

COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
WATER AND SEWER
SYSTEMS OPERATION FEE RESOLUTION (SOF)

A RESOLUTION IMPOSING A SYSTEMS OPERATION FEE FOR THE OPERATION AND MAINTENANCE OF WATER AND SEWER FACILITIES, SERVICES, AND PROGRAMS IN AND FOR THE COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT, DOUGLAS COUNTY, COLORADO; THIS RESOLUTION PROVIDES FOR THE AUTHORITY AND APPLICABILITY OF THE RESOLUTION; PROVIDES FOR INTENT AND PURPOSES; PROVIDES DEFINITIONS; PROVIDES FOR THE PAYMENT OF A SYSTEMS OPERATION FEE; PROVIDES FOR COMPUTATION OF THE AMOUNT OF THE FEE; PROVIDES FOR THE LIMITATION OF EXPENDITURE OF FUNDS FROM THE FEE TO CERTAIN CAPITAL, OPERATION, AND MAINTENANCE COSTS; PROVIDES FOR APPEAL OF DECISION; PROVIDES FOR A PENALTY AND ENFORCEMENT PROVISION; PROVIDES FOR SEVERABILITY; AND PROVIDES AN EFFECTIVE DATE.

WHEREAS, the Compark Business Campus Metropolitan District (“District”) has established that public water and sewer improvements, services, and programs as described in the Service Plan of the District cost money; and

WHEREAS, in order to provide adequate public water and sewer improvements and services to current landowners and users of District improvements, services, and programs the District wishes to require the payment of a fee to improve public water and sewer improvements, services and programs; and

WHEREAS, the District Manager has undertaken a review and study of the District’s public water and sewer system requirements applicable to the District as estimated by the District Manager and the Stonegate Village Metropolitan District (the water and sewer service provider to the District) and has reviewed potential remedies to address problems associated with the costs of public water and sewer facilities within the District and its out-of-District service areas and to address the requirements for operation and maintenance of infrastructure to serve the District and its out-of-District service areas; and

WHEREAS the District Manager has prepared an analysis concerning these issues, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, and based upon the Service Plan and the advice of consultants to Stonegate Village Metropolitan District has recommended a Systems Operation Fee (“SOF” as further defined below) and that all revenues generated be set aside and used for the purposes described in this Resolution and said Exhibit A; and

WHEREAS, the District’s Board of Directors finds that the recommendations of the District Manager are reasonably based upon the criteria and considerations contained in the analysis; and

WHEREAS, the Board hereby adopts the analysis and determines to adopt an SOF, such SOF to be in compliance with the analysis and in the amounts specified herein; and

WHEREAS, the Intergovernmental Agreement between the District and the Town of Parker (“IGA”) contains the following provision concerning District revenues, and the District finds that the SOF conforms to part E(ii) of such provision:

“E. *Revenue Sources.* The District shall not impose or assess against the Property any taxes, assessments, facilities fees, availability of service fees, other fees, rates, tolls, penalties, or charges without first obtaining Town approval as evidenced by a Town Council resolution; however, the foregoing limitation shall not apply to:

i. Any and all revenue sources pledged to the payment of any indebtedness, bonds, other financial obligations of the District, developer reimbursements and/or any refunding of any of the foregoing;

ii. Development (facilities) or impact fees or “tap fees” or periodic rates and charges for water and/or sanitation purposes; provided such fees, rates and charges are uniform among like types and classes throughout the District and no higher fee, rate or charge is imposed on the basis of incorporated status. These include such fees collected for the use of the District and any collected for or on behalf of a water or sewer provider such as Stonegate Village Metropolitan District;

WHEREAS, the Board finds that the SOF is rational, reasonable, and related to the cost of providing the services to be paid by the SOF.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT, DOUGLAS COUNTY, COLORADO:

Section A. The Rules and Regulations of the District are hereby amended by the addition of the following:

Sec. 1 Authority and Applicability

- (a) The Board has the authority to adopt this Resolution pursuant to Section 32-1-1001(1)(j) and (k), C.R.S. and Section 31-35-402(1)(f), C.R.S.
- (b) This article shall apply to: (1) all real property within the District, and (2) all real property that is served water and/or sewer by the District but that is located outside of the District.
- (c) In addition to paying other costs, the SOF supersedes and replaces the monthly “Sustainability Fee” of the District and the Stonegate Village Metropolitan District within the District and the out-of-District service area.

Sec. 2 Intents and Purposes

- (a) The purpose of this Resolution is to assure that system users bear some of the cost of providing public water and sewer facilities, services, and programs of the District that enhance, expand, improve, or benefit current and new Feepayers.
- (b) The purpose of this Resolution is as further set forth in the recitals hereof.

Sec. 3 Definitions

- (a) “Board” means the Board of Directors of the Compark Business Campus Metropolitan District.
- (b) “District Manager” means the District Manager of the District and/or designees.
- (c) A “Feepayer” is a person, not including the District, who occupies a structure with or who has applied for a certificate of occupancy or holds a water and/or sewer tap for a structure on a platted lot within or outside of the District and is connected to the District water and/or sewer system.

Sec. 4 Imposition of Systems Operation Fee

- (a) Any person who, after the effective date of this article is connected to the water and/or sewer systems of the District (or Stonegate Village Metropolitan District within the District service area) shall pay a Systems Operation Fee (“SOF”) to the District. The SOF shall be a fee of the District imposed pursuant to Section 32-1-1001(1)(j) and (k), C.R.S. for the purposes of furnishing water and sewer facilities, services, and programs of the District.
- (b) The Feepayer shall be responsible for paying all SOFs in the amount set forth in Sec. 5 hereof and in the manner set forth in Sec. 6 hereof.

Sec. 5 Computation of the Amount of Systems Operation Fee

- (a) The SOF for water shall be \$15/SFE/month (as SFE is defined in the Rules and Regulations of the Stonegate Village Metropolitan District).
- (b) The SOF for sewer shall be \$15/SFE/month.

Sec. 6 Payment of Fee

- (a) The Feepayer shall pay the SOF to the District Manager on a monthly basis as invoiced by or for the District.

- (1) Failure to make a SOF payment on time, or failure to pay all of the SOF shall be a debt owned to the District and shall accrue interest until collected at the rate of one (1%) percent per month.
 - (2) The SOF and interest thereon shall be, until paid in full, a perpetual lien against the subject property as provided in Section 32-1-1001(1)(j), C.R.S. and may be enforced by the District in any manner allowed by law.
- (b) The District may contract with Stonegate Village Metropolitan District or any other person to act as the collecting agent for the SOF. The Stonegate Village Metropolitan District may include the SOF as an item on its monthly water and sewer bill sent to customers, in which case, notwithstanding any provision of this Resolution to the contrary, collection of the SOF shall be made in the same manner as Stonegate uses for the collection of its water and sewer rates.

Sec. 7 Use of Funds

- (a) The SOF shall be for the purposes of planning and development of public water and sewer improvements, systems, and programs as described in the Service Plan, the District-Stonegate Village Metropolitan District Regional Facilities Agreement, the District – E-470 Potomac Metropolitan District Facilities Construction and Service Agreement, and/or the draft or final SVMMD Capital Plan all as amended from time to time, (the “Facilities”), and all related water and sewer services, Facilities, and programs for the benefit of the District. The SOF may be used to finance, pay debt service, plan, acquire, and construct public water and sewer Facilities and in any other manner to acquire, dispose of, and trade or exchange (or arrange for any of the foregoing) water and sewer Facilities.
- (b) In addition, the SOF may be used for any or all of the following purposes by any available means, including the entry into and performance of intergovernmental agreements relating to the provision of public water and sewer Facilities, services, and programs:
- (1) To acquire, construct, manage, maintain, or operate all existing, potential, or future water rights, renewable or non-renewable interim or permanent water supplies, other public water and sewer systems, facilities, works or improvements, or to acquire a leasehold or any other interest therein.
 - (2) To acquire, hold, lease (as lessor or lessee), sell, or otherwise dispose of any legal or equitable interest in real or personal property utilized for water and sewer improvements and water rights.
 - (3) To apply for, acquire, sell, lease, dispose of, or exchange Facilities, and licenses, certificates, or permits for water and sewer purposes.

- (4) To enter into, make and perform contracts of every kind with the United States, any state or political subdivision thereof, or any individual, firm, association, partnership, corporation, limited liability company or any other organization of any kind with the capacity to contract for water and sewer purposes or other public facilities. To assist in the implementation of the Regional Facilities Agreement between the District and the Stonegate Village Metropolitan District, as the same may be amended from time to time.
 - (5) To employ agents and employees for water or sewer purposes.
 - (6) To incur and pay debts, liabilities, or obligations to the extent and in the manner permitted by law and as provided herein, and to borrow money and, from time to time, to make, accept, endorse, execute, issue and deliver bonds, notes, certificates of participation in lease-purchase agreements, and other obligations for monies borrowed or in payment for property acquired, or for any other purpose, and as provided by law, and to the extent permitted by law, to secure the payment of any such obligations by mortgage, pledge, deed, indenture, agreement, or other collateral instrument, or by other lien upon, assignment of, or agreement in regard to, all or any part of the properties, rights, assets, contracts, easements, revenues and privileges, all for water or sewer purposes.
 - (7) To buy, lease, construct, appropriate, contract for, invest in, and otherwise acquire, and to own, hold, maintain, equip, operate, manage, improve, develop, and deal in and with, and to sell, lease, exchange, transfer, convey, and otherwise dispose of, and to mortgage, pledge, hypothecate and otherwise encumber real and personal property of every kind, tangible and intangible, utilized for water and sewer purposes.
 - (8) To develop water and sewer planning and policy, including for water conservation and reuse.
 - (9) To construct and maintain water and sewer works and establish and maintain Facilities across or along any public street or highway.
 - (10) To provide for the rehabilitation of any surfaces adversely affected by the construction of water or sewer Facilities through the rehabilitation of plant cover, soil and rock stability, and other measures appropriate to the subsequent beneficial use of such lands.
 - (11) To provide any necessary or convenient public water and sewer facilities, services, and programs within the lawful authority of the District.
- (b) The District may enter into intergovernmental agreements pursuant to the State of Colorado statutes and Constitution concerning the collection and transmission of fees

collected and the expenditure, accounting and use of the SOF. The District may also enter into any other contract, private or otherwise, for the development, maintenance, or operation of any of its water and sewer Facilities, services, or programs.

- (c) In the proposed annual budget, the District Manager shall present to the Board for approval a proposed public improvements program, assigning funds, including any accrued interest, from the SOF to water and sewer Facilities, services, programs and related expenses. The District Manager may, from time to time, present proposed amendments for approval by the Board.
- (d) Proceeds of the SOF shall not be part of the general fund.

Sec. 8 Appeal

Any decision made by the District Manager in the course of administering this Resolution may be appealed to the Board of Directors for final decision.

Section B. Findings

The Board hereby finds, determines, and declares that this Resolution is promulgated in the best interests of the District. The Board further determines that the Resolution bears a rational relation to the proper legislative object sought to be attained.

Section C. Severability

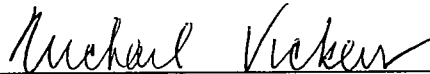
If any clause, sentence, paragraph, or part of this Resolution or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction invalid, such judgment shall not affect application to other persons or circumstances.

Section D. Effective Date

This Resolution shall be effective as of January 1, 2009.

RESOLVED, ratified and approved on February 24, 2009.

COMPARK BUSINESS CAMPUS
METROPOLITAN DISTRICT



Michael Vickers, President

ATTEST:



Donald Gravette, Secretary

C. Chandler Lippitt

EXHIBIT A
Compark Business Campus Metropolitan District
Analysis of Systems Requirements
February 17, 2009

By contract, the Compark Business Campus Metropolitan District (CBC) and the E-470 Potomac Metropolitan District (Potomac) are furnished water and sewer services from the Stonegate Village Metropolitan District (Stonegate).

Stonegate is in the process of upgrading, improving and expanding its water supply and sewage treatment system. Stonegate has estimated that the cost to complete the planned projects is \$120,889,260, which includes the expected costs of obtaining and developing renewable water. CBC's share of this cost is set by the terms of its intergovernmental agreement with Stonegate. The Stonegate agreement divides the costs of Stonegate's system improvements according to the number of taps that will be connected to Stonegate's system in the Stonegate, Lincoln Park, and CBC service areas. Each of the three service areas is to pay its share of the costs. The CBC service area includes CBC, Potomac, and out-of-district service areas such as Canyon Creek. CBC's 738 taps represent 16.25% of the total of 4,542 taps planned for the Stonegate system. Therefore, CBC's 16.25% share of Stonegate's estimated \$120,889,260 water and sewer capital plan is an estimated \$19,644,505.

CBC has established two fees to help pay the 16.25% share of the water and sewer system costs. The money received from these fees can only be used for water and sewer purposes.

- System Development Fees (SDF)
 - o This is a one time fee that shall be paid by developers at the same time as the facilities tap fee for any new user connecting to the water and sewer system.
 - o The amount of the SDF is determined by the number of single family equivalent taps (SFE's) that are needed for the development based on the size of the tap and Stonegate's Rules and Regulations.
 - o Currently, the SDFs are \$10,000/SFE for commercial property, \$2,000/SFE for a single-family detached residence, \$1,500/SFE for a single-family attached residence and, to encourage affordable student housing, \$0/SFE for a multi-family residence.
 - o Note: the SDF is charged in addition to the tap fee of \$14,995.69 per SFE (in 2009 until revised). The tap fee includes a system access charge paid to Stonegate of \$2,578.14 per SFE (in 2009 until revised), but does not include other connection fees.
- Systems Operation Fees (SOF)
 - o This is a monthly fee placed on each tap that is connected to the water/sewer system, including both existing taps and new taps that previously paid the SDF.
 - o Currently, the SOF is \$15/SFE/month for water and \$15/SFE/month for sewer. This fee is charged to each tap connected to the water and sewer system, including all taps in CBC, Potomac, and other users such as in Canyon Creek.
 - o Stonegate is collecting these fees on behalf of CBC and is paid a 2% collection fee.

As shown in the attached Analysis of Systems Requirements, with the current information available, the SDF is expected to generate \$596,000 and the SOF is expected to generate \$15,933,506 over the course of 60 years for a total of \$16,529,506. CBC will still need to generate \$3,114,998 from other sources to cover the entire estimated cost of its 16.25% share of the Stonegate projects.

CBC's power to collect fees such as the SDF and SOF was first approved by the voters in District elections held in 1998.

Compark Business Campus Metropolitan District
Analysis of Systems Requirements
February 17, 2009

Total projected amount needed to complete Stonegate projects -		\$ 120,889,260
(Per SVMD's Draft Capital Plan - 2009-2014 dated 9/15/08. The draft Capital Plan is incorporated into this Analysis by reference)		
Compark's portion of costs to complete (16.25%) ¹		19,644,505
Projected funds to pay for Stonegate projects:		
System Development Fees (SDF) on		
taps to be connected to the system ² :		
\$10,000/SFE – commercial	52 SFE's	\$ 520,000
\$2,000/SFE - SF/detached	38 SFE's	76,000
\$1,500/SFE - SF/attached	0 SFE's	-0-
\$0/SFE - MF	135 SFE's	-0-
40 unassigned SFE's		-0- ³
		596,000
Systems Operations Fees (SOF) on		
taps following connection ⁴ :		
\$30/month/SFE less 2% administrative fee paid to Stonegate for collection costs		
Year	SFE's	
2009	472	166,522
2010	560	197,568
2011	648	228,614
2012-2020	737	2,340,122
2021-2030	737	2,600,136
2031-2040	737	2,600,136
2041-2050	737	2,600,136
2051-2060	737	2,600,136
2061-2070	737	2,600,136
		15,933,506
Total projected revenue from SDF's and SOF's ⁵		(16,529,506)
Funds from other unpledged revenue sources ⁶		(3,114,998)
		\$ 0

¹ Compark currently has a total capacity for 738 SFEs (one of which belongs to Compark). Stonegate projects that a total of 4,542 SFEs will be connected to its systems.

² SDF's are calculated using current development assumptions

³ Revenue from the 40 unassigned SFEs is conservatively assumed to be \$0 because their use is unknown at this time. If SDF revenue is available from any of these 40 SFE's, then the amounts received would be applied against the "Funds from other unpledged revenue sources" to decrease the need for other revenues.

⁴ The SOF calculation assumes no additional SFE's in 2009, 88 new SFE's annually for 2010 and 2011, 89 new SFE's for 2012. Years 2012-2070 are calculated at the total SFE's of 737. The SOF applies to all existing and new taps connected to the system.

⁵ The schedule does not include any increase in fees. Compark has the authority to revise fees based on costs to provide facilities and services as allowed by law.

⁶ These revenues would be from sources that are not pledged to the payment of CBC bonds or may be covered by decreases in the percentage of costs attributable to CBC or cost savings by Stonegate.