

Grant Street Ventures, LLC
Real Estate Development

~~JOS~~ / PSCOS
GFR
file w/ Central / PSMO
IGA

March 9, 2010

Ms. Jacque Wedding-Scott
City Manager
City of Centennial
13133 E. Arapahoe Road
Centennial, CO 80112

**RE: Parker Jordan Metropolitan District (the "District")/
City of Centennial (the "City")/
107 Acre Joint Ownership – Cost Analysis**

Dear Ms. Scott:

Pursuant to our recent discussions, please consider this the Cost Analysis on the 107 acres that the City desires to acquire 50% ownership and maintenance of that you've requested.

On September 10, 2009, the District acquired 80.13 acres of land from the John Robert Fetters Jr. and Joann Dransfeldt Fetters and Adain Sue Fetters and John R. Fetters III, and Mountain-Plains Investment Corporation, a Colorado Corporation. The acquisition price, including closing costs, title insurance and tax certification was **\$2,185,044**. Attached for your reference is the Settlement Statement from the closing labeled as "Exhibit A".

The additional costs that the District incurred associated with the acquisition of the 80.13 acres of property were **\$177,603**. These costs include items such as appraisal, surveying, legal, management, accounting, engineering and due diligence. They are broken out on the attached spreadsheet labeled "Exhibit B". If the City should desire actual copies of all the invoices and paid checks, please let me know and I'll arrange for delivery.

On December 3, 2009, the District acquired the note, deed of trust, and other related documents and rights to the 27 acres known as Vermilion Creek Condos. The seller was First Horizon Home Loans, a division of First Tennessee Bank National Association, a national banking association successor by merger to First Horizon Home Loan Corporation, a Kansas corporation. The acquisition price, including closing costs, title endorsements and recording fees was **\$895,285**. Attached for your reference is the Settlement Statement from the closing labeled "Exhibit C".

The additional costs that the District incurred associated with the 27 acre note acquisition were \$26,713. These costs include legal, management, accounting and due diligence. They are broken out on the attached spreadsheet labeled "Exhibit D". Additionally the District is in receipt of, and intends on payment of Invoice #9895 in the amount of \$10,887.67 (a copy of which is attached as "Exhibit E") payable to Gorrell Giles PC for legal work related to the completion of the foreclosure on the property.

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City of Centennial
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Finally, the District was successful in receiving a credit back from several of the guarantors on the defaulted note in the amount of \$12,500 (also shown on "Exhibit D"). These funds were paid partially in exchange for conditional forbearance and release of personal guarantees. In summary, the District spent \$37,601 in acquisition costs, and received back \$12,500 in reimbursement, for a total cost of **\$25,101**.

A summary of the expenditures to date are as follows:

80.13 Acre Acquisition Costs:	\$2,185,044
80.13 Acre Transaction Costs:	\$ 177,603
27 Acre Note Acquisition Costs:	\$ 895,285
27 Acre Note Transaction Costs:	\$ 25,101
Total 107 Acre Acquisition & Transaction Costs:	\$3,283,033
District's 50% Allocation	\$1,641,516.50
City's 50% Allocation	\$1,641,516.50

The District does not anticipate any additional expenditures associated with the acquisition or transactional work relating to the 107 acre property.

If this meets with the City's approval, please use the figure **\$1,641,516.50** as the base acquisition cost for the purposes of Section 2.2 of the draft IGA. Please note that the above figure does not include the legal fees that the District and City are incurring for the preparation of the IGA, and those fees will need to be included prior to calculating a final figure. Additionally, as a reminder and for your budgeting purposes, please note that Section 6.3 of the IGA states that each party shall put up \$50,000 for maintenance costs in 2010. If you have any questions, please feel free to contact me at (303) 741-2500. Thank you in advance for your cooperation.

Sincerely,

GRANT STREET VENTURES, LLC



Daniel R. Sheldon
Principal

Cc: Bob Blodgett, RS Wells
Dianne Miller, Miller Rosenbluth
Kevin Collins, Clifton Gunderson
Board of Directors, Parker Jordan Metro District

"Exhibit A"

File Number: F222619



FIDELITY NATIONAL TITLE INSURANCE COMPANY

STATEMENT OF SETTLEMENT FOR BUYERS

PROPERTY ADDRESS: No Site Address, Aurora, CO

BUYER(S): Paker Jordan Metropolitan District, a quasi municipal corporation

SELLER(S): John Robert Fetters, Jr and Joann Dransfeldt Fetters and Adain Sue Fetters and John R. Fetters, III and Mountain-Plains Investment Corporation, a Colorado corporation

SETTLEMENT DATE: September 10, 2009 DISBURSED: September 10, 2009 PRORATION DATE: September 10, 2009

LEGAL DESCRIPTION:

	DEBIT	CREDIT
Contract Sales Price	2,180,000.00	
Settlement or Closing Fee	Fidelity National Title Insurance Con	375.00
Title Insurance Premium	Fidelity National Title Insurance Con	4,639.00
Tax Certification	Fidelity National Title Insurance Con	30.00
Subtotals	2,185,044.00	
Balance Due FROM Purchaser/Borrower		2,185,044.00
TOTALS	2,185,044.00	2,185,044.00

The above figures do not include sales or use taxes on personal property

APPROVED and ACCEPTED

ESCROW AGENT:

By: 

Fidelity National Title

BUYER(S):

Paker Jordan Metropolitan District, a quasi municipal corporation and political subdivision of the State of Colorado

BY: 

Name: NORMAN SWELDON

Title: PRESIDENT

"Exhibit B"

PARKER JORDAN METROPOLITAN DISTRICT
 Parker Jordan Open Space Project Actual to Budget
 Project Costs through 01/31/10
 80.13 Acres

	Original Budget	Additions/ Deletions	Total Revised Budget	Actual YTD	Variance
Uses of Funds:					
Acquisition/Due Diligence Costs:					
Appraisal	7,000	-	7,000	7,500	(500)
Survey (Bell Surveying & Ground Engineering)	-	-	-	12,625	(12,625)
Legal	70,000	-	70,000	92,841	(22,841)
District Management	30,000	-	30,000	44,193	(14,193)
Accounting	5,000	-	5,000	4,688	312
Engineering	-	-	-	6,788	(6,788)
Due Diligence - Grant Street Ventures	-	-	-	8,968	(8,968)
Title Commitment	5,000	-	5,000	-	5,000
Closing Costs	2,500	-	2,500	-	2,500
Contingency	152,833	-	152,833	-	152,833
Total Acquisition/Due Diligence Costs:	272,333	-	272,333	177,603	94,730

"Exhibit C"

File Number: F225486



FIDELITY NATIONAL TITLE INSURANCE COMPANY

STATEMENT OF SETTLEMENT FOR BUYERS

PROPERTY ADDRESS: Vermilion Creek Condos, , CO

BUYER(S): Parker Jordan Metropolitan District, a quasi-municipal corporation

SELLER(S): First Horizon Home Loans, a division of First Tennessee Bank National Association, a national banking association successor by merger to First Horizon Home Loan Corporation, a Kansas corporation

SETTLEMENT DATE: December 3, 2009 DISBURSED: December 3, 2009 PRORATION DATE: December 3, 2009

LEGAL DESCRIPTION:

	DEBIT	CREDIT
Contract Sales Price	895,000.00	
Deposit or earnest money		350,000.00
Settlement or Closing Fee Fidelity National Title Insurance Corp	200.00	
End 104 First American Title Company	35.00	
Recording Escrow Clerk and Recorder	50.00	
Subtotals	895,285.00	350,000.00
Balance Due FROM Purchaser/Borrower		545,285.00
TOTALS	895,285.00	895,285.00

The above figures do not include sales or use taxes on personal property

APPROVED and ACCEPTED

ESCROW AGENT:

By: _____
Fidelity National Title

BUYER(S):

Parker Jordan Metropolitan District, a quasi-municipal corporation

BY: _____
Norman Sheldon, President

"Exhibit D"

PARKER JORDAN METROPOLITAN DISTRICT
 Parker Jordan Open Space Project Actual to Budget
 Project Costs through 01/31/10
 27 Acres

	Original Budget	Additions/ Deletions	Total Revised Budget	Actual YTD	Variance
Uses of Funds:					
Acquisition/Due Diligence Costs:					
Legal	-	-	-	15,295	(15,295)
District Management	-	-	-	3,717	(3,717)
Accounting	-	-	-	1,018	(1,018)
Due Diligence - Grant Street Ventures	-	-	-	6,684	(6,684)
Subtotal Acquisition/Due Diligence Costs:	-	-	-	26,714	(26,714)
Sources of Funds:					
Cost Reimbursement - Short Legged Tiger 2, LLC	-	-	-	12,500	(12,500)
Net Funds				(14,214)	14,214

"Exhibit E"



GORRELL GILES PC

1331 Seventeenth Street, Suite 1000
Denver, Colorado 80202
www.gorrellgiles.com
303.996.7200

Parker Jordan Metro District
9145 E. Kenyon Avenue
Suite 300
Denver, Colorado 80237

March 5, 2010

Attention: c/o Norman Sheldon, President

File #: 0585-0002
Inv #: 9895

RE: Vermilion Creek Purchase

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Dec-07-09	Confer with Dan Sheldon regarding foreclosure matters and upcoming Rule 120 hearing.	0.80	240.00	VGT
Dec-08-09	Confer with Dan Sheldon regarding upcoming Rule 120 hearing; begin preparing filings to substitute counsel in Arapahoe County District Court foreclosure.	2.00	600.00	VGT
Dec-09-09	Finalize Motion for Substitution and Entry of Appearance; file same; begin drafting deed in lieu agreement; confer with Dan Sheldon regarding same.	4.10	1,230.00	VGT
Dec-10-09	Obtain certified copies of deed of trust from Arapahoe County Public Trustee; continued attention to deed in lieu agreement and exhibits; confer with Dan Sheldon regarding same; confer with Dianne Miller regarding upcoming Rule 120 hearing.	1.60	480.00	VGT
Dec-11-09	Continue drafting Deed in Lieu agreement; confer with Dan Sheldon regarding title insurance and survey matters.	0.90	270.00	VGT
Dec-13-09	Continued attention to Deed in Lieu; email same to Dan Sheldon for review.	1.10	330.00	VGT
Dec-14-09	Telephone conference with Dan Sheldon; continued attention to Deed in Lieu; attention to Exhibits to Deed in Lieu (Warranty Deed,	1.50	450.00	VGT

Bill of Sale, Estoppel, Assignment of Rents, and Assignment of Leases); forward same to Jason Sherrill and Vermilion group.

	Draft Estoppel Affidavit, Warranty Deed, Bill of Sale, Assignment of Rights, and Assignment of Leases for Vince Toenjes. (kng)	1.20	108.00	LA1
Dec-15-09	Attention to Vermilion Deed in Lieu and foreclosure issues; confer with Dan Sheldon regarding same.	1.80	540.00	VGT
Dec-17-09	Attention to Deed in Lieu agreement and Vermilion's counsel's involvement; confer with Dan Sheldon regarding status of foreclosure and negotiations.	0.80	240.00	VGT
Dec-22-09	Attention to Vermilion issues.	0.10	30.00	VGT
Dec-28-09	Participate in conference call.	0.20	60.00	VGT
Dec-29-09	Draft and file Order Authorizing Sale; draft Ratification and Estoppel; email same to Dianne Miller and Jason Sherrill.	1.80	540.00	VGT
Dec-31-09	Status of Intent to Cure.	0.20	60.00	VGT
Jan-04-10	Confer with Dan Sheldon regarding grazing lease issues; confer with Jason Sherrill regarding estoppel matters.	1.20	360.00	VGT
Jan-05-10	Continued attention to estoppel; confer with Jason Sherrill; confer with Dan Sheldon and Norm Sheldon.	0.40	120.00	VGT
Jan-06-10	Conference call with Norm and Dan Sheldon.	0.50	150.00	VGT
Jan-07-10	Finalize initial draft of forbearance agreement; confer with Dan Sheldon.	1.90	570.00	VGT
	Communicate with Vince Toenjes regarding Public Trustee Sale; review CRS 38-38-106; communicate with Jessica Post of Arapahoe County Public Trustee's Office regarding Lender's Bid; forward Court's Order and Public Trustee Notice to Jennifer; begin draft of Lender Bid. (kng)	0.60	54.00	LA1
Jan-08-10	Revise Forbearance Agreement; email same to	4.00	1,200.00	VGT

	Matt Ruhland; draft Ratification & Estoppel and Acknowledgment of Ratification; email same to Jason Sherrill for execution.			
Jan-10-10	Email communication with Dan and Norma Sheldon; email communication with Jason Sherrill.	1.80	540.00	VGT
Jan-11-10	Draft public trustee's bid in anticipation for upcoming public sale; confer with Norm Sheldon and Dan Sheldon regarding same; arrange for filing of bid; confer with Dan Sheldon regarding possible defenses and claims; confer with Jason Sherrill, Dan Sheldon, Norm Sheldon and Dianne Miller regarding forbearance agreement.	4.50	1,350.00	VGT
Jan-12-10	Attention to signatures to Forbearance Agreement; numerous telephone conferences with Dan Sheldon regarding same.	0.60	180.00	VGT
Jan-13-10	Attend public trustee foreclosure sale with Dan Sheldon; follow up telephone conference with Dan Sheldon and Norm Sheldon regarding same; communicate with District and Dianne Miller regarding same.	2.00	600.00	VGT
Jan-21-10	Confer with Dan Sheldon regarding public trustee foreclosure sale and related matters.	0.40	120.00	VGT
Jan-27-10	Confer with Dan Sheldon regarding status of foreclosure and redemption process.	0.50	150.00	VGT
	Communicate with Arapahoe County Public Trustee regarding Confirmation Deed; communicate with Vince Toenjes regarding same; draft Deed Request; forward same to Arapahoe County Public Trustee. (kng)	0.50	45.00	LAI
Feb-04-10	Confer with Dan Sheldon regarding issuance of public trustee's confirmation deed and related matters.	0.30	90.00	VGT
	Totals	37.30	<u>\$10,707.00</u>	

DISBURSEMENTS

Dec-10-09	Arapahoe County Clerk & Recorder - certified deed of trust.		12.25	
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Jan-05-10	Online filing service of court documents	13.92
	Online filing of court case - First Horizon Home Loans v Vermilion Creek Condos (Entry of Appearance on 12/9/09).	
	Online filing service of court documents	27.65
	Online filing of court case - First Horizon Home Loans v Vermilion Creek Condos (Subst Party Plaintiff on 12/9/09).	
	Online filing service of court documents	6.18
	Online filing of court case - First Horizon Home Loans v Vermilion Creek Condos (Order Authorizing Sale on 12/18/09).	
	Online filing service of court documents	36.94
	Online research fees - LexisNexis File & Serve in preparation of Vermilion Creek filings.	
Jan-06-10	Teleconferencing Service - 17 minutes total for all participants.	1.23
Jan-11-10	Filing fee to file Request Lender Bid Form.	30.00
Jan-25-10	Courier service to Arapahoe County Public Trustee on 1/11/2010.	8.50
Jan-27-10	Confirmation Deed fee for Arapahoe County Public Trustee.	44.00

Totals \$180.67

Total Fee & Disbursements	\$10,887.67
Previous Balance	12,182.62
Previous Payments	12,182.62
Balance Now Due	\$10,887.67

Please remit payments to:

Gorrell Giles PC
 1331 Seventeenth Street, Suite 1000
 Denver, Colorado 80202