

SERVICE PLAN

FOR

**TIMBER SPRINGS
METROPOLITAN
DISTRICT**

August 21, 2013

**SERVICE PLAN FOR
TIMBER SPRINGS
METROPOLITAN DISTRICT**

I. INTRODUCTION

A. Summary.

This Service Plan ("Service Plan") for Timber Springs Metropolitan District ("District") constitutes the service plan for a Title 32 special district proposed to serve the needs of the Timber Springs Development ("Timber Springs").

Public infrastructure has been completed to provide streets, drainage, and other public improvements needed to serve Timber Springs. The public improvements will be financed and constructed in accordance with the limitations set forth herein. The Service Plan describes the manner in which the District, a special district established pursuant to, and having the powers authorized in Article 1 of Title 32, C.R.S. ("Act"), will provide the tax base necessary to pay for the public improvements and services needed for Timber Springs. The Service Plan is submitted in accordance with Part 2 of the Act. The Service Plan demonstrates how the District will finance and complete the public improvements and services needed by property owners within Timber Springs.

Any reference to the Service Plan shall also apply to any amendment, change, or modification of the Service Plan approved by the Eagle County Board of County Commissioners in compliance with the Act as 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.

1. District Structure. The Service Plan defines the powers and authorities of, as well as the limitations and restrictions on, the District. The District will be responsible for (i) financing the public improvements within the Service Area, (ii) managing the construction, operation, maintenance and replacement of the public improvements and services needed to serve Timber Springs, and (iii) providing the property tax base and levying property taxes as needed for the public improvements, operations, maintenance and replacement. The "Financing Plan" discussed throughout the Service Plan refers to the financial plan for the District as more fully described in Section IV, which will be implemented to provide the public improvements and services needed for Timber Springs. The District shall also be responsible for providing various permanent services including, but not limited to, storm water management, snow removal and maintenance of common areas.

2. Boundaries of District. A map and legal description showing the boundaries of the District is attached as Exhibit A. The District will contain approximately 292 acres of land zoned for residential and related use. The District will not provide services or facilities outside of its boundaries, except as authorized in the Service Plan.

Additional property may be included in the District in accordance with the provisions of the Act, subject to the Approval of the County 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 Board of the District for the inclusion of property into the District. Further, less than all of the owners of an area may petition the District for inclusion, or the Board of the District 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 similar process is applicable to the exclusion of property from the District. The Board of the District will have discretion to approve inclusions or exclusions without an amendment or modification of the Service Plan, subject to the Approval of the County.

3. Dissolution of District. Any dissolution of the District shall be in compliance with the Act. The District shall not be dissolved, however, without the Approval of the County.

4. Existing Services and Districts. Other than the County, there are currently no other governmental agencies or organizations in existence within the Service Area that have the legal and financial ability to undertake the financing, completion and operation of the public improvements needed to serve Timber Springs. The County will not provide the public improvements needed for Timber Springs. Consequently, the organization of the District is necessary for the provision of public improvements and services in Timber Springs. Operation and maintenance of the public improvements within Timber Springs will continue to be the responsibility of the District.

B. General Information and Assumptions.

The actual valuation of all taxable property within the District at build-out is projected to be approximately \$24,000,000 with an assessed valuation of approximately \$1,900,000 (based upon present State property tax law). The current assessed valuation of all taxable property within the boundaries of the District is approximately \$1,600,000.

The District will obtain financing for the public improvements through the issuance of (i) unlimited tax general obligation bonds or other debt instruments, including the issuance of interim notes or bonds, or (ii) revenue bonds, anticipation notes, or other multiple-fiscal year financial obligations made or issued by the District secured by revenues generated from property taxes collected within the District and from other available sources. The District may also enter into funding, acquisition, reimbursement and development fee agreements to fund the costs of public improvements or on-going operations until the Financing Plan can be implemented.

C. Contents of Service Plan.

The Service Plan consists of a (i) summarization 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 Timber Springs can be provided; and (iii) the Financial Plan showing how the proposed public improvements and services are to be

financed by the District. Other information is included in the Service Plan in compliance with the requirements of Part 2 of the Act.

II. NEED FOR DISTRICT AND GENERAL POWERS

A. Need for District.

All property within the Service Area is currently practically developed. There are only limited public services or facilities within the Service Area. The District will finance, construct, complete, operate, maintain and replace those portions of the public improvements needed to serve Timber Springs. Neither the County nor any other governmental agency will finance or construct the public improvements.

The existing infrastructure for the area has been constructed and the subdivision is substantially completed at this time. A Property Owners Association is available to provide architectural control services, community organization, and other programs which are beyond the authority or interest of a metropolitan district.

Discussions with Eagle County have indicated that the County does not consider it feasible or practical for the County itself to provide the area within Timber Springs with the public improvements facilities and services needed to develop the Community and serve the anticipated residents. The District is therefore necessary to provide the desired facilities and services.

Finally, the Timber Springs Property Owners Association has specifically requested that the services contemplated by this Service Plan be assumed by the proposed District. In addition, the Cordillera Metropolitan District has excluded Timber Springs from its' district. This assumption of responsibilities has several beneficial effects. First, the District collects its revenues primarily through taxes, which are more efficiently collected through the County and are deductible for income tax purposes. Second, the proposed District has the ability to finance improvements to infrastructure using tax exempt debt, which is less expensive to the entity than conventional financing. Third, the District enjoys governmental immunity, and thus its insurance costs are significantly less. All of these advantages result in savings to the property owners in Timber Springs.

B. Statutory Standards.

This Service Plan has been prepared to show that it will be appropriate and economically feasible for the District to finance, manage, operate and maintain selected public services and improvements for the benefit of the landowners and residents of Timber Springs. This Service Plan includes satisfactory evidence that the following requirements of Section 32-1-23, C.R.S., as amended, have been met:

(a) That there is sufficient existing and projected need for organized service in the area to be serviced by the proposed special district;

(b) That the existing service in the area to be served by the proposed special district is inadequate for present and projected needs;

(c) That the proposed special district is capable of providing economical and sufficient service to the area within its proposed boundaries;

(d) That the area to be included in the proposed special district has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

(e) That adequate service is not, or will not be available to the area through the County, other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

(f) That the facility and service standards of the proposed special district are compatible with the facility and service standards of Eagle County within which the proposed special district is to be located and each municipality which is an interest party under Section 32-1-204(1);

(g) The proposal is in substantial compliance with any master plan adopted pursuant to Section 30-28-106, C.R.S.

(h) That the proposal is in compliance with any duly adopted city, county, regional or state long-range water quality management plan for the area; and

(i) That the organization of the proposed special district will be in the best interests of the area proposed to be serviced.

C. 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 its boundaries, subject to the limitations set forth in this Service Plan. More specifically, the District will have the power to finance public improvements, impose property taxes, and collect revenue or take other actions that may be necessary to provide the services and facilities needed within the Service Area. In general, the District shall have authority to provide, finance, pay for, and construct the following services and facilities:

1. Streets. The design, acquisition, installation, construction, operation, and maintenance of arterial, collector and local streets and other roadway improvements, including without limitation curbs, gutters, culverts, storm sewers and other drainage facilities, detention ponds, retaining walls and appurtenances, as well as sidewalks, bridges, parking, paving, lighting, grading, landscaping, entrance facilities, undergrounding of public utilities, and other

street improvements, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to such facilities.

2. Traffic and Safety Controls. The design, acquisition, installation, construction, operation, and maintenance of traffic and safety protection facilities and services through traffic and safety controls and devices on all streets and roadways, as well as other facilities and improvements, including without limitation signalization at intersections, traffic, area identification, directional assistance, and driver information signs, and security systems and services, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to such facilities.

3. Drainage. The design, acquisition, installation, construction, operation and maintenance of drainage and storm sewer systems, including without limitation lines, channels, detention ponds, flood and surface drainage disposal works and facilities, debris flow structures, and other drainage systems, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to such facilities and systems.

4. Irrigation. The design, acquisition, installation, construction, operation and maintenance of non-potable irrigation water system, including without limitation water distribution and transmission lines, hydrants, water rights, storage reservoirs, transmission and distribution facilities, wells, pumping facilities, and all necessary equipment and improvements, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to such facilities or systems.

5. Design Review and Covenant Enforcement. The District may contract with the Timber Springs Property Owners Association to provide Design Review, Covenant Enforcement and other administrative services.

6. Other Services. The District may finance and pay for other services and facilities authorized under the Act or by law, subject to the Approval of the County, and the consent of any overlapping special districts, if needed to serve Timber Springs and not otherwise provided by the County or other governmental agencies within the Service Area.

7. 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 Regulations, if applicable.

8. Other Authorities. In addition to the powers enumerated herein, the Board shall also 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 by providing written notification to the County pursuant to §32-1-207, C.R.S., of any action or activity that the District believes is permitted by

the Service Plan but which may be unclear. In the event that the County determines not to enjoin any such action or activity and provides written notification of such determination, such determination shall constitute agreement by the County that such action or activity is within the scope of the Service Plan;

b. To revise, resize, reschedule, and restructure the financing, construction and operation of the various public improvements and facilities in order to accommodate the rate of development within the Service Area, the costs of public improvements, and inclusions of property into the District, or the provision of any public improvement, facility or service by the District, the County or another entity;

c. Subject to the Approval of the County, to provide all additional services and facilities that the District is required to provide or exercise or, in its discretion, chooses to provide or exercise; and

d. To exercise all express and implied powers under the Act or granted by State law.

III. PUBLIC IMPROVEMENTS (Preliminary Engineering Survey/Capital Plan)

A. General.

The District will exercise its statutory powers and the authority set forth in the Service Plan to finance and pay for the public facilities and improvements needed to serve Timber Springs. All public facilities have been designed and installed in such a manner to be compatible with the facility and service standards of the County, other governmental agencies, and utility providers, if applicable, leave to meet the needs of Timber Springs. As a result of improvements complete, a preliminary engineering survey is not necessary.

B. Public Improvements.

All public improvements within Timber Springs will be acquired, constructed, installed, completed, operated and maintained by the District. All public improvements have been constructed within the District and the primary function of the District with regard to such improvements is the maintenance and repair of the public improvements.

1. Street Improvements.

a. General. The District will construct, repair and maintain all internal streets and other road improvements needed to serve Timber Springs. The proposed street improvements will accommodate anticipated traffic within Timber Springs.

b. Standards. Streets will be designed, installed and completed in accordance with the standards of the District, County or the Colorado Department of Transportation, as applicable.

c. Landscaping. Landscaping may be installed and maintained by the District along certain streets. The District may install and maintain other landscaped areas within Timber Springs, including entry features at major street entrances to Timber Springs

d. Signals and Signage. Traffic controls and signage may be installed off-site and along streets to control the flow of traffic within Timber Springs.

e. Operation and Maintenance. All streets and appurtenant facilities will be operated and maintained by the District.

2. Drainage. The District will construct, repair and maintain as necessary all storm drainage facilities, including gutters, drain inlets and outlets, culvert pipe, detention ponds, and other appurtenances and will operate and maintain the drainage facilities.

3. Irrigation. The District may construct, repair and maintain a non-potable irrigation system to support the landscaping improvements identified above. All irrigation facilities will be operated and maintained by the District.

4. Estimated Costs of Public Improvements and Capital Expenditure Plan. The estimated costs of operation, maintenance and repair of the public improvements are contained on Exhibit B.

IV. FINANCIAL PLAN

A. Administration and Operation Costs.

In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year's operating budget is estimated to be approximately \$70,000, which is anticipated to be derived from payments in lieu of property taxes and other revenues. The first year's operating budget is an estimate only, and variations from this estimate shall not be considered a material modification of this Service Plan.

The Maximum Debt Mill Levy for the repayment of debt shall not apply to the District's ability to increase its mill levy as necessary for the provision of operation and maintenance services to its taxpayers and service users.

B. Financing Plan.

The Financing Plan as set forth in Exhibit B demonstrates that the financial management and operations of the District will (i) provide economic and sufficient services within the District, (ii) result in the discharge of the District's proposed indebtedness on a reasonable basis,

and (iii) protect future property owners within the Tax District from unreasonable property taxes and bond defaults.

The Financing Plan includes projected revenues derived from property taxes collected within the District, and other revenue generally available each year, including the first budget year commencing in the 2014 fiscal year through the 2037 fiscal year. The obligation of the District to pay for the costs of financing the public improvements needed to serve Timber Springs and for annual operating costs shall constitute voter-approved multiple-fiscal year financial obligations of the District. Accordingly, property tax levies certified to make necessary payments to the District may be characterized as financial obligations exempt from spending limits, after voter approval is obtained pursuant to Article X, Section 20 of the Colorado Constitution ("TABOR"). The District may enter into funding, acquisition, reimbursement and development fee agreements and may issue limited property tax supported revenue bonds, bond anticipation notes or other multiple-fiscal year financial obligations to fund the costs of the public improvements and other interim expenses, until such time as revenues are available from the District or other sources and the Financing Plan can be reasonably implemented. Any funds advanced to the District may be reimbursed from property taxes collected by the District and other available revenue sources.

The District intends to issue unlimited tax general obligation bonds or other multi-year fiscal obligation secured primarily by property taxes from levies of the District and other available sources. The initial property tax levy of the District is anticipated not to exceed 70 mills for operating and debt repayment purposes subject to voter approval and statutory limits, provided, however, in the event that the method of calculating assessed valuation is changed after the approval of the Service Plan by any change in law or method of calculation or by any change in the percentage of actual value used to determine assessed valuation pursuant to Section 39-1-104, C.R.S., and Article X, Section 3 of the State Constitution, the mill levy limitation shall be increased or decreased to reflect such change, as reasonably determined by the Board of the District so that, to the greatest extent possible, the actual property tax revenues generated by the mill levy as adjusted are neither enhanced nor diminished as a consequence of such adjustment. The Financing Plan illustrates that adequate revenues are available from various sources for the payment of debt issued to provide public improvements for Timber Springs, thus eliminating risks of excessive property tax levies or bond defaults.

Alternate financing plans may be implemented by the District without having to amend or modify the Service Plan, if (i) subsequently determined by the District to be in the best interests of the Service Area and (ii) filed with the County for Approval by the County Administrator.

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 obtaining financing directly from financial institutions or investors in compliance with State law. For example, the District may obtain funding directly from banks or from property owners in the District and repay or reimburse such financial obligations from property tax collections. The District shall also be entitled to issue contingent repayment obligations in amounts not to exceed 50% of the debt estimated in the Service Plan on condition

that the provisions of such contingent repayment obligations are (i) in compliance with State law and (ii) subject to the mill levy limitation specified herein. The District shall have the authority to utilize excess property valuation/debt capacity which may be developed within the District to accomplish additional financing, if the projections contained in the Financing Plan are lower than actually realized within Timber Springs, and the property tax levy limitations are not exceeded.

Upon Approval of the Service Plan, the District will continue to develop and refine the cost estimates for the public improvements needed for Timber Springs and implement a viable Financing Plan therefor. Costs for construction, engineering and contingencies, capitalized interest, reserve requirements, credit enhancement or letter of credit fees, and other costs of financing will be included in the Financing Plan, as appropriate. All construction cost estimates are based upon current prices and assume construction in compliance with County and State requirements. The District shall have the authority to issue or incur limited tax general obligation indebtedness, revenue debt, and other multiple-fiscal year financial obligations in amounts sufficient to finance and construct all public improvements specified under the Service Plan without the need to process any amendment or modification of the Service Plan. Any refunding or refinancing which increases the total debt costs to the District shall be applied incrementally against the voter approved debt cap.

The District will seek debt authorization from its electorate in an amount not greater than \$1,000,000, which amount is to account for replacement of existing infrastructure and contingencies or other unforeseeable expenses of the public improvements. Modifications of all capital cost estimates shall be permitted within the authorized debt limitations. Final determination of the amount of debt for which voter approval will be sought from the District's electorate will be made, from time to time; by the Board authorization to issue bonds and enter into the various agreements described herein will be sought from the District's electorate in accordance with the terms of the Act and the State Constitution.

In addition to property taxes, which may be increased to fund the costs of the public improvements, 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, tolls, 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 operations of the District do not qualify as enterprises under TABOR, revenues from all sources which 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 approvals 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 voter approval, the District will comply with the provisions of TABOR and either refund any excess revenue or obtain voter approval to retain such amounts.

The District may establish enterprises or other qualifying entities to manage, finance, construct, and operate facilities, services, and programs.

V. OTHER REQUIREMENTS

The District shall be subject to the following additional requirements:

1. Any material change in the Service Plan will be submitted to the County. If the County determines that such change constitutes a material modification of the Service Plan pursuant to Section 32-1-207, C.R.S., it shall be subject to Approval by the County in accordance with the provisions of the Act, the Regulations or any alternate Approval process established by the County. The County may, pursuant to the provisions of Section 32-1-207(3)(a), C.R.S., enjoin any proposed action in connection therewith which is not in material compliance with the Service Plan. The District will work cooperatively with the County to implement the various provisions of the Service Plan.
2. Following the organization of the District and considering the small size of the District, the following actions by the District shall, in addition to requiring the approval of the Board of Directors of the District, also require a secondary election permitting the owner of each parcel in the District (as shown in the Eagle County Assessor's records) to vote in a "one parcel, one vote" election whereby the owners of each such parcel shall have an opportunity to vote. In such election, the District shall send a ballot by mail or email to the known record owners of each parcel containing the question to be voted upon. The ballots shall be returned to a location and within a reasonable period of time designated by the District. The District must have the approval of the owners of a majority of the parcels for which ballots are returned in order for the ballot question to be approved. Items requiring approval of this secondary election are:
 - a. Veto of the annual budget of the District. The annual budget for the District as proposed by the Board of Directors of the District, shall stand as approved by the Board unless vetoed by a majority of the parcel owners voting in the "one parcel, one vote" election described above. In the event that the proposed budget is vetoed, the periodic budget last proposed by the board of directors and not vetoed by the parcel owners must be continued until a subsequent budget proposed by the board of directors is not vetoed by the parcel owners.
 - b. If the District proposes to increase its mill levy rate in a manner which under Colorado law requires elector approval, it must, in addition to obtaining electoral approval, seek approval of the parcel owners in the manner described above.
 - c. Issuance of any debt (as defined by [insert the TABOR definition here] shall, in addition to requiring authorization by the electors of the District shall

require approval of a majority of the parcel owners voting in the "one parcel, one vote" election described above.

- d. Failure to follow the procedures set forth in this subsection shall constitute a material modification of this Service Plan.

3. The failure by the District to perform its responsibilities under the Service Plan shall constitute a material modification of the Service Plan pursuant to Section 32-1-207, C.R.S.

4. The District shall comply with all requirements of the Act, State and local law regarding elections, audits and operations as may be applicable.

VI. 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 all property within the Service Area; and

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

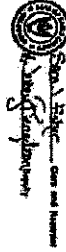
Therefore, it is requested that the County, which has jurisdiction to approve the Service Plan pursuant to §32-1-204.5, C.R.S., adopt a resolution approving the Service Plan Timber Springs Metropolitan District without condition or modification.

ADDENDUM

Definitions. Unless the context requires otherwise, the capitalized terms set forth below shall have the meanings as follows:

1. "Act" means Article 1 of Title 32, C.R.S.
2. "Board" means the Board of Directors of the District.
3. "BOCC" means the Eagle County Board of County Commissioners.
4. "De-Brucing" means a voter approved retention of revenues from all sources which exceeds the permitted level of expenditures in any year under TABOR.
5. "District" means the Timber Springs Metropolitan District.
6. "Financing Plan" means the financial plan for the District set forth in Section IV and Exhibit B of the Service Plan.
7. "Maximum Debt Mill Levy" means the maximum mill levy the District is permitted to impose for payment of debt.
8. County and other governmental agencies, as applicable.
9. "Service Area" means the geographical area that the District will be serving, which encompasses the entire area of Timber Springs.
10. "Service Plan" means the Service Plan for the District.
11. "TABOR" means Article X, Section 20 of the State Constitution.
12. "Timber Springs" means the Timber Springs Subdivision as described on Exhibit A.

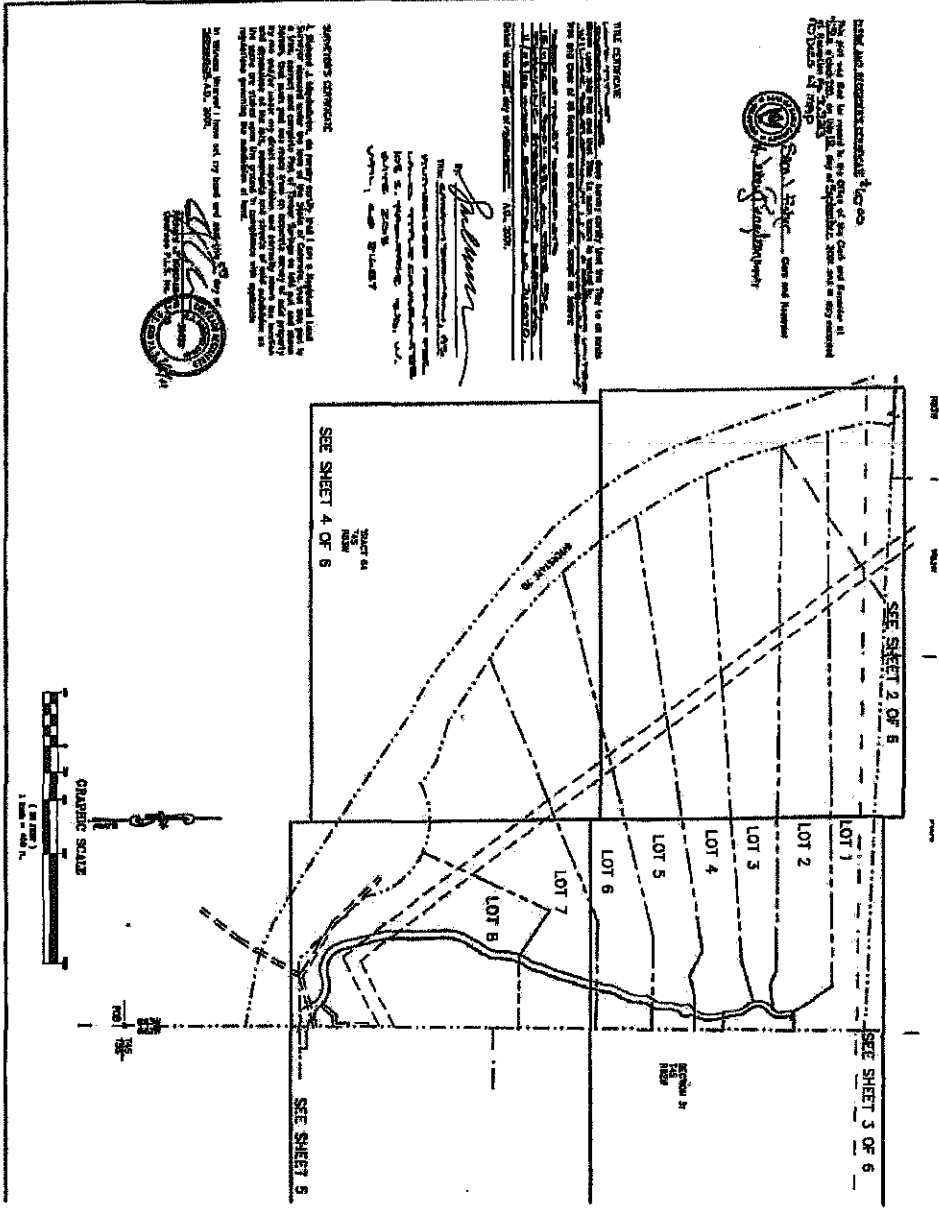
PLANNED AND DEVELOPED BY: **THE CITY OF ALBUQUERQUE**
 THE CITY ENGINEER: **JOHN J. HARRIS**
 THE CITY PLANNING COMMISSION: **APPROVED**



THE ENGINEER:
JOHN J. HARRIS
 CIVIL ENGINEER
 1000 UNIVERSITY AVENUE, N.E.
 ALBUQUERQUE, N.M. 87102

BY: *[Signature]*
 PROJECT ENGINEER
 1000 UNIVERSITY AVENUE, N.E.
 ALBUQUERQUE, N.M. 87102

PROPERTY OWNER:
 THE CITY OF ALBUQUERQUE
 1000 UNIVERSITY AVENUE, N.E.
 ALBUQUERQUE, N.M. 87102



LEGAL DESCRIPTION

Situated in Tract sixty-four (Tr. 64) of Township Four South (T. 4S.), Range eighty three West (R. 83W.) of the sixth Principal Meridian (6th P.M.), County of Eagle, State of Colorado and more fully described as follows:

Beginning of a brass G.D. monument found at AP 4 of said Tract 64 of Township 4 South, Range 83 West of the 6th Principal, thence North 01° 02' 40" East, along the eastern line of said Tract 64, a distance of 1270.33 feet to a point on the northern right of way of Interstate Highway 70, as determined by Right of Way 1748, Book 17, as recorded in Book 212, Page 336, of the Eagle County Records, said point being the true place of beginning for the parcel of land herein described;

THENCE, South 88° 53' 55" West, along the northern right of way of said I-70, a distance of 487.53 feet to a #3 rebar found,

THENCE, North 42° 23' 38" West, continuing along said Right of way, a distance of 854.10 feet, to an iron pin set with an aluminum cap marked with number 33428,

THENCE, following the right of way along a curve to the left, having a radius of 576.30 feet, a delta of 106° 54' 36", a tangent of 780.24 feet, a chord of 828.20 feet which bears North 84° 11' 38" West, a distance of 1078.07 feet to an iron pin set with an aluminum cap marked with number 33428,

THENCE, North 57° 11' 04" West, continuing along said Right of way, a distance of 198.90 feet, to an iron pin set with an aluminum cap marked with number 33428,

THENCE, North 73° 10' 04" West, continuing along said Right of way, a distance of 312.10 feet, to an iron pin found with a Colorado Department of Highways Cap,

THENCE, North 58° 52' 04" West, continuing along said Right of way, a distance of 781.80 feet, to an iron pin set with an aluminum cap marked with number 33428,

THENCE, following the right of way along a curve to the right, having a radius of 4433.70 feet, a delta of 27° 28' 57", a tangent of 1084.89 feet, a chord of 2107.90 feet which bears North 36° 50' 06" West, a distance of 2127.87 feet, to an iron pin found with a Colorado Department of Highways Cap,

THENCE, North 18° 18' 24" West, continuing along said Right of way, a distance of 290.89 feet, to an iron pin found with a Colorado Department of Highways Cap,

THENCE, following the right of way along a curve to the right, having a radius of 4408.70 feet, a delta of 4° 27' 18", a tangent of 171.49 feet, a chord of 342.72 feet which bears North 12° 08' 24" West, a distance of 342.81 feet, to an iron pin set with an aluminum cap marked with number 33428,

THENCE, North 13° 34' 48" West, continuing along said Right of way, a distance of 284.23 feet, to an iron pin found with a Colorado Department of Highways Cap,

THENCE, North 06° 22' 48" East, continuing along said Right of way, a distance of 152.10 feet, to an iron pin set with an aluminum cap marked with number 33428,

THENCE, North 27° 44' 50" West, continuing along said Right of way, a distance of 45.67 feet, to a point on the northern line of said Tract 64, reference an iron pin found with a Colorado Department of Highways Cap, North 27° 44' 50" West, 0.23 feet from this point,

THENCE, South 87° 07' 06" East, continuing along said northern tract line, a distance of 418.23 feet, to a 2-1/2" Aluminum Cap on a 2" iron pipe found marked with number 28987, of AP 3 of Tract 64 of said T. 4S., R. 83W.,

THENCE, South 87° 18' 41" East, continuing along said northern tract line, a distance of 1308.10 feet, to a 3-1/4" Aluminum Cap on a 2" iron pipe found marked with number 16836, of AP 4 of Tract 64 of said T. 4S., R. 83W.,

THENCE, South 87° 20' 27" East, continuing along said northern tract line, a distance of 2774.20 feet, to a 2-1/2" G.D. brass cap found at AP 1 of Tract 64 of said T. 4S., R. 83W.,

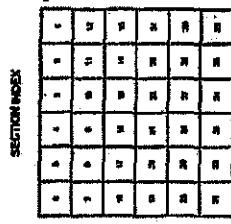
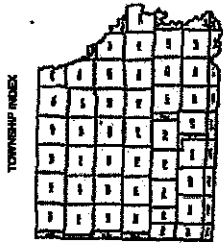
THENCE, South 01° 18' 21" West, along said eastern tract line, a distance of 55.28 feet, to a 2-1/2" G.D. brass cap found at the North east corner of Section 38 of said T. 4S., R. 83W.,

THENCE, South 01° 08' 39" West, along said eastern tract line, a distance of 2803.58 feet, to the western quarter corner of Section 31 of T. 4S., R. 82W., passing over a 2-1/2" G.D. brass witness monument at 2577.15 feet,

THENCE, South 03° 06' 58" West, along said eastern tract line, a distance of 25.17 feet, to a 2-1/2" G.D. brass monument found at the eastern quarter corner of Section 35 of T. 4S., R. 82W.,

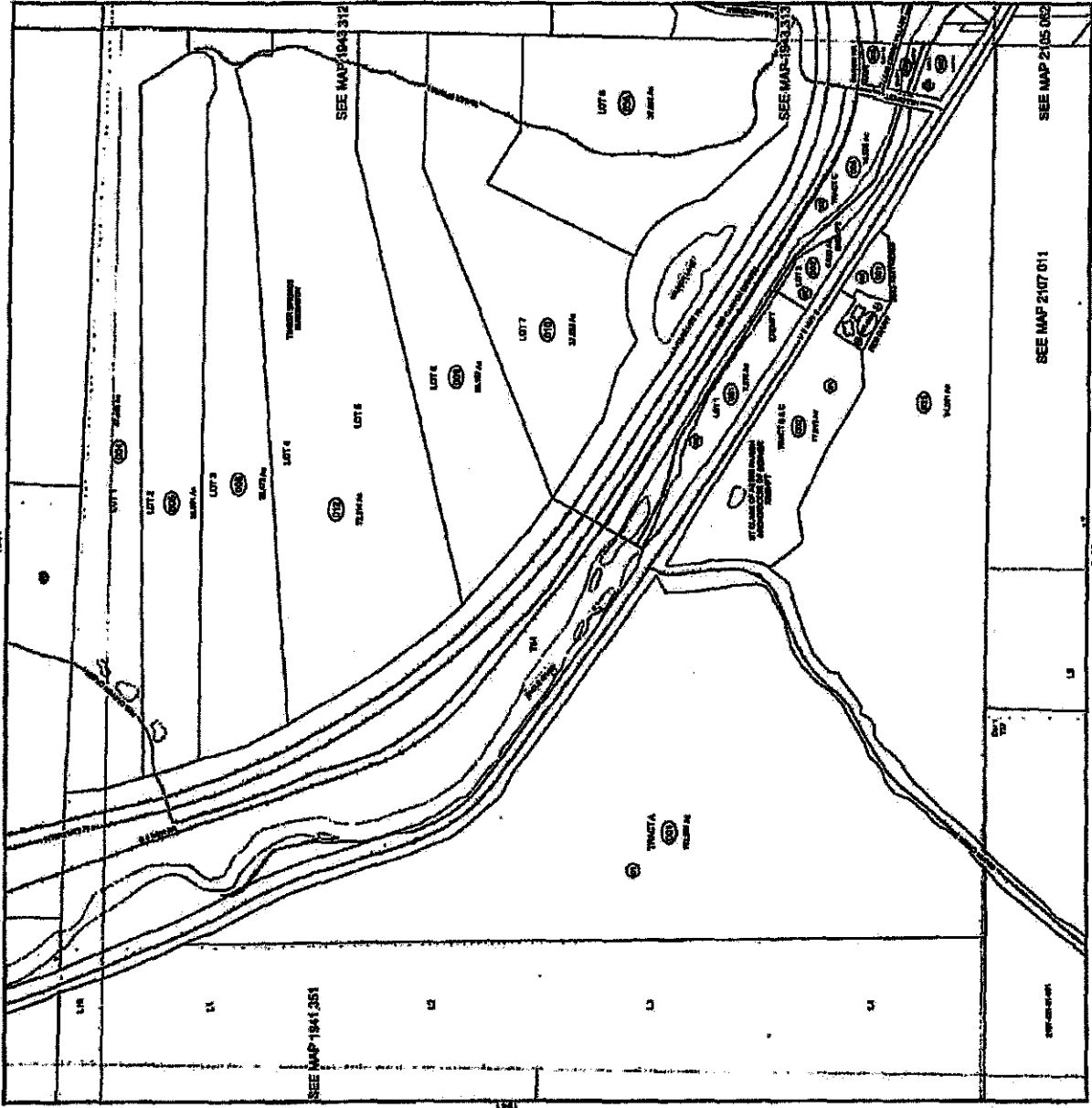
THENCE, South 01° 02' 40" West, along said eastern tract line, a distance of 1390.85 feet, to the point of beginning and containing 12,728,059 square feet or 292.198 acres of land, more or less, as surveyed by Richard Michalski, PLS of Benchmark Engineering Services, Inc in April of 2001, but subject to all legal highways and easements of record, if any.

1941 36
T4S R83W Section 36



Legend:

- Railroad Track
- Road Right Of Way
- Stream
- Rivers & Lakes
- Section Lines
- Gov't Tract & Lots
- Parcel Boundary
- Towns
- Public Lands
- State
- BLM
- USFS
- Wilderness



1941 36
T4S R83W Section 36



**TIMBER SPRINGS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED
GENERAL FUND**

	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023		2024		2025	
	Prelim	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Assessed Value	1,600,000	1,600,000	1,648,000	1,648,000	1,897,440	1,897,440	1,748,363	1,748,363	1,800,814	1,800,814	1,854,839	1,854,839	1,800,814	1,800,814	1,854,839	1,854,839	1,800,814	1,800,814	1,854,839	1,854,839	1,800,814	1,800,814	1,854,839	1,854,839
Ops Mill Levy Rate	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000
Dt Svc Mill Levy Rate																								
REVENUES																								
Prop Taxes - Ops (Pmt in Lieu in '14)	64,000	64,000	65,920	65,920	67,898	67,898	69,935	69,935	72,039	72,039	74,194	74,194	72,039	72,039	74,194	74,194	72,039	72,039	74,194	74,194	72,039	72,039	74,194	74,194
Prop Taxes - Debt Service					0	0	28,225	28,225	27,012	27,012	26,997	26,997	28,225	28,225	27,012	27,012	28,225	28,225	27,012	27,012	28,225	28,225	27,012	27,012
Specific Ownership Taxes		2,580	2,637	2,637	2,716	2,716	3,848	3,848	3,962	3,962	4,452	4,452	3,848	3,848	4,452	4,452	3,962	3,962	4,452	4,452	3,962	3,962	4,452	4,452
POA Assessments Transfer In	10,560	10,877	11,203	11,539	11,885	12,242	12,609	12,967	13,377	13,778	14,192	14,618	12,609	12,967	13,377	13,778	12,609	12,967	13,377	13,778	12,609	12,967	13,377	13,778
Interest Income	100	124	189	259	312	317	304	378	431	498	637	791	304	378	431	498	304	378	431	498	304	378	431	498
TOTAL REVENUES	74,660	77,561	79,949	80,355	82,811	83,172	112,920	113,370	116,816	128,646	130,670	131,160	112,920	113,370	116,816	128,646	112,920	113,370	116,816	128,646	112,920	113,370	116,816	128,646
General & Administrative																								
Accounting & Administration	12,000	12,380	12,731	13,113	13,506	13,911	14,328	14,758	15,201	15,657	16,127	16,611	12,000	12,380	12,731	13,113	13,506	13,911	14,328	14,758	15,201	15,657	16,127	16,611
Insurance	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153
Legal	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	2,688	2,768	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	2,688	2,768
Miscellaneous	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,478	1,520	1,568	1,613	1,661	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,478	1,520	1,568	1,613	1,661
Office Overhead & Expense	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,478	1,520	1,568	1,613	1,661	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,478	1,520	1,568	1,613	1,661
Treasurer's Fees		1,920	1,978	1,978	2,037	2,037	2,098	2,098	2,161	2,161	2,228	2,228		1,920	1,978	1,978	2,037	2,037	2,098	2,098	2,161	2,161	2,228	2,228
Operations																								
Fishing Access	350	381	371	382	394	406	418	430	443	457	470	484	350	381	371	382	394	406	418	430	443	457	470	484
Gate Repairs & Maintenance	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957	2,016	2,078	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957	2,016	2,078
Holiday Lights	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957	2,016	2,078	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957	2,016	2,078
Landscape Maintenance - Flower Beds	5,000	5,160	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	5,000	5,160	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921
Landscape Maintenance - Turf & Irig	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153
Management	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153
Public Safety	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921
Road Repairs & Maintenance	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842
Snowplowing	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842
Tree Maintenance	1,000	1,030	1,061	1,093	1,128	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,000	1,030	1,061	1,093	1,128	1,159	1,194	1,230	1,267	1,305	1,344	1,384
Utilities	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	2,688	2,768	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	2,688	2,768
Weed and Pest Control	500	515	530	546	563	580	597	615	633	652	672	692	500	515	530	546	563	580	597	615	633	652	672	692
Debt Service																								
Loan Repayment (P&I)					5,250	5,250	24,252	24,252	24,252	24,252	24,252	38,851												
Contingency/Other	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	67,250	71,038	73,019	75,000	82,360	84,462	106,680	107,910	110,270	112,635	115,137	132,246	67,250	71,038	73,019	75,000	82,360	84,462	106,680	107,910	110,270	112,635	115,137	132,246
REVENUE OVER (UNDER) EXPEND.	- 7,410	6,523	6,931	5,355	461	(1,280)	7,239	6,460	6,545	14,010	15,433	(1,095)	- 7,410	6,523	6,931	5,355	461	(1,280)	7,239	6,460	6,545	14,010	15,433	(1,095)
OTHER FINANCING SOURCES/(USES)																								
Contribution from TSPOA	25,000												25,000											
Loan or Bond Proceeds					105,000							300,000												
District Formation Costs	(20,000)												(20,000)											
Road Slurry Seal/Overlay/Major Repair Costs					(100,000)							(285,152)												
Loan Costs					(5,000)							(14,848)												
TOTAL OTHER FINANCING SOURCES	5,000	0	0	0	0	0	0	0	0	0	0	(0)	5,000	0	0	0	0	0	0	0	0	0	0	(0)
Revenue and Other Sources over Expenditures and other Uses	12,410	6,523	6,931	5,355	461	(1,280)	7,239	6,460	6,545	14,010	15,433	(1,095)	12,410	6,523	6,931	5,355	461	(1,280)	7,239	6,460	6,545	14,010	15,433	(1,095)
FUND BALANCE - BEGINNING	0	12,410	18,933	25,884	31,219	31,880	30,401	37,840	43,100	48,845	63,655	79,089	0	12,410	18,933	25,884	31,219	31,880	30,401	37,840	43,100	48,845	63,655	79,089
FUND BALANCE - ENDING	12,410	18,933	25,864	31,219	31,880	30,401	37,840	43,100	48,845	63,655	79,089	77,993	12,410	18,933	25,864	31,219	31,880	30,401	37,840	43,100	48,8			

**TIMBER SPRINGS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
BUDGET, ACTUAL AND FORECAST FOR
GENERAL FUND**

	2026	2027	2028	2028	2030	2031	2032	2033	2034	2036	2038	2037
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Assessed Value	1,910,484	1,910,484	1,967,798	1,967,798	2,028,832	2,028,832	2,087,837	2,087,837	2,160,268	2,160,268	2,214,774	2,214,774
Ops Mill Levy Rate	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000
Dt Svc Mill Levy Rate	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000
REVENUES												
Prop Taxes - Ops (Pmt In Lieu In '14)	78,419	78,419	78,712	78,712	81,073	81,073	83,605	83,505	88,011	88,011	88,591	88,591
Prop Taxes - Debt Service	38,210	38,210	39,358	39,358	40,537	40,537	41,753	41,753	43,005	43,005	44,295	44,295
Specific Ownership Taxes	4,585	4,585	4,723	4,723	4,864	4,864	5,010	5,010	5,161	5,161	5,315	5,315
POA Assessments Transfer In	15,058	15,508	15,973	16,452	16,948	17,454	17,978	18,517	19,073	19,645	20,234	20,841
Interest Income	780	781	781	752	720	700	655	620	559	508	288	92
TOTAL REVENUES	135,060	136,603	139,524	139,995	144,140	144,628	148,961	148,406	163,808	164,330	168,732	168,136
General & Administrative												
Accounting & Administration	17,109	17,622	18,151	18,686	19,258	19,834	20,429	21,042	21,673	22,324	22,993	23,683
Insurance	4,277	4,406	4,538	4,674	4,814	4,959	5,107	5,261	5,418	5,581	5,748	5,921
Legal	2,852	2,937	3,025	3,118	3,209	3,306	3,405	3,507	3,612	3,721	3,832	3,947
Miscellaneous	1,711	1,762	1,815	1,870	1,928	1,983	2,043	2,104	2,167	2,232	2,299	2,368
Office Overhead & Expense	1,711	1,762	1,815	1,870	1,928	1,983	2,043	2,104	2,167	2,232	2,299	2,368
Treasurer's Fees	2,283	2,293	2,361	2,361	2,432	2,432	2,505	2,505	2,580	2,580	2,658	2,658
Operations												
Fishing Access	499	514	529	545	562	578	598	614	632	651	671	691
Gate Repairs & Maintenance	2,139	2,203	2,269	2,337	2,407	2,479	2,554	2,630	2,709	2,790	2,874	2,960
Holiday Lights	2,139	2,203	2,269	2,337	2,407	2,479	2,554	2,630	2,709	2,790	2,874	2,960
Landscape Maintenance - Flower Beds	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768	9,031	9,301	9,581	9,868
Landscape Maintenance - Turf & Irrig	4,277	4,408	4,538	4,674	4,814	4,959	5,107	5,261	5,418	5,581	5,748	5,921
Management	4,277	4,408	4,538	4,674	4,814	4,959	5,107	5,261	5,418	5,581	5,748	5,921
Public Safety	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768	9,031	9,301	9,581	9,868
Road Repairs & Maintenance	14,258	14,685	15,128	15,580	16,047	16,528	17,024	17,535	18,061	18,603	19,161	19,738
Snowplowing	14,258	14,685	15,128	15,580	16,047	16,528	17,024	17,535	18,061	18,603	19,161	19,738
Tree Maintenance	1,428	1,489	1,513	1,558	1,605	1,653	1,702	1,754	1,808	1,868	1,918	1,974
Utilities	2,852	2,937	3,025	3,118	3,209	3,306	3,405	3,507	3,612	3,721	3,832	3,947
Weed and Pest Control	713	734	756	779	802	828	851	877	903	930	958	987
Debt Service												
Loan Repayment (P&I)	38,851	38,851	38,851	38,851	38,851	38,851	38,851	38,851	38,851	38,851	38,851	38,851
Contingency/Other	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	134,898	137,580	140,371	143,196	146,177	149,173	152,333	155,612	160,892	175,597	179,148	182,727
REVENUE OVER (UNDER) EXPEND.	153	(2,067)	(847)	(3,201)	(2,038)	(4,545)	(3,432)	(6,106)	(6,054)	(21,267)	(20,416)	(23,592)
OTHER FINANCING SOURCES/USES:												
Contribution from TSPOA												
Loan or Bond Proceeds										403,175		
District Formation Costs												
Road Slurry Seal/Overlay/Major Repair C										(383,221)		
Loan Costs										(19,654)		
TOTAL OTHER FINANCING SOURCES	0	0	0	0	0	0	0	0	0	0	0	0
Revenue and Other Sources over Expenditures and other Uses	153	(2,067)	(847)	(3,201)	(2,038)	(4,545)	(3,432)	(6,106)	(6,054)	(21,267)	(20,416)	(23,592)
FUND BALANCE - BEGINNING	77,893	78,145	78,089	75,242	72,041	70,005	65,480	62,027	55,921	50,867	29,801	9,184
FUND BALANCE - ENDING	78,145	76,389	75,242	72,041	70,005	65,480	62,027	55,921	50,867	29,801	9,184	(14,407)
Components of Fund Balance												
Property Taxes Reserved For Dt Svc	18,418	17,778	18,281	18,788	20,471	22,156	26,057	27,959	32,113	22,905	14,988	7,070
Operating/Capital Reserves	59,727	58,312	56,961	53,255	49,534	43,303	36,970	27,982	18,754	6,895	(5,803)	(21,477)
Total	78,145	76,089	75,242	72,041	70,005	65,480	62,027	55,921	50,867	29,801	9,184	(14,407)