



6612 South Ward Street, Littleton, Colorado 80127 303.409.2100 Fax 303.409.2140 www.ifoohills.org

October 6, 2009

Mesa View Estates Homeowners' Association
12265 W Bayaud Ave., Ste. 110
Lakewood, CO 80228

Dear Mesa View Estates Homeowners' Association Board of Directors:

Thank you for your letter dated September 4, 2009 which proposes several points in relation to our August 19, 2009 conversations. In summary, the proposed topics include: Control of Estates Park, Control of Funds, and Future Increases. To further the discussion, this letter serves as an administrative response to your proposal.

Obviously, future discussions and negotiations are subject to approval by the Foothills Park & Recreation District's Board of Directors (Foothills Board). The Foothills Board will not be discussing the information outlined in this letter until its October 27th meeting. However, I wanted to provide you with an initial response prior to that meeting.

As I have stated previously, I commend the Mesa View Estates Homeowners' Association (Mesa View) for its desire to improve Estates Park in order to make the area more marketable, and to enhance the quality of life for your residents. Like you, I am confident that Mesa View Estates and the Foothills Board can reach an agreement that is amiable to everyone involved.

Your letter was presented to the Foothills Board on September 8, 2009 and an amendment to the agenda was made to accommodate a discussion. I have sent you the website link to those minutes so you may read the discussion that ensued. In general, I believe that there is a degree of receptivity to portions of the Mesa View proposal. It would require the cooperation of both entities to negotiate some of the more complicated matters, but options are possible

Foothills' legal counsel, Paul Rufien, and I have been charged with working through the Mesa View proposal to determine possible solutions. While considering your requests, we referred to Foothills Park & Recreation District precedents and creative actions taken by other political subdivisions to compile historical data. I will address all of the points offered in the Mesa View proposal and respond with the plausibility of each request.

Board of Directors

Jill D. Nunes
Chairman

Terri L. Maulik
First Vice Chairman

Janet N. Shangraw
Second Vice Chairman

Keith C. Sutton
Secretary

Walt Frankland
Treasurer

Ronald Hopp
Executive Director

1. Control of Estates Park

After conferring with legal counsel, I believe there are multiple options which Mesa View could consider to meet their end goal of control of Estates Park. The following lists potential solutions to meet your goals. The advantages and disadvantages, as well as the legal ramifications of each possibility, can be discussed in more detail at the Foothills Board meeting on October 7th.

- **Lease of the entire park.**
- **Lease of a portion of the park.**
- **Sale of a portion of the park.**
- **Sale of the entire park.**
- **Another contractual arrangement.**

As I have mentioned previously, there is some precedence to leasing property to an entity for the purpose of building a structure. I do believe that there are some limitations to the sale of either a portion of the park or the entire park due to deed restrictions; however, this option could be further explored through legal channels. I also believe that, because we are a governmental entity, the sale of property must be at fair market value. There could be some Foothills Board receptivity to negotiating control of Estates Park to Mesa View Estates, depending upon the terms of the agreement.

2. Control of Funds

There are basically two points to be made with regard to Control of Funds, which are summarized below.

- **Development of a sub-district to generate funds for improvements.**
- **Development of a sub-district in order to receive 80% of current revenues generated from the sub-district.**

The Development of a sub-district to generate funds for improvements has precedent. As you know, a neighborhood of the district had a desire to make improvements specific to their area. This group approached the Foothills Board with the desire to make these improvements through the creation of a sub-district, passing of a bond issue within their sub-district, and the passing of a mill levy to support the maintenance functions of the improvements. We could use this precedent as a model for a similar arrangement with Mesa View. I do believe there is receptivity to this approach by a majority of the Foothills Board.

Development of a sub-district in order to receive 80% of current revenues generated from the sub-district has no precedent. Furthermore, I do not believe that there is receptivity amongst a majority of the Foothills Board to set this as new precedent. However, if Mesa View takes control of the park in one of the ways outlined above, and assumes the maintenance standards that the district is currently undertaking, it is reasonable to assume that the district could convey the revenue that is deemed commensurate with the costs associated with that maintenance.

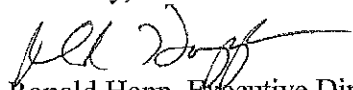
3. Future Increases

The conveyance of additional funds to the new sub-district for future cost increases is feasible as long as the level of service, and the cost associated with that level of service, increases as well. Furthermore, the level of service must be consistent with the level of service being provided to the rest of the district. Should Mesa View residents desire a higher level of service, the associated costs must be funded through additional revenues generated by the creation of the sub-district. Note there is no precedence to this type of agreement.

In regards to opting out of a mill levy vote, there is precedence. In the past, there have been areas of the district which have been excluded from a mill levy vote. Therefore, it is feasible that a mill levy opt-out could be a consideration, should the district determine such action is in the best interest of the community.

Mr. Rufien and I look forward to meeting with you on October 7th to discuss these ideas in greater detail. I am confident that Mr. Rufien will be a valuable addition to these discussions because of his prior involvement in similar negotiations and his expertise with regards to special districts.

Sincerely,



Ronald Hopp, Executive Director
Foothills Park & Recreation District

cc: Foothills Board of Directors
Paul C. Rufien, Legal Counsel