

**RESOLUTION OF THE BOARD OF DIRECTORS
STONEGATE VILLAGE METROPOLITAN DISTRICT
SUPPORTING INCLUSION INTO THE
PARKER WATER & SANITATION DISTRICT**

WHEREAS, Stonegate Village Metropolitan District (“Stonegate”) is a quasi-municipal corporation and political subdivision of the state of Colorado that provides, among other things, water and wastewater service; and

WHEREAS, Parker Water & Sanitation District (“Parker Water”) is a quasi-municipal corporation and political subdivision of the state of Colorado that provides, among other things, water and wastewater service; and

WHEREAS, pursuant to Section 32-1-1001(1)(h) and (n), C.R.S., the Board of Directors of Stonegate has the ability to adopt resolutions related to the affairs of the district; and

WHEREAS, all of the water providers in the south metro Denver area, including those in Douglas County, are seeking renewable water sources; and

WHEREAS, Stonegate currently provides water and wastewater service to the Lincoln Park Metropolitan District, Compark Business Campus Metropolitan District, E-470 Potomac Metropolitan District and a multi-family parcel formerly within the Compark Business Campus Metropolitan District (“Stonegate Service Area”) and all of the district Boards within the Stonegate Service Area support the inclusion into Parker Water; and

WHEREAS, Stonegate’s wastewater treatment plant (“WWTP”) needs to be upgraded or replaced to reliably meet the Federal and State discharge requirements which will only become more difficult and costly to meet over time, especially for small providers like Stonegate; and

WHEREAS, the Board of Directors has explored all reasonable options to obtain renewable water and to address the WWTP needs, including remaining an independent water and wastewater service provider, contracting with various other water and wastewater providers, and joining with other water and wastewater providers, with the inclusion into Parker Water being the lowest overall cost and risk option; and

WHEREAS, the Board of Directors believes that a regional approach to water and wastewater is in the best interests of the property owners and customers within Stonegate and Douglas County as a whole; and

WHEREAS, inclusion of the Stonegate Service Area into Parker would help regionalize the water and wastewater service in northern Douglas County; and

WHEREAS, Parker Water is willing to include the Stonegate Service Area into the Parker Water boundaries and to provide water and wastewater service to the Stonegate Service Area; and

WHEREAS, the inclusion of the Stonegate Service Area into Parker Water can only realistically be accomplished by a vote of the eligible electors within the Stonegate Service Area; and

WHEREAS, the costs of addressing the water and wastewater challenges facing Stonegate and the properties within the Stonegate Service Area are significant; and

WHEREAS, joining with Parker Water provides risk mitigation, cost containment, efficiencies, and economies of scale lowering the overall cost increases more than the other options available; and

WHEREAS, the Board of Directors believes that inclusion of the Stonegate Service Area into Parker Water is the best option for addressing the water and wastewater challenges facing Stonegate.

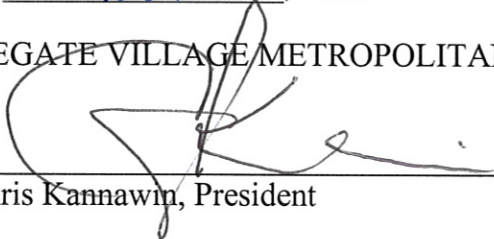
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF STONEGATE, THAT:

Stonegate supports the inclusion of the Stonegate Service Area into Parker Water and Sanitation District and urges the eligible electors within the Stonegate Service Area to vote in favor of such an inclusion.

RESOLVED this 23rd day of AUGUST, 2011.

STONEGATE VILLAGE/METROPOLITAN DISTRICT

By


Chris Kannawin, President