

SERVICE PLAN

FOR

CHURCH RANCH METROPOLITAN DISTRICT

(CITY OF WESTMINSTER, COLORADO)

Approved: September 8 2003

Prepared by:McGEADY SISNEROS, P.C.
1675 BROADWAY, SUITE 2100
DENVER, COLORADO 80202
(303) 592-4380

TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
II. PURPOSE OF THE DISTRICT	2
III. PROPOSED DISTRICT BOUNDARIES/MAPS	3
IV. PROPOSED LAND USE/POPULATION PROJECTIONS	3
V. DESCRIPTION OF PROPOSED SERVICES	4
A. Types of Improvements	4
1. Water	4
2. Streets	5
3. Television Relay and Translation	6
4. Mosquito Control	6
5. Other Powers	7
B. Standards of Construction/Statement of Compatibility	7
C. Facilities to be Constructed and/or Acquired	8
VI. DISSOLUTION/CONSOLIDATION	8
VII. CONSERVATION TRUST FUND	9
VIII. ASSESSED VALUATION	9
IX. DEVELOPER REIMBURSEMENT	10
X. PROPOSED AGREEMENT	10
XI. ESTIMATED COSTS OF FACILITIES	11
XII. OPERATION AND MAINTENANCE/ESTIMATED COSTS	11
XIII. FINANCIAL PLAN/PROPOSED INDEBTEDNESS	11
A. Proposed General Obligation Indebtedness.	12
B. Debt Limit	14
C. Mill Levy	14
D. Refinancing or Refunding of District Bonds	16
E. Cost Summary and Bond Development	16
F. Economic Viability	17
G. Projections of Assessed Valuation	17

H. Operations	17
XIV. MODIFICATION OF SERVICE PLAN	17
XV. FUTURE CITY COUNCIL APPROVAL	18
XVI. FAILURE TO COMPLY WITH SERVICE PLAN	18
XVII. RESOLUTION OF APPROVAL	18
XVIII. DISCLOSURE	19
XIX. ANNUAL REPORT	19
XX. CONCLUSION	20

LIST OF EXHIBITS

EXHIBIT A	Legal Description of District Boundaries
EXHIBIT B	District Boundary Map
EXHIBIT C	Vicinity Map
EXHIBIT D	List of Interested Parties
EXHIBIT E	Description of Facilities and Costs
EXHIBIT F	Water Improvements
EXHIBIT G	Street and Safety Protection Improvements
EXHIBIT H	Financial Plan
EXHIBIT I	Operation and Maintenance Expenses

SERVICE PLAN FOR THE CHURCH RANCH METROPOLITAN DISTRICT

I. INTRODUCTION

Pursuant to the requirements of the Special District Control Act, Section 32-1-201, et seq., Colorado Revised Statutes, this Service Plan consists of a financial analysis and an engineering plan showing how the proposed facilities and services of the proposed Church Ranch Metropolitan District ("District") will be provided and financed. The following items are included in this Service Plan:

1. A description of the proposed services;
2. A financial plan showing how the proposed services are to be financed;
3. A preliminary engineering or architectural survey showing how the proposed services are to be provided;
4. A map of the District boundaries and an estimate of the population and valuation for assessment of the District;
5. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the District are compatible with facility and service standards of the City of Westminster and of municipalities and special districts which are interested parties pursuant to Section 32-1-204(1), Colorado Revised Statutes;
6. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated

proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the District; and

7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the proposed District and such other political subdivision.

II. PURPOSE OF THE DISTRICT

It is intended that the District will provide certain essential public purpose facilities for the use and benefit of its taxpayers and service users as well as the general public. The District is expected to finance the construction or acquisition of improvements and provide such other services as are described in this Service Plan.

The major purpose of the District is to finance and acquire or construct public improvements and to dedicate, when appropriate, such public improvements to the City of Westminster, Colorado (the "City") or to such other entity as appropriate for the use and benefit of the District taxpayers and service users, provided such entity is approved by the City.

Adequate service is not, and will not be, available to the Property through existing county, municipal or other quasi-municipal corporations within a reasonable time and on a comparable basis. Currently, there are no other special districts capable of providing the essential public purpose facilities required for development of the property. See **Exhibit D** attached hereto and incorporated herein, which lists other special districts and interested parties as defined by Section 32-1-204(1), C.R.S.

In all cases, the District acknowledges the need and its intent to cooperate with the City to serve and promote the health, safety, prosperity, security and general welfare of its inhabitants.

III. PROPOSED DISTRICT BOUNDARIES/MAPS

The area to be served by the proposed District is located in the City East of Wadsworth Boulevard, South of Walnut Creek, West of U.S. 36, North of Big Dry Creek. The total area to be initially included in the proposed District is approximately 55.5 acres (the "Property"). A legal description of the Property is attached hereto as **Exhibit A**. A map of the boundaries of the Property is attached as **Exhibit B** and a vicinity map is attached as **Exhibit C**.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS

At present, the Property within the proposed District is zoned commercial by the City. The Property is currently served by the facilities and/or services as constructed by Church Ranch Land Company LLC (the "Developer"). The City or any other special district does not have any plans to provide such services within a reasonable time and on a comparable basis. It is anticipated that the Property within the proposed District would be utilized for office buildings and hotel purposes. The peak daytime population is estimated at 3,500 persons, calculated by applying the parking ratio to the square footage anticipated for each of the types of development within the Property. In order to facilitate the development of the Property as planned, the provision of facilities and services proposed to be provided by the District will be necessary.

It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to parts 4 and 5 of Article 1, Title 32, C.R.S. The number, scope

and terms of inclusions and exclusions will be determined by the Board of Directors (the "Board") of the District at the time of consideration, and subject to approval of City staff, which approval shall not be unreasonably withheld.

V. DESCRIPTION OF PROPOSED SERVICES

The following paragraphs provide a description of the services to be provided by the District.

A. Types of Improvements.

The District plans to provide for the design, acquisition, construction, installation, and financing of certain water improvements, street and safety protection improvements, television relay and translation and mosquito control services within and without the boundaries of the District. This Service Plan generally describes those improvements anticipated for construction in the following paragraphs, and **Exhibit E** lists the improvements currently planned to be provided relating to each type as well as the phasing of construction of such facilities (the "Improvements"). The Improvements generally depicted and described in **Exhibit F** and **Exhibit G** have been presented for illustration only, and the exact design, subphasing of construction and location of the Improvements will be determined at the time of final platting.

1. Water. The District shall have the power to provide for the design, acquisition, construction, completion, relocation, installation and/or operation and maintenance of a complete non-potable water supply, storage, transmission, and distribution system, which may include, but shall not be limited to, water pumps, pump stations, transmission lines, distribution mains and laterals, meters, treatment facilities, irrigation facilities, storage facilities, detention/retention ponds, land and easements, and all necessary, incidental, and appurtenant facilities, together

with extensions of and improvements to said system within and without the boundaries of the District. The District will only construct transmission lines; the property owners will be responsible for making the connection to the raw water tap and the construction, installation, repair and maintenance of individual water lines from the raw water tap to the buildings within the development. Neither the District nor the City will be responsible for the maintenance of the water tap or individual water lines.

Home Place Land & Cattle Co, Inc. Architectural Review Committee will maintain the non-potable water facilities within the District.

2. Streets. The District shall have the power to provide for the design, acquisition, construction, completion, relocation, installation, and/or operation and maintenance of street improvements, including but not limited to curbs, gutters, culverts, and other drainage facilities, underground conduits, right-of-way, sidewalks, trails, bike paths and pedestrian ways, pedestrian overpasses, retaining walls, interchanges, paving, lighting, grading, landscaping, land acquisitions and easements, and all necessary, incidental, and appurtenant facilities within and without the boundaries of the District, as well as for the acquisition, construction, completion, installation, and/or operation and maintenance of facilities and/or services, for a system of traffic and safety controls and devices on streets and highways, including but not limited to signalization, signage and striping, area identification, driver information and directional assistance signs, entry monumentation, and all necessary, incidental, and appurtenant facilities, land acquisitions and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District. It is anticipated that the street improvements will be owned, operated and

maintained by the City; however, the District may supplement maintenance as it deems necessary or desirable to benefit its taxpayers and service users.

In addition, as part of its street powers, the proposed District shall undertake storm drainage improvements and have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of a complete storm drainage system. The system may include, but shall not be limited to, flood and surface drainage facilities and systems, including detention/retention ponds, settling ponds and associated landscaping and irrigation facilities and all necessary, incidental, and appurtenant facilities, land acquisitions and easements, together with extensions of and improvements to the system within and without the boundaries of the District.

3. Television Relay and Translation. The District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of television relay and translation facilities and programs, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or programs within and without the boundaries of the District. Notwithstanding any state or federal law to the contrary, no above-ground television relay and translation facilities shall be constructed without the express written approval of the City and acquisition of all requisite design approval and permits; such permits and approvals to be issued at the sole discretion of the City. Following acceptance, the television relay and translation improvements will be owned, operated and maintained by the City, the District or other appropriate jurisdictions.

4. Mosquito Control. The District shall have the power to provide for the eradication and control of mosquitoes, including but not limited to elimination or treatment of

breeding grounds and purchase, lease, contracting or other use of equipment or supplies for mosquito control within the boundaries of the District. No debt will be incurred by the District for purposes of provision of this service. Any mosquito control services will be provided pursuant to contract(s) with appropriate service providers.

5. Other Powers. In addition to the enumerated powers, the Board shall also have the following authority:

(a) Plan Amendments. To amend the Service Plan as needed, subject to the appropriate statutory procedures.

(b) Phasing, Deferral. Without amending this Service Plan, to defer, forego, reschedule, or restructure the financing and construction of certain Improvements and facilities, to better accommodate the pace of growth, resource availability, and potential inclusions of property within the District.

(c) Additional Services. Except as specifically provided herein, to provide such additional services and exercise such powers as are expressly or impliedly granted by Colorado law. The District shall not provide additional services, nor shall it exercise the power of eminent domain without the prior approval of City staff, which approval shall not be unreasonably withheld.

B. Standards of Construction/Statement of Compatibility.

1. All water facilities have been or will be constructed and maintained in accordance with City standards and specifications and in accordance with other applicable local, state or federal rules and regulations or other jurisdictions.

2. All streets and safety protection facilities have been or will be constructed and maintained in accordance with City standards and specifications and in accordance with other applicable local, state or federal rules and regulations or other jurisdictions.

3. All storm sewers and facilities have been or will be constructed and maintained in accordance with City standards and specifications and in accordance with other applicable local, state or federal rules and regulations.

4. The District shall be subject to the City zoning, subdivision, building codes, land use regulations, and all other applicable laws, rules and regulations pertaining thereto, and the District or Developer will obtain approval of civil engineering plans and a permit for construction and installation of Improvements from the City.

Based on an analysis of jurisdictions which are interested parties in the Service Plan proceedings as defined in the Colorado Revised Statutes, a list of which is attached as **Exhibit D**, the proposed District's engineers have determined that the standards by which the facilities are to be constructed are compatible with the facilities of such other jurisdictions.

C. Facilities to be Constructed and/or Acquired.

The District proposes to provide and/or acquire those facilities generally described herein.

VI. DISSOLUTION/CONSOLIDATION

In accordance with Section 32-1-701, C.R.S., et seq., the District may pursue dissolution or it may pursue consolidation of its boundaries, pursuant to Section 32-1-601, C.R.S., et seq. The District shall file a petition in the Jefferson County District Court, subject to completion of all

required statutory procedures, for dissolution at the request of the City if provision for payment of the financial obligations of the District has been made, and the ongoing operations and maintenance obligations of the District are assumed, to the satisfaction of the District, by another governmental entity. Consolidation of the District with another Title 32 special district shall constitute a material modification of this Service Plan, unless approval of the City is obtained.

Subsequent to repayment of the debt incurred to design, construct or acquire the Improvements necessary to serve the Property, it is anticipated that the District or an owners association within the property will continue to operate and maintain streetscape areas.

VII. CONSERVATION TRUST FUND

The District shall claim no entitlement to funds from the Conservation Trust Fund which is derived from lottery proceeds. The District shall remit to the City, any and all Conservation Trust Funds which it receives.

VIII. ASSESSED VALUATION

The 2004 estimated actual valuation for the property within the District is Thirty Eight Million Seven Hundred Twenty Thousand Six Hundred Sixty-Five Dollars (\$38,720,665), and the 2004 estimated assessed valuation for the property within the District is Eleven Million Two Hundred Twenty-Eight Thousand Nine Hundred Ninety-Three Thousand Dollars (\$11,228,993) ("2004 Estimated Assessed Valuation"). The projected build-out for the proposed District is set forth in the Financial Plan attached hereto as **Exhibit H**.

IX. DEVELOPER REIMBURSEMENT

Upon the issuance of bond proceeds, the Developer will be reimbursed for moneys expended in constructing and financing Phase I Improvements. Developer acknowledges the City's desire to have these moneys, less any reimbursement related to Church Ranch Boulevard right-of-way ("Moneys"), reinvested into the development and will reinvest these Moneys into the Church Ranch development. Such reinvestment may include, but is not limited to, the reduction of debt secured by properties located within the City.

X. PROPOSED AGREEMENT

The District and the Developer currently anticipate Phase II Improvements will be constructed and financed in the amount of Three Million Two Hundred Twenty-Seven Thousand Dollars (\$3,227,000) at some point in the future. These Phase II Improvements, as yet undetermined by the Developer, the District or the City, will be within the water, street and safety protection, and television relay and translation powers authorized in this Service Plan unless mutually changed by all parties. The District will enter into an agreement with the City whereby the District agrees to construct and complete and finance up to Three Million Two Hundred Twenty-Seven Thousand Dollars (\$3,227,000) of Phase II Improvements at such time as the Phase II Improvements are specifically described by the City and agreed upon by the District and the assessed valuation of the property within the District, as provided by the Jefferson County assessor, is equal to or greater than Twenty-One Million Dollars (\$21,000,000). At such time as these Phase II Improvements are constructed, the District anticipates issuing bonds in the amount of Three Million Three Hundred Thousand Dollars (\$3,300,000) to fund such Improvements.

XI. ESTIMATED COSTS OF FACILITIES

The estimated costs (in year 2003 dollars) of the facilities to be constructed, installed and/or acquired by the proposed District are set forth in **Exhibit E** attached hereto.

XII. OPERATION AND MAINTENANCE/ESTIMATED COSTS

Subject to the applicable warranty, the District intends to dedicate certain facilities constructed or acquired, to the appropriate jurisdiction for operations and maintenance. Facilities completed by the District or others within its boundaries may be owned, operated and/or maintained by the District, pursuant to approvals being obtained from the appropriate jurisdiction(s). Estimated costs for operation and maintenance functions are shown on **Exhibit I**.

XIII. FINANCIAL PLAN/PROPOSED INDEBTEDNESS

The Financial Plan attached hereto as **Exhibit H** describes how the proposed facilities and/or services are to be financed, including the estimated costs of acquiring land (except that the District shall not pay more than fair market value and reasonable settlement costs for any interest in real property and shall not pay for any interest in real property which must otherwise be dedicated for public use or the District's use in accordance with any governmental ordinance, regulation or law,) engineering services, legal services, administrative services, proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the District. The Financial Plan demonstrates the issuance of the debt and the anticipated repayment based on the projected development in the District's boundaries. The Financial Plan demonstrates that, at projected levels of development, the District has the ability to

finance the facilities identified herein, and will be capable of discharging the indebtedness on a reasonable basis. The Financial Plan also demonstrates that the District will assess a fee in 2004 in an amount sufficient to cover the District's debt service and O&E costs.

The District will not pledge any of the City's funds or assets for security for the indebtedness set forth in the Financial Plan of the District, and in no case shall the debt of the District be construed or presented as indebtedness of the City in the event of default.

The District's Financial Plan does not anticipate any revenues from the Conservation Trust Fund and the District shall not make application for such funds. Neither shall the District make application for funds from Great Outdoors Colorado (GOCO). Any application for such funds shall be considered to be a material modification of this Service Plan, unless approval of the City is obtained.

A. Proposed General Obligation Indebtedness.

The Financial Plan reflects the estimated amount of bonds to be sold and fees to be imposed to finance the completion, construction, acquisition and/or installation of the proposed facilities, including all costs and expenses related to the anticipated bond issuances. The amount of bonds actually sold will be based upon the final engineering estimates and/or actual construction contracts.

It is proposed that a total maximum amount of Fourteen Million Five Hundred Thousand Dollars (\$14,500,000) of bonds that are secured by *ad valorem* property taxes (including general obligation and any bonds issued, the repayment of which is from the pledge of revenue from a capped debt service mill levy) for various purposes be submitted to the electors of the District for their approval at an election. Based upon construction cost estimates and financing cost estimates

as computed during the preparation of this Service Plan, it is anticipated that a total of Six Million Three Hundred Five Thousand Dollars (\$6,305,000) of bonds will be issued ("Anticipated Issuance Amount"). The amount to be voted exceeds the amount of bonds anticipated to be sold, as shown in the Financial Plan, to allow for unforeseen contingencies and increases in construction costs due to inflation, and to cover all issuance costs, including capitalized interest, reserve funds, discounts, legal fees and other incidental costs of issuance, and to allow for Three Million Two Hundred Twenty-Seven Thousand Dollars (\$3,227,000) worth of Improvements to be built in Phase II in any or a combination of any of the powers authorized under this Service Plan. Such limitation shall not be applicable to refundings of the bonds authorized to be issued hereunder. The District may issue debt in excess of the Anticipated Issuance amount up to the Debt Limit, hereinafter defined, in the event the costs of the Improvements have increased and the financing capacity of the District has increased to support the capacity of the additional debt ("Adjusted Anticipated Issuance Amount").

Interest shall compound for any general obligation bonds issued only in the event of default and for the payment of current interest. All issuances of general obligation bonds shall be deemed to be in compliance with the Financial Plan as long as the Minimum Criteria, as hereinafter defined, have been met. Minimum Criteria shall mean that the general obligation bonds are: (1) subject to a limited mill levy, if required by this Service Plan; (2) together with other outstanding general obligation bonds, not in excess of the general obligation debt authorization set forth in this Service Plan, as may be amended from time to time; and (3) together with other outstanding general obligation bonds, not in excess of the general obligation debt authority approved by the District's electorate.

Draft copies of all bond documents shall be delivered to the City at least twenty (20) days prior to the delivery of the bonds. Executed copies of all bond documents shall be delivered to the City following the bond closing, such documents to include an attorney's opinion that such documents conform to the requirements of the Financial Plan.

The proposed maximum voted interest rate is estimated at eighteen percent (18%) and the maximum underwriting discount at five percent (5%). The exact interest rates, terms and discounts will be determined at the time the bonds are sold by the District and will reflect market conditions at the time of sale. The District may also issue notes, certificates, debentures, or other evidence of indebtedness or long-term contracts, which issuances shall be subject to the limitations set forth in this Service Plan.

B. Debt Limit.

The Debt Limit shall be Fourteen Million Five Hundred Thousand Dollars (\$14,500,000). All debt incurred by the District shall mature no later than thirty (30) years from the date of issuance, unless such date is extended by approval of City.

C. Mill Levy.

The District will have a mill levy assessed on all taxable property in the District as a primary source of revenue for repayment of debt service and for operations and maintenance. Although the mill levy may vary depending upon the elected Board's decision to fund the projects contemplated in this Service Plan, it is estimated that a mill levy of twenty-seven (27) mills will produce revenue sufficient to support the operations and maintenance and debt retirement throughout the bond repayment period. In addition, the District may capitalize interest to permit payment of interest during the time lapse between development of taxable properties and the collection of tax

levies therefrom. Interest income through the reinvestment of construction funds, capitalized interest and annual tax receipts will provide additional funds. These revenue sources should be sufficient to retire the proposed indebtedness if growth occurs as projected; otherwise, increases in the mill levy and/or the imposition of rates, tolls, fees and charges may be necessary.

In addition to property taxes, the District may also rely upon various other revenue sources authorized by law and this Service Plan to offset the expenses of capital construction and district management, operations and maintenance. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in Title 32, as amended.

The "Mill Levy Cap" shall be the maximum mill levy the District is permitted to promise to impose for payment of general obligation debt and operations and maintenance expenses. The Mill Levy Cap shall be fifty (50) mills, provided however, that in the event the method of calculating assessed valuation is changed after the date of approval of this Service Plan, by any change in law, change in method or calculation, or in the event of any legislation or constitutionally mandated tax credit, cut or abatement, the mill levy limitation applicable to such debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

D. Refinancing or Refunding of District Bonds.

The District agrees that any refinancing or refunding of outstanding bonds of the District that could extend the maturity of the bonds beyond thirty (30) years from the date of original issuance and which does not show a present value savings, shall be subject to the prior approval of the City.

E. Cost Summary and Bond Development.

The Financial Plan reflects the total amount of bonds to be sold to finance the completion, construction, acquisition and/or installation of the proposed facilities, including all costs and expenses related to the anticipated bond issuances. The amount of bonds sold will be based upon the final engineering estimates and/or actual construction contracts. Organizational costs, including legal fees, and capitalized engineering costs, are to be paid from the proceeds of each bond issue. The interest rates as set forth in the Financial Plan are based upon the advice of Hanifen Imhoff a division of Stifel, Nicolaus & Company, Incorporated.

The Financial Plan projects the anticipated flow of funds and is based upon estimates of construction and project needs for bond proceeds to finance the proposed District's Improvements. The District's engineer has evaluated the timing and cost estimate of the proposed District's Improvements which are necessary to support the proposed absorptions of development as projected in the Financial Plan and has concurred with the assumptions. The Financial Plan sets forth a reasonable estimate of growth within the proposed District and allows the Board a measure of flexibility such that the proposed District need not incur debt in excess of what it needs to meet a growing population's demands for facilities and services.

F. Economic Viability.

The Financial Plan illustrates the estimated income and expenses for the District over a twenty-five (25) year period presuming issuance of bonds maturing within a twenty-one (21) year period, and a mill levy of twenty-seven (27) mills.

G. Projections of Assessed Valuation.

For purposes of developing the Financial Plan set forth herein, 30.3 acres of land have been developed to date and 25.2 acres are anticipated to be developed in the next six (6) years. It is also assumed that the assessed valuation will be realized one year after construction and that tax collections will be realized two years after initial construction.

H. Operations.

Annual administrative, operational and maintenance expenses are estimated as shown in **Exhibit I**. The Financial Plan projects that Forty-Five Thousand Dollars (\$45,000) per year will be sufficient to meet these expenses, together with an advance from the proponent of the District organization. If necessary, however, the District reserves the right to supplement these revenues with additional revenue sources as permitted by law. The District shall have the authority to repay the Developer for amounts advanced for operations and maintenance expenses and to seek electorate approval for such obligation to be deemed a multi-year fiscal obligation, provided such obligation shall be subordinate to the District's general obligation bonds issued for capital Improvements.

XIV. MODIFICATION OF SERVICE PLAN

The District shall obtain the prior approval of the City before making any material modifications to this Service Plan as noted herein. All proposed changes shall be submitted to the

City and the determination if any modification is material shall be made by the City. Material modifications shall include modifications of a basic or essential nature including any additions to the types of services initially provided by the District, changes in the Debt Limit, any refunding of bonds, or a change in the Mill Levy Cap. The examples above are only examples and are not an exclusive list of the actions which may be identified as material modifications.

The City's approval shall not be required for minor modifications to this Service Plan necessary for the execution of the original Financial Plan for Improvements previously outlined in the plan.

XV. FUTURE CITY COUNCIL APPROVAL

Future City Council approval shall be required for any and all Phase II Improvements.

XVI. FAILURE TO COMPLY WITH SERVICE PLAN

In accordance with the authority contained within the Westminster City Code, and in the event that the District takes any action which constitutes a material modification from the Service Plan without approval from the City, the City shall utilize the remedies set forth in the statutes to seek to enjoin the actions of the District.

XVII. RESOLUTION OF APPROVAL

The District shall incorporate the Westminster City Council's Resolution of Approval, including any conditions on such approval into the Service Plan presented to the appropriate District Court.

XVIII. DISCLOSURE

The current petitioners and the District will take steps to insure that the developers of the property located within the District provide adequate written notice at the time of closing to initial purchasers of land in the District regarding the existence of any additional taxes, charges, or assessments which may be imposed in connection with the District. The District shall also record a statement against the property within the District, at such time as the property is legally included therein, which statement includes notice of the existence of the District, average expected tax levy, maximum expected tax levy, and maximum allowed tax levy.

XIX. ANNUAL REPORT

The District shall be responsible for submitting an annual report to the City within one hundred twenty (120) days from the conclusion of the District's fiscal year. The District's fiscal year shall end on December 31. The content of the annual report shall include information as to the following matters which occurred during the year:

- a. Boundary change made or proposed.
- b. Intergovernmental Agreements with other governmental bodies entered into or proposed.
- c. Any changes in the financial status of the District including revenue projections, or operating costs.
- d. A summary of any litigation which involves the District.
- e. Status of Public Improvement Construction Schedule.
- f. Submission of current assessed valuation in the District.

g. Meeting Notices.

In addition, the District shall provide, as soon as available, a copy of the District's audit or the District's financial statements for the previous year.

XX. CONCLUSION

It is submitted that this Service Plan for the proposed Church Ranch Metropolitan District, as required by Section 32-1-203(2), C.R.S., establishes that:

(a) There is sufficient existing and projected need for organized service in the area to be serviced by the District;

(b) The existing service in the area to be served by the District is inadequate for present and projected needs;

(c) The District is capable of providing economical and sufficient service to the area within its proposed boundaries; and

(d) The area to be included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

EXHIBIT A

Legal Description of the District Boundaries

CHURCH RANCH HOME PLACE DISTRICT BOUNDARY

PARCELS OF LAND, ALL BEING WITHIN CHURCH RANCH HOME PLACE LOCATED IN THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 2 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF WESTMINSTER, COUNTY OF JEFFERSON, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LOTS 3-9 OF FIRST REPLAT, CHURCH RANCH HOME PLACE - FILING NO. 3, FOR LOTS 3-8 AND ADDITIONAL LOTS 9-13 AS RECORDED BY RECEPTION NO. F1187828; LOT 1 OF CHURCH RANCH HOME PLACE - FILING NO. 7 AS RECORDED BY RECEPTION NO. F0431698; LOTS 1, 2, 3, 4, AND TRACT A OF CHURCH RANCH HOME PLACE - FILING NO. 8 AS RECORDED BY RECEPTION NO. F1064571; LOTS 1, 2, 3 AND TRACTS A AND B OF CHURCH RANCH HOME PLACE - FILING NO. 9 AS RECORDED BY RECEPTION NO. 1199958. SAID PARCELS CONTAIN 55.51 ACRES, MORE OR LESS.

BASIS OF BEARINGS

BEARINGS ARE BASED ON THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 2 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN IS ASSUMED TO BEAR N8852'29"E, SAID LINE BEING ESTABLISHED BY THE NORTH QUARTER CORNER (A 3," ALUMINUM CAP LS#22097) AND THE NORTHEAST CORNER (A 3," ALUMINUM CAP LS#5239) OF SAID SECTION 14.

EXHIBIT-A LEGAL DESCRIPTION OF DISTRICT BOUNDARIES

JUNE 23, 2003
JUNE 2, 2003
MAY 20, 2003



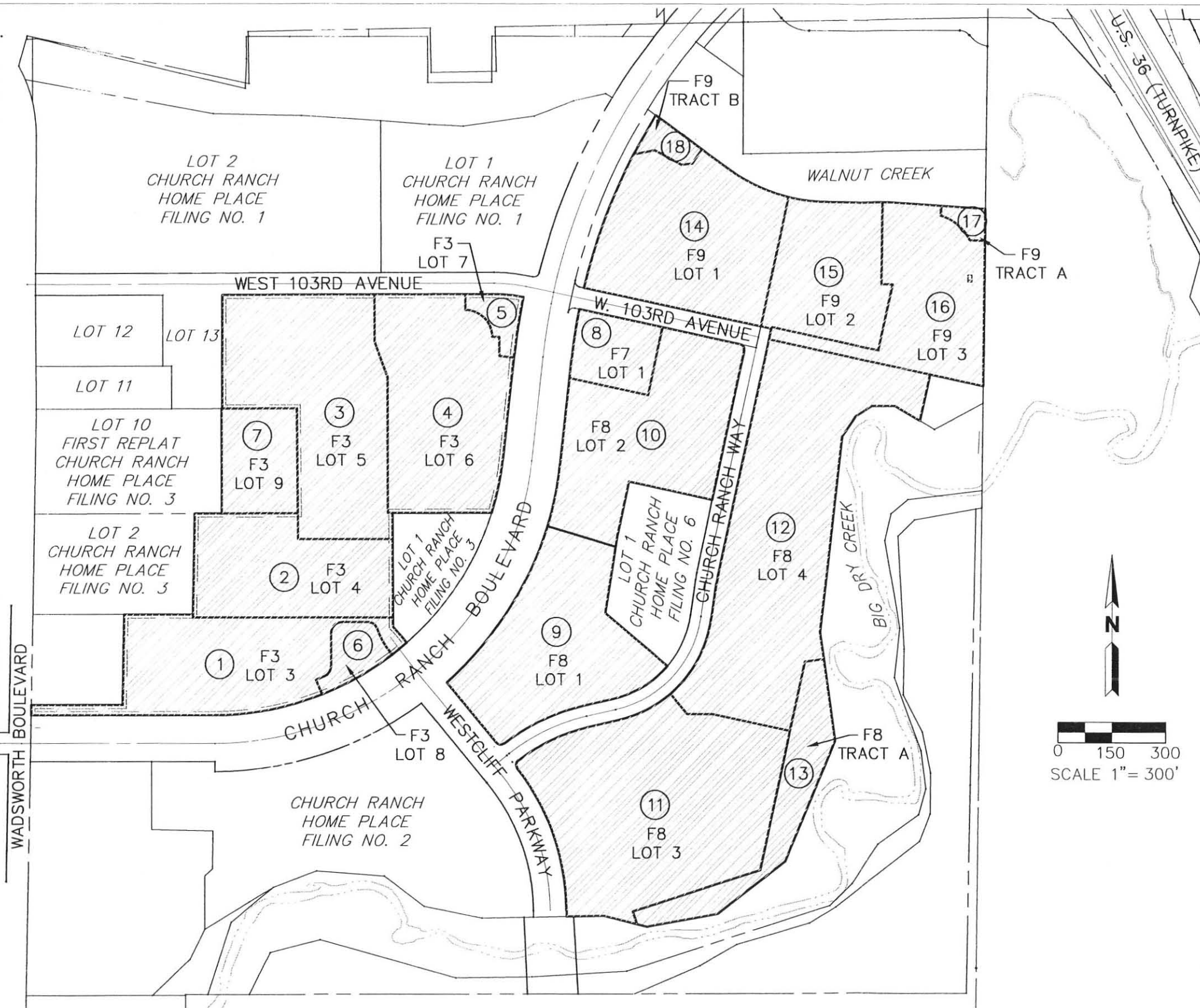
MARTIN / MARTIN
CONSULTING ENGINEERS

12499 WEST GOLFAX AVE.
P.O. Box 151500
LAKEWOOD, CO 80215
303.431.6100
FAX 303.431.4028

EXHIBIT B

District Boundary Map

LOCATION: G:\THOMAS\CROP\DISTRICT\EX-B.dwg TAB:Layout1 SAVED BY: hunter on May 30, 2003 at 3:03pm



PROPERTY DESCRIPTION TABLE

DESC.	FILING	LOT/ TRACT	AREA
1	FIRST REPLAT CHURCH RANCH HOME PLACE FILING NO. 3 FOR LOTS 3-8 AND ADDITIONAL LOTS 9-13	LOT 3	3.70 AC.
2		LOT 4	3.22 AC.
3		LOT 5	5.20 AC.
4		LOT 6	4.39 AC.
5		LOT 7	0.35 AC.
6		LOT 8	0.53 AC.
7		LOT 9	1.42 AC.
8	CHURCH RANCH HOME PLACE FILING NO. 7	LOT 1	1.01 AC.
9	CHURCH RANCH HOME PLACE FILING NO. 8	LOT 1	4.10 AC.
10		LOT 2	4.31 AC.
11		LOT 3	7.15 AC.
12		LOT 4	7.42 AC.
13		TRACT A	1.74 AC.
14	CHURCH RANCH HOME PLACE FILING NO. 9	LOT 1	4.38 AC.
15		LOT 2	2.66 AC.
16		LOT 3	3.46 AC.
17		TRACT A	0.18 AC.
18		TRACT B	0.29 AC.
		TOTAL	55.51 AC.



0 150 300
SCALE 1"= 300'

LEGEND



- DISTRICT BOUNDARY

EXHIBIT-B
DISTRICT BOUNDARY MAP

JUNE 23, 2003
JUNE 2, 2003
MAY 20, 2003



MARTIN / MARTIN
CONSULTING ENGINEERS

12499 WEST COLFAX AVE.
P.O. BOX 151500
LAKEWOOD, CO 80215
303.431.6100
FAX 303.431.4028

EXHIBIT C

Vicinity Map

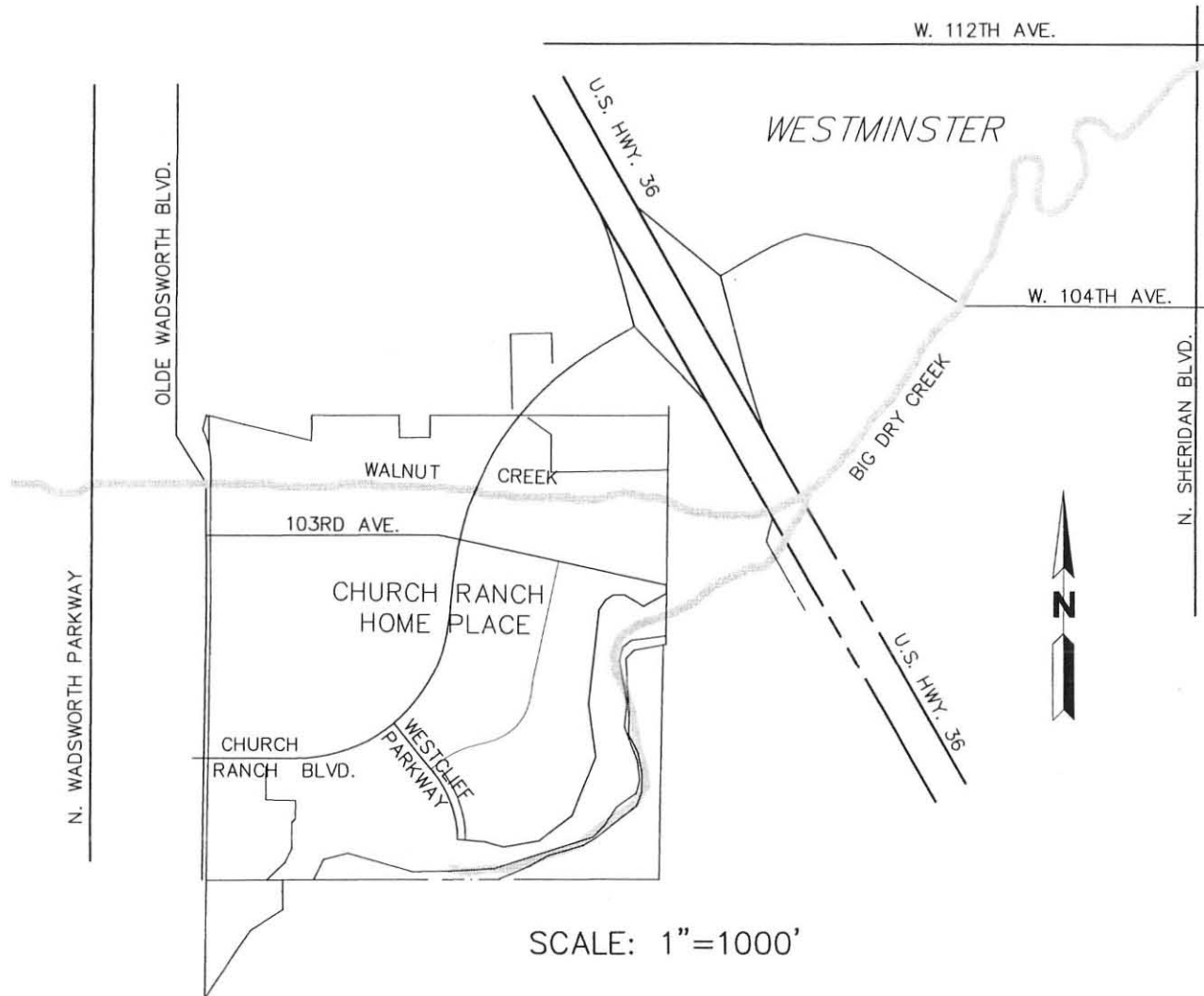


EXHIBIT-C VICINITY MAP

JUNE 23, 2003
JUNE 2, 2003
MAY 20, 2003



MARTIN / MARTIN
CONSULTING ENGINEERS

12499 WEST COLFAX AVE.
P.O. BOX 151500
LAKEWOOD, CO 80215
303.431.6100
FAX 303.431.4028

EXHIBIT D

List of Interested Parties

Jefferson County

Jefferson County School District

City of Westminster

Regional Transportation District

Urban Drainage and Flood Control District

Urban Drainage and Flood Control District South Platte

North Jeffco Park and Recreation District

North Metro Fire Rescue District

EXHIBIT E

Description of Facilities and Costs

Church Ranch Metropolitan District
Exhibit E
Facilities and Costs

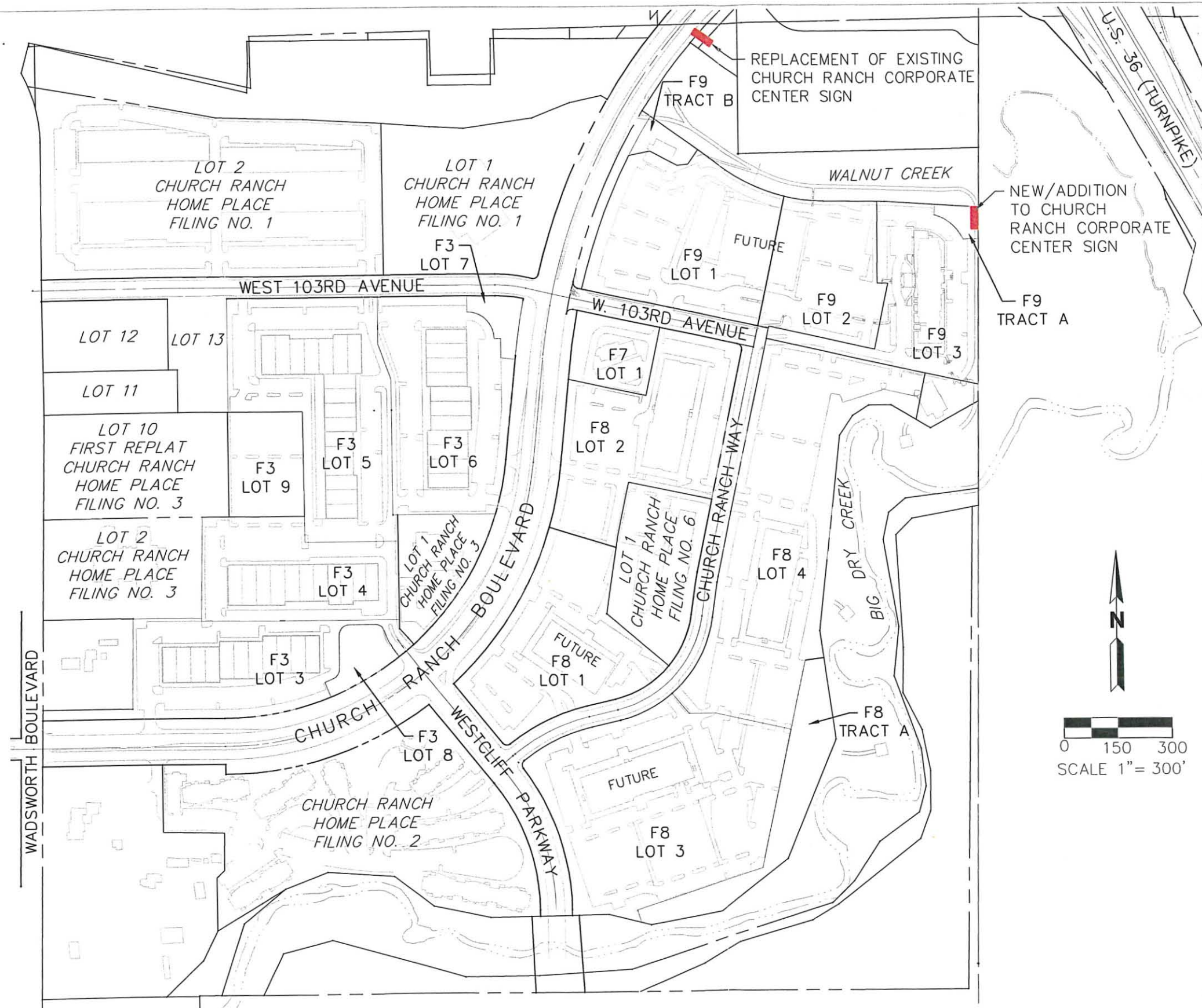
	Land Square Feet	Price Per Square Foot	Total Cost
Phase I Improvements:			
Water			
Land To Be Sold to Metro District for Detention/ Retention Ponds:			
Filing No. 3 Lot 7	15,284	\$6.00	\$91,704.00
Filing No. 3 Lot 8	22943	\$6.00	\$137,658.00
Filing No. 8 Tract A	75842	\$8.00	\$606,736.00
Filing No. 9 Tract A	7703	\$10.00	\$77,030.00
Filing No. 9 Tract B	12587	\$10.00	\$125,870.00
Total Land Cost	<u>134,359</u>		<u>\$1,038,998.00</u>
Improvements to Detention/Retention Ponds:			
Filing No. 3 Lot 7			\$250,000.00
Filing No. 3 Lot 8			\$200,000.00
Filing No. 8 Tract A			\$150,000.00
Filing No. 9 Tract A			\$200,000.00
Filing No. 9 Tract B			\$50,000.00
Total Improvement Cost			<u>\$850,000.00</u>
Irrigation Pipe Connecting Ponds:			<u>\$200,000.00</u>
Street and Safety Protection			
Church Ranch Corporate Center Signs:			
Northeast Corner fo SpringHill Suites			\$15,000.00
New Sign on Church Blvd. Replacing Current Sign			\$15,000.00
Total Improvement Cost			<u>\$30,000.00</u>
Right-of-Way Acquisition			<u>\$250,000.00</u>
Television Relay and Translation			
Telecommunication Backbone Connecting Buildings:			<u>\$350,000.00</u>
Organizational Costs			<u>\$200,000.00</u>
Total Phase I Improvements			<u><u>\$2,918,998.00</u></u>
Phase II Improvements:			
All the Phase II Improvements are subject to City of Westminster planning department approvals and obtaining building permits			
Water			
Street and Safety Protection			
Television Relay and Translation			
Total Phase II Improvements			<u><u>\$3,227,000.00</u></u>
Total Phase I and Phase II Improvements			<u><u>\$6,145,998.00</u></u>

EXHIBIT F

Water Improvements

EXHIBIT G

Street Improvements



LEGEND

- FUTURE IMPROVEMENTS (PHASE I)



0 150 300
SCALE 1" = 300'

**EXHIBIT-G
STREET AND SAFETY
PROTECTION
IMPROVEMENTS**

JUNE 23, 2003

JUNE 4, 2003

JUNE 2, 2003

JULY 29, 2003

MAY 20, 2003



MARTIN / MARTIN
CONSULTING ENGINEERS

12499 WEST COLFAX AVE.
P.O. BOX 151500
LAKEWOOD, CO 80215
303.431.6100
FAX 303.431.4028

EXHIBIT H

Financial Plan

**Church Ranch Metropolitan District
Debt Service Analysis**

Collection Year	Actual Value	Assessed Value	Mill Levy	Property Taxes	S.O. Taxes	Total Revenue	O & M	Available Revenue	2003 Debt Service	2008 Debt Service	Total Debt Service	Excess Revenues
2004	38,720,665	11,228,993	27.00	303,183	21,223	*324,406	45,000	279,406	275,325		275,325	4,081
2005	38,720,665	11,228,993	27.00	303,183	21,223	324,406	45,000	279,406	270,125		270,125	9,281
2006	38,720,665	11,228,993	27.00	303,183	21,223	324,406	45,000	279,406	274,925		274,925	4,481
2007	38,720,665	11,228,993	27.00	303,183	21,223	324,406	45,000	279,406	274,075		274,075	5,331
2008	57,720,665	16,738,993	24.00	401,736	28,122	429,857	45,000	384,857	272,900		272,900	111,957
2009	72,720,665	21,088,993	24.00	506,136	35,430	541,565	45,000	496,565	271,400	219,500	490,900	5,665
2010	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867	274,575	269,175	543,750	16,117
2011	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867	272,100	270,600	542,700	17,167
2012	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867	274,300	266,700	541,000	18,867
2013	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867	270,850	272,800	543,650	16,217
2014	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867	272,075	268,250	540,325	19,542
2015	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867	272,650	273,700	546,350	13,517
2016	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867	272,575	268,500	541,075	18,792
2017	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867	271,850	268,300	540,150	19,717
2018	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867	270,475	267,775	538,250	21,617
2019	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867	273,450	266,925	540,375	19,492
2020	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867	270,450	270,750	541,200	18,667
2021	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867	271,800	273,925	545,725	14,142
2022	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867	272,175	271,450	543,625	16,242
2023	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867	271,575	273,650	545,225	14,642
2024	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867		500,200	500,200	59,667
2025	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867		501,475	501,475	58,392
2026	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867		501,125	501,125	58,742
2027	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867		499,150	499,150	60,717
2028	81,220,665	23,553,993	24.00	565,296	39,571	604,867	45,000	559,867		500,550	500,550	59,317
2029	81,220,665	23,553,993	0.00	0	0	0					0	0
Total				10,034,744	702,432	10,737,177			5,449,650			385,527

* The District will assess a fee in 2004 in an amount sufficient to cover the District's debt service and O&E costs

SOURCES AND USES OF FUNDS

Church Ranch Metropolitan District
General Obligation Bonds, Series 2003

Dated Date 12/01/2003
Delivery Date 12/01/2003

Sources:

Bond Proceeds:	
Par Amount	3,005,000.00
	<hr/>
	3,005,000.00

Uses:

Project Fund Deposits:	
Project Construction Fund	2,918,998.00
Delivery Date Expenses:	
Cost of Issuance	40,000.00
Underwriter's Discount	43,572.50
	<hr/>
	83,572.50
Other Uses of Funds:	
Additional Proceeds	2,429.50
	<hr/>
	3,005,000.00

BOND DEBT SERVICE

Church Ranch Metropolitan District
General Obligation Bonds, Series 2003

Dated Date 12/01/2003
Delivery Date 12/01/2003

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2003					
06/01/2004			97,662.50	97,662.50	
12/01/2004	80,000	6.500%	97,662.50	177,662.50	275,325
06/01/2005			95,062.50	95,062.50	
12/01/2005	80,000	6.500%	95,062.50	175,062.50	270,125
06/01/2006			92,462.50	92,462.50	
12/01/2006	90,000	6.500%	92,462.50	182,462.50	274,925
06/01/2007			89,537.50	89,537.50	
12/01/2007	95,000	6.500%	89,537.50	184,537.50	274,075
06/01/2008			86,450.00	86,450.00	
12/01/2008	100,000	6.500%	86,450.00	186,450.00	272,900
06/01/2009			83,200.00	83,200.00	
12/01/2009	105,000	6.500%	83,200.00	188,200.00	271,400
06/01/2010			79,787.50	79,787.50	
12/01/2010	115,000	6.500%	79,787.50	194,787.50	274,575
06/01/2011			76,050.00	76,050.00	
12/01/2011	120,000	6.500%	76,050.00	196,050.00	272,100
06/01/2012			72,150.00	72,150.00	
12/01/2012	130,000	6.500%	72,150.00	202,150.00	274,300
06/01/2013			67,925.00	67,925.00	
12/01/2013	135,000	6.500%	67,925.00	202,925.00	270,850
06/01/2014			63,537.50	63,537.50	
12/01/2014	145,000	6.500%	63,537.50	208,537.50	272,075
06/01/2015			58,825.00	58,825.00	
12/01/2015	155,000	6.500%	58,825.00	213,825.00	272,650
06/01/2016			53,787.50	53,787.50	
12/01/2016	165,000	6.500%	53,787.50	218,787.50	272,575
06/01/2017			48,425.00	48,425.00	
12/01/2017	175,000	6.500%	48,425.00	223,425.00	271,850
06/01/2018			42,737.50	42,737.50	
12/01/2018	185,000	6.500%	42,737.50	227,737.50	270,475
06/01/2019			36,725.00	36,725.00	
12/01/2019	200,000	6.500%	36,725.00	236,725.00	273,450
06/01/2020			30,225.00	30,225.00	
12/01/2020	210,000	6.500%	30,225.00	240,225.00	270,450
06/01/2021			23,400.00	23,400.00	
12/01/2021	225,000	6.500%	23,400.00	248,400.00	271,800
06/01/2022			16,087.50	16,087.50	
12/01/2022	240,000	6.500%	16,087.50	256,087.50	272,175
06/01/2023			8,287.50	8,287.50	
12/01/2023	255,000	6.500%	8,287.50	263,287.50	271,575
	3,005,000		2,444,650.00	5,449,650.00	5,449,650

BOND SUMMARY STATISTICS

Church Ranch Metropolitan District General Obligation Bonds, Series 2003

Dated Date	12/01/2003
Delivery Date	12/01/2003
First Coupon	06/01/2004
Last Maturity	12/01/2023
Arbitrage Yield	6.500000%
True Interest Cost (TIC)	6.683101%
Net Interest Cost (NIC)	6.615853%
All-In TIC	6.854834%
Average Coupon	6.500000%
Average Life (years)	12.516
Duration of Issue (years)	8.212
Par Amount	3,005,000.00
Bond Proceeds	3,005,000.00
Total Interest	2,444,650.00
Net Interest	2,488,222.50
Bond Years from Dated Date	37,610,000.00
Bond Years from Delivery Date	37,610,000.00
Total Debt Service	5,449,650.00
Maximum Annual Debt Service	275,325.00
Average Annual Debt Service	272,482.50
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	14.500000
Total Underwriter's Discount	14.500000
Bid Price	98.550000

Bond Component	Par Value	Price	Average Coupon	Average Life
Term Bond Due 2023	3,005,000.00	100.000	6.500%	12.516
	3,005,000.00			12.516

BOND SUMMARY STATISTICS

Church Ranch Metropolitan District General Obligation Bonds, Series 2003

	TIC	All-In TIC	Arbitrage Yield
Par Value	3,005,000.00	3,005,000.00	3,005,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-43,572.50	-43,572.50	
- Cost of Issuance Expense		-40,000.00	
- Other Amounts			
Target Value	2,961,427.50	2,921,427.50	3,005,000.00
Target Date	12/01/2003	12/01/2003	12/01/2003
Yield	6.683101%	6.854834%	6.500000%

SOURCES AND USES OF FUNDS

Church Ranch Metropolitan District
General Obligation Bonds, Series 2008

Dated Date 12/01/2008
Delivery Date 12/01/2008

Sources:

Bond Proceeds:	
Par Amount	3,300,000.00
	<hr/>
	3,300,000.00

Uses:

Project Fund Deposits:	
Project Construction Fund	3,227,000.00
Delivery Date Expenses:	
Cost of Issuance	25,000.00
Underwriter's Discount	47,850.00
	<hr/>
	72,850.00
Other Uses of Funds:	
Additional Proceeds	150.00
	<hr/>
	3,300,000.00

BOND DEBT SERVICE

Church Ranch Metropolitan District
General Obligation Bonds, Series 2008

Dated Date 12/01/2008
Delivery Date 12/01/2008

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2008					
06/01/2009			107,250.00	107,250.00	
12/01/2009	5,000	6.500%	107,250.00	112,250.00	219,500
06/01/2010			107,087.50	107,087.50	
12/01/2010	55,000	6.500%	107,087.50	162,087.50	269,175
06/01/2011			105,300.00	105,300.00	
12/01/2011	60,000	6.500%	105,300.00	165,300.00	270,600
06/01/2012			103,350.00	103,350.00	
12/01/2012	60,000	6.500%	103,350.00	163,350.00	266,700
06/01/2013			101,400.00	101,400.00	
12/01/2013	70,000	6.500%	101,400.00	171,400.00	272,800
06/01/2014			99,125.00	99,125.00	
12/01/2014	70,000	6.500%	99,125.00	169,125.00	268,250
06/01/2015			96,850.00	96,850.00	
12/01/2015	80,000	6.500%	96,850.00	176,850.00	273,700
06/01/2016			94,250.00	94,250.00	
12/01/2016	80,000	6.500%	94,250.00	174,250.00	268,500
06/01/2017			91,650.00	91,650.00	
12/01/2017	85,000	6.500%	91,650.00	176,650.00	268,300
06/01/2018			88,887.50	88,887.50	
12/01/2018	90,000	6.500%	88,887.50	178,887.50	267,775
06/01/2019			85,962.50	85,962.50	
12/01/2019	95,000	6.500%	85,962.50	180,962.50	266,925
06/01/2020			82,875.00	82,875.00	
12/01/2020	105,000	6.500%	82,875.00	187,875.00	270,750
06/01/2021			79,462.50	79,462.50	
12/01/2021	115,000	6.500%	79,462.50	194,462.50	273,925
06/01/2022			75,725.00	75,725.00	
12/01/2022	120,000	6.500%	75,725.00	195,725.00	271,450
06/01/2023			71,825.00	71,825.00	
12/01/2023	130,000	6.500%	71,825.00	201,825.00	273,650
06/01/2024			67,600.00	67,600.00	
12/01/2024	365,000	6.500%	67,600.00	432,600.00	500,200
06/01/2025			55,737.50	55,737.50	
12/01/2025	390,000	6.500%	55,737.50	445,737.50	501,475
06/01/2026			43,062.50	43,062.50	
12/01/2026	415,000	6.500%	43,062.50	458,062.50	501,125
06/01/2027			29,575.00	29,575.00	
12/01/2027	440,000	6.500%	29,575.00	469,575.00	499,150
06/01/2028			15,275.00	15,275.00	
12/01/2028	470,000	6.500%	15,275.00	485,275.00	500,550
	3,300,000		3,204,500.00	6,504,500.00	6,504,500

BOND SUMMARY STATISTICS

Church Ranch Metropolitan District General Obligation Bonds, Series 2008

Dated Date	12/01/2008
Delivery Date	12/01/2008
First Coupon	06/01/2009
Last Maturity	12/01/2028
Arbitrage Yield	6.500000%
True Interest Cost (TIC)	6.660529%
Net Interest Cost (NIC)	6.597059%
All-In TIC	6.745786%
Average Coupon	6.500000%
Average Life (years)	14.939
Duration of Issue (years)	9.370
Par Amount	3,300,000.00
Bond Proceeds	3,300,000.00
Total Interest	3,204,500.00
Net Interest	3,252,350.00
Bond Years from Dated Date	49,300,000.00
Bond Years from Delivery Date	49,300,000.00
Total Debt Service	6,504,500.00
Maximum Annual Debt Service	501,475.00
Average Annual Debt Service	325,225.00
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	14.500000
Total Underwriter's Discount	14.500000
Bid Price	98.550000

Bond Component	Par Value	Price	Average Coupon	Average Life
Term Bond Due 2023	3,300,000.00	100.000	6.500%	14.939
	3,300,000.00			14.939

BOND SUMMARY STATISTICS

Church Ranch Metropolitan District
General Obligation Bonds, Series 2008

	TIC	All-In TIC	Arbitrage Yield
Par Value	3,300,000.00	3,300,000.00	3,300,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-47,850.00	-47,850.00	
- Cost of Issuance Expense		-25,000.00	
- Other Amounts			
Target Value	3,252,150.00	3,227,150.00	3,300,000.00
Target Date	12/01/2008	12/01/2008	12/01/2008
Yield	6.660529%	6.745786%	6.500000%

EXHIBIT I

Operation and Maintenance Expenses

Legal Services	\$10,000
Accounting/Auditing	\$20,000
Management	<u>\$15,000</u>
TOTAL	\$45,000