

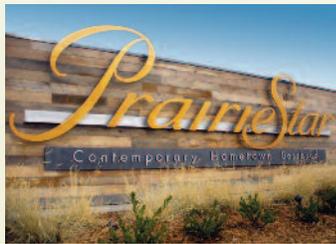
Understanding PrairieStar's Metropolitan District

WHAT IS A METROPOLITAN ("METRO") DISTRICT?

Providing Public Improvements and Services to Residents

A Metro District is a layer of government providing an efficient and effective way to fund and acquire public improvements; provide amenities and maintain common areas for the community. Taxes are levied by the District and paid for through your property taxes. In the case of PrairieStar, the Metro District replaces the HOA model.

A Metro District is not in the business of making a profit. Specific statutes govern the expenditures and revenues. A state-obligated budget, audit and other financial filing and reporting requirements provide regulatory oversight of all operations and provide governmental immunity against certain legal actions.



HOMEOWNER BENEFITS

Additional Amenities = Value

Enhanced public amenities beyond town standards (e.g. parks, trails, landscaping, open space, etc.), creates value for the homeowner's residence. For example, PrairieStar's park and medians on Cooperland Boulevard are above town standards to provide an upgraded feel in the neighborhood, creating value for the community as a whole.

No Homeowner's Association Dues

The Metro District funds and governs operations and maintenance expenses thereby eliminating the need for an HOA and it's annual dues (except for attached unit development at PrairieStar.)

Tax Deductible

The District taxes are also tax-deductible, where HOA dues are not - providing an additional economic benefit.

Able to Address Community Needs

Because of its local nature, a Metro District is able to operate through its Board of Directors, the same as an HOA would be able to respond to community needs. A Metro District also has the capacity to raise money through a bondable Metro District mill levy for capital improvement projects the District may desire.

CALCULATING YOUR METRO DISTRICT TAXES:

By way of example, if your home has a market value of \$400,000, the taxable value is calculated as follows:

$$\$400,000 \text{ (Market Value)} \times 7.2\% \text{ (Assessed Ratio)} = \$28,800 \text{ (Taxable Value)}$$

The Metro District taxes are based on a 49.749 (current) mill levy as follows:

$$\$28,800 \text{ (Taxable Value)} \times .049749 \text{ (District Mill Levy)} = \$1,432.77 \text{ (Metro District Taxes)}$$

PRAIRIESTAR'S OPERATING AND DEBT BUDGET:

Out of the District's total 49.749 mill levy, 11.055 mills is certified for the operating budget and the remaining 38.694 mills is certified to service the bonds issued for the acquisition and installation of public improvements.

\$1,432.77 (Metro District Taxes)

\$1,114.39 (Public Improvements/Bonds)

\$318.38 (PrairieStar Operating Budget)

This portion of the Metro District taxes provides services to residents, functioning much like an HOA

See what the operating budget covers



Understanding PrairieStar's Metropolitan District - continued

THE PRAIRIESTAR OPERATING BUDGET PROVIDES FUNDING FOR:

Administration of the District. This includes PrairieStar Metropolitan District meetings open to the public and attended by members of the community, the District's legal counsel and management of the District. It also includes necessary filings with the State of Colorado, maintaining and managing audits, insurance policies for the District, and general Administration.

Accounting for the District. This includes monthly payment of expenses, balancing of checking accounts, providing backup to the outside 3rd party engineer reviewing and approving Metropolitan District expenditures, annual, year-end accounting and balancing. This also includes oversight and collection of the property tax distributed to the Metropolitan District by the County Treasurer's Office.

Legal. This includes issues that require legal representation for the District, such as statute changes and compliance, zoning issues, covenant control, and/or general operation. The annual budget for Legal has been approximately \$10,000 per year for the District.

Audit. This annual operations and debt audit is a state-obligated requirement.

Covenant Control. This is a large item of the expenditure and includes the items currently contracted for with the District such as physical inspections, attendance of meetings, enforcement of the CC & R's and miscellaneous updates and changes to the Design Guidelines and response to neighborhood concerns as necessary.

Utilities. This includes the payment of water and electric for the parks, medians and monuments, as well as any additional irrigation within the native areas.

Common Area and Open Space Maintenance. This includes snow removal on the sidewalks and within the parks, the maintenance of parks (park structures and landscaping), trees along community streets, as well as the maintenance and weed removal of landscaped medians. Entry areas and signage are also included in the maintenance.

General Maintenance of Water Systems. This includes maintenance and supervision of the entire drainage system throughout the public areas of PrairieStar to ensure everything is operating correctly, covering storm sewer cleanout, maintenance of storm sewer gutters and inlets of public streets, water flow to detention ponds, swales, as well as drainage under 287 into the pond on the south side of 287.



HOW IS THE METRO DISTRICT GOVERNED?

PrairieStar's Metro District is governed by a five member Board of Directors, who are elected by the registered electors within the District to staggered four-year terms. Anyone who is registered to vote and resides within the District or who owns taxable property within the District is eligible to serve on the Board of Directors. Eligibility is only for the Districts that serve the property.

