

MATERIAL EVENTS NOTICE

**Potomac Farms Metropolitan District
(In the City of Commerce City), Adams County, Colorado
General Obligation Refunding and Improvement Bonds (Limited Tax Convertible to
Unlimited Tax) Bonds, Series 2007A, and Convertible Capital Appreciation General
Obligation Refunding and Improvement (Limited Tax Convertible to Unlimited Tax)
Bonds, Series 2007B**

NOTICE IS HEREBY GIVEN that the Potomac Farms Metropolitan District (“District”) in the City of Commerce City, Adams County, Colorado, has received notice of the following Material Events in relation to the General Obligation Refunding and Improvement Bonds, Series 2007A and the Convertible Capital Appreciation General Obligation Refunding and Improvement Bonds, Series 2007B, dated September 26, 2007 (the “Bonds”), pursuant to the Continuing Disclosure Agreement executed on September 26, 2007, by the District and the Developer (the “Agreement”):

1. Agreement Section 3(c)(iii). A draw on the Reserve Fund or the Surplus Fund.

On or about June 1, 2012, \$88,496.30 was transferred from the Reserve Fund to the Bond Fund to pay debt on the Bonds. The District's debt service mill levy for property tax collection years is 57.475 mills which is the current Required Mill Levy pursuant to the Indenture.

**POTOMAC FARMS METROPOLITAN DISTRICT
February 12, 2013**