
- Existing Contours
- Proposed Contours
- Street Light
- Install Handicap Ramp

SCALE VERIFICATION
 BAR IS ONE INCH ON ORIGINAL DRAWING
 IF NOT ONE INCH ON THIS SHEET ADJUST SCALES ACCORDINGLY

NO.	DESCRIPTION	DATE	BY
1			

HURST
 CIVIL ENGINEERING
 PLANNING
 SURVEYING

HURST & ASSOCIATES, INC.
 12635 30th, Suite B
 Littleton, CO 80120
 (303) 449-9105

PROSPERITY METROPOLITAN DISTRICT - MAP OF PUBLIC IMPROVEMENTS
 FREDERICK, COLORADO

DRAWN BY:	BO
DESIGNED BY:	
APPROVED BY:	
JOB NUMBER:	2526-03
DATE:	06/06/19
SCALE:	1"=100'
SHEET NO.:	1 OF 1

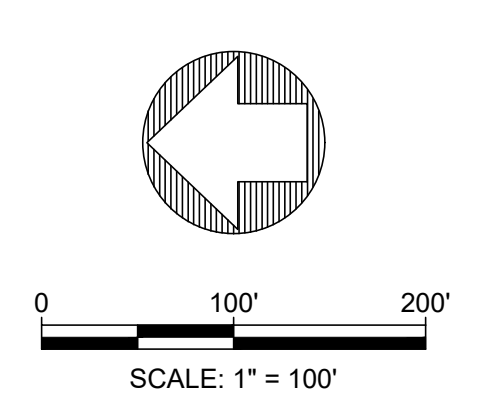


EXHIBIT F
FINANCIAL PLAN

Prosperity Metropolitan District

Limited Tax General Obligation Bonds

Estimated Debt Service

Year	Total Revenue Available	Series 2022 Bonds						Coverage %	Surplus	Targeted D/S Mill Levy	Targeted Total Mill Levy
		Principal	Coupon	Interest	Capitalized Interest	Debt Service Reserve Fund	Net Debt Service				
2021	20,194									35.00	45.00
2022	85,624									35.00	45.00
2023	167,209	-		321,750	(321,750)	(5,758)	(5,758)	(29.04)	172,967	35.00	45.00
2024	259,642	-		321,750		(5,758)	315,992	0.82	(56,350)	40.00	50.00
2025	294,319	-		321,750		(5,758)	315,992	0.93	(21,673)	40.00	50.00
2026	311,978	-		321,750		(5,758)	315,992	0.99	(4,014)	40.00	50.00
2027	311,978	-		321,750		(5,758)	315,992	0.99	(4,014)	40.00	50.00
2028	330,697	10,000	5.50%	321,750		(5,758)	325,992	1.01	4,705	39.43	49.43
2029	330,697	10,000	5.50%	321,200		(5,758)	325,442	1.02	5,255	39.36	49.36
2030	350,538	30,000	5.50%	320,650		(5,758)	344,892	1.02	5,647	39.36	49.36
2031	350,538	30,000	5.50%	319,000		(5,758)	343,242	1.02	7,297	39.17	49.17
2032	371,571	55,000	5.50%	317,350		(5,758)	366,592	1.01	4,979	39.46	49.46
2033	371,571	55,000	5.50%	314,325		(5,758)	363,567	1.02	8,004	39.14	49.14
2034	393,865	85,000	5.50%	311,300		(5,758)	390,542	1.01	3,323	39.66	49.66
2035	393,865	90,000	5.50%	306,625		(5,758)	390,867	1.01	2,998	39.70	49.70
2036	417,497	115,000	5.50%	301,675		(5,758)	410,917	1.02	6,580	39.37	49.37
2037	417,497	125,000	5.50%	295,350		(5,758)	414,592	1.01	2,905	39.72	49.72
2038	442,547	155,000	5.50%	288,475		(5,758)	437,717	1.01	4,830	39.56	49.56
2039	442,547	165,000	5.50%	279,950		(5,758)	439,192	1.01	3,355	39.70	49.70
2040	469,099	200,000	5.50%	270,875		(5,758)	465,117	1.01	3,983	39.66	49.66
2041	469,099	210,000	5.50%	259,875		(5,758)	464,117	1.01	4,983	39.58	49.58
2042	497,245	250,000	5.50%	248,325		(5,758)	492,567	1.01	4,679	39.62	49.62
2043	497,245	265,000	5.50%	234,575		(5,758)	493,817	1.01	3,429	39.72	49.72
2044	527,080	305,000	5.50%	220,000		(5,758)	519,242	1.02	7,838	39.41	49.41
2045	527,080	325,000	5.50%	203,225		(5,758)	522,467	1.01	4,613	39.65	49.65
2046	558,705	375,000	5.50%	185,350		(5,758)	554,592	1.01	4,113	39.71	49.71
2047	558,705	395,000	5.50%	164,725		(5,758)	553,967	1.01	4,738	39.66	49.66
2048	592,227	450,000	5.50%	143,000		(5,758)	587,242	1.01	4,986	39.66	49.66
2049	592,227	475,000	5.50%	118,250		(5,758)	587,492	1.01	4,736	39.68	49.68
2050	627,761	535,000	5.50%	92,125		(5,758)	621,367	1.01	6,394	39.59	49.59
2051	627,761	1,140,000	5.50%	62,700		(581,596)	621,104	1.01	6,656	39.58	49.58
TOTAL		5,850,000		7,509,425	(321,750)	(794,655)	12,243,020				

DSRF	575,837
DSRF Earnings	1%
Net Proceeds	4,710,413
Minimum Mill Levy Until 2025	35.00

Notes: Preliminary and subject to change; interest rate assumptions are based on current market conditions and similar credits; issuer's actual results may differ, and Stifel makes no commitment to underwrite at these levels; and costs of issuance and underwriter's discount are estimates for discussion purposes.

Prosperity Metropolitan District

Limited Tax General Obligation Bonds

Estimated Revenue @ 40.000 mills for Debt Service and 10.000 Mills for O&M

		Debt Service Revenue								O&M Revenue				Town of Frederick Mill Levy					
Completion Year	Collection Year	Beginning Market Value	Biennial Reassessment ⁽¹⁾	New Construction	Ending Market Value	Assessed Value	D/S Mill Levy	Property Tax Collections ⁽²⁾	S.O. Taxes	Total Rev for D/S	O&M Mill Levy	Property Tax Collections ⁽²⁾	S.O. Taxes	Total Rev for O&M	Town Mill Levy	Property Tax Collections ⁽²⁾	S.O. Taxes	Total Rev for the Town	Total Max Mill Levy
2020	2021	6,750,000			6,750,000	486,000	40.000	19,051	1,143	20,194	7.00	3,334	200	3,534	3.00	1,429	86	1,515	50.00
2020	2022	27,000,000	1,620,000		28,620,000	2,060,640	40.000	80,777	4,847	85,624	7.00	14,136	848	14,984	3.00	6,058	363	6,422	50.00
2021	2023	28,620,000		27,270,000	55,890,000	4,024,080	40.000	157,744	9,465	167,209	7.00	27,605	1,656	29,262	3.00	11,831	710	12,541	50.00
2022	2024	55,890,000	3,353,400	27,542,700	86,786,100	6,248,599	40.000	244,945	14,697	259,642	7.00	42,865	2,572	45,437	3.00	18,371	1,102	19,473	50.00
2023	2025	86,786,100		11,590,886	98,376,986	7,083,143	40.000	277,659	16,660	294,319	7.00	48,590	2,915	51,506	3.00	20,824	1,249	22,074	50.00
2024	2026	98,376,986	5,902,619	-	104,279,605	7,508,132	40.000	294,319	17,659	311,978	7.00	51,506	3,090	54,596	3.00	22,074	1,324	23,398	50.00
2025	2027	104,279,605			104,279,605	7,508,132	40.000	294,319	17,659	311,978	7.00	51,506	3,090	54,596	3.00	22,074	1,324	23,398	50.00
2026	2028	104,279,605	6,256,776	-	110,536,382	7,958,619	40.000	311,978	18,719	330,697	7.00	54,596	3,276	57,872	3.00	23,398	1,404	24,802	50.00
2027	2029	110,536,382			110,536,382	7,958,619	40.000	311,978	18,719	330,697	7.00	54,596	3,276	57,872	3.00	23,398	1,404	24,802	50.00
2028	2030	110,536,382	6,632,183	-	117,168,565	8,436,137	40.000	330,697	19,842	350,538	7.00	57,872	3,472	61,344	3.00	24,802	1,488	26,290	50.00
2029	2031	117,168,565			117,168,565	8,436,137	40.000	330,697	19,842	350,538	7.00	57,872	3,472	61,344	3.00	24,802	1,488	26,290	50.00
2030	2032	117,168,565	7,030,114	-	124,198,679	8,942,305	40.000	350,538	21,032	371,571	7.00	61,344	3,681	65,025	3.00	26,290	1,577	27,868	50.00
2031	2033	124,198,679			124,198,679	8,942,305	40.000	350,538	21,032	371,571	7.00	61,344	3,681	65,025	3.00	26,290	1,577	27,868	50.00
2032	2034	124,198,679	7,451,921	-	131,650,599	9,478,843	40.000	371,571	22,294	393,865	7.00	65,025	3,901	68,926	3.00	27,868	1,672	29,540	50.00
2033	2035	131,650,599			131,650,599	9,478,843	40.000	371,571	22,294	393,865	7.00	65,025	3,901	68,926	3.00	27,868	1,672	29,540	50.00
2034	2036	131,650,599	7,899,036	-	139,549,635	10,047,574	40.000	393,865	23,632	417,497	7.00	68,926	4,136	73,062	3.00	29,540	1,772	31,312	50.00
2035	2037	139,549,635			139,549,635	10,047,574	40.000	393,865	23,632	417,497	7.00	68,926	4,136	73,062	3.00	29,540	1,772	31,312	50.00
2036	2038	139,549,635	8,372,978	-	147,922,613	10,650,428	40.000	417,497	25,050	442,547	7.00	73,062	4,384	77,446	3.00	31,312	1,879	33,191	50.00
2037	2039	147,922,613			147,922,613	10,650,428	40.000	417,497	25,050	442,547	7.00	73,062	4,384	77,446	3.00	31,312	1,879	33,191	50.00
2038	2040	147,922,613	8,875,357	-	156,797,970	11,289,454	40.000	442,547	26,553	469,099	7.00	77,446	4,647	82,092	3.00	33,191	1,991	35,182	50.00
2039	2041	156,797,970			156,797,970	11,289,454	40.000	442,547	26,553	469,099	7.00	77,446	4,647	82,092	3.00	33,191	1,991	35,182	50.00
2040	2042	156,797,970	9,407,878	-	166,205,848	11,966,821	40.000	469,099	28,146	497,245	7.00	82,092	4,926	87,018	3.00	35,182	2,111	37,293	50.00
2041	2043	166,205,848			166,205,848	11,966,821	40.000	469,099	28,146	497,245	7.00	82,092	4,926	87,018	3.00	35,182	2,111	37,293	50.00
2042	2044	166,205,848	9,972,351	-	176,178,199	12,684,830	40.000	497,245	29,835	527,080	7.00	87,018	5,221	92,239	3.00	37,293	2,238	39,531	50.00
2043	2045	176,178,199			176,178,199	12,684,830	40.000	497,245	29,835	527,080	7.00	87,018	5,221	92,239	3.00	37,293	2,238	39,531	50.00
2044	2046	176,178,199	10,570,692	-	186,748,891	13,445,920	40.000	527,080	31,625	558,705	7.00	92,239	5,534	97,773	3.00	39,531	2,372	41,903	50.00
2045	2047	186,748,891			186,748,891	13,445,920	40.000	527,080	31,625	558,705	7.00	92,239	5,534	97,773	3.00	39,531	2,372	41,903	50.00
2046	2048	186,748,891	11,204,933	-	197,953,825	14,252,675	40.000	558,705	33,522	592,227	7.00	97,773	5,866	103,640	3.00	41,903	2,514	44,417	50.00
2047	2049	197,953,825			197,953,825	14,252,675	40.000	558,705	33,522	592,227	7.00	97,773	5,866	103,640	3.00	41,903	2,514	44,417	50.00
2048	2050	197,953,825	11,877,229	-	209,831,054	15,107,836	40.000	592,227	35,534	627,761	7.00	103,640	6,218	109,858	3.00	44,417	2,665	47,082	50.00
2049	2051	209,831,054			209,831,054	15,107,836	40.000	592,227	35,534	627,761	7.00	103,640	6,218	109,858	3.00	44,417	2,665	47,082	50.00

(1)Biennial Reassessment	6%
(2)Collection Fee	2%
(3)Specific Ownership Taxes	6%

Prosperity Metropolitan District

Limited Tax General Obligation Bonds

Absorption Schedule

Completion Year	# of Lots Built	Average Price ⁽¹⁾	Market Value	Assessed Value
2020	60	450,000	27,000,000	1,944,000
2021	60	454,500	27,270,000	1,963,440
2022	60	459,045	27,542,700	1,983,074
2023	25	463,635	11,590,886	834,544
TOTAL	205			

Inflation 1%
Information provided by the Developer

Summary of Potential Risks

1. Development Risk - This is the risk that development does not occur at the absorption rate originally projected by the developer.
2. Market Value Risk - This is the risk that the home values are lower than originally projected by the developer. This risk is also impacted by the potential value used by the County assessor when assigning the "Actual Value" to each home during the assessment cycle. Furthermore, this risk occurs over the life of the bond issue, as home values may not appreciate at the projected rate.
3. Interest Rate Risk - The risk that prevailing interest rates at the time of bond issuance may be higher, even substantially higher, than projected in the financial model. Interest rates will also be influenced by credit spreads at the time of issuance, thus an increase in credit spread would also impact the interest rate on the bonds.
4. Political Risk - The risk that future changes at the Federal level regarding the preferential tax treatment of municipal bonds. This risk also relates to potential changes at the State and/or local level regarding municipal bond issuing options for metropolitan districts.
5. Gallagher Adjustments - The risk that there will be future adjustments to the State residential assessment rate. This risk is typically off set by the district's ability to adjust the maximum mill levy, if permitted under the service plan, specifically for "Gallagher" adjustments.
6. Tax Payer Risk - Risk that the property owners do not pay property taxes assessed by the County assessor.

Note: The risks discussed above are primarily borne by the developer or investor if the debt service mill levy has a cap. If the debt mill levy is capped, then the risk borne by the property owners is limited up to the debt levy cap. If some of the risks are realized, then it would either reduce the bonding capacity, thus limiting the amount of project funds available for construction, or limit the revenues available to pay debt service.

EXHIBIT G

FORM OF INTERGOVERNMENTAL AGREEMENT

TOWN OF FREDERICK

INTERGOVERNMENTAL AGREEMENT BETWEEN
THE TOWN OF FREDERICK, COLORADO
AND THE
PROSPERITY METROPOLITAN DISTRICT

THIS AGREEMENT is made and entered into as of this ___ day of _____, 2019, by and between the TOWN OF FREDERICK, a statutory town of the State of Colorado (the “**Town**”), and the PROSPERITY METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”). The Town and the District are collectively referred to as the Parties.

WITNESSETH:

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

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

WHEREAS, the Service Plan makes reference to the execution of an Intergovernmental Agreement between the Town and the District, as required by Article 14 of the Town Land Use Code; and

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

WHEREAS, the Parties have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (“**Agreement**”).

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

1. Application of Local Laws. The District shall be subject to and shall comply with all applicable provisions of the Town’s ordinances, resolutions, municipal code, rules, regulations, engineering specifications, standards, and policies, as the same may be amended from time to time. The foregoing includes, but is not limited to, requirements that must be met before improvements are accepted by the Town.

2. Operations and Maintenance. The District shall either retain ownership of or dedicate the Public Improvements to the Town or other appropriate entity or jurisdiction in a manner consistent with the Approved Development Plan for the Project, other rules and regulations of the Town, and applicable provisions of the Town Code. The District shall provide

for the operation and maintenance of any part or all of the Public Improvements of which it retains ownership and which are not operated and maintained by the HOA. The District may impose an Operating Mill Levy that is subject to the Limited Mill Levy restrictions set forth in the Service Plan, as necessary, to provide for administrative and general operating expenses, operating and maintaining any Public Improvements retained by the District or prior to their conveyance to the Town or other entity, and financing Public Improvements on a cash-flow basis. Any sanitation facilities financed by the District will be conveyed to the St. Vrain Sanitation District.

3. Streets. The District shall be authorized to plan for, design, construct, install, relocate, redevelop, and finance street improvements, but shall not be permitted to permanently acquire or to provide ongoing maintenance of any street improvements without a prior written agreement with the Town; provided, however, that nothing contained herein shall limit the District's ability to reimburse the developer of the Project for costs incurred in providing for the street improvements.

4. Sanitation. The District shall not, to the extent prohibited by law, duplicate the services provided by the St. Vrain Sanitation District within the District Boundaries in any area of overlap except as may be consented to, and approved by, the St. Vrain Sanitation District's Board of Directors as expressed through the execution of an intergovernmental agreement between the District and the St. Vrain Sanitation District, which will apply in the event the District finances sanitation improvements. The District's Board will execute such intergovernmental agreement at the initial meeting of the Board after the entry of the order of formation by the District Court for and in Weld County, Colorado. Along with the other Service Plan requirements, the District shall comply with Section V.A.18. of the Service Plan.

5. Water. Water service to the Project will be provided by the Town. The District shall be authorized to plan for, design, construct, install, relocate, redevelop, finance, operate, and maintain both potable and non-potable water facilities within the Project. The District shall be authorized to acquire the non-potable water facilities, as may be appropriate for the Project, but shall not be authorized to acquire any potable water facilities or to provide potable water service; provided, however, that nothing contained herein shall limit the District's ability to reimburse the developer of the Project for costs incurred in providing any water facilities, whether potable or non-potable.

6. Park and Recreation. The District shall be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate, and maintain park and recreation facilities or programs, including, but not limited to, trails, open space, landscaping, irrigation facilities, and all necessary incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the District Boundaries, as may be appropriate for the Project. Notwithstanding the foregoing, it is currently anticipated that certain common area improvements shall be owned, operated and maintained by the HOA.

The District shall not, to the extent prohibited by law, duplicate the services provided by the Carbon Valley Park and Recreation District within the District Boundaries in any area of overlap except as may be consented to, and approved by, the Carbon Valley Park and Recreation District's Board of Directors as expressed through the execution of a letter of consent or an

intergovernmental agreement between the District and the Carbon Valley Park and Recreation District.

7. Fire Protection. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of any water system shall not be limited by this provision.

8. Television Relay and Translation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless specifically provided for in this Agreement or a separate agreement with the Town.

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

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

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

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

11. Inclusions and Exclusions. The District shall not include within its boundaries any property from outside the District Boundaries, or exclude any property from its boundaries, without the prior written consent of the Town Board. Notice of all inclusions or exclusions shall be provided to the Town pursuant to the annual report filed in accordance with Sec. VII.A. of the Service Plan.

12. Initial Debt. On or before the effective date of approval by the Town of an Approved Development Plan and the execution of this Agreement, the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by

transfer of funds from the operating fund to the Debt service funds; nor (c) impose or collect any fees used for the purpose of repayment of Debt.

13. Total Debt Issuance. The District shall not issue Debt in excess of \$8,000,000.

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

15. Consolidation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town Board.

16. Bankruptcy Limitation. All of the limitations contained in the Service Plan, including, but not limited to, those pertaining to the Limited Mill Levy, have been established under the authority of the Town to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

a. shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment that is approved by the Town Board; and

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

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Limited Mill Levy (unless previously approved by the Town Board), shall be deemed a material modification of the Service Plan, pursuant to Section 32-1-207, C.R.S., and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the Town Board as part of a Service Plan Amendment.

17. Revenue Bond Limitation. The District shall not issue revenue bonds, except as set forth in this Section. Prior to issuing any revenue bonds, the District shall submit all relevant details of such issuance to the Town Manager, who shall determine whether the issuance of revenue bonds constitutes a material modification of the Service Plan. If it is determined that the issuance of revenue bonds constitutes a material modification of the Service Plan, the District shall then proceed to amend the Service Plan in accordance with Section 32-1-207, C.R.S., prior to issuing the revenue bonds.

18. Eminent Domain Limitation. The District shall not exercise its statutory power of eminent domain without the prior written consent of the Town Board.

19. Overlapping Districts. The Town shall be held harmless if any overlapping district refuses to authorize services, and from any claims brought by such overlapping district

for improvements constructed or installed or services provided prior to receiving consent from that district.

20. Service Plan Amendment Requirement. Any action of the District which violates the limitations set forth in Sections V.A.1-18 or VI.B-H of the Service Plan, or which constitutes a material modification under Section 14.4 of the Town Land Use Code, as it may be amended from time to time, shall be deemed to be a material modification to the Service Plan and the Town shall be entitled to all remedies available under State and local law to enjoin any such action(s) of the District. The Town may also seek damages for breach of this Agreement arising from violations by the District of any provision of the Service Plan.

21. Annual Report. In accordance with Section 14.3(a) of the Town Land Use Code, as it may be amended from time to time, the District shall file an annual report (“**Annual Report**”) with the Town Clerk each year following the year in which the Order and Decree creating the District has been issued by the District Court for and in Weld County, Colorado, containing the information set forth in Section VII of the Service Plan.

22. Contribution Mill Levy. Without increasing the Limited Mill Levy, at any time the District imposes a mill levy for debt service purposes, the District shall impose a Contribution Mill Levy of three (3) mills for purposes of financing capital improvements or for financing operations and maintenance expenses associated with Town capital improvements, which revenues shall be remitted to the Town upon the District’s receipt. The Contribution Mill Levy shall be subject to adjustment as described in Section VI.C. of the Service Plan. The revenues received by the Town from the Contribution Mill Levy may be applied to any Town capital improvement so long as the capital improvement is one that the District could otherwise finance (e.g., streets, traffic safety controls, street lighting, water, sanitary sewer, storm drainage, landscaping improvements, and parks and recreation). In the event that the District does not impose a Debt Mill Levy, the District shall have no obligation to levy, collect, or pay over to the Town the three (3) mills set forth herein.

23. Operating Mill Levy. The District may impose an ad valorem mill levy to fund administrative and general operating expenses, operating and maintaining Public Improvements that are retained by the District or prior to their conveyance to the Town or other entity, financing Public Improvements on a cash-flow basis, and repaying any advances provided to the District for such purposes. The Operating Mill Levy shall be subject to the Limited Mill Levy restrictions contained in Section VI.C. of the Service Plan.

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

To District: Prosperity Metropolitan District
c/o Seter & Vander Wall, P.C.
7400 E. Orchard Road, Suite 3300
Greenwood Village, CO 80111
Attn: Barbara T. Vander Wall
Phone: (303) 770-2700
Fax: (303) 770-2701

To the Town: Town of Frederick
401 Locust Street
P.O. Box 435
Frederick, CO 80530
Attn: Town Attorney
cc: Planning Director
Phone: (720) 382-5500
Fax: (720) 382-5520

With a Copy to: Reif & Hunsaker, P.C.
273 North Grant Street
Canby, OR 97013
Attn: James M. Hunsaker
Phone: (503) 266-3456
Fax: (503) 266-8555

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

25. Miscellaneous.

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

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

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

d. Severability. If any section, subsection, paragraph, clause, phrase, or other provision of this Agreement shall for any reason be held to be invalid or unenforceable, the

invalidity or unenforceability of such section, subsection, paragraph, clause, phase, or other provision shall not affect any of the remaining provisions of this Agreement.

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

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

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

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

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

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

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

l. Entirety. Except for the Service Plan, this Agreement merges and supersedes all prior negotiations, representations, and agreements between the Parties hereto relating to the subject matter hereof and constitutes the entire Agreement between the Parties concerning the subject matter hereof.

[SIGNATURE PAGES FOLLOW]

**[SIGNATURE PAGE 1 OF 2 TO INTERGOVERNMENTAL AGREEMENT
BETWEEN THE TOWN OF FREDERICK, COLORADO AND THE
PROSPERITY METROPOLITAN DISTRICT]**

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

TOWN OF FREDERICK, COLORADO

By: _____
Tony Carey, Mayor

Attest:

Meghan C. Martinez, Town Clerk

APPROVED AS TO FORM:

Town Attorney

**[SIGNATURE PAGE 2 OF 2 TO INTERGOVERNMENTAL AGREEMENT
BETWEEN THE TOWN OF FREDERICK, COLORADO AND THE
PROSPERITY METROPOLITAN DISTRICT]**

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

By: _____
President

Attest:

Secretary

DRAFT

EXHIBIT H

FORM OF MILL LEVY DISCLOSURE

**PROSPERITY METROPOLITAN DISTRICT
WELD COUNTY, COLORADO**

DISCLOSURE STATEMENT

As required pursuant to Section 32-1-104.8 of the Colorado Revised Statutes ("C.R.S."), this Public Disclosure Document has been prepared by the Prosperity Metropolitan District (the "District"), Town of Frederick, Weld County, Colorado, to provide information regarding the District.

DISTRICT ORGANIZATION

The District is a quasi-municipal corporation and political subdivision of the State of Colorado duly organized and existing as a metropolitan district pursuant to Title 32, Article 1, Colorado Revised Statutes. The District was declared an organized and existing metropolitan district on _____ 20 ____, pursuant to a Findings, Order and Decree Creating the Prosperity Metropolitan District, issued in the District Court of Weld County, Colorado. The Order and Decree was recorded in the records of the Weld County Clerk and Recorder on _____ 20__ at Reception # _____ .

The District is located entirely within the corporate limits of the Town of Frederick, Colorado, in Weld County. The legal description and map of the property forming the boundaries of the District is described in Exhibit A attached hereto and incorporated herein by reference.

DISTRICT'S SERVICE PLAN:

The District's Service Plan, which can be amended from time to time, includes a description of the District's powers and authority. A copy of the District's Service Plan is available from the Division of Local Government in the State Department of Local Affairs ("**Division**") and at the office of the Town Clerk, Town of Frederick, 401 Locust Street, Post Office Box 435, Frederick, Colorado 80530.

The Prosperity Metropolitan District is authorized by Title 32 of the Colorado Revised Statutes to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution ("**TABOR**"), include issuing debt, levying taxes, and imposing fees and charges. Information concerning District directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), C.R.S., which can be found at the District office, on file at the Division, or on file at the office of the Clerk and Recorder of Weld County.

DISTRICT PURPOSE:

The powers of the District, as authorized by Section 32-1-1004, C.R.S., and under its Service Plan, as approved by the Board of Trustees of the Town of Frederick on September 13, 2016, are for

EXHIBIT A TO DISCLOSURE STATEMENT
LEGAL DESCRIPTION OF DISTRICT BOUNDARIES

EXHIBIT

METROPOLITAN DISTRICT DESCRIPTION:

A PARCEL OF LAND LOCATED IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 2 NORTH, RANGE 67 WEST OF THE 6TH P.M., TOWN OF FREDERICK, COUNTY OF WELD, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32 (2.5" ALUMINUM CAP, PLS 24305, 1998) FROM WHENCE THE NORTH QUARTER CORNER OF SECTION 32 (2.5" ALUMINUM CAP, PLS 24305, 1998) LIES S89°41'09"E, 1,319.64 FEET (BASIS OF BEARINGS);

THENCE S00°34'31"W, 30.00 FEET ALONG THE WESTERLY LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32 TO THE POINT OF BEGINNING;

THENCE S89°41'09"E, 1,196.99 FEET ALONG THE SOUTHERLY RIGHT OF WAY LINE OF TIPPLE PARKWAY, BEING A LINE PARALLEL WITH AND 30.00 FEET SOUTH OF THE NORTH LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32;

THENCE S00°45'26"W, 561.20 FEET ALONG THE EASTERLY LINE OF "PARCEL 2" AS DESCRIBED IN DEED RECORDED 07/21/2000 AT RECEPTION NO. 2781936;

THENCE ALONG THE SOUTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN FINAL ORDER RECORDED 08/03/2015 AT RECEPTION NO. 4130263 THE FOLLOWING THREE COURSES:

- 1) N56°42'10"E, 69.71 FEET;
- 2) 65.84 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 159.95 FEET, A CENTRAL ANGLE OF 23°35'10", AND A CHORD BEARING N44°54'38"E, 65.38 FEET;
- 3) N33°07'07"E, 37.47 FEET TO THE EASTERLY LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32;

THENCE S00°39'12"W, 839.17 FEET ALONG THE SAID EASTERLY LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER;

THENCE S00°39'13"W, 1,313.65 FEET ALONG THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER;

THENCE S89°52'55"W, 61.00 FEET ALONG THE SOUTHERLY LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER TO THE EASTERLY LINE OF "SAVANNAH SUBDIVISION REPLAT A";

THENCE N01°06'23"W, 292.54 FEET ALONG SAID EASTERLY SUBDIVISION LINE;

THENCE S89°52'55"W, 1,246.38 FEET ALONG THE NORTHERLY LINE OF "SAVANNAH SUBDIVISION REPLAT A" TO THE WESTERLY LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32 (ALSO BEING THE EASTERLY LINE OF "ANGEL VIEW ESTATES SUBDIVISION");

THENCE N00°34'07"E, 1,026.10 FEET ALONG SAID WESTERLY LINE;

THENCE N00°34'31"E, 1,288.67 FEET ALONG THE WESTERLY LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32 (ALSO BEING THE EASTERLY LINE OF "ANGEL VIEW ESTATES SUBDIVISION") TO THE POINT OF BEGINNING, CONTAINING 68.87 ACRES, MORE OR LESS.

DESCRIPTION PREPARED BY:
BO BAIZE, COLORADO PLS 37990
FOR AND ON BEHALF OF HURST & ASSOCIATES, INC.

**PROSPERITY METROPOLITAN DISTRICT DESCRIPTION
FREDERICK, COLORADO**

HURST

**CIVIL ENGINEERING
PLANNING
SURVEYING**

1265 S Public Road, Suite B
Lafayette, CO 80026
303.449.9105
www.hurst-assoc.com

SCALE	HOR. N/A VERT. N/A
DESIGN/APPR.	
DRAWN BY	BO
DATE	04/23/19
SHEET	1 OF 2

FILE G:\25263\SURVEY\LEGAL\PROSPERITY METRO DISTRICT DESC

EXHIBIT I

PROOF OF OWNERSHIP FOR ALL PROPERTIES WITHIN DISTRICT

Old Republic National Title Insurance Company
Schedule A

Order Number: ABZ25158046.1

Policy No.: LX25158046.1.1127590

Amount of Insurance: \$800,000.00

Property Address:

PROSPERITY SUBDIVISION, FREDERICK, CO 80530

1. Policy Date:

March 26, 2019 at 5:00 P.M.

2. Name of Insured:

INDEPENDENT BANK, ITS SUCCESSORS AND/OR ASSIGNS

3. The estate or interest in the Land described in this Schedule and which is covered by this policy is:

A Fee Simple

4. Title to the estate or interest covered by this policy at the date is vested in:

JABLONSKI FAMILY, LLLP, A COLORADO LIMITED LIABILITY LIMITED PARTNERSHIP

5. The mortgage, herein referred to as the insured mortgage, and the assignments thereof, if any are described as follows:

DEED OF TRUST DATED MARCH 18, 2019, FROM JABLONSKI FAMILY, LLLP, A COLORADO LIMITED LIABILITY LIMITED PARTNERSHIP TO THE PUBLIC TRUSTEE OF WELD COUNTY, COLORADO FOR THE USE OF INDEPENDENT BANK TO SECURE THE SUM OF \$800,000.00 RECORDED MARCH 26, 2019, UNDER RECEPTION NO. [4476038](#).

6. The Land referred to in this Policy is described as follows:

A TRACT OF LAND LOCATED IN THE NW 1/4 OF SECTION 32, TOWNSHIP 2 NORTH, RANGE 67 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS:

THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 2 NORTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND LYING WITHIN SAVANNAH SUBDIVISION, THE PLAT OF WHICH RECORDED SEPTEMBER 20, 2001 UNDER RECEPTION NO. [2885062](#), AND FURTHER EXCEPTING THAT PORTION AS DESCRIBED IN DECREE QUIETING TITLE RECORDED AUGUST 3, 2015 UNDER RECEPTION NO. [4130264](#).

Copyright 2006-2019 American Land Title Association. All Rights Reserved The use of this Form is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

**AMERICAN
LAND TITLE
ASSOCIATION**



RECEIVED

DEC 04 2019

Div of Local Government

**TOWN OF FREDERICK, COLORADO
RESOLUTION NO. 19-R-73**

**A RESOLUTION OF THE TOWN OF FREDERICK, COLORADO,
AUTHORIZING THE FORMATION OF
THE PROSPERITY METROPOLITAN DISTRICT**

WHEREAS, pursuant to the provisions of the "Special District Act," Part 2 of Article 1 of Title 32, C.R.S., the Petitioners formally presented Service Plan (the "Service Plan") for the Prosperity Metropolitan District (the "District"); and

WHEREAS, pursuant to the provisions of Section 14-14 of the Frederick Land Use Code, the Town Planning Department has conducted a comprehensive analysis of the Service Plan and prepared a written report to the Town Board recommending approval of the Service Plan; and

WHEREAS, pursuant to the provisions of Section 32-1-202(1), C.R.S., the Board of Trustees set a date for a public hearing on the Service Plan for August 27, 2019; and

WHEREAS, notice of the date, time, location and purpose of the aforesaid hearing was duly published in the *Longmont Times-Call*, a newspaper of general circulation, on August 7, 2019; notice was provided to the Division of Local Government in the Department of Local Affairs of the name and type of the special District; notice of the date, time and location of the hearing was provided to the Petitioners and to the governing body of each municipality and of each special district which had levied an *ad valorem* tax within the next preceding tax year and which had boundaries within a radius of three (3) miles of the Petitioners' District, as required by Section 32-1-204(1), C.R.S.; and notice of the time, date, location and purpose of the District was sent to property owners within the District via letter mailing pursuant to Section 32-1-204(1.5), C.R.S. and the Petitioners own or represent 100% of the property within the proposed District; and

WHEREAS, this Board did, on August 27, 2019, hold a full, public hearing on this matter, taking evidence establishing the jurisdiction of the Board to hear this matter and further taking evidence regarding the substantive issues set forth in Section 32-1-203, C.R.S.; and

WHEREAS, this Board has fully considered the testimony and other evidence presented to it in this matter.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF FREDERICK, COLORADO, AS FOLLOWS:

Section 1. That the Board of Trustees does hereby determine that all of the jurisdictional and other requirements of Sections 32-1-202 and 32-1-204, C.R.S., have been fulfilled, including those relating to the filing of the Service Plan and the form and timing of the public notice of the hearing and the public hearing held herein.

Section 2. The Board does hereby find and determine 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 District, as outlined in the Service Plan, is capable of providing economical and sufficient service to the area within its proposed boundaries;
- (d) The area included in the District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;
- (e) Adequate service is not, and will not be, available to the area through the Town, other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;
- (f) The facility and service standards of the District is compatible with the facility and service standards of the Town;
- (g) The proposal is in substantial compliance with the Town's Comprehensive Plan;
- (h) The proposal is in substantial compliance with the county, regional, or state long-range water quality management plans for the area;
- (i) The creation of the District will be in the best interest of the area proposed to be served;
- (j) The creation of the District will be in the best interests of the residents or future residents of the area proposed to be served;
- (k) The proposed Service Plan is in substantial compliance with Article 14 of the Frederick Land Use Code; and
- (l) The creation of the District will not foster urban development that is remote from or incapable of being integrated with existing urban areas, and will not place a burden on the Town or adjacent jurisdictions to provide urban services to residents of the proposed District.

Section 3. That the Service Plan of the District to finance and construct public improvements anticipated in the Service Plan, be and hereby is approved.

Section 4. That, pursuant to Section 32-1-204(4), the Board of Trustees hereby issues this Resolution of final approval to the District.

Section 5. Effective Date. This resolution shall become effective immediately upon adoption.

Section 6. Repealer. All resolutions, or parts thereof, in conflict with this resolution are hereby repealed, provided that such repealer shall not repeal the repealer clauses of such resolution nor revive any resolution thereby.

Section 7. Certification. The Town Clerk shall certify to the passage of this resolution and make not less than one copy of the adopted resolution available for inspection by the public during regular business hours.

INTRODUCED, READ, PASSED, AND ADOPTED THIS 27TH DAY OF AUGUST, 2019.

ATTEST:

TOWN OF FREDERICK

By Meghan C. Martinez
Meghan C. Martinez, CMC, Town Clerk

By Tony Carey
Tony Carey, Mayor

