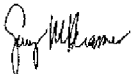


DISTRICT COURT, ELBERT COUNTY, COLORADO	
Court Address: 751 Ute Avenue, P.O. Box 232, Kiowa, CO, 80117	DATE FILED: December 27, 2017 5:31 PM CASE NUMBER: 2017CV30061
In the Matter of: INDEPENDENCE OVERLAY METRO DISTRICT	△ COURT USE ONLY △
	Case Number: 2017CV30061 Division: 1 Courtroom:
Order and Decree re Organization of District	

The motion/proposed order attached hereto: SO ORDERED.

Issue Date: 12/27/2017



GARY MICHAEL KRAMER
District Court Judge

COMBINED COURTS
STATE OF COLORADO } ss.
Elbert County
CERTIFIED to be a full, true and cor-
rect copy of the original in my custody.

JAN 03 2018



Cheryl Layne
Clerk of the Combined Court

By *Kathy Rotary* Deputy Page 1 - 3

<p>DISTRICT COURT COUNTY OF ELBERT, COLORADO Court Address: 751 Ute Street Kiowa, Colorado 80117 Telephone No.: (303) 621-2131</p> <hr/> <p>In Re the Matter of:</p> <p>Independence Overlay Metropolitan District</p> <hr/>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p> <hr/> <p>Case Number: 2017CV30061</p> <p>Div.: Ctrm</p>
<p>ORDER AND DECREE ORGANIZING DISTRICT AND ISSUANCE OF CERTIFICATES OF ELECTION AND TO RELEASE PETITIONER’S BOND AND CASH DEPOSIT SUBMITTED TO SECURE BOND IN RE THE ORGANIZATION OF INDEPENDENCE OVERLAY METROPOLITAN DISTRICT, COUNTY OF ELBERT, COLORADO</p>	

This matter comes before the Court on the Motion for Order and Decree Organizing District and Issuance of Certificates of Election and to Release Petitioner’s Bond and Cash Deposit filed by the Petitioner for the organization of Independence Overlay Metropolitan District (the “District”). This Court, being fully advised in the premises, hereby FINDS AND ORDERS:

1. That a majority of the votes cast at the election held on Tuesday, November 7, 2017, in which the question of organization of the District was submitted to eligible electors, were in favor of organization and that the election was held in accordance with the provisions of §§ 1-1-101, *et seq.* through §§ 1-13-101, *et seq.*, C.R.S., §§ 1-45-101, *et seq.*, C.R.S., §§ 1-13.5-101, *et seq.*, through §§ 1-13.5-1601, *et seq.*, C.R.S. and §§ 32-1-801, *et seq.*, C.R.S.

2. That the District shall be and is hereby duly and regularly organized in accordance with the requirements of §§ 32-1-101, *et seq.*, C.R.S.

3. That the District shall be known as “Independence Overlay Metropolitan District,” the corporate name designated in the Petition filed with this Court.

4. That the District is located in the County of Elbert, Colorado, as more particularly described in **Exhibit A**, attached hereto and incorporated herein by this reference.

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

6. A certified copy of this Order and a copy of the approved service plan and the resolution of the Board of County Commissioners, County of Elbert, Colorado approving the service plan shall be filed with the Clerk and Recorder in and for the County of Elbert and the Division of Local Government, Department of Local Affairs. A copy of such service plan and resolution approving the service plan are attached hereto as **Exhibit B**.

7. That the following qualified persons were duly elected as members of the District's first Board of Directors for the indicated terms, and as further shown on the Certificates of Election, issued by this Court in accordance with § 32-1-305.5(5), C.R.S., which Certificates are filed concurrent to this Order:

<u>NAME</u>	<u>TERM</u>
Randall David Roberts	Four (4) year
Eric Kane Simpson	Four (4) year
Charles Foster	Four (4) year
Timothy Patrick Craft	Two (2) year
Jeffrey Michael Keeley	Two (2) year

8. That the Clerk of the Court shall release to the Petitioner its bond and cash deposit in the amount of Five Hundred Dollars (\$500.00) submitted as security for Petitioner's bond in connection with the organization of the District.

DONE IN COURT this ___ day of _____ 2017.

BY THE COURT:

District Court Judge

EXHIBIT A. LEGAL DESCRIPTION OF THE DISTRICT

Legal Description of the Initial Boundaries for:
Independence Water & Sanitation District; and
Independence Metropolitan District Nos. 1-4; and
Independence Overlay Metropolitan District.

A parcel of land in the SW1/4SW1/4 of Section 14 and the SE1/4SE1/4 of Section 15, in Township 7 South, Range 65 West of the 6th P.M., County of Elbert, State of Colorado, described as:

Beginning at the Southwest corner of Section 14, being also the Southeast corner of said Section 15;
Thence West 230 feet along the South line of Section 15;
Thence North parallel to the East line of Section 15, for 284 feet;
Thence East parallel to the South line of Section 15, for 230 feet;
Thence North along the West line of Section 14 for 151.5 feet;
Thence East parallel to the South line of Section 14 for 200 feet;
Thence South parallel to the West line of Section 14 for 435.5 feet;
Thence West along the South line of Section 14 for 200 feet to the point of beginning.

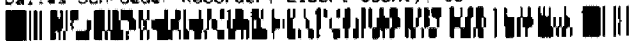
AND

Upon the Recordation of Independence Subdivision Filing No. 1 with the Elbert County Clerk and Recorder:

Tracts D and E, Independence Subdivision Filing No. 1, County of Elbert, State of Colorado.

EXHIBIT B. RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS FOR ELBERT COUNTY, COLORADO, APPROVING THE SERVICE PLAN OF THE DISTRICT, AND SERVICE PLAN OF THE DISTRICT

STATE OF COLORADO }
 } ss
COUNTY OF ELBERT }

572041 B: 780 P: 773 RES
 09/12/2017 12:41:22 PM Page: 1 of 4 R 0.00 D
 Dallas Schroeder Recorder, Elbert County, Co


At a meeting of the Board of County Commissioners for Elbert County, State of Colorado, held at the Courthouse in Kiowa on Thursday, the 7th day of September, 2017, there were present:

Danny Willcox	Chair
Christopher Richardson	Vice Chair
Grant Thayer	Commissioner
Dianna Hiatt	Deputy Clerk to the Board

When the following proceedings, among others were had and done, to wit:

APPROVE
RESOLUTION NO. 28

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF
 ELBERT COUNTY, COLORADO
 APPROVING THE ORGANIZATION OF
 INDEPENDENCE OVERLAY METROPOLITAN DISTRICT**

WHEREAS, § 32-1-203, C.R.S. provides that no special district shall be organized except upon adoption of a resolution by the board of county commissioners approving the Service Plan of the proposed special district; and


WHEREAS, pursuant to §§ 32-1-201, *et seq.*, C.R.S., a Service Plan has been submitted to the Elbert County Board of County Commissioners (the “Commissioners”) for the proposed Independence Overlay Metropolitan District (the “District”); and

WHEREAS, the territory of the proposed District is located wholly within the boundaries of Elbert County, Colorado (the “County”); and

WHEREAS, the boundaries of the District overlay with the boundaries of the existing Elizabeth Park and Recreation District (the “Park District”); and

WHEREAS, pursuant to C.R.S. § 32-1-107(3)(b)(IV), the Park District has consented to the formation of the District and the provision of the same services and facilities in any overlapping area; and

WHEREAS, pursuant to C.R.S. § 32-1-107(3)(b)(I), it is necessary for the County to adopt a resolution approving the inclusion of such overlapping services and facilities as part of the Service Plan for the proposed District; and

572041 B: 780 P: 773 RES
09/12/2017 12:41:22 PM Page: 2 of 4 R 0.00 D
Dallas Schroeder Recorder, Elbert County, Co


WHEREAS, the Commissioners have conducted a public hearing on the Service Plan for the proposed District on September 5, 2017 through September 7, 2017 (the "Hearing").

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ELBERT COUNTY, COLORADO:

Section 1. That notice of the Hearing was properly given pursuant to § 32-1-204, C.R.S., and in conformance with the County's adopted service plan regulations (the "Regulations"), and the Commissioners have jurisdiction to hear this matter.

Section 2. The Commissioners make the following findings pursuant to C.R.S. §§ 32-1-201, *et seq.*, as amended:

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

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

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

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

e. Adequate service is not, or will not be, available to the area through the county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.

f. The facility and service standards of the proposed special district are compatible with the facility and service standards of each county within which the proposed special district is to be located and each municipality which is an interested party under § 32-1-204(1), C.R.S.

g. The proposal is in substantial compliance with a master plan adopted pursuant to § 30-28-106, C.R.S.

h. The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area.

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

Section 3. The Commissioners make the following findings pursuant to the County's Regulations:

572041 B: 780 P: 773 RES
09/12/2017 12:41:22 PM Page: 3 of 4 R 0.00 D
Dallas Schroeder Recorder Elbert County, Co



a. Pre-application meetings for the Service Plan were held in accordance with the Regulations on September 20, 2016 and May 3, 2017, respectively.

b. The Service Plan was formally submitted to the County on or about May 4, 2017, and the submission was deemed complete on and after May 11, 2017 in accordance with the Regulations.

c. The Commissioners hereby deem the submission and review of the Service Plan to be in substantial compliance with the Regulations, and hereby expressly waive any deviations therefrom.

Section 4. Pursuant to C.R.S. § 32-1-107(3)(b)(II), the Board hereby approves the inclusion of overlapping services and facilities between the District and the Park District as part of the Service Plan for the District.

Section 5. Upon approval, this Resolution shall be attached to and incorporated within the Service Plan for the District as **Exhibit G**. The Service Plan for the Independence Overlay Metropolitan District is hereby approved with the following conditions:

1. The District shall submit an annual report to the Elbert County Board of County Commissioners.
2. Infrastructure and facilities developed by the Independence Districts shall conform to the Elbert County Construction Standards & Specifications.
3. The District shall not export water outside of Elbert County, with the exception for provisions of any emergency services.

This Special District was reviewed and approved by the Elbert County Board of County Commissioners on the 5th, 6th and 7th days of September, year 2017, A.D.



Upon a motion duly made and seconded, the foregoing resolution was adopted by the following vote:

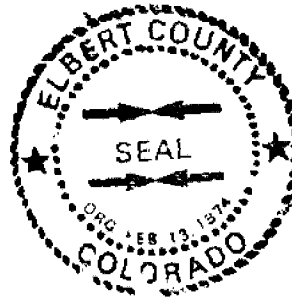

_____ Aye
DANNY WILLCOX, CHAIR


_____ Aye
CHRISTOPHER RICHARDSON, VICE CHAIR


_____ Aye
GRANT THAYER, COMMISSIONER

**ATTEST: DIANNA HIATT
DEPUTY COUNTY CLERK**

BY: 
Deputy Clerk to the Board



SERVICE PLAN
FOR
INDEPENDENCE OVERLAY METROPOLITAN DISTRICT
ELBERT COUNTY, COLORADO

Prepared

by

Miller & Associates Law Offices, LLC
1641 California Street, Suite 300
Denver CO 80202

September 7, 2017

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1. EXHIBIT A – Vicinity Map
2. EXHIBIT B – Legal Description (Initial Boundaries and Inclusion Boundaries)
3. EXHIBIT C – Boundary Map
4. EXHIBIT D – Property Owners’ Consent
5. EXHIBIT E – Map of Improvements
6. EXHIBIT F – Financial Plan
7. EXHIBIT G – Resolution of Approval

INDEPENDENCE OVERLAY METROPOLITAN DISTRICT
SERVICE PLAN

I. INTRODUCTION

The District shall be named the Independence Overlay Metropolitan District (the "District" or the "Overlay District"). This Service Plan (the "Service Plan") is being submitted by Craft Bandera Acquisition Company, LLC, a Colorado limited liability company (the "Developer") pursuant to the requirements of the Special District Control Act, C.R.S. §§ 32-1-201, *et seq.*, as amended, (the "Act"), as well as those Special District Service Plan Regulations adopted by the Elbert County (the "County") Board of County Commissioners, as amended and as applicable to the Service Plan. The purpose of the District is to own, operate and maintain certain public park, recreation, storm drainage, open space and landscaping improvements (the "Improvements"), and to provide covenant design control, review and enforcement services (collectively and as more further described in Section IV.a, *infra*, the "Services") for the use and benefit of the property owners, residents and taxpayers and system users of the entire Independence Development (the "Development"). The District shall have all of the powers of a metropolitan district set forth in §§ 32-1-1001 and -1004, C.R.S., as amended, except that the District shall not provide emergency medical or fire protection services or facilities.

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

Developer
Craft Bandera Acquisition Company, LLC
Attn: Tim Craft
1787 S. Broadway, Ste. 200
Denver CO 80210

District Counsel
Miller & Associates Law Offices, LLC
Attn: Dianne D. Miller, Esq.
1641 California St., Ste. 300
Denver, Colorado 80202

Phone: 303-601-8315
Email: indycommunity.ec@gmail.com

Phone: 303-285-5320
Email: dmiller@ddmalaw.com

Financial Advisor

George K. Baum & Company
Attn: Alan Matlosz
1400 Wewatta St, Suite 800
Denver CO 80202
Phone: 303-391-5501
Fax: 303-391-5601
Email: matlosz@gkbaum.com

Engineer

CORE & Consultants, Inc.
Attn: Blake Calvert
1950 West Littleton Boulevard, Suite 109
Littleton, CO 80120
Phone: 303-703-4444
Email: calvert@corecivil.com

II. PURPOSE OF THE PROPOSED DISTRICT

The District is a quasi-municipal corporation and political subdivision of the State of Colorado that is being formed in conjunction with five (5) other districts, Independence Metropolitan District No. 1 (“District 1”), Independence Metropolitan District No. 2 (“District 2”), Independence Metropolitan District No. 3 (“District 3”), Independence Metropolitan District No. 4 (“District 4”), and Independence Water & Sanitation District (“Water District”). Collectively, District 1, District 2, District 3 and District 4 shall be referred to herein as the “Infrastructure Districts,” and collectively, the Overlay District, the Infrastructure Districts, and the Water District shall be referred to herein as the “Districts.” It is expected that the Infrastructure Districts will finance the acquisition, construction and installation of public improvements, including streets, safety protection, storm drainage, sewer and sanitation, water and park and recreation facilities throughout the Development, for the use and benefit of all of their respective residents, taxpayers and system users. In the event that one or more of the Infrastructure Districts dissolve in accordance with applicable Colorado law, the District may be authorized to own, operate and maintain any storm drainage facilities that were owned, maintained and operated by such dissolved Infrastructure Districts. It is further expected that water and sanitation services and facilities for the Development

will ultimately be provided by the Water District to the extent that they are not otherwise provided by one or more of the Infrastructure Districts. Certain Services may be delegated to Elbert County (the "County"), the Elizabeth Park and Recreation District (the "Park District"), one or more of the Infrastructure Districts, or to such other governmental, quasi-governmental or private entities as may be appropriate, and subject to their acceptance of such delegation.

The boundaries of the Development are contained within the boundaries of the Park District, and the Park District has consented to the formation of the District and the provision of overlapping park- and recreation-related services and facilities pursuant to C.R.S. § 32-1-107(3), as amended; it is anticipated that the District will operate and maintain all park and recreation-related Improvements located within the Development, subject to a separate intergovernmental agreement with the Park District. Services not otherwise delegated to other governmental, quasi-governmental or private entities shall remain the obligation of the District.

The District shall have no debt authorization to issue bonds or finance the construction of Improvements or provision of any Services within or without its boundaries. The primary source of District revenue shall be from the imposition of an operation and maintenance mill levy upon all taxable real and personal property contained within its boundaries to offset the costs of providing the Services. The District shall also have the authorization to impose user fees, rates, tolls, charges and penalties in accordance with C.R.S. §§ 32-1-1001(j) and (k), as amended, to help offset the costs associated its operation, maintenance and administrative costs and expenses.

The District will have an ongoing obligation to work closely and cooperate with the County to serve and promote the health, safety, prosperity, security and general welfare of its inhabitants, as well as the general public. The District will have an ongoing obligation to provide the Services for the Development.

III. BOUNDARIES, POPULATION & VALUATION

The initial boundaries of the District are located entirely within the County and comprise approximately three and one-half (3.5) acres, more or less (the “Initial Boundaries”). A vicinity map is included hereto as **Exhibit A**, a legal description of the initial boundaries, and expected property that may be included into the boundaries of the District is included in **Exhibit B**, and a detailed boundary map of the initial boundaries of the District is attached hereto as **Exhibit C**. The Initial Boundaries of the District overlap with the initial boundaries of the other Districts due to the lengthy phasing of construction required and anticipated for the Development; it is anticipated that as property located within the Development is phased for development, the District will include such property into its boundaries in accordance with applicable law to provide the Services for that completed portion of the Development. It is expected that the District will eventually encompass the entirety of the Development within its boundaries, so the District may include and exclude property pursuant to C.R.S. §§ 32-1-401, *et seq.*, as amended and 32-1-501, *et seq.*, as amended, respectively, subject to the limitations contained herein. The District may include additional property into its boundaries in one or more phases, which property is more particularly described in the legal description attached as **Exhibit B** (the “Inclusion Property”), and which is shown on **Exhibit A**. The District shall not include or exclude any property not otherwise described as being within the Initial Boundaries or the Inclusion Property without the prior written consent of the Board of County Commissioners following a public hearing before the Board of County Commissioners, although the granting of such consent shall not be considered to be a material modification of this Service Plan pursuant to C.R.S. § 32-1-207, as amended. It is expected that eventually the entirety of the Inclusion Property (and, therefore, the entirety of the Development) will be included into the boundaries of

the District. Bluegreen Investments, LLC, a Colorado limited liability company, is the owner of all the property to be included into the District under the Service Plan and has consented to the formation of the District, which consent is attached hereto as **Exhibit D**. The present valuation of the District for purposes of this Service Plan is approximately Twelve Thousand, Eight Hundred Dollars (\$12,800.00).

The property within the District is being developed for the anticipated construction of approximately nine hundred and twenty (920) single-family residential units by the Developer. The current population of the District for purposes of this Service Plan is zero (0). The daytime population of the District at full build-out is estimated to be two thousand, three hundred and thirty-seven (2,337) people, subject to development approval by the County. It is acknowledged that County development standards and requirements may affect the foregoing numbers of anticipated development and population. The estimated assessed valuation at full build-out is Forty-Four Million, Forty-Two Thousand, Two Hundred and Forty-Two Dollars (\$44,042,242) (Collection year 2028).

IV. DESCRIPTION OF PROPOSED SERVICES AND FACILITIES

a. Types of Services and Facilities.

The District shall be authorized to provide those Services that it is permitted to provide and maintain under applicable law. Such Services may include, without limitation, the continued and ongoing maintenance, repair, replacement and operation of the Development's park and recreation facilities, storm drainage, open space, and public landscaping, the provision of covenant design, review and control enforcement services, and all necessary, incidental and appurtenant services, facilities and improvements thereto, together with any extensions of and

improvements to said services, facilities and improvements. Notwithstanding the foregoing, although the District shall have all of the powers and authority granted to it as a metropolitan district pursuant to C.R.S. §§ 32-1-1001 and 32-1-1004, as amended, however, it is not anticipated that the District will exercise any metropolitan district powers related to street, safety protection, solid waste disposal, television relay and translation, fire protection, water or sanitary sewer improvements, services or facilities that are enumerated in C.R.S. § 32-1-101, *et seq.*, as amended, except as may be incidentally necessary or ancillary to the exercise of the District's limited powers and authority in providing the Services without amending this Service Plan. Further, the District shall not export water outside of the County, with the exception for provisions of any emergency services. The District shall have no debt authorization with which to finance the provision of the Services.

b. Estimated Costs of Improvements.

The District's primary purpose is to provide the Services, and it is not anticipated to design, construct or install any of the Improvements; therefore, the estimated cost of construction of any Improvements for the District shall be Zero Dollars (\$0.00). While it is not expected that the District will construct any new Improvements, it is expected that the District will be specifically responsible for funding the provision of the Services once such Improvements have been constructed, installed, acquired and accepted by the District. As the District is not anticipated to construct any new Improvements, the provisions of C.R.S. §§ 32-1-202(2)(c) and (e), as amended, are generally inapplicable and an exhibit showing the estimated cost of the Improvements has not been provided. All Services provided by the District shall be compatible with the facility and service standards of the County, the State of Colorado, and any other applicable entity with appropriate jurisdiction. The District shall have no debt authorization to

issue any bonds or other financial obligations to finance the provision of any Services; such tasks shall be undertaken by other appropriate governmental or private entities. A preliminary map showing the anticipated location of the Improvements that are to be installed for the Development and maintained by the District is attached hereto and incorporated herein as **Exhibit E**; this map is preliminary in nature and is subject to final phasing and design construction approval by the County.

c. Description of Existing Conditions.

The area is predominantly undeveloped at this time.

d. Public Improvement Schedule.

Construction of the public improvements will commence in coordination with commencement of development of the Development, as may be subject to change as circumstances require.

d. County Construction Standards.

The District will confirm that any proposed public improvements are designed and constructed in accordance with the standards and specifications of the County and other governmental entities having jurisdiction prior to the District accepting such public improvements.

e. Ownership and Use of Improvements.

The District shall own or acquire the necessary contract or property interests to allow it to serve the users of the Improvements and provide the anticipated Services. All open space and park and recreation improvements shall be open for use by the general public.

V. FINANCIAL INFORMATION

a. Financing Plan

The proposed 2019-2052 cash flow estimates for the District, which is presented as the Financing Plan, and which is attached as **Exhibit F**, includes estimated administrative costs, operation and maintenance costs and other major expenses, as well as estimated revenue, related to the operation of the District. The District shall not issue debt without first amending this Service Plan pursuant to C.R.S. § 32-1-207(2), as amended. As the District will have no authorization to issue debt without first amending this Service Plan, typical financing plan provisions will not apply; consequently, there is no discussion in this Service Plan of types, manner and terms of bonds or other debt obligations which the District may issue or any restrictions or conditions placed upon the District's debt service mill levy. The Financing Plan anticipates the means of funding the operation and maintenance Services to be provided for by the District. The Financing Plan is preliminary in nature; the actual 2019-2052 cash flow estimates for the District may differ from what is proposed in **Exhibit F** depending upon actual circumstances and approval by the District Board of Directors (the "Board"). It is anticipated that a mill levy of Fifteen (15.000) mills will be imposed beginning in 2018 for collection in 2019 and in subsequent years upon all taxable real and personal property located within the boundaries of the District (the "Operations Mill Levy") and thereafter, in conjunction with the imposition of fees, rates, tolls and charges, is estimated to be sufficient to maintain and provide the Services and Improvements. The Financing Plan demonstrates that, at various projected levels of development, the District has the ability to finance the Services identified herein. The District also anticipates imposing an operations fee of Twenty-Five Dollars (\$25.00) per month, in accordance with C.R.S. §§ 32-1-1001(1)(j) and (k), as amended, upon any builder-owned lots to

help supplement the District's expected revenues during the early growth phases of the Development, although such operations fee may be subject to change as actual circumstances require.

b. Bond Issuance and Debt Authorization

The District shall have no authorization pursuant to the terms of this Service Plan to issue bonds or other any other form of debt without first amending this Service Plan pursuant to C.R.S. § 32-1-207(2), as amended. Rather, the District's only financing powers will be to impose an operational mill levy upon all taxable real and personal property located within its boundaries, as well as to charge those reasonable fees, rates, tolls and charges related to the provision of the Services. All financial obligations of the District are subject to the Operations Mill Levy Cap and other limitations, as set forth below in Section V.c, below. Although the District is not authorized to issue revenue or general obligation bonds or any other form of debt, other financial obligations necessary for the purchase or lease of equipment and supplies are explicitly authorized herein. The District is also authorized by statute and by this Service Plan to enter into contracts and agreements for the Services to be provided by it.

c. Operations Mill Levy Cap

The "Operations Mill Levy Cap" shall mean an *ad valorem* mill levy (a mill being equal to 1/10 of 1¢) imposed upon all taxable property in the District each year to pay a portion or all of the District's administration, warranty, maintenance and other operating expenses. Upon organization, the District's Operations Mill Levy Cap shall be Fifteen (15.000) mills. In the event a constitutional or statutory change in the method of calculating assessed valuation is implemented after the date this Service Plan is approved, the Operations Mill Levy may be increased or decreased, as determined by the Board of Directors of the District, to reflect such

change (as adjusted, a “Gallagher Adjustment”). Such Gallagher Adjustment shall be made in good faith, shall be binding and final in the absence of manifest error, and shall be made so that, to the extent possible, the actual tax revenues generated by the Operations Mill Levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For the purposes of making an adjustment in the assessed valuation, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation; and the year 2016 shall be the base year (as of December 31, 2016) for the ratio for assessment of valuation.

d. Revenue Sources

It is anticipated that the primary source of revenue for the District will be through the imposition and collection of an Operations Mill Levy upon all taxable real and personal property located within the District’s boundaries in an amount not-to-exceed the Operations Mill Levy Cap, subject to any Gallagher Adjustments. The District will also be authorized to establish a system of fees, rates, tolls and charges, in accordance with C.R.S. §§ 32-1-101, *et seq.*, as amended, to generate revenue for operations and maintenance obligations. Without limitation, the District also anticipates imposing an operations fee of Twenty-Five Dollars (\$25.00) per month, in accordance with C.R.S. §§ 32-1-1001(1)(j) and (k), as amended, upon any builder-owned lots to help supplement the District’s expected revenues during the early growth phases of the Development. Other sources of revenue to the District may include, without limitation, contributions, advances from the Developer or others, interest income and specific ownership tax revenue. The District may impose varying levels of fees, rates, tolls and charges upon property contained within its boundaries or users for Services rendered, in accordance with C.R.S. §§ 32-1-101, *et seq.*, as amended, in recognition that there may be a differentiation of levels of usage among the users and taxpayers of the District, and among those members of the general public

who will not reside within the Development, of the provided Services. The District may adjust fees, rates, tolls and charges as necessary; the intent of the District is to net the cost of providing any Services for which it is responsible to the greatest extent possible.

Variations in assessed valuation projections or other external factors may affect the Operations Mill Levy and the existence or amount of fees, rates, tolls and charges from that which may be set forth in the Financing Plan. No funds or assets of the County will be pledged as security for the repayment of any obligations of the District. The District will not pledge as security for the repayment of any obligation any funds or assets to be transferred to the County.

e. Services of District/Operations, Maintenance and Administrative Costs.

The District will require sufficient operating funds to provide the Services in accordance with standards established by the State of Colorado. In addition, initial organizing costs of the District, including, legal, engineering and accounting costs and other administrative requirements. The annual operating budget is estimated to include expenditures of approximately Six Hundred and Eighty-Nine Thousand, Seven Hundred and Sixty-Eight Dollars (\$689,768) at such time when the Development is fully built out and developed.

The District will require sufficient operating funds to operate and maintain any Improvements not maintained or operated by other entities. An estimate of the District's annual operating expenses is included in the Financing Plan attached as **Exhibit F**. The District will incur costs for administrative functions, including legal, engineering, accounting and compliance. It is estimated that, among other costs, the District will incur the following organizational and operational costs as a part of each of the Districts' respective financing plans: 1. \$2,000,000 in engineering services; 2. \$500,000 in legal services; and 3. \$500,000 for administrative services;

the actual costs described herein are merely estimates, and may be subject to change as actual circumstances require.

An operational mill levy of fifteen mills (15.000) mills is estimated to be sufficient to operate and maintain the District, subject to Gallagher Adjustment. As the District is not authorized to incur any debt, the District will not be authorized to impose a debt service mill levy unless an amendment to this Service Plan is obtained pursuant to C.R.S. § 32-1-207, as amended.

f. Quinquennial Review

Pursuant to C.R.S. § 32-1-1101.5, as amended, the District shall, upon request by the County, submit an application for a quinquennial finding of reasonable diligence in every fifth (5th) calendar year after the calendar year in which the District's ballot issue to incur general obligation indebtedness is approved by its electorate. Upon such application, the County Board of County Commissioners may accept such application or hold a public hearing thereon and take such actions as are permitted by law. The County shall have all powers concerning the quinquennial review as provided by applicable Colorado statutes in effect from time to time. For the purposes of this Service Plan, it is understood that the District shall not have any authorization to incur general obligation indebtedness proposed to its electorate.

g. Financing Plan Conclusions and Emergency Clause

This Article V described the nature, basis, method of funding, debt and mill levy limitations, and other financial requirements and restrictions for the District's Services. Together with the Financing Plan attached hereto as **Exhibit F** and further described below, this Article V constitutes the financial plan for the District as required by C.R.S. § 32-1-202(2)(b), as amended. The Financing Plan includes estimated operations and administration costs (including estimated costs of warranty maintenance) and other major expenses related to the organization and

operation of the District. The Financing Plan does not project any issuance of the debt of any kind by the District. The Financing Plan demonstrates that, at the projected level of development, and with the projected support of the Developer, the District has the ability to finance the Services identified herein.

In the event that development activity occurs at a rate such that the mill levy from property values become insufficient to fund the District's Services within the mill levy cap and revenues from fees becomes an unreasonable burden to property owners, this Service Plan allows for enough financial and development flexibility to allow for slower-than-expected phasing within the Development.

VI. ANNUAL REPORT

The District will submit an annual report to the County within one hundred twenty (180) days from the conclusion of the District's fiscal year (December 31). The annual report shall include the following information:

- a. Description of the services currently provided by the District;
- b. Financial status of the District, including revenues collected, itemized expenditures and budget plan, and major changes in the financial state of the District;
- c. Description of the current mill levy of the District, if applicable, and how the District's mill levy compares to the total property taxes;
- d. Names of the Board members of the District;
- e. Times and places for regularly scheduled meetings of the District;
- f. Contact information for the District's principal business office;
- g. Location where public notices of the District are posted;

- h. Results of the elections of the prior year;
- i. Schedule of upcoming elections and election details;
- j. Board members whose terms are expiring, and personnel changes;
- k. Website address where District election results are posted, if applicable;
- l. Procedure and filing schedule for nominations for Board positions;
- m. Any District boundary changes accomplished or contemplated;
- n. Any significant policy changes accomplished or contemplated;
- o. Any intergovernmental agreements accomplished or contemplated;
- p. Status of compliance with applicable laws and regulations;
- q. Address of any website of the District, if applicable; and
- r. Any other events that significantly affect the District's operations.

VII. DISSOLUTION AND CONSOLIDATION

The District shall file a petition in the District Court for dissolution when there are no financial obligations or outstanding revenue bonds, or any such financial obligations or outstanding revenue bonds are adequately secured by escrow funds or securities meeting the investment requirements in part 6 of article 75 of title 24, C.R.S., and upon an independent determination by the Board and the Board of County Commissioners that other governmental entities are willing and able to acquire the District's facilities and to provide ongoing maintenance and service to service users of the District's systems. In the event that the District fails to provide the Services as described herein or if development activity detailed in this Service Plan ceases, the County may request an update of the District's financials to account for the failure to comply with the terms of the Service Plan, and the County may require the District

to justify any non-compliance with the Service Plan. Where appropriate, County action to require the dissolution of the District shall be held after a full and fair opportunity for the District to appear and be heard before the County Board of County Commissioners. Dissolution of the District is subject to approval of a plan of dissolution meeting the requirements of part 7 of article 1 of title 32, C.R.S., by the District Court.

The District may consolidate with one or more of the Infrastructure Districts in accordance with C.R.S. §§ 32-1-601, *et seq.*, as amended, if the Board of Directors of the District determines that operational and maintenance savings and efficiencies for the provision of the Services may be available through such consolidation.

VIII. MODIFICATION OF SERVICE PLAN

The District will obtain the approval of the Board of County Commissioners before making any material modifications to this Service Plan. Material modifications include modifications of a basic or essential nature including additions to the types of services provided by the District, change in dissolution date or change in revenue sources. This is not an exclusive list of all actions that may be identified as a material modification. County approval is not required for modifications to this Service Plan necessary for the execution of financing or construction of public improvements already outlined in this Service Plan.

IX. RESOLUTION OF APPROVAL

The District incorporates the Board of County Commissioners' Resolution approving this Service Plan, including any conditions of approval, into this Service Plan to be presented to the District Court as **Exhibit G**.

X. INTERGOVERNMENTAL AGREEMENTS

No intergovernmental agreements are proposed at this time; however, the District anticipates that intergovernmental agreements may be required in the future, particularly with one or more of the Infrastructure Districts and/or the Park District. The District shall provide the Elbert County Board of County Commissioners with notice of all intergovernmental agreements entered into by and between the District and other municipalities, or special districts.

XI. INITIAL BOARD OF DIRECTORS

The Organizers anticipate that the following qualified electors of the District will be nominated to serve as the initial Board of Directors:

Tim Craft

Randy Roberts

Jeff Keeley

Charles Foster

Eric Simpson

XII. CONCLUSION

This Service Plan demonstrates that:

1. There is sufficient existing and projected need for organized service in the area to be served by the District;

At build-out, the Project will consist of approximately 920 residential units with a projected population of 2,337 persons (assuming 920 units and 2.54 person-equivalents per unit). There are currently no other entities in existence in the County that have the ability to undertake the ongoing operation and maintenance of the improvements designated herein that are needed for the Project. Developer also understands that the County does not consider it feasible or practicable to provide the necessary services and facilities for the Development.

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

There are currently no other entities in existence in the County that have the ability or willingness to undertake the ongoing operation and/or maintenance of the capital improvements contemplated and necessary to serve the Development. The District also understands that the County does not consider it feasible or practicable to provide the necessary services and facilities for the Project. The District is willing to assume responsibility for the improvements and services designated herein.

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

As shown in the Financing Plan the District can support the services contemplated herein for the Project. As is also demonstrated herein, the District can provide these services economically under a single administrative and maintenance umbrella.

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

The District shall not have the authority to issue any indebtedness. Therefore, this condition is inapplicable to the District.

5. Adequate service is not, or will not be, available to the area through the County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

The County does not intend to provide improvements or Services for the Development. No other existing municipal or quasi-municipal corporations, including existing special districts such as the Elizabeth Park and Recreation District, intend to provide adequate service to the Development within a reasonable time or on a comparable basis. The scope of the Services contemplated herein together with the long-term maintenance needs associated therewith makes the District the only logical provider of such Services.

6. The facility and service standards of the District are compatible with the facility and service standards of each county within which the District is to be located and each municipality which is an interested party under C.R.S. § 32-1-204(1), as amended;

Based on the types of improvements proposed, the District's facility and service standards either meet or exceed the County's. There are no municipalities that constitute interested parties under Section 32-1-204(1), C.R.S. The District has or shall obtain the prior written consent of the Elizabeth Park and Recreation District to provide any overlapping services or facilities within its boundaries, to the extent that the District's physical and service area boundaries overlap with the Elizabeth Park and Recreation District. The Service Plan complies with the statutory criteria.

7. The proposal is in substantial compliance with the Elbert County Comprehensive Master Plan, as amended, adopted pursuant to C.R.S. § 30-28-106, as amended;

Based on the types of improvements proposed, the District's facility and service standards either meet or exceed the County's facility and service standards. There are no municipalities that constitute interested parties under Section 32-1-204(1), C.R.S. The Service Plan complies with the statutory criteria.

8. The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area; and

The District shall not provide for the construction or installation or any water facilities or improvements, and shall not provide any ongoing sanitary sewer or water facilities or services. Regardless, all sanitary sewer and water facilities and services will be constructed, operated and maintained in accordance with all County, local, State and Federal water quality rules, regulations and/or laws. The Developer is not aware of any conflict with this statute provision under any duly adopted County, local, State or Federal long-range water quality management plan for the area.

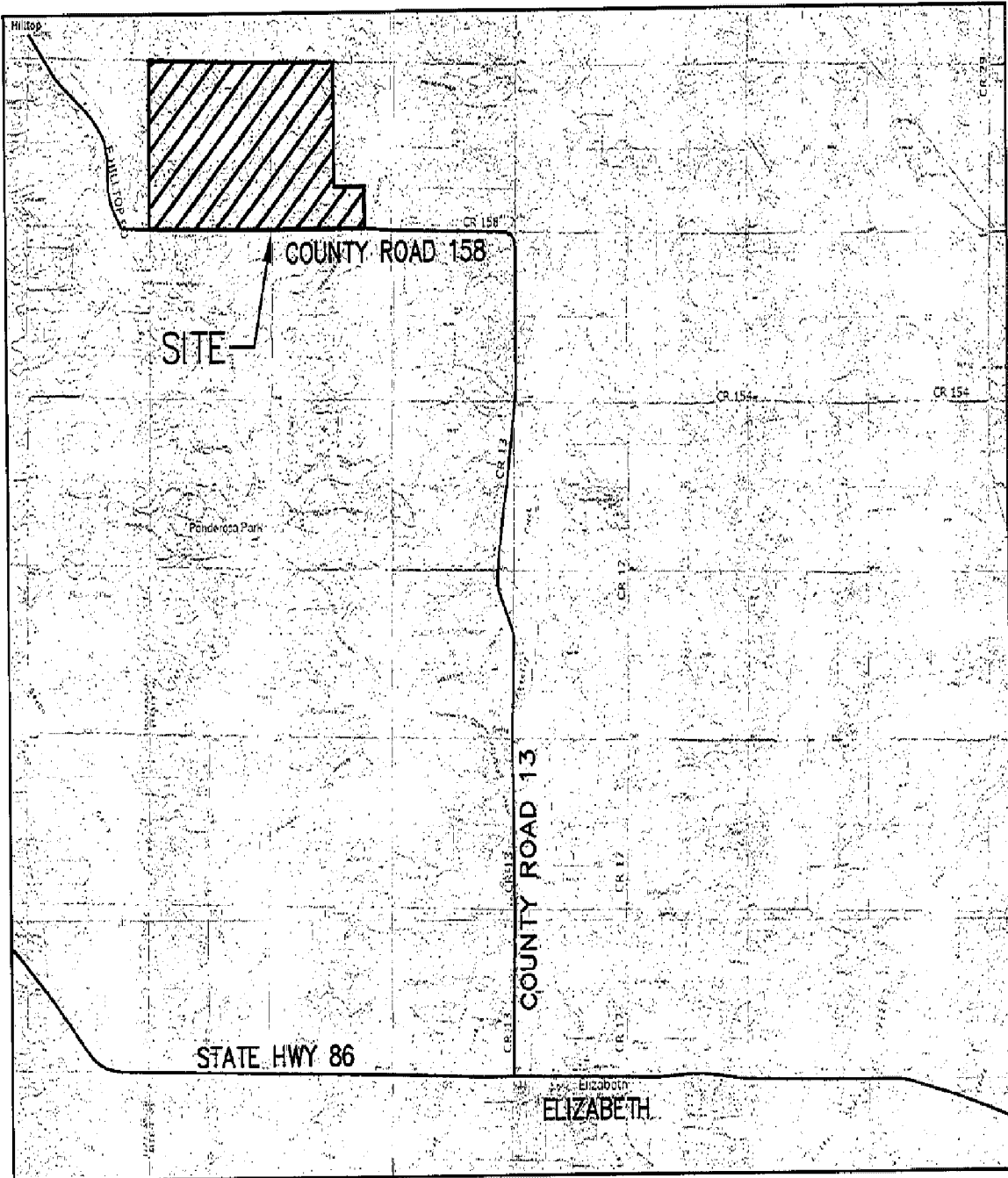
9. The creation of the District is in the best interests of the area proposed to be served.

The District is initially planned to be coextensive with the planned community known as Independence and will be organized to assist in the funding, integration and coordination of public facilities and services within and without its boundaries. The creation of the District will thus be in the best interests of the existing and future service users of the District, as well as those of the Water District and the Infrastructure Districts.

EXHIBIT A

Vicinity Maps





VICINITY MAP
SCALE: 1" = 1 MILE

EXHIBIT B

**Legal Description and Boundary Map
Initial Boundaries**

A parcel of land in the SW1/4SW1/4 of Section 14 and the SE1/4SE1/4 of Section 15, in Township 7 South, Range 65 West of the 6th P.M., County of Elbert, State of Colorado, described as:

Beginning at the Southwest corner of Section 14, being also the Southeast corner of said Section 15;
Thence West 230 feet along the South line of Section 15;
Thence North parallel to the East line of Section 15, for 284 feet;
Thence East parallel to the South line of Section 15, for 230 feet;
Thence North along the West line of Section 14 for 151.5 feet;
Thence East parallel to the South line of Section 14 for 200 feet;
Thence South parallel to the West line of Section 14 for 435.5 feet;
Thence West along the South line of Section 14 for 200 feet to the point of beginning.

AND

Upon the Recordation of Independence Subdivision Filing No. 1 with the Elbert County Clerk and Recorder:

Tracts D and E, Independence Subdivision Filing No. 1, County of Elbert, State of Colorado.

Inclusion Property Legal Description

Parcel A:

All of Section 15, West 1/2 of Section 14, and SW1/4SE1/4 of Section 14, all in Township 7 South, Range 65 West of the 6th Principal Meridian, County of Elbert, State of Colorado, except a parcel of land in the SW1/4SW1/4 of Section 14 and the SE1/4SE1/4 of Section 15, in Township 7 South, Range 65 West of the 6th P.M., described as:

Beginning at the Southwest corner of Section 14, being also the Southeast corner of said Section 15;

Thence West 230 feet along the South line of Section 15;

Thence North parallel to the East line of Section 15, for 284 feet;

Thence East parallel to the South line of Section 15, for 230 feet;

Thence North along the West line of Section 14 for 151.5 feet;

Thence East parallel to the South line of Section 14 for 200 feet;

Thence South parallel to the West line of Section 14 for 435.5 feet;

Thence West along the South line of Section 14 for 200 feet to the point of beginning.

Parcel B:

A parcel of land in the SW1/4SW1/4 of Section 14 and the SE1/4SE1/4 of Section 15, in Township 7 South, Range 65 West of the 6th P.M., County of Elbert, State of Colorado, described as:

Beginning at the Southwest corner of Section 14, being also the Southeast corner of said Section 15;

Thence West 230 feet along the South line of Section 15;

Thence North parallel to the East line of Section 15, for 284 feet;

Thence East parallel to the South line of Section 15, for 230 feet;

Thence North along the West line of Section 14 for 151.5 feet;

Thence East parallel to the South line of Section 14 for 200 feet;

Thence South parallel to the West line of Section 14 for 435.5 feet;

Thence West along the South line of Section 14 for 200 feet to the point of beginning.

EXCEPTING THEREFROM THE FOLLOWING INITIAL BOUNDARIES OF THE INDEPENDENCE METROPOLITAN DISTRICT NOS. 1-4, THE INDEPENDENCE WATER & SANITATION DISTRICT AND THE INDEPENDENCE OVERLAY DISTRICT:

A parcel of land in the SW1/4SW1/4 of Section 14 and the SE1/4SE1/4 of Section 15, in Township 7 South, Range 65 West of the 6th P.M., County of Elbert, State of Colorado, described as:

Beginning at the Southwest corner of Section 14, being also the Southeast corner of said Section 15;

Thence West 230 feet along the South line of Section 15;
Thence North parallel to the East line of Section 15, for 284 feet;
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Thence East parallel to the South line of Section 14 for 200 feet;
Thence South parallel to the West line of Section 14 for 435.5 feet;
Thence West along the South line of Section 14 for 200 feet to the point of beginning.

AND

Upon the Recordation of Independence Subdivision Filing No. 1 with the Elbert County Clerk and Recorder:

Tracts D and E, Independence Subdivision Filing No. 1, County of Elbert, State of Colorado.

EXHIBIT C

Boundary Map

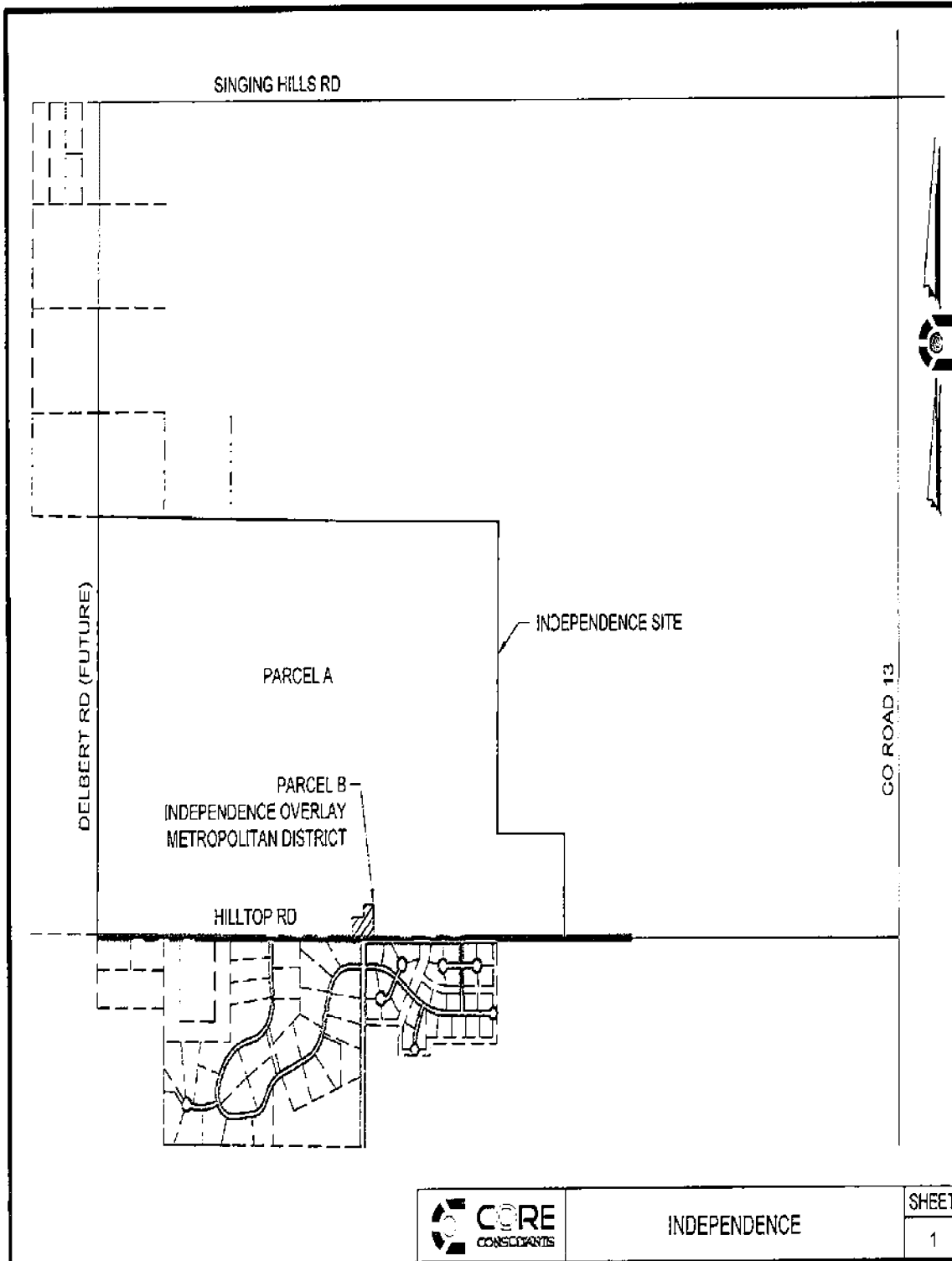


EXHIBIT D

Property Owner's Consent

March 15, 2017

County of Elbert
Board of County Commissioners
215 Comanche Street
Kiowa, Colorado 80117

RE: **Proposed Independence Metropolitan District Nos. 1-4, Independence Overlay Metropolitan District and Independence Water & Sanitation District (collectively, the "Districts")**

To Whom It May Concern:

Bluegreen Investments, LLC, a Colorado limited liability company, is the owner of the property attached hereto as **Exhibit A**, which property is proposed to constitute the boundaries of the Districts. The purpose of this letter is to advise that Bluegreen Investments, LLC consents to the organization of the Districts.

BLUEGREEN INVESTMENTS, LLC,
a Colorado limited liability company

By: [Signature]
Name: ROD WEIMER
Title: MANAGER / MEMBER

STATE OF COLORADO)
) ss
COUNTY OF Arapahoe)

Subscribed and sworn to before me on this 16th day of March, 2017, by Rod Weimer, as manager/member of Bluegreen Investments, LLC, a Colorado limited liability company.

[SEAL]

[Signature]
Notary Public

My commission expires 4 Dec 2017

NORMAN K. SOLOMON NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20014036908 MY COMMISSION EXPIRES DECEMBER 4, 2017

EXHIBIT A

Legal Description

Parcel A:

All of Section 15, West 1/2 of Section 14, and SW1/4SE1/4 of Section 14, all in Township 7 South, Range 65 West of the 6th Principal Meridian, County of Elbert, State of Colorado, except a parcel of land in the SW1/4SW1/4 of Section 14 and the SE1/4SE1/4 of Section 15, in Township 7 South, Range 65 West of the 6th P.M., described as:

Beginning at the Southwest corner of Section 14, being also the Southeast corner of said Section 15;

Thence West 230 feet along the South line of Section 15;

Thence North parallel to the East line of Section 15, for 284 feet;

Thence East parallel to the South line of Section 15, for 230 feet;

Thence North along the West line of Section 14 for 151.5 feet;

Thence East parallel to the South line of Section 14 for 200 feet;

Thence South parallel to the West line of Section 14 for 435.5 feet;

Thence West along the South line of Section 14 for 200 feet to the point of beginning.

Parcel B:

A parcel of land in the SW1/4SW1/4 of Section 14 and the SE1/4SE1/4 of Section 15, in Township 7 South, Range 65 West of the 6th P.M., County of Elbert, State of Colorado, described as:

Beginning at the Southwest corner of Section 14, being also the Southeast corner of said Section 15;

Thence West 230 feet along the South line of Section 15;

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Thence East parallel to the South line of Section 15, for 230 feet;

Thence North along the West line of Section 14 for 151.5 feet;

Thence East parallel to the South line of Section 14 for 200 feet;

Thence South parallel to the West line of Section 14 for 435.5 feet;

Thence West along the South line of Section 14 for 200 feet to the point of beginning.

EXHIBIT E

Preliminary Location of Open Space Public Improvements

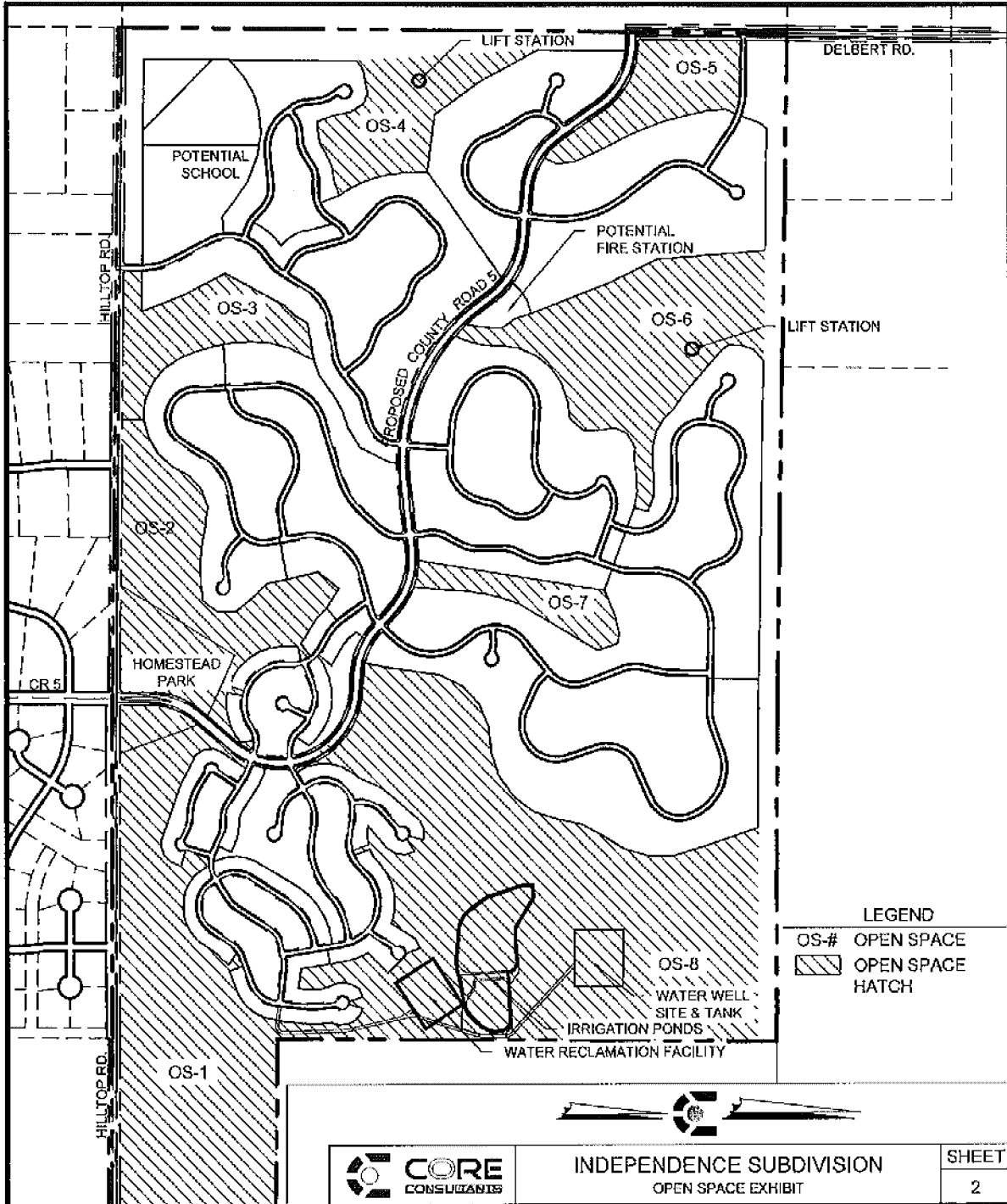


EXHIBIT F

Financing Plan

Independence Metro District 3/2/17 Overlay District v. Independence Metropolitan District (Overlay)
2-Mar-17 Elbert County, Colorado
12:22 PM Operations and Maintenance

Residential Property Tax Ratio (7.96%)

Operations Mill Levy -- 15 Mills

Residential Development

Preliminary as of
3/2/2017

Non Rated

Inflation @ 4.50% (Home Prices & Impact Fees)

Table of Schedules

1. Cover Page
 2. Cashflow Schedule of Revenue and Debt Service Coverage
- Buildout Support Schedules**
3. Residential Buildout and AV
 4. Residential Lot Values
 5. Residential Cumulative AV

CashflowR
3/2/2017 12:22

Independence Metropolitan District (Overlays)
Elbert County, Colorado
Operations and Maintenance

Cashflow for Operations Supported by Property Tax

Collection Year (1)	Projected Assessed Valuation (2)	Residential Bond Fund		Property Tax @ 88-50% (4)	District Impact Fees (5)	Specific Ownership Tax 6% (6)	Revenue Available for Operations (7)	Operating Expenses (8)	Annual Surplus/Deficit (15)	Cumulative Fund Balance (16)
		Levy (3)	Mill							
2016	0	15.0		0	0	0	0	0	0	0
2017	0	15.0		0	0	0	0	0	0	0
2018	0	15.0		0	0	0	0	0	0	0
2019	4,756,000	15.0		70,270	76,900	4,276	151,226	119,020	32,206	32,206
2020	6,496,000	15.0		96,978	80,100	5,759	181,837	128,060	53,777	85,983
2021	9,678,988	15.0		143,007	81,300	8,380	233,487	176,012	58,475	144,519
2022	14,415,068	15.0		212,985	81,300	12,779	307,062	188,336	118,726	263,244
2023	19,277,452	15.0		284,824	81,300	17,889	393,814	238,536	145,278	408,522
2024	25,083,641	15.0		370,611	81,300	22,237	474,147	296,221	217,926	626,449
2025	28,943,661	15.0		427,643	41,700	25,659	495,001	321,141	173,860	800,309
2026	33,733,676	15.0		498,415	17,700	29,905	546,020	333,817	212,203	1,012,512
2027	39,627,808	15.0		585,501	7,200	35,130	627,831	415,992	211,839	1,224,351
2028	44,942,242	15.0		670,724	0	39,443	689,768	422,595	267,173	1,491,523
2029	45,622,649	15.0		674,075	0	40,444	714,519	434,768	279,751	1,771,274
2030	47,790,321	15.0		705,511	0	42,331	747,842	434,768	313,074	2,084,348
2031	47,790,321	15.0		705,511	0	42,331	747,842	434,768	313,074	2,397,422
2032	48,705,327	15.0		719,621	0	43,177	762,798	434,768	328,030	2,725,452
2033	48,705,327	15.0		719,621	0	43,177	762,798	434,768	328,030	3,053,483
2034	49,679,434	15.0		734,014	0	44,041	778,054	434,768	343,286	3,396,769
2035	49,679,434	15.0		734,014	0	44,041	778,054	434,768	343,286	3,740,055
2036	50,673,023	15.0		748,694	0	44,922	793,616	434,768	358,846	4,088,903
2037	50,673,023	15.0		748,694	0	44,922	793,616	434,768	358,846	4,437,751
2038	51,686,483	15.0		763,668	0	45,820	809,488	434,768	374,720	4,832,470
2039	51,686,483	15.0		763,668	0	45,820	809,488	434,768	374,720	5,207,190
2040	52,720,213	15.0		778,941	0	46,736	825,678	434,768	390,910	5,598,100
2041	52,720,213	15.0		778,941	0	46,736	825,678	434,768	390,910	5,989,009
2042	53,774,617	15.0		794,520	0	47,671	842,191	434,768	407,423	6,386,433
2043	53,774,617	15.0		794,520	0	47,671	842,191	434,768	407,423	6,803,856
2044	54,850,109	15.0		810,410	0	48,625	859,035	434,768	424,267	7,228,123
2045	54,850,109	15.0		810,410	0	48,625	859,035	434,768	424,267	7,652,390
2046	55,947,111	15.0		826,619	0	49,597	876,216	434,768	441,448	8,093,837
2047	55,947,111	15.0		826,619	0	49,597	876,216	434,768	441,448	8,535,285
2048	57,066,054	15.0		843,151	0	50,589	893,740	434,768	458,972	8,994,257
2049	57,066,054	15.0		843,151	0	50,589	893,740	434,768	458,972	9,453,228
2050	58,207,375	15.0		860,014	0	51,601	911,615	434,768	476,847	9,930,076
2051	58,207,375	15.0		860,014	0	51,601	911,615	434,768	476,847	10,406,923
2052	59,371,622	15.0		877,214	0	52,633	929,847	434,768	495,079	10,902,002
					22,061,570	549,500	1,323,894	23,935,164	13,033,162	10,902,002

Independence Metropolitan District (Overstay)
 Elbert County, Colorado
 Operations and Maintenance

Independence Water Dept
 3/20/2017 1:52:00

Completion Year	Tax Collection Year	50%		50%		70%		80%		17 Acre		1 Acre		Market Value	Assessed Value @ 7.25%
		Units	Unit Price	Cost	Units	Unit Price	Cost	Units	Unit Price	Cost	Units	Unit Price	Cost		
		4.5% Inflation Meter		4.5% Inflation Meter		4.5% Inflation Meter		4.5% Inflation Meter		4.5% Inflation Meter		4.5% Inflation Meter			
0	2017	36	\$402,585	14,492,340	36	\$475,432	17,115,522	13	\$632,127	0	\$761,996	0	\$775,514	31,607,892	2,315,988
1	2018	36	\$420,850	15,144,455	36	\$496,629	17,885,732	16	\$660,573	0	\$793,638	0	\$813,547	35,437,142	2,741,000
2	2019	36	\$439,811	15,825,988	36	\$519,184	18,690,511	16	\$690,259	11,044,776	\$798,597	0	\$880,157	39,992,239	3,073,384
3	2020	36	\$459,364	16,578,167	36	\$542,647	19,531,889	24	\$721,262	17,212,686	\$881,064	0	\$966,414	44,468,699	3,400,000
4	2021	36	\$480,058	17,393,320	36	\$566,962	20,410,614	24	\$753,623	18,001,757	\$974,143	0	\$1,063,392	49,025,387	3,740,000
5	2022	36	\$501,683	18,280,062	36	\$592,475	21,320,022	24	\$787,742	18,905,886	\$1,176,815	0	\$1,274,170	53,811,142	4,100,000
6	2023	36	\$524,244	19,231,901	36	\$619,138	22,283,601	24	\$823,194	19,796,851	\$1,304,181	18,223,628	\$1,413,628	58,606,198	4,450,000
7	2024	36	\$547,847	20,251,301	36	\$646,987	23,281,301	24	\$850,238	20,722,850	\$1,334,125	0	\$1,447,125	63,073,847	4,781,878
8	2025	36	\$572,496	21,341,301	36	\$676,112	24,322,752	24	\$878,426	21,799,426	\$1,368,426	0	\$1,481,946	67,829,946	5,100,000
9	2026	36	\$598,200	22,501,301	36	\$707,125	25,412,752	24	\$907,426	22,922,850	\$1,403,125	0	\$1,517,125	72,829,946	5,420,000
10	2027	36	\$625,000	23,731,301	36	\$739,125	26,622,752	24	\$937,426	24,122,850	\$1,438,125	0	\$1,553,125	78,129,946	5,740,000
11	2028	36	\$653,000	25,041,301	36	\$772,125	27,902,752	24	\$968,426	25,392,850	\$1,473,125	0	\$1,589,125	83,629,946	6,060,000
11	2028	228		103,611,722	228		167,951,344	137		104,022,051	20		16,283,628	93,910,927	4,487,310
							148,171,248								

Lots

Independence Metropolitan District (Overlay)
 Elbert County, Colorado
 Operations and Maintenance

Tracking of Lots							
Year for Collection	# of UnSold Lots	Improved Lots	Added Lot Value at \$50,000 / Lot	Added Assessed @ 29%	# of Lots Sold	Value of Lots Built on \$50,000 / Lot	AV Deducted 29%
2019	920	328	16,400,000	4,756,000			
2020	920	120	6,000,000	1,740,000			
2021	920	118	5,900,000	1,711,000	72	3,600,000	1,044,000
2022	848	118	5,900,000	1,711,000	109	5,450,000	1,580,500
2023	739	118	5,900,000	1,711,000	112	5,600,000	1,624,000
2024	627	118	5,900,000	1,711,000	120	6,000,000	1,740,000
2025	507		0	0	116	5,800,000	1,682,000
2026	391		0	0	120	6,000,000	1,740,000
2027	271		0		132	6,600,000	1,914,000
2028	139		0		80	4,000,000	1,160,000
2029	59		0		35	1,750,000	507,500
2030	24		0		24	1,200,000	348,000
		920	46,000,000	13,340,000	920	46,000,000	13,340,000

Independence Metro Distrit 3/21/17 Overlay District
 3/21/17 11:22

**Independence Metropolitan District (Overlay)
 Elbert County, Colorado
 Operations and Maintenance**

Schedule of Projected Assessed Valuation - Residential District

Year	Residential Assessed Value Added (Collection Yr.)	Improved Lots Assessed Value Added (Collection Yr.)	Residential Lots Assessed Value Deducted	Total Assessed Value Added (Collection Yr.)	Market Re-valuation Rate	Re-valuation Value	Total Assessed Valuation
					2% bi-annually		
0	2015						0
1	2016	0		0		0	0
2	2017	0		0		0	0
3	2018	0	0	0		0	0
4	2019	0	4,756,000	4,756,000		0	4,756,000
5	2020	0	1,740,000	1,740,000		0	6,496,000
6	2021	2,515,988	1,711,000	(1,044,000)		0	9,678,988
7	2022	4,412,000	1,711,000	(1,580,500)	2%	193,580	14,415,068
8	2023	4,775,384	1,711,000	(1,624,000)		0	19,277,462
9	2024	5,449,639	1,711,000	(1,740,000)	2%	365,549	25,083,641
10	2025	5,542,020	0	(1,682,000)		0	29,943,661
11	2026	5,951,142	0	(1,740,000)	2%	578,873	33,733,676
12	2027	7,808,132	0	(1,914,000)		0	39,627,808
13	2028	4,781,878	0	(1,160,000)	2%	792,556	44,042,242
14	2029	2,087,907	0	(507,500)		0	45,622,649
15	2030	1,563,219	0	(348,000)	2%	912,453	47,750,321
16	2031	0		0		0	47,750,321
17	2032	0		0	2%	955,006	48,705,327
18	2033	0		0		0	48,705,327
19	2034			0	2%	974,107	49,679,434
20	2035			0		0	49,679,434
21	2036			0	2%	983,589	50,673,023
22	2037			0		0	50,673,023
23	2038			0	2%	1,013,460	51,686,483
24	2039			0		0	51,686,483
25	2040			0	2%	1,033,730	52,720,213
26	2041			0		0	52,720,213
27	2042			0	2%	1,054,404	53,774,617
28	2043			0		0	53,774,617
29	2044			0	2%	1,075,492	54,850,109
30	2045			0		0	54,850,109
31	2046			0	2%	1,097,002	55,947,111
32	2047			0		0	55,947,111
33	2048			0	2%	1,118,942	57,066,054
34	2049			0		0	57,066,054
35	2050			0	2%	1,141,321	58,207,375
36	2051			0		0	58,207,375
37	2052			0	2%	1,164,147	59,371,522
38	2053			0		0	59,371,522
39	2054			0	2%	1,187,430	60,558,953
40	2055			0		0	60,558,953
41	2056			0	2%	1,211,179	61,770,132
42	2057			0		0	61,770,132
43	2058			0	2%	1,235,403	63,005,534
44	2059			0		0	63,005,534
45	2060			0	2%	1,260,111	64,265,645
46	2061			0		0	64,265,645
47	2062			0		0	64,265,645
48	2063			0		0	64,265,645
49	2064			0		0	64,265,645
50	2065			0		0	64,265,645
		44,887,310	13,340,000	(13,340,000)			44,887,310

EXHIBIT G

Board of County Commissioners' Resolution of Approval

STATE OF COLORADO }
 } ss
 COUNTY OF ELBERT }

At a meeting of the Board of County Commissioners for Elbert County, State of Colorado, held at the Courthouse in Kiowa on Thursday, the 7th day of September, 2017, there were present:

Danny Willcox	Chair
Christopher Richardson	Vice Chair
Grant Thayer	Commissioner
Dianna Hiatt	Deputy Clerk to the Board

When the following proceedings, among others were had and done, to wit:

**APPROVE
 RESOLUTION NO. _____**

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF
 ELBERT COUNTY, COLORADO
 APPROVING THE ORGANIZATION OF
 INDEPENDENCE OVERLAY METROPOLITAN DISTRICT**

WHEREAS, § 32-1-203, C.R.S. provides that no special district shall be organized except upon adoption of a resolution by the board of county commissioners approving the Service Plan of the proposed special district; and

WHEREAS, pursuant to §§ 32-1-201, *et seq.*, C.R.S., a Service Plan has been submitted to the Elbert County Board of County Commissioners (the "Commissioners") for the proposed Independence Overlay Metropolitan District (the "District"); and

WHEREAS, the territory of the proposed District is located wholly within the boundaries of Elbert County, Colorado (the "County"); and

WHEREAS, the boundaries of the District overlay with the boundaries of the existing Elizabeth Park and Recreation District (the "Park District"); and

WHEREAS, pursuant to C.R.S. § 32-1-107(3)(b)(IV), the Park District has consented to the formation of the District and the provision of the same services and facilities in any overlapping area; and

WHEREAS, pursuant to C.R.S. § 32-1-107(3)(b)(I), it is necessary for the County to adopt a resolution approving the inclusion of such overlapping services and facilities as part of the Service Plan for the proposed District; and

WHEREAS, the Commissioners have conducted a public hearing on the Service Plan for the proposed District on September 5, 2017 through September 7, 2017 (the "Hearing").

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ELBERT COUNTY, COLORADO:

Section 1. That notice of the Hearing was properly given pursuant to § 32-1-204, C.R.S., and in conformance with the County's adopted service plan regulations (the "Regulations"), and the Commissioners have jurisdiction to hear this matter.

Section 2. The Commissioners make the following findings pursuant to C.R.S. §§ 32-1-201, *et seq.*, as amended:

- a. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed special district.
- b. The existing service in the area to be served by the proposed special district is inadequate for present and projected needs.
- c. The proposed special district is capable of providing economical and sufficient service to the area within its proposed boundaries.
- d. The area to be included in the proposed special district has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
- e. Adequate service is not, or will not be, available to the area through the county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.
- f. The facility and service standards of the proposed special district are compatible with the facility and service standards of each county within which the proposed special district is to be located and each municipality which is an interested party under § 32-1-204(1), C.R.S.
- g. The proposal is in substantial compliance with a master plan adopted pursuant to § 30-28-106, C.R.S.
- h. The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area.
- i. The creation of the District will be in the best interests of the area proposed to be served.

Section 3. The Commissioners make the following findings pursuant to the County's Regulations:

a. Pre-application meetings for the Service Plan were held in accordance with the Regulations on September 20, 2016 and May 3, 2017, respectively.

b. The Service Plan was formally submitted to the County on or about May 4, 2017, and the submission was deemed complete on and after May 11, 2017 in accordance with the Regulations.

c. The Commissioners hereby deem the submission and review of the Service Plan to be in substantial compliance with the Regulations, and hereby expressly waive any deviations therefrom.

Section 4. Pursuant to C.R.S. § 32-1-107(3)(b)(II), the Board hereby approves the inclusion of overlapping services and facilities between the District and the Park District as part of the Service Plan for the District.

Section 5. Upon approval, this Resolution shall be attached to and incorporated within the Service Plan for the District as **Exhibit G**. The Service Plan for the Independence Overlay Metropolitan District is hereby approved with the following conditions:

1. The District shall submit an annual report to the Elbert County Board of County Commissioners.

2. Infrastructure and facilities developed by the Independence Districts shall conform to the Elbert County Construction Standards & Specifications.

3. The District shall not export water outside of Elbert County, with the exception for provisions of any emergency services.

This Special District was reviewed and approved by the Elbert County Board of County Commissioners on the 5th, 6th and 7th days of September, year 2017, A.D.

Upon a motion duly made and seconded, the foregoing resolution was adopted by the following vote:


_____ Aye
DANNY WILLCOX, CHAIR


_____ Aye
CHRISTOPHER RICHARDSON, VICE CHAIR


_____ Aye
GRANT THAYER, COMMISSIONER

**ATTEST: DIANNA HIATT
DEPUTY COUNTY CLERK**

BY: 
Deputy Clerk to the Board