

**SERVICE PLAN**

**FOR**

**RIVER PARK METROPOLITAN DISTRICT**

**February 2004**

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**SERVICE PLAN FOR  
RIVER PARK METROPOLITAN  
DISTRICT**

**I. INTRODUCTION**

**A. Summary**

This Service Plan ("Service Plan") of River Park Metropolitan District ("District") constitutes the service plan for the Title 32 special district established pursuant to, and having the powers authorized in the Special District Act, Article 1 of Title 32, C.R.S. ("Act"), which is proposed to serve the needs of a multi-family residential planned unit development generally known as Lot 2, Riverside Park PUD ("Development") in the Town of New Castle ("Town"), Garfield County, Colorado, as well as adjacent properties. The Service Plan describes the major public improvements which will be provided by the District and is submitted in accordance with Part 2 of the Act. The Service Plan demonstrates how the District will serve the Development and provide the necessary public improvements and services needed by the District.

Unless otherwise specified herein, any reference to the Service Plan shall also apply to any amendment, change, or modification of the Service Plan approved in compliance with the Act, if required. All exhibits, maps and tables referred to herein are attached at the conclusion of the Service Plan. Definitions of all terms referred to herein can be found in the Addendum.

The Development calls for 153 multi-family units to be constructed over a four-year period, with thirty to forty-three units to be constructed each year. Each unit is estimated to have an average value of \$165,000 upon completion. The District shall construct sanitation and water facilities, and pay \$225,000 of its bond proceeds to the Town for development of a park and trails, and other public improvements needed to serve the Development. The public improvements will be constructed and funded by the District in accordance with the limitations set forth herein. Section III of the Service Plan, the Preliminary Engineering Survey and Capital Plan, describes in greater detail the timing and types of public infrastructure improvements and installation. All development projections are, of course, dependent upon market activity, governmental regulations, general economic conditions, and other factors over which the District and Developer have no control.

1. **District Structure.** The Service Plan defines the powers and authorities of, as well as the limitations and restrictions on, the District. The Service Plan also sets forth the general parameters for the working relationship with the Town. The District will be responsible for (i) financing the certain public improvements required to serve the Development, (ii) managing the construction and operation of the public improvements and services needed to serve the Development until transferred to the

Town or other applicable entity; and (iii) providing the property tax base needed to support the Financing Plan for the public improvements and for on-going expenses. The "Financing Plan" discussed throughout the Service Plan is more fully described in Section V and will be implemented to provide the public improvements and services needed for the Development.

The organization of the District to finance, construct, manage and operate public facilities and services until transferred to the Town or other applicable entity, to provide funding for a public park, and to produce property tax and other revenue sufficient to pay on-going expenses and debt service costs incurred for the public improvements, until all District obligations are discharged, will create mutual benefits for the Development and for the Town. In general, these benefits are: (i) coordinated administration of construction and completion of the public improvements in a timely manner; (ii) maintenance of uniform property tax levies and reasonable tax burdens on all properties within the Development; and (iii) assurance that all public improvements needed for the Development are constructed and paid for in a timely and cost effective manner without cost to the Town. Each of these concepts is addressed in greater detail herein.

2. **Boundaries of District.** A map showing the boundaries of the District is attached as Exhibit A. The District will contain land adjacent to the Development. A legal description of the property within the boundaries of the District is attached as Exhibit B.

The geographic area that may legally be served by the District ("Service Area") will consist of the entire area shown in Exhibit A. The District will have the power to impose property taxes only within its boundaries. The District will only furnish services or facilities outside of the District's boundaries in accordance with the Service Plan and agreement with the Town.

Additional property may be included in the District in accordance with the provisions of the Act, subject to the approval of the Town and compliance with Section 32-1-401, C.R.S. Under the Act, the fee owner or owners of 100% of any property proposed for inclusion may petition the District's Board of Directors ("Board") for the inclusion of property into the District. Further, subject to the Approval of the Town, less than all of the owners of an area may petition the District for inclusion, or the Board may adopt a resolution calling for an election on inclusion of the property within such area. Property may also be excluded from the District. A substantially similar process is applicable to the exclusion of property from the District. The Board will have discretion to approve inclusions or exclusions without an amendment or modification of the Service Plan, subject to the approval of the Town.

3. **Dissolution of District.** The District will not be dissolved as long as it is discharging its obligations in accordance with the provisions of the Service Plan. After all public improvements have been transferred to the Town or other applicable

entity for operation and maintenance, and all bonds or other obligations of the District have been paid or payment has been provided for, the District will be dissolved pursuant to the Act, unless the Town directs otherwise. The District may not be dissolved, however, without the approval of the Town.

4. **Existing Services and District.** Other than the Town, there are no other governmental agencies in existence within the area which have the legal and financial ability to undertake the financing, design, and construction of the public improvements described herein needed to serve the Development. The Town does not consider it financially feasible or practicable to provide the public improvements and services specified herein for the Development at the Town's expense. Consequently, the organization of the District is necessary for the provision of these public improvements and services to serve the Development.

To minimize its governmental activities, the District will only operate and maintain the public improvements as specified herein. Operations and maintenance of the public improvements, water, sanitation, and parks will be the responsibility of either the Town or other applicable entity after such improvements have been completed, dedicated and transferred to, and accepted by such entities. The timing and conditions for transfer of such improvements will be in accordance with the codes, ordinances, rules and regulations of the Town, including without limitation the Annexation and Development Agreement that governs the Development (collectively "Town Ordinances").

#### **B. General Information and Assumptions**

The total residential development within the District at build-out is expected to be approximately 153 multi-family homes. As detailed in the Financing Plan the actual valuation of all taxable property within the Development/District at build-out (2007) is currently projected to be approximately \$25,245,000 with an assessed valuation for purposes of property taxation of approximately \$2,037,083 (based upon present state tax law). The current assessed valuation of all taxable property within the boundaries of the Development/District is approximately \$435,000.

The estimated costs of the public improvements needed to serve the Development are approximately \$985,000 (not including other infrastructure within the Development which will be constructed by Developer). The District will obtain financing for the District's portion of the public improvements through the issuance of limited tax general obligation bonds. The District may also enter into funding, acquisition and reimbursement agreements with Developer to fund the costs of the public improvements or on-going expenses.

Because no significant risks of financing have been identified at this time, it is anticipated that credit enhancement will not be required for debt issued by the District. If such risks are subsequently identified, credit enhancement may be provided by

Developer, which may enter into agreements securing District bonds, including without limitation by agreeing to pay developer fees or by providing letters of credit or other forms of credit enhancement. The District may issue its bonds directly in public or private markets for municipal securities, when it has the financial ability to discharge the indebtedness on a reasonable basis, thereby reducing risks of non-payment.

The absorption forecasts utilized for the revenue projections set forth in the Financing Plan are based upon various development assumptions made by Developer. For purposes of the Service Plan, a reasonable absorption scenario has been used to develop the Financing Plan. The preliminary engineering survey is based upon these absorption forecasts. The Financing Plan demonstrates one method which might be used by the District to finance the costs of public improvements needed for the Development. At the time that the acquisition or construction of public improvements must actually be funded, alternate financing plans may be more beneficial and may be implemented by the District, if appropriate. Use of an alternate financing plan, which is materially consistent with the Financing Plan, will not require an amendment of the Service Plan but shall be filed with the Town.

The Financing Plan demonstrates that the costs of public improvements needed to serve the Development can be financed economically, without significant financial risks, through property tax levies not to exceed 45.0 mills. The projections and estimates set forth in the Financing Plan relating to the costs of the public improvements and operations will not constitute limitations on the financial powers of the District; provided, however, that the District shall not issue bonds which are not in compliance with State law and other provisions of the Service Plan, including without limitation Sections V and VII.

Further, the Financing Plan demonstrates that any risks associated with the financing of public improvements needed to serve the Development will be borne initially by the Property Owner or other Developers. The responsibility for payment of debt service expenses incurred for the public improvements will be from property taxes on all property within the District as development occurs, and as the valuation of improved property within the District increases. The remainder of such expenses will be funded from revenue generated from other available sources.

Any general obligation bonds issued by the District will limit the tax levy for repayment of such debt to no more than 45.0 mills against all property within the District. In this manner, the risks of development and the responsibility for repayment of District debt incurred for the Development will be reasonable and borne solely by the property owners within the Development. The Town and its residents will have no financial responsibility for District debt under any circumstance, except the residents that own real property within the District's boundaries.

### **C. Contents of Service Plan**

The Service Plan consists of a (i) **summary** of the need for the District and its general powers and authorities; (ii) a **preliminary engineering survey and capital plan** showing how the public improvements and services needed to serve the Development can be provided; and (iii) a **financial plan** showing how the proposed public improvements and services will be financed by the District. Other information is included in the Service Plan in compliance with the requirements of Part 2 of the Act.

The assumptions contained within the Service Plan were derived from a variety of sources. Information regarding the present status of the Development, as well as current development schedules, was obtained from Developer and their consultants. The preliminary engineering survey and legal description were prepared in conjunction with Inter-Mountain Engineering, Avon, Colorado, a professional civil engineering company with expertise in the design and construction of public infrastructure improvements. Preliminary construction cost estimates were prepared in conjunction with the Developer and their respective consultants and will be finalized at the time final design is completed. Financial advice and preparation of the Financing Plan and pricing recommendations and absorption estimates has been provided by Andrew B. Kane of Kirkpatrick Pettis, Denver, Colorado, an investment banking and financial consultant with considerable experience in special district financing. Legal consultation, including preparation of the Service Plan, has been provided by the law firm of Collins, Cockrel & Cole, Lakewood, Colorado, which represents numerous special districts and local governments throughout the State. Hogan & Hartson of Denver, Colorado, a nationally recognized bond counsel, is planned to serve as District bond counsel.

### **D. Modification of Service Plan**

The Service Plan is general in nature and does not include specific detail in some instances because development plans may not have been completely finalized. The Service Plan has been written with sufficient flexibility to enable the District to provide the services and public improvements now anticipated for the Development under evolving conditions without the need for numerous amendments or modifications of the Service Plan in the future.

The cost estimates and Financing Plan are sufficiently flexible to enable the District to provide necessary services and facilities without the need to modify the Service Plan, if changes are required. Modification of the general types of services and facilities, and changes in proposed configurations, locations, quantities, dimensions, or costs of various facilities and improvements shall be permitted to accommodate actual development needs, without any amendment or modification of the Service Plan, unless such changes constitute material modifications, as provided in Section VII.1. For purposes of the Act, the making or amendment of any agreement with the Town shall not constitute a material modification of the Service Plan.



## II. NEED FOR DISTRICT AND GENERAL POWERS

### A. Need for District

All property within the Development is currently undeveloped and no public services or facilities exist. The District will finance and construct certain sanitary sewer and water public improvements needed to serve the Development through build-out. Neither the Town nor any other governmental agency will finance or construct such improvements except that the Town may construct certain on-site improvements under separate agreements. The Town is not expected to assume any costs for the initial construction of the improvements except for any joint funding of the park improvements that may be agreed to at a later date. The District shall pay \$225,000 of its bond proceeds to the Town to assist in funding the park improvements. The District will dedicate and transfer the public improvements to the Town upon completion.

### B. General Powers of District

The District will have all powers and authorities granted under the Act to provide the services and facilities described in the Service Plan both within and without District boundaries, subject to the limitations set forth in the Service Plan. More specifically, the District shall have the authority and intent to provide the following services and facilities, all of which will be in conformance with the Town Ordinances and other governmental agencies, if applicable:

1. **Water**. The design, acquisition, installation construction and funding of water systems, including without limitation lines, transmission, distribution and storage facilities, hydrants, wells, irrigation and pumping facilities, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to such facilities or systems.

2. **Sanitation**. The design, acquisition, installation, construction and funding of sanitary sewer systems, including without limitation lines, collection facilities, lift stations, and related disposal works and facilities, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to such facilities or systems.

3. **Park and Recreation Improvements**. The design, acquisition, installation, construction and funding of park and recreation facilities together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of improvements to such facilities.

4. **Legal Powers**. The powers of the District will be exercised by the Board to provide the services and facilities contemplated in the Service Plan. The

authorized facilities and services, along with other activities permitted by law, will be undertaken in accordance with, and pursuant to, the procedures and conditions set forth in the Act, other applicable statutes, the Service Plan, and the Town Ordinances.

5. **Other Authorities.** In addition to the powers enumerated herein, the Board shall have the following authorities:

a) To amend the Service Plan as necessary, subject to compliance with all statutory procedures set forth in the Act, including but not limited to, providing written notice to the Town pursuant to §32-1-207, C.R.S., of any action or activity that the District believes is permitted by the Service Plan but that may be unclear. In the event that the Town determines not to enjoin any such action or activity, by sending certified letter notice to the District or in any other manner set forth in the Town Ordinances, such notice, when affirmed by majority vote of the Town Council, shall constitute agreement by the Town that such action or activity is within the scope of the Service Plan;

b) Subject to specific limitations set forth in this Service Plan, to revise, resize, reschedule, or restructure the financing, completion and operation of the various public improvements and facilities in order to accommodate the rate of development within the District, costs of public improvements, and inclusions of property into the District, or the provision of any public improvement, facility or service by the Town or another entity;

c) To provide all additional services and facilities, subject to the approval of the Town, and exercise all express or implied powers granted by the Act or other State law, and which the District is required to provide or exercise, or, in its discretion, chooses to provide or exercise; and

d) To exercise all necessary and implied powers under the Act.

### III. **PRELIMINARY ENGINEERING SURVEY AND CAPITAL PLAN**

#### A. **General**

The District will exercise its statutory powers and the authority set forth in the Service Plan to finance, acquire, construct, install, and, prior to dedication and transfer, operate and maintain the public facilities and improvements needed to serve the Development, either directly or by contract, or by acquisition from Developer or other persons. The District will complete the public improvements and transfer such improvements to the Town, without charge or encumbrances, for ownership, operation and maintenance in accordance with the Town Ordinances, as applicable. If appropriate, the District may contract with various public and/or private entities to affect such

functions and activities, including without limitation acquisition and reimbursement agreements with Developer.

General information relating to each type of public improvement needed to serve the Development is set forth in this Section. It is important to note that the engineering information contained in the Service Plan is preliminary in nature, and that modifications to the type, configuration, quantity, location, and costs of public improvements may be necessary as development progresses. The District will acquire, construct and install only the major public improvements generally described in the Service Plan, unless the approval of the Town is first obtained.

All plans and specifications for the public improvements described herein shall be submitted to the Town for approval in accordance with the Town Ordinances. To the extent practicable, the District and Developer will coordinate the submittal of plans for the public improvements to be installed together with current development plans. All public facilities must be designed and installed in such a manner to be compatible with the Town Ordinances and facility and service standards of the Town, and, if applicable, other governmental agencies and utility providers.

Construction of all public facilities and improvements will be engineered and scheduled to allow for proper sizing and phasing consistent with the need for services within the Development and adjacent properties and consistent with subdivision improvement agreement as amended between the Developer and the Town, which agreement is subject to amendment as referenced below in Section VI. All descriptions of specific facilities and improvements to be constructed and their costs are estimates only and are subject to modification and revision as actual engineering design, development plans, market conditions, governmental requirements, and construction scheduling may require.

#### **B. General Description**

Public improvements within the Development will be designed, acquired, installed, constructed and operated by the District, until dedicated and transferred to the Town in conformance with current standards and Town Ordinances. A general description and the estimated capital costs of the public improvements within the District are attached as Exhibit C. Designs and specifications for the public improvements must be approved by the Town. The public improvements will be installed in accordance with all Town Ordinances, standards, specifications and procedures, except that specific arrangements may be made under the agreements among the Town, the District and Developer, with respect to collateral guarantees for the completion and warranty of the public improvements, or the Town may specify procedures and provisions that must be followed to assure compliance with all Town Ordinances or the implementation of the Service Plan. The location, installation, and completion of the public improvements needed for the Development as authorized in the Service Plan and other plans and

agreements approved by the Town shall be exempt from the provisions of Section 31-23-209, C.R.S., or similar laws.

Exhibit C contains a preliminary engineering survey including the construction or funding of the public improvements needed to serve the District and as requested by the Town, which will be financed, acquired, installed and constructed by the District to serve the Development:

**1. Sanitary Sewer System**

**a) General.** The District shall install and fund the sanitary sewer system necessary to serve the Development, in accordance with the design criteria, standards, specifications and rules of the Town. The sanitary sewer system will include all collection lines, manholes, lift stations, and related facilities required to serve the Development. Individual service lines for each multi-family building will be designed and installed by builders or the Developer, pursuant to the applicable subdivision improvements agreement for the Development. The District will construct a sewage lift station on Lot 2 of the Riverside Park Subdivision. An 8" gravity sewer main will be extended 975 feet to the west from the lift station to provide service for Lots 1 and 3 of Riverside Park Subdivision. A 6-inch force main will be extended from the lift station approximately 1000 feet to County Road 335. Properties lying east of the District could connect to sewer at either this location or at the sewage lift station. The force main will be extended westerly within County Road 335 approximately 850 feet to a manhole at the intersection with County Road 240. Properties lying to the west of the District could connect to the force main at this manhole. The force main will then be extended north under County Road 240 approximately 1440 feet to US Highway 6 & 24. This construction will include aerial crossings of the Colorado River, Interstate Highway 70, and the Denver & Rio Grande Railroad. At US Highway 6 & 24, the force main will turn and extend to the west approximately 100 feet to an existing sanitary sewer manhole that is a part of the New Castle sewer system. This sewer main is served by an existing sewage lift station. The District will install control devices linking the existing lift station to the proposed lift station at Riverside Park which prevents the pumps from operating simultaneously. The estimated cost of the sanitary sewer improvements is \$402,470.00.

**b) Town Standards.** The sanitary sewer system shall be designed and constructed in accordance with the rules and standards of the Town and the Town Ordinances as determined by the Town Engineer.

**c) Operation and Maintenance.** All sanitary sewers and related facilities will be dedicated and transferred to the Town in accordance with its rules and the applicable subdivision improvements agreement. The sanitary sewer facilities will be operated, maintained, and dedicated in accordance with the terms and conditions of the subdivision improvements agreement for the Development.

## 2. Water System

a) **General.** The water system will include all distribution lines, hydrants, and related facilities required to serve the Development. Individual service lines for each lot will be designed and installed by builders or lot owners. The District will construct a new 8 inch diameter water main. This main will start near the center of the District near the sewage lift station. From this location, service can be provided to the lift station and extended to serve Lot 3, the public park. The water main will extend westerly from this point approximately 1,145 feet to County Road 335. Properties lying to the east of the District can obtain service or extend additional mainlines from this point. The water main will extend approximately 850 feet to the west in County Road 335 to the intersection with County Road 240. Lot 1 of Riverside Park Subdivision can obtain service anywhere along this line. Properties lying to the west of the District could obtain service or extend mainlines to the west from this intersection. The water main will then be extended north under County Road 240 approximately 1,440 feet to US Highway 6 & 24. This construction will include aerial crossings of the Colorado River, Interstate Highway 70, and the Denver & Rio Grande Railroad. At US Highway 6 & 24 the water main will turn and extend approximately 50 feet to the west connecting to the existing New Castle water system. The estimated cost of the water main extension is \$278,700.00.

b) **Town Standards.** The water system will be designed and constructed in accordance with the rules and standards of the Town and the Town Ordinances as determined by the Town Engineer.

c) **Operation and Maintenance.** All water lines, hydrants, and related facilities will be dedicated and transferred to the Town in accordance with its rules and the applicable subdivision improvements agreement. The water facilities will be operated, maintained, and dedicated in accordance with the terms and conditions of the subdivision improvements agreement for the Development.

## 3. Public Park and Recreation Facilities

a) **General.** The District shall fund a portion of certain public park and recreation facilities and related appurtenances needed to serve the Development. The District shall pay \$225,000 of its bond proceeds to the Town for use in designing and constructing a park adjacent to the development. The Town shall be responsible for designing, constructing, operating and maintaining the Park for the use and enjoyment of the District residents and residents of the Town in a time and manner to be determined by the Town Council in its sole discretion.

b) **Town Standards.** Public Park facilities will be designed in accordance with the Town Ordinances and standards of the Town.

c) **Operation and Maintenance.** All public parks and related facilities will be owned, operated and maintained by the Town.

**C. Estimated Costs of Public Improvements and Capital Expenditure Plan**

The estimated costs of the public improvements to be financed, acquired, constructed, installed, and completed by the District are expected to be under \$1,000,000 (based upon projected available financing). The total estimated costs of all public improvements and those to be financed by the District are shown in Exhibit C. All public improvements within the District are expected to be completed within the four years anticipated for full-buildout of the Development. Bonds are expected to be issued to reimburse the costs advanced by Developer as build-out occurs currently as projected in the Financing Plan. Developer will not be compensated for land dedicated to the Town or District, except that the District may fund or compensate such persons for any land or easements required for public improvements located outside the Development or acquired from other persons. The preliminary engineering survey of the District facilities and improvements as shown in Exhibit C may be modified, changed and revised as necessary to provide the public improvements needed to serve the Development without any amendment or modification of the Service Plan, subject to the Approval of the Town.

**IV. DEVELOPMENT PROJECTIONS**

Developer has projected build-out within the Development based upon present market forecasts. The Development projections are incorporated into the Financial Plan set forth in Exhibit D. The assessed valuation of all improved property within the District is projected to be \$2,037,083 at build-out (2007); the assessed valuation of all property within the District adjusted for future market value increases is projected to be \$3,000,000 in 2034. The assessed valuation of property within the District is based upon projections of the actual values of improved property within the Development and present State property tax law.

**V. FINANCIAL PLAN**

**A. Administration and Operation Costs**

Because the District will have very little operational responsibilities, costs of general administration and operations of the District are expected to be minimal, approximately \$10,000 per fiscal year. These costs have been estimated based upon typical expenses incurred for special districts with nominal continuing operational responsibilities. Any increase in such costs over time will be funded by property taxes, fees, charges and other revenue sources generally available for such purposes, as determined by the Board during the annual budget process.

## **B. Financing Plan**

The Financing Plan is set forth in Exhibit D and demonstrates that the financial operations of the District will (i) provide economic and sufficient services within the District; (ii) have the financial ability to discharge the proposed District indebtedness on a reasonable basis; (iii) protect future property owners from onerous property taxes or District bond defaults; and (iv) not subject the Town to any present or future liability with respect to District bonds or other obligations.

The Financing Plan includes projected revenues derived from property taxes collected within the District (commencing in 2005), specific ownership taxes, interest income, cash balances and other revenue generally available each year, including the first budget year commencing in the 2004 fiscal year through the latest date when District debt is projected to be retired. The District may levy a small property tax for operating purposes, and such levies may be exempt from spending limits, if voter approval is obtained pursuant to Article X, Section 20 of the Colorado Constitution ("TABOR"). The District may issue revenue or bond anticipation notes to fund the costs of the public improvements and other interim expenses, until such time as bond proceeds and other revenues are available from the District or other sources. The District may also borrow funds from Developer or other parties or enter into funding agreements with such parties to initiate the capital plan pending the issuance of the District bonds. Any funds advanced by Developer or other parties will be reimbursed from available revenue sources of the District.

The Financing Plan shows how the financial operations of the District may be implemented. Preliminary debt repayment schedules for the District fixed rate limited general obligation bonds are attached as Exhibit D. The final bond financing plan, together with supporting documentation, will be filed with the Town. Although the attached Exhibit D reflects an expected repayment term of 30 years, the maximum term for bonds will be 40 years, assuming a 45.0 mill cap, and a coupon interest rate not to exceed 9.0%.

Prior to the issuance of long-term bonds, the District may issue bond anticipation notes or other multiple-fiscal year financial obligations secured by the revenues generated from property taxes collected by the District. Credit enhancement may be provided for any obligation of the District, if necessary. The District may make multiple-fiscal year financial obligation pledges secured by property taxes and specific ownership taxes to fund the acquisition and installation of the public improvements for the Development. Revenue from property taxes, specific ownership taxes and from other available sources will be used to retire District bonds, other debt or multiple-fiscal year financial obligations.

The District intends to issue limited tax general obligation and/or revenue bonds secured primarily by property taxes from levies not to exceed 45.0 mills, unless necessitated by a decrease in the assessed valuation of the property within the District

pursuant to Article X, Section 3 of the Colorado Constitution commonly referred to as the Gallagher Amendment or any other legislation causing a reduction in the assessed valuation of residential properties. In the event of legislation implementing changes in the ratio of actual valuation to assessed valuation for residential real property, pursuant to Article X, Section 3(1)(b) of the Colorado Constitution, the mill levy limitation provided herein will be increased or decreased as to all taxable property in the District to reflect such changes; 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. The property tax levy of the District is expected to be 45.0 mills for both operating and debt repayment purposes as shown in Exhibit D. The District debt will be sized and phased based upon reasonable development assumptions, property tax projections, and interest rates.

The 45-mills limitation on the property tax levy of the District for any series of bonds shall terminate at such time as the assessed valuation of all property within the District is at least 200% of the aggregate outstanding principal indebtedness of the District, at which time the bonds would convert to general obligation bonds and the maximum mill levy the District can promise to impose for the payment of such debt shall be such amount as may be necessary to pay the debt service on such debt, without limitation of rate.

For purposes of the foregoing, once general obligation debt has been determined to be within the limitations set forth above so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent reduction in the assessed valuation of the District.

No provision of the Service Plan shall be construed to restrict the issuance of any form or type of bond, note or other multiple-fiscal year financial obligation of the District; provided that the projections in the Service Plan are not materially modified. The Financing Plan illustrates that adequate revenues are available from various sources for the payment of debt issued to provide public improvements for the Development, thus eliminating risks of excessive property tax levies or bond defaults or other potential risks of financing.

The District may issue up to 40-year fixed rate bonds with coupons (and credit enhancement fees, if necessary) not to exceed 9%. Alternate financing plans may also be implemented without having to amend or modify the Service Plan, if subsequently determined by the District to be in its best interests and if in material compliance with the projections in the Service Plan. The District may issue variable rate bonds or notes, if interest and other issuance costs are less than the financing costs projected in the Financing Plan. Alternatively, the District may issue unsecured or partially credit enhanced, non-rated, fixed rate bonds to financial institutions, which might cause interest rates, debt service and other issuance costs to be higher than the financing costs projected



in the Financing Plan. In such event, the District will reduce the size of the bond issue so that bond repayments can be made from the projected revenue available to the District.

The District shall, without limiting other financing alternatives or having to amend or modify the Service Plan, be entitled to change the structure of the Financing Plan, including without limitation by enabling the District to obtain financing directly from Developer, other developers, financial institutions, or accredited investors in compliance with State law. The District may obtain funding directly from Developer and repay and reimburse such obligations from property tax collections, specific ownership taxes, and other available funds of the District. The District shall obtain an opinion from bond counsel for any bonds issued to Developer.

If the Developer advances funds to the District for purpose of payment of principal and/or interest on any bonds or facilities, the obligation of the District to repay the Developer shall be subject to the limits set forth above and may be amortized over time, or paid at the time of bond issuance so long as each payment obligation is subordinate to the annual debt service payments required to any third party bondholders. In addition, the interest rate applicable to developer reimbursements shall not exceed 5%.

Upon approval of the Service Plan, the District will continue to develop and refine the cost estimates for the public improvements needed for the Development and to implement a viable bond financing plan therefor. Costs for construction, engineering and contingencies, capitalized interest, reserve requirements, credit enhancement/letter of credit fees, and other costs of financing will be included in the bond financing plan, as appropriate. All construction cost estimates assume construction in compliance with the requirements of the Town and other governmental agencies, if applicable.

The total estimated costs of all public improvements to be financed by the District, capitalized interest, and related issuance and organizational costs are estimated to be \$1,000,000. The District shall have the authority to issue or incur limited tax general obligation indebtedness (secured by a property tax levy not to exceed 45.0 mills), revenue debt, and other multiple-fiscal year financial obligations in an amount sufficient to finance and construct all public improvements specified under the Service Plan, if not greater than \$1,000,000, without the need to obtain the approval of the Town or to process any amendment or modification of the Service Plan. The District shall not seek authorization from its electorate to incur indebtedness greater than \$1,000,000, exclusive of refundings or other refinancings, without the approval of the Town. Modifications of all capital cost estimates shall likewise be permitted, if the total costs of all estimates are not materially greater than the estimates set forth in the Service Plan. All ballot questions will be filed with the Town prior to certification pursuant to State election laws. Authorization to issue bonds and enter into the various agreements described herein will be sought from the District's electorate pursuant to the Act and Colorado Constitution. **In no event may the District incur total debt in excess of \$1,500,000**, of which \$500,000 is intended to represent accrued interest prior to issuance of the bonds, as long as the District remains under the control of the Developer.

In addition to property taxes and specific ownership taxes, the District may also rely upon various other revenue sources authorized by law to fund its financial obligations. These include the power to establish fees, rates, penalties, or charges as provided in the Act. The Financing Plan has been developed without reliance upon all possible sources of revenue available to the District, but this will not preclude the District from implementing any revenue source legally available to the District, if needed to fund debt service, operations or other expenses.

The Financing Plan does not project any significant accumulation of fund balances which might represent revenues in excess of expenditures under TABOR. If District operations do not qualify as enterprises under TABOR, revenues from all sources that exceed the permitted level of expenditures in any year will be refunded to taxpayers, unless a vote approving the retention or "de-Brucing" of such revenues is obtained. The District will seek voter approval in advance at the organizational election, so that fluctuations in District revenue from year to year do not create a TABOR refund problem. To the extent that annual District revenues exceed expenditures without prior approval, the District will comply with the provisions of TABOR and either refund any excess revenue or obtain voter approval to retain such amounts. At the discretion of the Board, the District may establish enterprises or other qualifying entities to manage, finance, construct and operate facilities, services, and programs.

The estimated costs of the public facilities and improvements to be acquired, constructed, installed and/or funded by the District, including the costs of acquisition of land, engineering, legal and administrative services, initial proposed indebtedness, capitalized interest and other financing costs, and other major expenses related to such facilities and improvements, are set forth in the Financing Plan. For full build-out of the Development, the principal costs of such items are expected to be \$1,000,000 due to financing limitations. If for any reason build-out does not occur as anticipated, the capital improvements may be deferred or phased to coincide with actual development, and unnecessary expenditures will be avoided. Organizational costs authorized under the Act are estimated to be under \$15,000. Interim District expenses funded by Developer will be reimbursed from available revenue sources, including bond proceeds.

The principal amount of voter-authorized debt shall not exceed \$1,000,000, exclusive of refundings or other refinancings, unless otherwise approved by the Town. The maximum interest rate on District bonds is estimated to be 12%. The maximum underwriting discount is estimated to be 3.0%. It is anticipated that the District bonds, when issued, will mature not more than 40 years from the date of issuance. District bonds may be refunded in accordance with State law. The letter from Kirkpatrick Pettis attached as Exhibit F confirms the availability of bond financing for the District within the parameters set forth in the Financing Plan.

The Financing Plan demonstrates that, at the projected levels of development, the District will have the economic ability to finance the public improvements needed for the Development, to provide limited services and pay for service costs likely to be incurred by the District, and to discharge the proposed indebtedness of the District on a reasonable basis, without significant potential risks of financing, relying upon reasonable tax levies. No funds or assets of the Town shall be pledged as security for the repayment of debt incurred by the District, and the Town shall have no financial liability of any nature for the debt of the District or its operations.

## **VI. PROPOSED AND EXISTING AGREEMENTS**

### **A. Town Agreements**

The District shall enter into an agreement with the Town pledging to pay \$225,000 toward construction of park to be located adjacent to the District for use by residents of the Town and the District.

The District, the Town, and the Developer shall enter into a mutually-acceptable amendment to the subdivision improvements agreement for the Development in order to address, among other things, assignment to the District of certain of the Developer's rights and obligations to construct the public improvements, any necessary updates to the designs, specifications, and cost estimates relating to such improvements, and a commitment by the Developer to pay the Recreational Facilities Development Fee for all proposed units in an upfront, lump-sum payment prior to construction. If the actual costs of construction of the water and sanitary sewer improvements exceed the estimates contained in this Service Plan, the Developer shall also be contractually obligated to pay the excess.

### **B. Other Agreements/Authority**

To the extent necessary, the District may enter into other intergovernmental and private agreements to ensure the long-term provision of the public facilities and services needed for the Development and for the effective management of District affairs. Agreements may be entered into with the Town, Developer, other developers, and other service providers to discharge any facility or service responsibility of the District under the Service Plan.

## **VII. OTHER REQUIREMENTS**

The District shall be subject to the following additional requirements:

1. Any significant change in the Service Plan will be submitted to the Town, and if the Town determines that such change constitutes a "material modification"

of the Service Plan, it shall first be subject to approval by the Town in accordance with the provisions of the Act.

2. The District shall cooperate with the Town to implement the Service Plan and to discharge its responsibilities to furnish services and facilities needed for the Development.

3. The District shall not issue any indebtedness that is not consistent with the Service Plan without first submitting the proposed financing to the Town for review and comment.

4. Developer shall provide adequate written notice to initial purchasers of property in the District regarding (i) the types of taxes, charges, or assessments which are currently imposed by the District, and (ii) the name and addresses of a District contact person. This disclosure shall occur prior to the sale of the property and shall also be incorporated into the recorded covenants for the Development.

5. In the event of non-compliance with any provision of this Section, the Town may request in writing that the District comply with such requirement. If the District does not comply within 30 days after receipt of such request from the Town, such failure shall constitute a material modification of this Service Plan, unless prior written approval of the Town is obtained.

## VIII. CONCLUSION

It is submitted that the Service Plan establishes, as required by the Act, that:

a) there is sufficient existing and projected need for organized service in the area to be served 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 boundaries and within the Service Area; and

d) the area included in the District and within its Service Area has, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

Therefore, it is requested that the Town Council of the Town of New Castle, Colorado, which has jurisdiction to approve the Service Plan pursuant to §32-1-204.5, C.R.S., adopt a resolution approving the Service Plan for River Park Metropolitan District without condition or modification.

Respectfully submitted,

COLLINS COCKREL & COLE  
A Professional Corporation

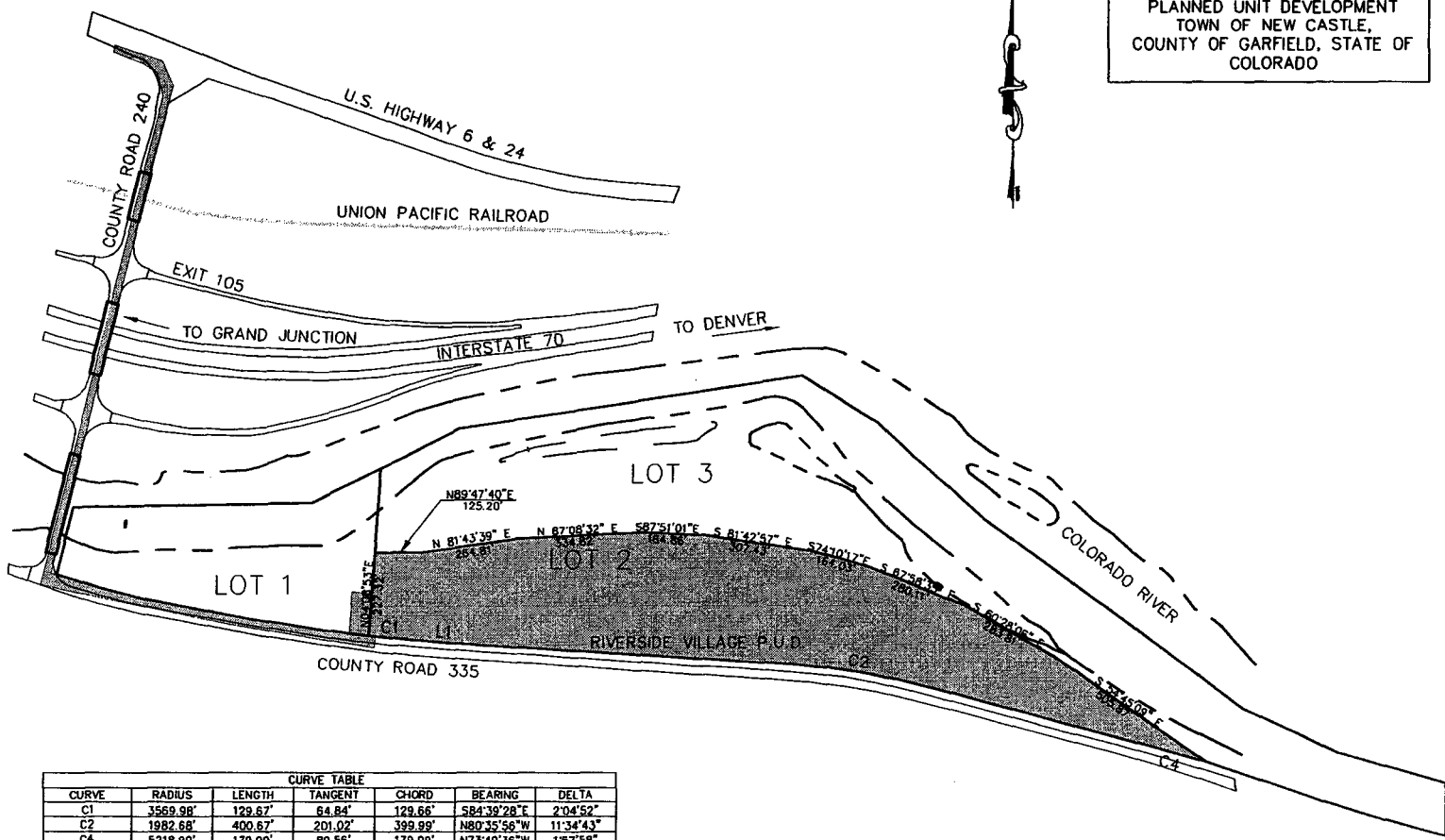
*Jim Collins*

By: \_\_\_\_\_  
James P. Collins  
Counsel to the District

**EXHIBIT A**

**MAP SHOWING THE BOUNDARIES OF THE DISTRICT**

RIVERSIDE VILLAGE, P.U.D.  
 A RESUBDIVISION OF LOT 2  
 RIVERSIDE PARK,  
 PLANNED UNIT DEVELOPMENT  
 TOWN OF NEWCASTLE,  
 COUNTY OF GARFIELD, STATE OF  
 COLORADO



CURVE TABLE						
CURVE	RADIUS	LENGTH	TANGENT	CHORD	BEARING	DELTA
C1	3569.98'	129.67'	64.84'	129.66'	S84°39'28"E	2°04'52"
C2	1982.68'	400.67'	201.02'	399.99'	N80°35'56"W	11°34'43"
C4	5218.99'	179.09'	89.56'	179.09'	N73°49'36"W	1°57'58"

J:\projects\10069\dwg\districtbd.dwg, 02/12/2004 09:44:12 AM

**Inter-Mountain Engineering Ltd.**  
 77 METCALF ROAD P.O. BOX 978 AVON, CO 81610 P/E: (970)949-5872  
 8392 CONTINENTAL DIVIDE RD, SUITE 107 LITTLETON, CO 80127 P/E: (303)748-6210

CLIENT: WINTERGREEN HOMES

*This document was prepared for the exclusive use of the Client specified herein. The use of this document or the information contained herein by any other person or entity is not authorized. In the event that any other person or entity desires to use this document or the information contained herein for any purpose they must first obtain written authorization from Inter-Mountain Engineering. This document and any information contained herein is intended to be used within one year of the date hereof. Use after that period is not authorized.*

**DISTRICT BOUNDARY MAP**  
 RIVER PARK METROPOLITAN DISTRICT  
 TOWN OF NEWCASTLE  
 GARFIELD COUNTY, COLORADO

DRAWN BY:	MM
SCALE:	N.A.S.E.
DATE ISSUED:	4-12-14
PROJECT NO:	01-0069E
DWG#:	1

**EXHIBIT B**

**LEGAL DESCRIPTION OF THE PROPERTY  
WITHIN THE BOUNDARIES OF THE  
RIVER PARK METROPOLITAN DISTRICT**

Lot 2, Riverside Park Subdivision, Town of New Castle, Garfield County, Colorado, containing 13.04 acres, as shown in the final plat for Riverside Park Subdivision, recorded in the Office of the Garfield County Clerk and Recorder on 7/12/99 at Reception No. 548663.



**EXHIBIT C**

**GENERAL DESCRIPTION AND CAPITAL COSTS  
OF PUBLIC IMPROVEMENTS WITHIN RIVER PARK  
METROPOLITAN DISTRICT**



Description	Quantity	Units	Unit Price	Total
<b>Sanitary Sewer System</b>				
8" sanitary sewer	975	LF	\$ 28.00	\$ 27,300
6"sanitary sewer force main (HDPE)	2,730	LF	\$ 15.25	\$ 41,633
6"sanitary sewer force main (DIP)	630	LF	\$ 17.00	\$ 10,710
10" welded steel pipe	630	LF	\$ 41.50	\$ 26,145
Casing insulation & heat tape	630	LF	\$ 27.00	\$ 17,010
Sewer line hangers	26	EA	\$ 270.00	\$ 7,020
Sewer line spacers	63	EA	\$ 116.00	\$ 7,308
Force main tie in manhole and fittings	1	EA	\$ 1,500.00	\$ 1,500
5' diameter manhole	7	EA	\$ 2,500.00	\$ 17,500
Insulation	292	LF	\$ 10.00	\$ 2,920
Force main manhole and fittings	3	LF	\$ 5,000.00	\$ 15,000
Force main manhole and fittings (CDOT)	5	LF	\$ 6,000.00	\$ 30,000
Lift station	1	EA	\$ 92,000.00	\$ 92,000
Lift station radio control	1	EA	\$ 15,000.00	\$ 15,000
6' wet well	1	EA	\$ 13,000.00	\$ 13,000
Concrete encasement	20	lf	\$ 30.00	\$ 600
Flowfill	600	CY	\$ 55.00	\$ 33,000
2" asphalt	798	SY	\$ 6.55	\$ 5,227
2" asphalt overlay	1,489	SY	\$ 6.55	\$ 9,753
Sawcut existing asphalt	1,220	LF	\$ 2.00	\$ 2,440
Infrared asphalt road patches	1,085	LF	\$ 14.00	\$ 15,190
Traffic control	1	EA	\$ 10,000.00	\$ 10,000
Core drill bridge abutments	1	EA	\$ 2,214.50	\$ 2,215
<b>Subtotal - Sanitary Sewer System</b>				<b>\$ 402,470</b>
<b>Water System</b>				
8" Water main	3,500	LF	\$ 30.00	\$ 105,000
8" Gate valve	14	EA	\$ 825.00	\$ 11,550
12" welded steel pipe	630	LF	\$ 53.00	\$ 33,390
Casing insulation & heat tape	630	LF	\$ 37.00	\$ 23,310
Water line hangers	26	EA	\$ 340.00	\$ 8,840
Water line spacers	63	EA	\$ 150.00	\$ 9,450
Connection to existing water system	1	EA	\$ 2,000.00	\$ 2,000
Air-Vac & tapping sleeve	1	EA	\$ 2,000.00	\$ 2,000
Air-Vac & vault	1	EA	\$ 2,500.00	\$ 2,500
Insulation	282	LF	\$ 10.00	\$ 2,820
Flowfill	600	CY	\$ 55.00	\$ 33,000
2" asphalt	798	SY	\$ 6.55	\$ 5,227
2" asphalt overlay	1,489	SY	\$ 6.55	\$ 9,753
Sawcut existing asphalt	1,220	LF	\$ 2.00	\$ 2,440
Infrared asphalt road patches	1,085	LF	\$ 14.00	\$ 15,190
Traffic control	1	EA	\$ 10,000.00	\$ 10,000
Core drill bridge abutments	1	EA	\$ 2,230.50	\$ 2,231
<b>Subtotal - Water System</b>				<b>\$ 278,700</b>
<b>Public Park &amp; Recreation Facilities</b>				
Park contribution	1	EA	\$ 225,000.00	\$ 225,000
<b>Subtotal - Public Park &amp; Recreation Facilities</b>				<b>\$ 225,000</b>
<b>Total Estimated Cost</b>				<b>\$ 906,170</b>

**EXHIBIT D**

**FINANCING PLAN  
AND**

**PRELIMINARY DEBT REPAYMENT SCHEDULES FOR DISTRICT BONDS**

Cash Flow Forecast: Residential

		Residential Development				
Construction Year	Collection Year	Condos				
		Number	Average Value	Annual Value		
			\$165,000			
2001	2003	0	\$165,000	\$0		
2002	2004	0	\$165,000	\$0		
2003	2005	0	\$165,000	\$0		
2004	2006	30	\$165,000	\$4,950,000		
2005	2007	40	\$165,000	\$6,600,000		
2006	2008	40	\$165,000	\$6,600,000		
2007	2009	43	\$165,000	\$7,095,000		
2008	2010	0	\$165,000	\$0		
2009	2011	0	\$165,000	\$0		
2010	2012	0	\$165,000	\$0		
2011	2013	0	\$165,000	\$0		
2012	2014					
2013	2015					
		153	\$25,245,000	0	\$0	0
					\$0	0
					\$0	\$0

		RESIDENTIAL TOTALS					
Construction Year	Collection Year	New Res Units	MV of Units	Est. Bl. Ann Inflation	Cumulative Mkt Value	Est. Res Ass. Rate	Residential A.V.
2001	2003	0	\$0			7.96%	\$0
2002	2004	0	\$0	\$0	\$0	7.96%	\$0
2003	2005	0	\$0		\$0	7.96%	\$0
2004	2006	30	\$4,950,000	\$0	\$4,950,000	7.96%	\$394,020
2005	2007	40	\$6,600,000		\$11,550,000	7.96%	\$919,380
2006	2008	40	\$6,600,000	\$346,500	\$18,496,500	7.96%	\$1,472,321
2007	2009	43	\$7,095,000		\$25,591,500	7.96%	\$2,037,083
2008	2010	0	\$0	\$767,745	\$26,359,245	7.96%	\$2,098,196
2009	2011	0	\$0		\$26,359,245	7.96%	\$2,098,196
2010	2012	0	\$0	\$790,777	\$27,150,022	7.96%	\$2,161,142
2011	2013	0	\$0		\$27,150,022	7.96%	\$2,161,142
2012	2014	0	\$0	\$814,501	\$27,964,523	7.96%	\$2,225,976
2013	2015	0	\$0		\$27,964,523	7.96%	\$2,225,976
2014	2016			\$838,936	\$28,803,459	7.96%	\$2,292,755
2015	2017				\$28,803,459	7.96%	\$2,292,755
2016	2018			\$864,104	\$29,667,562	7.96%	\$2,361,538
2017	2019				\$29,667,562	7.96%	\$2,361,538
2018	2020			\$890,027	\$30,557,589	7.96%	\$2,432,384
2019	2021				\$30,557,589	7.96%	\$2,432,384
2020	2022			\$916,728	\$31,474,317	7.96%	\$2,505,356
2021	2023				\$31,474,317	7.96%	\$2,505,356
2022	2024			\$944,230	\$32,418,547	7.96%	\$2,580,516
2023	2025				\$32,418,547	7.96%	\$2,580,516
2024	2026			\$972,556	\$33,391,103	7.96%	\$2,657,932
2025	2027				\$33,391,103	7.96%	\$2,657,932
2026	2028			\$1,001,733	\$34,392,836	7.96%	\$2,737,670
2027	2029				\$34,392,836	7.96%	\$2,737,670
2028	2030			\$1,031,785	\$35,424,621	7.96%	\$2,819,800
2029	2031				\$35,424,621	7.96%	\$2,819,800
2030	2032			\$1,062,739	\$36,487,360	7.96%	\$2,904,394
2031	2033				\$36,487,360	7.96%	\$2,904,394
2032	2034			\$1,094,621	\$37,581,981	7.96%	\$2,991,526
		0	\$0	153	\$25,245,000	\$223,535,581	\$67,369,647

Cash Flow Forecast: Commercial & Undeveloped Residential

		Estimated Value of Lots Platted by Year			
Construction Year	Collection Year	Condos		Number	
		Number	Average Value		
			\$9,804		
2001	2003	0	\$9,804	\$0	
2002	2004	0	\$9,804	\$1,500,000	
2003	2005	0	\$9,804	\$0	
2004	2006	30	\$9,804	(\$294,118)	
2005	2007	40	\$9,804	(\$392,157)	
2006	2008	40	\$9,804	(\$392,157)	
2007	2009	43	\$9,804	(\$421,569)	
2008	2010	0	\$9,804	\$0	
2009	2011	0	\$9,804	\$0	
2010	2012				
2011	2013				
2012	2014				
2013	2015				
		153	\$0	0	\$0
					\$0

Construction Year	Collection Year	Annual Market Value of Residential Lots	Land AV TOTALS		
			Cummulative Market Value	Est. Res. Ass. Ratio	Vacant Land A.V.
2001	2003				
2002	2004	\$1,500,000	\$1,500,000	29.00%	
2003	2005	\$0	\$1,500,000	29.00%	\$435,000
2004	2006	(\$294,118)	\$1,205,882	29.00%	\$349,706
2005	2007	(\$392,157)	\$813,725	29.00%	\$235,980
2006	2008	(\$392,157)	\$421,569	29.00%	\$122,255
2007	2009	(\$421,569)	\$0	29.00%	\$0
2008	2010	\$0	\$0	29.00%	\$0
2009	2011	\$0	\$0	29.00%	\$0
2010	2012	\$0	\$0	29.00%	\$0
2011	2013	\$0	\$0	29.00%	\$0
2012	2014	\$0	\$0	29.00%	\$0
2013	2015	\$0	\$0	29.00%	\$0
2014	2016	(\$0)	(\$0)	29.00%	\$0
2015	2017	\$0	(\$0)	29.00%	\$0
2016	2018	\$0	(\$0)	29.00%	\$0

River Park Metropolitan District

New Castle, Colorado

Series 2004

9-Feb-04

Sources of Revenue (2004): Assumed A.V.

River Park Metropolitan District									
Fiscal Year	Total Commerical Assessed Value	Total Residential Assessed Value	Total Assessed Value Bi-Ann. Inflation 3.00%	Projected Mill Levy	Projected Collections	Specific Ownership Taxes @ 6.00%	Less: Cnty Treasurer's Fee @ 3.00%	Less: Admin & Legal @ \$15,000/Year	Total Available for Debt Service
12/1/04	\$0	\$0	\$0	45.00	\$0	\$0	\$0	\$0	0
12/1/05	\$435,000	\$0	\$435,000	45.00	\$19,575	\$1,175	(\$587)	(\$15,000)	5,162
12/1/06	\$349,706	\$394,020	\$743,726	45.00	\$33,468	\$2,008	(\$1,004)	(\$15,000)	19,472
12/1/07	\$235,980	\$919,380	\$1,155,360	45.00	\$51,991	\$3,119	(\$1,560)	(\$15,000)	38,551
12/1/08	\$122,255	\$1,472,321	\$1,594,576	45.00	\$71,756	\$4,305	(\$2,153)	(\$15,000)	58,909
12/1/09	\$0	\$2,037,083	\$2,037,083	45.00	\$91,669	\$5,500	(\$2,750)	(\$15,000)	79,419
12/1/10	\$0	\$2,098,196	\$2,098,196	45.00	\$94,419	\$5,665	(\$2,833)	(\$15,000)	82,251
12/1/11	\$0	\$2,098,196	\$2,098,196	45.00	\$94,419	\$5,665	(\$2,833)	(\$15,000)	82,251
12/1/12	\$0	\$2,161,142	\$2,161,142	45.00	\$97,251	\$5,835	(\$2,918)	(\$15,000)	85,169
12/1/13	\$0	\$2,161,142	\$2,161,142	45.00	\$97,251	\$5,835	(\$2,918)	(\$15,000)	85,169
12/1/14	\$0	\$2,225,976	\$2,225,976	45.00	\$100,169	\$6,010	(\$3,005)	(\$15,000)	88,174
12/1/15	\$0	\$2,225,976	\$2,225,976	45.00	\$100,169	\$6,010	(\$3,005)	(\$15,000)	88,174
12/1/16	\$0	\$2,292,755	\$2,292,755	45.00	\$103,174	\$6,190	(\$3,095)	(\$15,000)	91,269
12/1/17	\$0	\$2,292,755	\$2,292,755	45.00	\$103,174	\$6,190	(\$3,095)	(\$15,000)	91,269
12/1/18	\$0	\$2,361,538	\$2,361,538	45.00	\$106,269	\$6,376	(\$3,188)	(\$15,000)	94,457
12/1/19	\$0	\$2,361,538	\$2,361,538	45.00	\$106,269	\$6,376	(\$3,188)	(\$15,000)	94,457
12/1/20	\$0	\$2,432,384	\$2,432,384	45.00	\$109,457	\$6,567	(\$3,284)	(\$15,000)	97,741
12/1/21	\$0	\$2,432,384	\$2,432,384	45.00	\$109,457	\$6,567	(\$3,284)	(\$15,000)	97,741
12/1/22	\$0	\$2,505,356	\$2,505,356	45.00	\$112,741	\$6,764	(\$3,382)	(\$15,000)	101,123
12/1/23	\$0	\$2,505,356	\$2,505,356	45.00	\$112,741	\$6,764	(\$3,382)	(\$15,000)	101,123
12/1/24	\$0	\$2,580,516	\$2,580,516	45.00	\$116,123	\$6,967	(\$3,484)	(\$15,000)	104,607
12/1/25	\$0	\$2,580,516	\$2,580,516	45.00	\$116,123	\$6,967	(\$3,484)	(\$15,000)	104,607
12/1/26	\$0	\$2,657,932	\$2,657,932	45.00	\$119,607	\$7,176	(\$3,588)	(\$15,000)	108,195
12/1/27	\$0	\$2,657,932	\$2,657,932	45.00	\$119,607	\$7,176	(\$3,588)	(\$15,000)	108,195
12/1/28	\$0	\$2,737,670	\$2,737,670	45.00	\$123,195	\$7,392	(\$3,696)	(\$15,000)	111,891
12/1/29	\$0	\$2,737,670	\$2,737,670	45.00	\$123,195	\$7,392	(\$3,696)	(\$15,000)	111,891
12/1/30	\$0	\$2,819,800	\$2,819,800	45.00	\$126,891	\$7,613	(\$3,807)	(\$15,000)	115,698
12/1/31	\$0	\$2,819,800	\$2,819,800	45.00	\$126,891	\$7,613	(\$3,807)	(\$15,000)	115,698
12/1/32	\$0	\$2,904,394	\$2,904,394	45.00	\$130,698	\$7,842	(\$3,921)	(\$15,000)	119,619
12/1/33	\$0	\$2,904,394	\$2,904,394	45.00	\$130,698	\$7,842	(\$3,921)	(\$15,000)	119,619
12/1/34	\$0	\$2,991,526	\$2,991,526	45.00	\$134,619	\$8,077	(\$4,039)	(\$15,000)	123,657
<b>Total</b>	<b>\$1,142,941</b>	<b>\$67,369,647</b>	<b>\$68,512,588</b>		<b>\$3,083,066</b>	<b>\$184,984</b>	<b>(\$92,492)</b>	<b>(\$450,000)</b>	<b>\$2,725,558</b>

(1) - Ending District Fund Balance used to pay off Accrued & Unpaid Debt Service. Capped at \$1.5 mm total.

NB - District converts to Unlimited Tax G.O. upon achievement of 50% Debt-to-Assessed Ratio.

River Park Metropolitan District  
New Castle, Colorado  
Series 2004  
2/9

Sources of Revenue (2004): Assumed A.V.

Fiscal Year	Total Available for Debt Service	2004 Principal	2004 Coupon	10/1/2004 2004 Interest	2004 Debt Service	Beginning Fund Balance	Annual Surplus/ (Deficit)	Debt Service Paid	Accrued & Unpd. Debt Service	Ending Fund Balance (1)
12/1/04	0	\$0	8.00%	\$13,133	\$13,133	\$0	-\$13,133	\$0	\$13,133	\$0
12/1/05	5,162	\$0	8.00%	\$78,800	\$78,800	\$0	-\$73,638	\$5,162	\$86,771	\$0
12/1/06	19,472	\$0	8.00%	\$78,800	\$78,800	\$0	-\$59,328	\$19,472	\$146,099	\$0
12/1/07	38,551	\$0	8.00%	\$78,800	\$78,800	\$0	-\$40,249	\$38,551	\$186,348	\$0
12/1/08	58,909	\$0	8.00%	\$78,800	\$78,800	\$0	-\$19,891	\$58,909	\$206,240	\$0
12/1/09	79,419	\$0	8.00%	\$78,800	\$78,800	\$0	\$619	\$78,800	\$206,240	\$619
12/1/10	82,251	\$0	8.00%	\$78,800	\$78,800	\$619	\$3,451	\$78,800	\$206,240	\$4,070
12/1/11	82,251	\$0	8.00%	\$78,800	\$78,800	\$4,070	\$3,451	\$78,800	\$206,240	\$7,522
12/1/12	85,169	\$5,000	8.00%	\$78,800	\$83,800	\$7,522	\$1,369	\$83,800	\$206,240	\$8,890
12/1/13	85,169	\$5,000	8.00%	\$78,400	\$83,400	\$8,890	\$1,769	\$83,400	\$206,240	\$10,659
12/1/14	88,174	\$10,000	8.00%	\$78,000	\$88,000	\$10,659	\$174	\$88,000	\$206,240	\$10,833
12/1/15	88,174	\$10,000	8.00%	\$77,200	\$87,200	\$10,833	\$974	\$87,200	\$206,240	\$11,807
12/1/16	91,269	\$10,000	8.00%	\$76,400	\$86,400	\$11,807	\$4,869	\$86,400	\$206,240	\$16,677
12/1/17	91,269	\$15,000	8.00%	\$75,600	\$90,600	\$16,677	\$669	\$90,600	\$206,240	\$17,346
12/1/18	94,457	\$20,000	8.00%	\$74,400	\$94,400	\$17,346	\$57	\$94,400	\$206,240	\$17,403
12/1/19	94,457	\$20,000	8.00%	\$72,800	\$92,800	\$17,403	\$1,657	\$92,800	\$206,240	\$19,060
12/1/20	97,741	\$25,000	8.00%	\$71,200	\$96,200	\$19,060	\$1,541	\$96,200	\$206,240	\$20,601
12/1/21	97,741	\$25,000	8.00%	\$69,200	\$94,200	\$20,601	\$3,541	\$94,200	\$206,240	\$24,142
12/1/22	101,123	\$30,000	8.00%	\$67,200	\$97,200	\$24,142	\$3,923	\$97,200	\$206,240	\$28,066
12/1/23	101,123	\$35,000	8.00%	\$64,800	\$99,800	\$28,066	\$1,323	\$99,800	\$206,240	\$29,389
12/1/24	104,607	\$40,000	8.00%	\$62,000	\$102,000	\$29,389	\$2,607	\$102,000	\$206,240	\$31,996
12/1/25	104,607	\$45,000	8.00%	\$58,800	\$103,800	\$31,996	\$807	\$103,800	\$206,240	\$32,803
12/1/26	108,195	\$50,000	8.00%	\$55,200	\$105,200	\$32,803	\$2,995	\$105,200	\$206,240	\$35,798
12/1/27	108,195	\$55,000	8.00%	\$51,200	\$106,200	\$35,798	\$1,995	\$106,200	\$206,240	\$37,793
12/1/28	111,891	\$60,000	8.00%	\$46,800	\$106,800	\$37,793	\$5,091	\$106,800	\$206,240	\$42,884
12/1/29	111,891	\$65,000	8.00%	\$42,000	\$107,000	\$42,884	\$4,891	\$107,000	\$206,240	\$47,775
12/1/30	115,698	\$75,000	8.00%	\$36,800	\$111,800	\$47,775	\$3,898	\$111,800	\$206,240	\$51,673
12/1/31	115,698	\$80,000	8.00%	\$30,800	\$110,800	\$51,673	\$4,898	\$110,800	\$206,240	\$56,570
12/1/32	119,619	\$95,000	8.00%	\$24,400	\$119,400	\$56,570	\$219	\$119,400	\$206,240	\$56,789
12/1/33	119,619	\$100,000	8.00%	\$16,800	\$116,800	\$56,789	\$2,819	\$116,800	\$206,240	\$59,608
12/1/34	123,657	\$110,000	8.00%	\$8,800	\$118,800	\$59,608	\$4,857	\$118,800	\$206,240	\$64,465
<b>Total</b>	<b>\$2,725,558</b>	<b>\$985,000</b>		<b>\$1,882,333</b>	<b>\$2,867,333</b>		<b>-\$141,775</b>	<b>\$2,661,094</b>		

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NB - District converts to Unlimited Tax G.O. upon achievement of 50% Debt-to-Assessed Ratio.

**River Park Metropolitan District**  
**New Castle, Colorado**  
**Series 2004**  
**9-Feb-04**

**Notes**

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10/30/03:

Land Value/153

No interest earnings

1/8/04:

Art going to purchase bonds

No cap I

try to get UTGO from City

Art would then sell later.

He would waive any 'defaulted' P & I. Cap collection (accrued)

1/12/04:

45 mills LTGO - Gallerghized

No Cap I

\$225 City Park

\$15k Admin Costs

Debt increase (not accrued interest), but deferred int. pmt.s added to principal...capped at \$1.5 mm

Increase DS as inflation grows.

1/14/04:

50% debt to Ass -> convert to UTGO

Art needs to understand projections/Buildout



**River Park Metropolitan District  
New Castle, Colorado  
Series 2004  
9-Feb-04**

**Estimated Sources & Uses**

**Estimated Sources**

Series A Par Amount	\$985,000.00
Accrued Interest	\$0.00
Purchase Price	<u>\$985,000.00</u>

**Estimated Uses**

Underwriter's Discount	\$30,000.00	
Bond Counsel	\$20,000.00	
District Counsel (est.)	\$10,000.00	
Financial Consultant/Service Plan	\$0.00	
Paying Agent/Escrow Agent	\$1,000.00	
Rating Agency	\$0.00	
Printing	\$0.00	
Regulatory Fees	\$4,000.00	
Misc.	<u>\$10,000.00</u>	
Total Costs of Issuance		\$75,000.00
Capitalized Interest		\$0.00
City Park		\$225,000.00
Balance of Proceeds to District (to fund offsites)		<u>\$685,000.00</u>
Total Uses		<u>\$985,000.00</u>

**EXHIBIT E**

**LETTER FROM KIRKPATRICK PETTIS**

**Kirkpatrick Pettis**  
A Mutual of Omaha Company

February 10, 2004

Mayor and Members of the Town Council  
Town of New Castle  
450 West Main Street  
Box 90  
New Castle, CO 81647

**Re: River Park Metropolitan District**

Dear Mayor and Members of Town Council,

This letter is intended to address certain aspects of the Financial Plan submitted by the proponents of the River Park Metropolitan District.

Kirkpatrick Pettis is a financial service firm which is fortunate to be the largest underwriter of Colorado municipal securities over the last several years. As such, we are very familiar with the reasonableness of financial plans such as that which has been prepared for River Park Metropolitan District.

Based solely on the financial assumptions and data provided us by the developer sponsor of the proposed district (as to which we have not verified and are assuming the reasonableness thereof), we have assisted in the mathematical presentation of the tax base against estimated debt service provided by this firm. Assuming the developer sponsor's assumptions are accurate as to both valuation and timing of buildout, the projected results demonstrate that the proposed district will have the financial ability to discharge the proposed indebtedness on a reasonable basis.

Please let us know if you have any further questions regarding the proposed financial plan.

Best regards,  
***Andrew B. Kane***

Andrew B. Kane  
Senior Vice President