

**SERVICE PLAN**

**FOR**

**LARKRIDGE**

**METROPOLITAN DISTRICT NO. 2**

**(CITY OF THORNTON, COLORADO)**

**APPROVED: February 24, 2004**

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## **LARKRIDGE METROPOLITAN DISTRICT NO. 2 SERVICE PLAN**

### **I. INTRODUCTION**

#### **A. General Information**

Pursuant to the requirements of the Special District Control Act, Section 32-1-201, et seq., Colorado Revised Statutes, this Service Plan consists of a financial analysis and an engineering plan showing how the existing and proposed facilities and services of the Larkridge Metropolitan District No. 2 ("District") will be constructed and financed. The following items are included in this Service Plan:

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

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

7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the District and such other political subdivision, and if applicable, a form of the agreement is attached hereto.

8. The District is being organized to establish a mechanism whereby the developer can utilize tax exempt financing for public infrastructure to facilitate commercial development within the District.

## **II. DISTRICT BOUNDARIES/MAPS**

The total area proposed to be included in the District boundaries is approximately 114 acres (the "Property"). A legal description of the District boundaries is attached hereto as **Exhibit A**. A boundary map is attached hereto as **Exhibit B**. A vicinity map is attached hereto as **Exhibit C**. It is anticipated that the District's Boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to parts 4 and 5 of Article 1, Title 32, C.R.S. and as set forth in the Service Plan. Any inclusions or exclusions of property, except as those anticipated herein will require the prior approval of City Council.

## **III. PURPOSE OF THE DISTRICT**

The area to be served by the District is generally located south of 164<sup>th</sup> Avenue, east of I-25, west of Washington Street and north of 158<sup>th</sup> Avenue in the City of Thornton, Colorado (the "City"). The Property is entirely within the boundaries of the City and within the boundaries of the County. Neither the County nor any other existing special district has plans to provide the services and facilities within a reasonable time and on a comparable basis. The main purpose of

the District is to finance the construction and maintenance of public improvements, including any that will be dedicated to the City and any other applicable governmental entities, for the use and benefit of its inhabitants and taxpayers and provide such other services as are described in this Service Plan. It is proposed that the District will have the following powers: (1) water; (2) sewer, (3) street and safety protection; (4) park and recreation; (5) transportation; and (6) mosquito control.

#### **IV. PROPOSED LAND USE/POPULATION PROJECTIONS**

The Property is planned for the development of approximately 1,000,000 square feet of commercial development. Based upon an estimated 3.5 persons per 500 square feet of retail space, this would result in an estimated daytime population of 7,000 persons. In order to facilitate the development of the Property as planned, organized provision of Services proposed to be provided by the District will be necessary. It is not the intention of the District to have residents.

#### **V. DESCRIPTION OF PROPOSED IMPROVEMENTS AND SERVICES**

The following paragraphs provide a description of the Services the District will have the power to provide.

##### **A. Types of Improvements.**

The District plans to provide for the design, acquisition, construction, installation, maintenance, and financing of certain water, sanitation (to be referred to hereafter as wastewater), street and safety protection (to be referred to hereafter as street and traffic safety protection), parks and recreation, transportation and mosquito control improvements and services within and without the boundaries of the District ("Improvements"). The Improvements

generally depicted and described in **Exhibits D** through **F** have been presented for illustration only and the exact design, subphasing of construction and location of the Improvements will be determined at the time of platting and such decisions shall not be considered to be a material modification of the Service Plan.

1. Water. The District shall have the power to provide for the design, acquisition, construction, completion and installation of a potable water transmission and distribution system, which may include, but shall not be limited to, transmission lines, distribution mains and laterals, fire hydrants, irrigation facilities, land and easements, and all necessary, incidental, and appurtenant facilities, together with extensions of and improvements to said system within and without the boundaries of the District. A general description and preliminary engineering sketch of the water facilities to be constructed and/or acquired are set forth in **Exhibit D** attached hereto. Following acceptance by the City, the City will own, operate and maintain the public potable water system.

Subject to the approval of the City Manager/Utilities Director, the District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of a non-potable water supply, purification, storage, transmission and distribution system, which may include, but shall not be limited to, wells, reservoirs, water pumps, purification plants, pump stations, transmission lines, distribution mains and laterals, irrigation facilities, canals, ditches, flumes, partial flumes, head gates, drop structures, storage facilities, land and easements, and all necessary incidental, and appurtenant facilities, together with extensions of and improvements to said system within and without the boundaries of the District. In the event the City authorizes a non-potable system the City Manager/Utilities Director will

determine the ownership and maintenance of the non-potable system by separate agreement or permit.

2. Wastewater. The District shall have the power to provide for the design, acquisition, construction, completion and installation, of a wastewater collection, treatment and transmission system which may include, but shall not be limited to, collection mains and laterals, transmission lines, and all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said system within and without the boundaries of the District. A general description and preliminary engineering sketch of the wastewater facilities to be constructed and/or acquired are set forth in **Exhibit E** attached hereto. Following acceptance by the City, the City will own, operate and maintain the public wastewater system.

Drainage. The District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of storm sewer, flood and surface drainage facilities and systems, including detention/retention ponds and associated irrigation facilities, relocation of existing irrigation ditches and canals and all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said system within and without the boundaries of the District. A general description and preliminary engineering sketch of the drainage facilities to be constructed and/or acquired are set forth in **Exhibit E** attached hereto. Following acceptance by the City, the City will own, operate and maintain the public drainage storm sewer and associated appurtenances, facilities, land and easements with the exception of the Bull Canal which shall be owned, operated and maintained as provided by separate agreement with FRICO. It is anticipated that the detention/retention ponds and the irrigation facilities will be owned, operated and maintained by the District.



3. Streets and Traffic Safety Protection. The District shall have the power to provide for the design, acquisition, construction, completion, relocation, installation, and/or operation and maintenance of street improvements, including but not limited to curbs, gutters, culverts, and other drainage facilities, underground conduits, sidewalks, trails, bike paths and pedestrian ways, pedestrian overpasses, retaining walls, bridges, overpasses, underpasses, interchanges, parking areas, parking facilities, median islands, paving, lighting, grading, landscaping and irrigation, land and easements, and all necessary, incidental, and appurtenant facilities within and without the boundaries of the District as well as for the acquisition, construction, completion, installation, and/or operation and maintenance of facilities and/or services for a system of traffic and safety controls and devices on streets and highways, including but not limited to signalization, signage and striping, area identification, driver information and directional assistance signs, and all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District, as identified on **Exhibit F** attached hereto. Following acceptance by the City, the City will own, operate and maintain the street improvements constructed by the District with respect to any public streets. The District may supplement the City's maintenance only through a separate agreement with the City. It is anticipated that, following acceptance by the Colorado Department of Transportation ("CDOT"), CDOT will own, operate and maintain the street improvements constructed by the District with respect to any CDOT owned streets. It is anticipated that all streetscaping improvements will be maintained by the District or an owners association.

4. Parks and Recreation. The District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of

parks and recreational facilities and programs including, but not limited to, open space, landscaping, irrigation facilities, and all necessary, incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District. All such parks and recreational facilities will be owned and maintained by the District or by an owners association.

5. Transportation. The District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of a system to transport the public by bus, rail, or any other means of conveyance, or combination thereof, or pursuant to contract, including park and ride facilities and parking lots, structures, and facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities of systems within and without the boundaries of the District. Following acceptance, it is anticipated that the transportation improvements will be owned, operated and maintained by the City or, other agencies designated by the City.

6. Mosquito Control. The District shall have the power to provide for the eradication and control of mosquitoes, including, but not limited to, elimination or treatment of breeding grounds, and purchase, lease, contracting or other use of equipment or supplies for mosquito control.

7. Other Powers. In addition to the enumerated powers, the Board of Directors of the District ("Board") shall also have the following authority:

a. Plan Amendments. To amend the Service Plan as needed, subject to the appropriate statutory procedures, the City Code and the Service Plan.

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

c. Financing. Any refunding of outstanding bonds of the District which could extend the maturity of such bonds or increase the total debt service, thereon, except as set forth below, shall be subject to the prior approval of the City of Thornton City Council ("City Council") as evidenced by a resolution after a public hearing thereon. Costs of issuance associated with any refunding of outstanding bonds shall not be considered an increase in the total debt service. Cost of issuance may include but shall not be limited to legal fees, underwriter fees or discounts, letter of credit fees, including a bank commitment fee, reserve funds and costs associated with funding an escrow for refundings ("Issuance Costs").

d. Additional Services. The District shall not use the power of eminent domain for real property without the prior approval of the City Council.

**B. Standards of Construction/Statement of Compatibility.**

1. The District's potable water system will be designed, constructed and maintained in accordance with the standards of the City and any other jurisdiction, as appropriate, to the degree they have jurisdiction or oversight. The District's nonpotable water system, including the Bull Canal, will be designed, constructed and maintained in accordance with the standards of the City and/or FRICO as appropriate.

2. The wastewater treatment and/or collection facilities will be designed, constructed and maintained in accordance with the standards of the City, and any other applicable local, state or federal rules and regulations.

3. All public streets and traffic safety protection facilities to be dedicated to the City or CDOT will be constructed in accordance with the standards and specifications of the City or CDOT, where applicable.

4. All storm sewers and related facilities will be constructed in accordance with the standards and specifications of the City, with the exception of the Bull Canal which shall be constructed in accordance with the standards and specification of the City and/or FRICO.

5. All parks and recreational facilities and/or services will be constructed in accordance with engineering and design requirements appropriate for the surrounding terrain, and shall not be incompatible with standards of the City or other local public entities, as appropriate.

6. All transportation facilities and/or services will be provided in accordance with the standards and specifications of the City, if any, or other local public entities, as appropriate.

7. All mosquito eradication and control facilities will be designed, constructed, maintained and operated in accordance with the standards and specifications of the City. The District will request that any party with which it contracts for mosquito eradication and control will obtain the necessary permits from the appropriate jurisdictions.

## **VI. NOTICE OF MEETINGS**

The District shall submit a copy of the written notice of every regular or special meeting of the District's Board of Directors to the Office of the City Clerk, by mail, electronically, or by hand, to be received at least seven (7) days prior to such meeting for agenda items relating to

debt issuance/refunding or Service Plan amendments and at least three (3) days prior to such meeting for other agenda items.

## **VII. ASSESSED VALUATION**

The current assessed value of the Property is assumed to be \$-0- for purposes of the Financial Plan. The total overlapping mill levy imposed on the Property for tax collection year 2004 is 135.268.

## **VIII. ESTIMATED COSTS OF FACILITIES**

The estimated costs of the Improvements to be designed, constructed, installed and/or acquired by the District is approximately Six Million Eight Hundred Seventy Thousand Two Hundred Eleven Dollars (\$6,870,211), as set forth in **Exhibit G**, attached hereto. The District will phase construction of the Improvements in accordance with the build-out of the District such that the properties will produce revenue sufficient to repay the indebtedness of the District.

## **IX. OPERATION AND MAINTENANCE / ESTIMATED COSTS**

The District will require operating funds for administration of the District and to plan and cause the Improvements to be constructed and maintained, in addition to the capital costs of the Improvements. The first year's operating budget is estimated to be Fifty Thousand Dollars (\$50,000).

In addition to property taxes, the District may also rely upon various other revenue sources authorized by law and this Service Plan to offset the expenses of capital construction and District management, operations and maintenance. These will include revenues from other

governmental entities and developers as well as the power to assess fees, rates, tolls, penalties, or charges as provided in Title 32, Article 1, C.R.S., as amended.

Prior to the District having sufficient revenue to cover its ongoing operations and maintenance expenses, the developers of property within the District will advance funds to the District. The District will have the authority to repay the developers for amounts advanced for operations and maintenance expenses, together with interest thereon, the rate of which shall not exceed the current market rate as determined by an independent underwriter selected by the District.

## **X. AGREEMENTS**

The District will enter into an intergovernmental agreement with the Thornton Development Authority ("TDA") whereby the TDA will agree that the portion of revenues which the TDA receives as a result of tax increment revenues which are attributable to the District's current and future levy of *ad valorem* taxes on real and personal property within the area encompassed by the Urban Redevelopment Plan will be segregated by the TDA and paid to the District to be used in the construction and financing of Improvements and for operation and maintenance expenses ("Cooperation Agreement").

The District will enter into an intergovernmental agreement with the City regarding requirements set forth in this Service Plan as required by the City Code.

## **XI. FINANCIAL PLAN/PROPOSED INDEBTEDNESS**

### **A. General Discussion.**

The Financial Plan attached hereto as **Exhibit H** illustrates how the Improvements and/or services may be financed, including the estimated costs of engineering

services, legal services, administrative services, proposed indebtedness and estimated interest rates and discounts, and other major expenses related to the organization and operation of the District. The Financial Plan demonstrates the issuance of the debt and the anticipated repayment based on the projected development in the District's boundaries and that the District has the ability to finance the Improvements identified herein, and will be capable of discharging the proposed indebtedness on a reasonable basis. The Financial Plan sets forth a reasonable estimate of growth within the District and allows the Board a measure of flexibility such that the District need not incur debt in excess of what it needs to meet the actual population's demands for Services.

Prior to the first issuance of bonds, the District shall submit revised Public Improvements Cost Estimates, and a revised Financial Plan (to be referred to collectively as the "Financing Program") to the City for approval by City Council. Submittal of the Financing Program shall be considered a material modification of the Service Plan requiring a Service Plan Amendment. Once the Financing Program has been approved by the City Council, such approval shall apply to all subsequent issuances which comply with the approved Financing Program.

**B. General Obligation Bonds.**

The District shall have the authority to issue general obligation bonds, secured by the *ad valorem* taxing authority of the District with the limitations discussed below. For purposes of this Service Plan, all bond issuances shall be described as general obligation bonds. Due to the nature and characterization of the revenues that will be received from the imposition of the District's mill levy through the TDA, any authority provided in this Service Plan to issue general obligation bonds shall also be considered authority to issue revenue bonds. The District may determine to issue general obligation bonds secured by the *ad valorem* taxing authority of the District. Based upon construction cost estimates and financing cost estimates as computed

during the preparation of this Service Plan, up to a total of Eight Million Six Hundred Thousand Dollars (\$8,600,000) in general obligation bonds may be issued. Any issuance of general obligation bonds in excess of \$10,000,000, exclusive of Issuance Costs, will require a Service Plan amendment prior to issuance. It is proposed that a total maximum amount of Eleven Million Six Hundred Ninety-Five Thousand Dollars (\$11,695,000) (which includes \$500,000 for Operations and Maintenance) of bonds that may be secured by *ad valorem* taxes or other revenues submitted to the electors of the District for their approval at an election ("Debt Authority"). Initial District organizational expenses for legal, engineering, administrative and debt issuance costs and amounts expended on design and construction of Improvements will be eligible for reimbursement from the bond proceeds. The amount to be voted exceeds the amount of bonds anticipated to be sold, as shown in the Financial Plan, to allow for unforeseen contingencies and increases in construction costs due to inflation, and to cover all Issuance Costs. Such limitations shall not be applicable to refunding of the bonds authorized to be issued hereunder.

It is anticipated that the District will finance the public improvements through a variable rate bond transaction with an anticipated issuance of Eight Million Six Hundred Thousand Dollars (\$8,600,000) and anticipated proceeds of Six Million Eight Hundred Seventy Thousand Five Hundred Forty Five Dollars (\$6,870,545) with a letter of credit provided to secure the liquidity. The anticipated cost of financing including the interest rate and the letter of credit fee is not anticipated to exceed 4%, based upon an estimated interest rate of 3.4% and a letter of credit fee of 0.6%, as set forth in **Exhibit H**.

The maximum voted interest rate is estimated at twelve percent (12%) and the maximum underwriting discount is three percent (3%). The exact interest rates, term and



discounts will be determined at the time the bonds are sold by the District, and will reflect market conditions at the time of sale. The District may also issue notes, certificates, debentures or other evidences of indebtedness, including, but not limited to, contracts that extend beyond one year, on parity with or subordinate to bonds issued pursuant to the Debt Authority, subject to the limitations set forth herein.

**C. Mill Levy Cap.**

The District may assess a mill levy on all taxable property within the District as a source of revenue for repayment of debt service of any general obligation bonds that are issued by the District. Interest income through the reinvestment of construction funds, capitalized interest, and annual tax receipts will provide additional funds for repayment. These revenue sources should be sufficient to retire the proposed indebtedness if growth occurs as projected; otherwise, increases in the mill levy and/or the imposition of rates, tolls, fees, and charges may be necessary; but in no event shall the debt service mill levy exceed the Mill Levy Cap, subject to the terms of the following paragraph.

For purposes of this Section, "Debt to Assessed Valuation" shall mean the ratio of (i) the District's total outstanding general obligation debt, including the bonds proposed to be issued, to (ii) the District's assessed valuation; and "Mill Levy Cap" shall mean the mill levy pledged for repayment of bonds or other obligations shall not exceed fifty (50) mills, with adjustments as described hereafter. For any portion of its bonds or other outstanding general obligation debt to which property tax revenues are pledged as payment ("Debt") with respect to which the Debt to Assessed Valuation is fifty percent (50%) or greater, the District's obligation to impose a mill levy for the payment thereof shall be subject to the Mill Levy Cap. For any portion of its Debt with respect to which the Debt to Assessed Valuation is less than fifty percent (50%), the District is permitted to impose a mill levy for the payment thereof that shall not be

subject to the Mill Levy Cap. Further, in the event the method of calculating assessed valuation is changed after the date of approval of this Service Plan by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut or abatement, the Mill Levy Cap herein provided may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board of Directors in good faith (such determination to be binding and final) so that, to the extent possible, the actual tax revenues generated by the Mill Levy Cap, as adjusted, are neither diminished nor enhanced as the result of such change.

Once any portion of the District's Debt has been determined to be not subject to the Mill Levy Cap, the District is entitled to pledge to its payment an unlimited *ad valorem* mill levy and 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.

**D. Cost Summary and Bond Development.**

The Financial Plan reflects the estimated amount of bonds to be sold and fees to be imposed to finance the acquisition, construction, completion, and/or installation of the proposed Improvements, including all costs and expenses related to the anticipated bond issuances. The amount of bonds actually sold will be based upon the final engineering estimates and/or actual construction contracts. Organizational costs, including, but not limited to, legal fees, and capitalized engineering costs, are anticipated to be paid from bond proceeds. In the event the District is unable to finance the design, acquisition and construction of all of the Improvements through the issuance of bonds, the Developer shall make contributions sufficient to cover any shortfall. The interest rates as set forth in the Financial Pan are based upon the advice of RBC Dain Rauscher.

The Financial Plan projects the anticipated flow of funds, including specific ownership taxes, and is based upon the estimated construction costs and projected need for bond proceeds to finance the proposed Improvements. The Financial Plan sets forth a reasonable estimate of growth within the Development. The Financial Plan assumes that the 2004 assessed valuation for the property within the District is Zero Dollars (\$0). The projected build-out for the District are set forth in the Financial Plan prepared by RBC Dain Rauscher.

The City and the TDA shall not be held liable for any of the District's obligations as set forth in this Service Plan.

**E. Economic Viability.**

The Financial Plan illustrates the estimated income and expenses for the District over a thirty (30) year period presuming issuance of one series of bonds maturing within thirty (30) year period. The analysis reflects a total build-out period of three (3) years for the development and a total mill levy of twenty-five (25) mills. It is also assumed that the increase in assessed valuation from new construction will be realized one year after construction and that tax collections will be realized two years after such construction. The Financial Plan contained in this Service Plan demonstrates the economic viability of the District.

**XII. DISSOLUTION**

The District shall take all action necessary to dissolve, pursuant to C.R.S. § 32-1-701 et. seq., upon an independent determination of the City Council that the purposes for which the District was created have been accomplished whereupon City Council shall adopt a resolution, after a public hearing thereon, stating that the District shall be dissolved; provided, however, that the District shall not be dissolved until all of the District's outstanding debt obligations have been discharged.

### **XIII. CONSOLIDATION**

The District shall not file a request with the Adams County District Court to consolidate with any other special district, pursuant to C.R.S. 32-1-101 et seq., without the prior written approval of the City Council.

### **XIV. ANNUAL REPORT**

The District shall be responsible for submitting an annual report to the City within one hundred eighty (180) days from the conclusion of the District's fiscal year. The District's fiscal year shall end on December 31. The content of the annual report shall include information as to the following matters which occurred during the year:

- a. A certificate of compliance with the City Code.
- b. Intergovernmental Agreements with other governmental bodies entered into or proposed.
- c. Submission of current assessed valuation in the District.
- d. Copies of any filings made pursuant to SEC Rule 15(c)2-12.
- e. Meeting Notices.

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

### **XV. CONCLUSION**

It is submitted that this Service Plan for the Larkridge Metropolitan District No. 2 establishes that:

- A. There is sufficient existing and projected need for organized service in the area to be serviced by the District;

B. The existing service in the area to be served by the District is inadequate for present and projected needs;

C. The District is capable of providing economical and sufficient service to the area within its proposed boundaries;

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

E. Adequate service is not, and will not be, available to the area through the City or other existing City municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

F. The facility and service standards of the District are compatible with the facility and service standards of the County within which the special district is to be located and each municipality which is an interested party under Section 32-1-204(1), Colorado Revised Statutes;

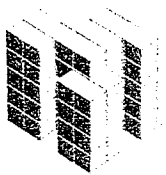
G. The proposal is in substantial compliance with a master plan adopted pursuant to Section 30-28-106, C.R.S.; and

H. The proposal is in compliance with any duly adopted City, regional, or state long-range water quality management plan for the area; and

I. The creation of the District is in the best interests of the area proposed to be served.

**EXHIBIT A**

Legal Description



**Matrix Design Group, Inc.**  
Integrated Design Solutions

1601 Blake Street, Suite 200  
Denver, Colorado 80202  
(303) 572-0200 Tel  
(303) 572-0202 Fax  
[www.matrixdesigngroup.com](http://www.matrixdesigngroup.com)

**EXHIBIT "A"**  
(LEGAL DESCRIPTION)  
(DISTRICT TWO)

A PARCEL OF LAND SITUATED IN PART OF THE SOUTHEAST ONE-QUARTER OF SECTION 3, TOWNSHIP ONE SOUTH, RANGE 68 WEST OF THE 6<sup>TH</sup> PRINCIPAL MERIDIAN, COUNTY OF ADAMS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE EAST ONE-QUARTER CORNER OF SAID SECTION 3;

1) THENCE SOUTH 00°21'15" WEST, ALONG THE EAST LINE OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3, A DISTANCE OF 2587.46 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 3;

2) THENCE NORTH 89°52'40" WEST, ALONG THE SOUTH LINE OF SAID SOUTHEAST ONE-QUARTER AND THE CENTER LINE OF EAST 160<sup>TH</sup> STREET, A DISTANCE OF 1861.22 FEET;

3) THENCE NORTH 00°07'20" EAST A DISTANCE OF 30.00 FEET TO THE RIGHT-OF-WAY OF U.S. HIGHWAY "87" AS DESCRIBED IN BOOK 595 PAGE 282;

4) THENCE NORTH 82°46'41" WEST, ALONG SAID RIGHT-OF-WAY LINE, A DISTANCE OF 646.80 FEET TO A POINT ON THE EASTERLY LINE OF INTERSTATE "25" (AS MONUMENTED), SAID POINT ALSO BEING A POINT ON A NON-TANGENT 5630.00 FOOT RADIUS CURVE WHOSE CENTER BEARS SOUTH 77°30'10" EAST;

5) THENCE NORTHERLY, ALONG SAID CURVE AND THE EASTERLY LINE OF SAID INTERSTATE "25", THROUGH A CENTRAL ANGLE OF 9°52'18" AN ARC DISTANCE OF 970.01 FEET;

6) THENCE NORTH 22°25'51" EAST, ALONG SAID EAST LINE, A DISTANCE OF 1269.70 FEET;

7) THENCE SOUTH 90°00'00" EAST A DISTANCE OF 987.41 FEET;

8) THENCE NORTH 00°00'00" EAST A DISTANCE OF 278.58 FEET;

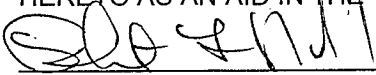
9) THENCE NORTH 45°00'00" EAST A DISTANCE OF 50.53 FEET;

10) THENCE NORTH 90°00'00" EAST A DISTANCE OF 670.58 FEET;

11) THENCE NORTH 0°21'15" EAST A DISTANCE OF 60.20 FEET TO THE NORTH LINE OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3;

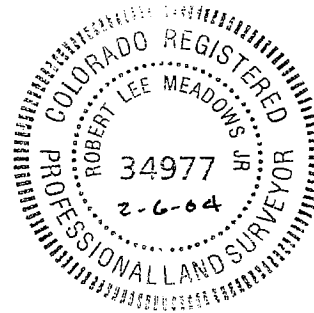
12) THENCE SOUTH 89°39'04" EAST, ALONG SAID NORTH LINE, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING;

THE ABOVE DESCRIBED PARCEL ENCOMPASSES 4,997,016.81 SQUARE FEET OR 114.716 ACRES OF LAND MORE OR LESS AND IS SUBJECT TO ALL EASEMENTS AND ENCUMBRANCES OF RECORD. A GRAPHICAL DEPICTION OF THE ABOVE DESCRIBED PROPERTY IS ATTACHED HERETO AS AN AID IN THE VISUAL INTERPRETATION OF THE WRITTEN DOCUMENT.



ROBERT L. MEADOWS JR., PLS 34977

PREPARED ON BEHALF OF  
MATRIX DESIGN GROUP, INC.



*Matrix Design Group, Inc. 2003©*



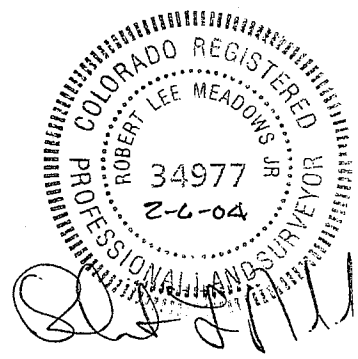
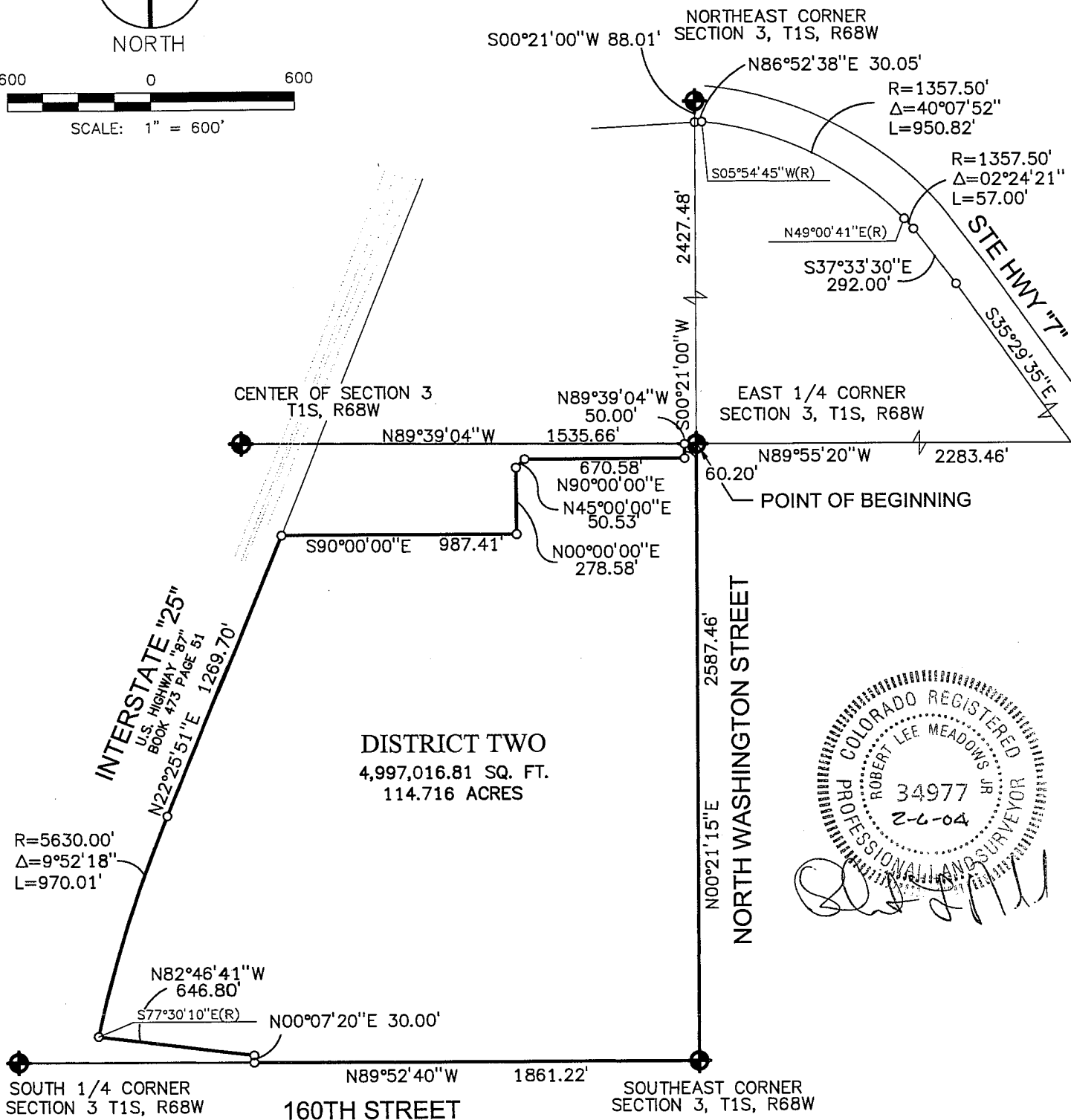
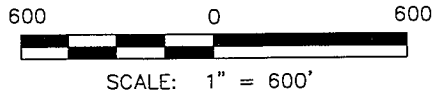
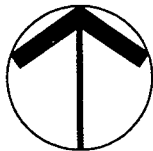
**Matrix Design Group, Inc.**  
Integrated Design Solutions



**EXHIBIT B**

Boundary Map

# EXHIBIT "B"



## DISTRICT 2

DATE: FEBRUARY 05, 2004  
PAGE 3 OF 3

R:\03.125.002 (Larkridge Mall)\dwg\Survey\exhibit\EXHIBIT B\DISTRICTS SUBMITTED 2\_05\_04\EXHIBIT B-4\_REV3.dwg



**Matrix Design Group, Inc.**

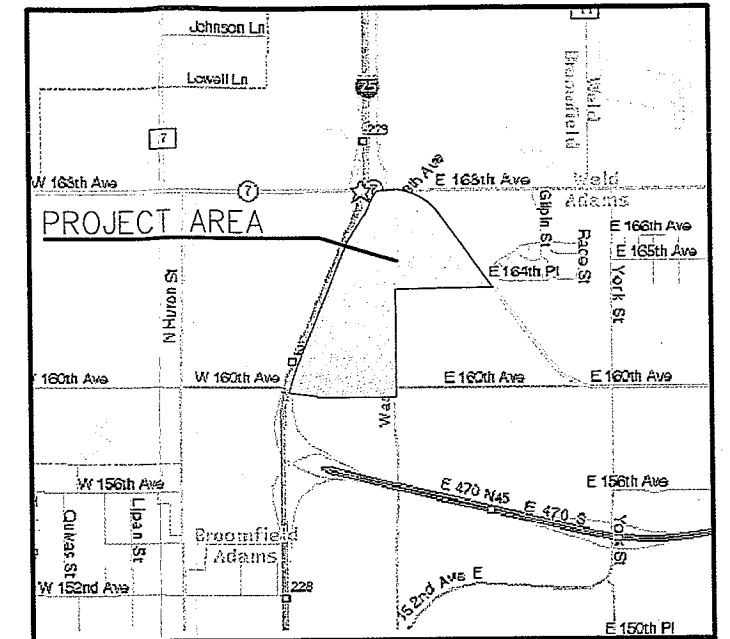
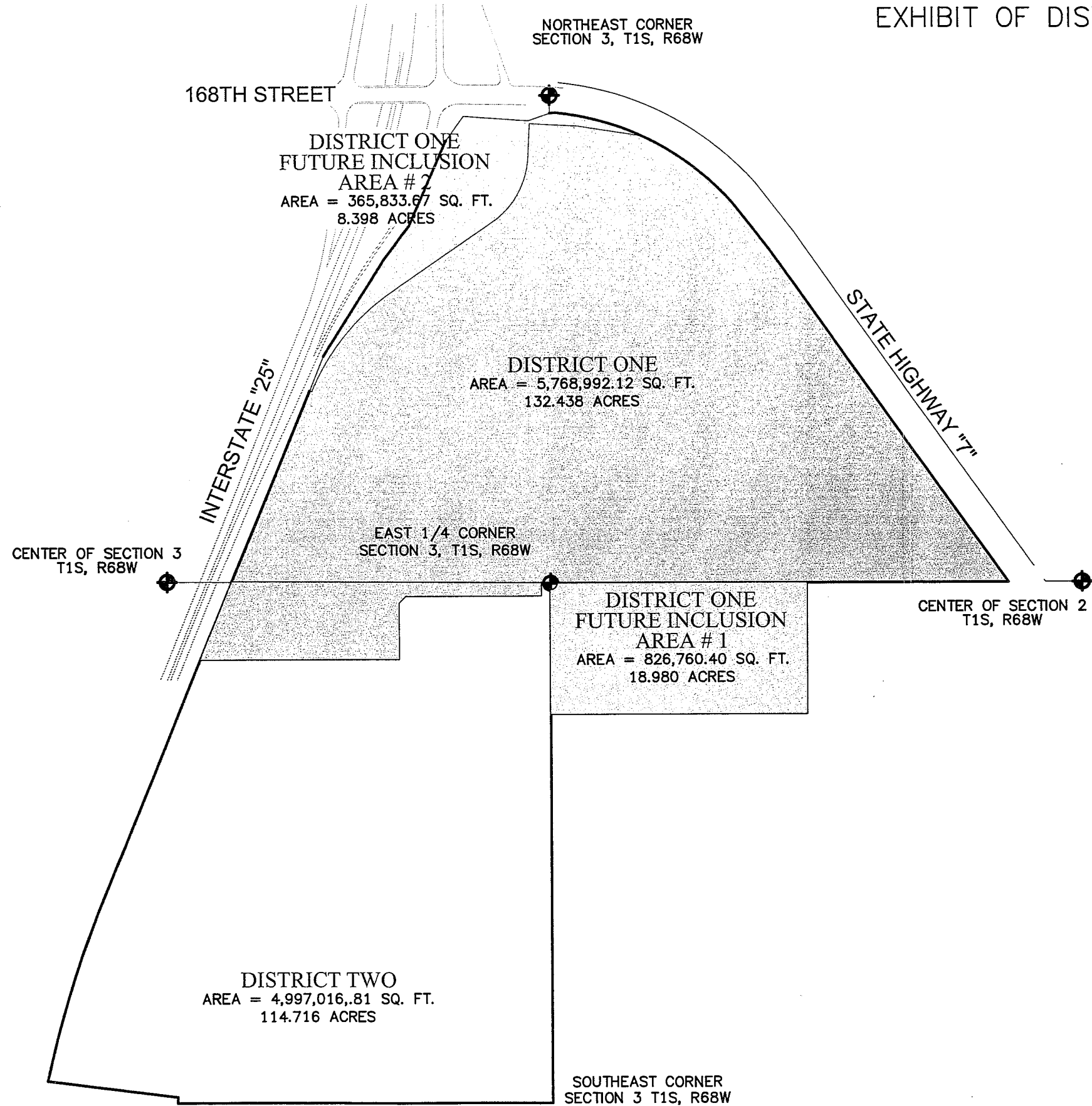
Integrated Design Solutions

1601 Blake Street, Suite 200  
Denver, CO 80202  
Phone 303-572-0200  
Fax 303-572-0202

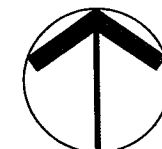
**EXHIBIT C**

Vicinity Map

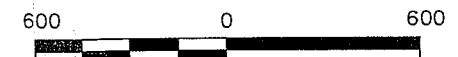
# EXHIBIT OF DISTRICT PARCELS



LARKRIDGE PROJECT AREA



NORTH



SCALE: 1" = 600'



DISTRICTS 1 &amp; 2

DATE: FEBRUARY 05, 2004

PAGE 1 OF 1

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**Matrix Design Group, Inc.**

**Integrated Design Solutions** 1601 Blake Street, Suite 200

Denver, CO 80202

Phone 303-572-0200

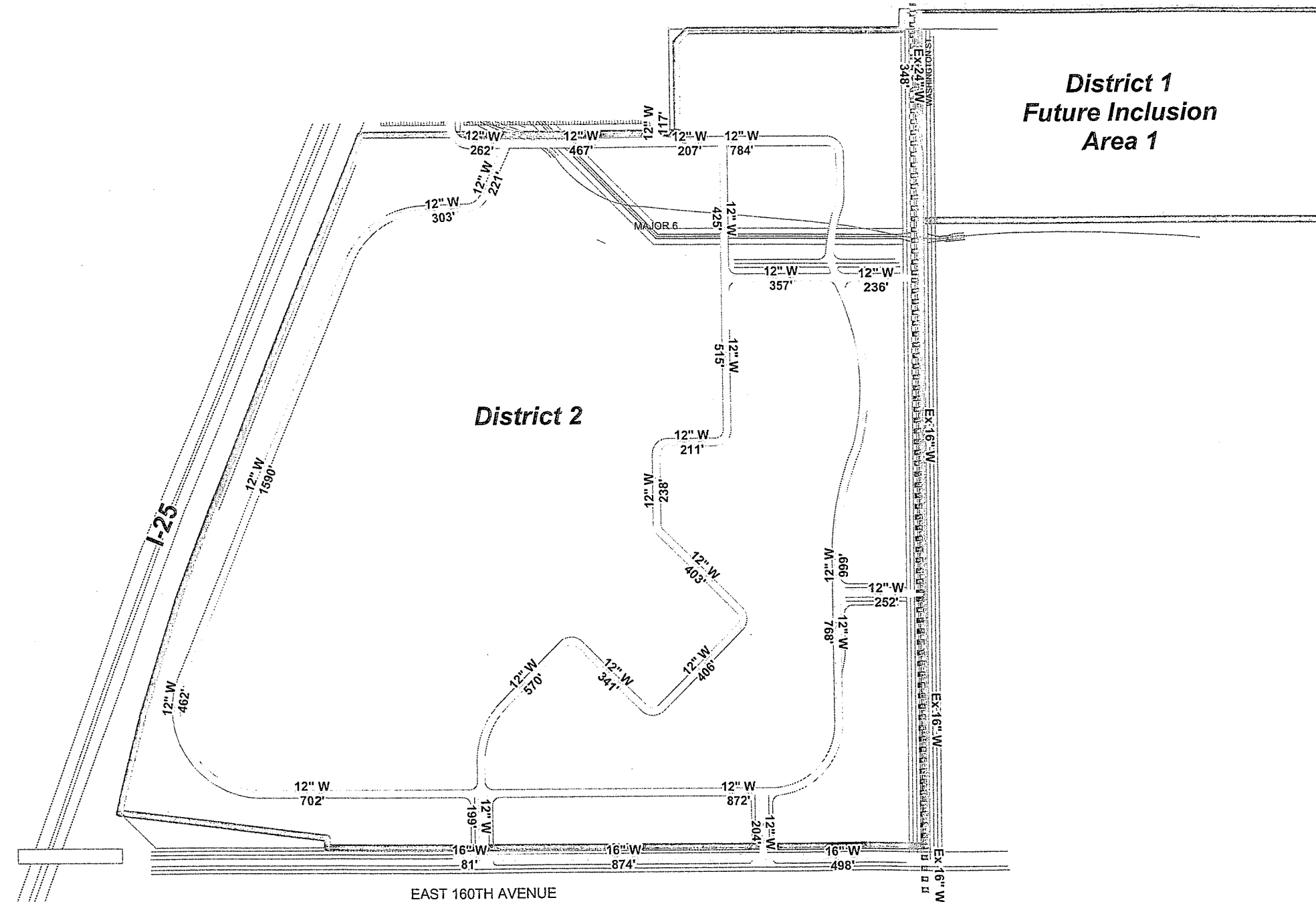
Fax 303-572-0202

## **EXHIBIT D**

### Water Improvements

### Legend

- Constructed by Larkridge  
Metropolitan District No. 2
- Existing Water Line
- District Boundaries

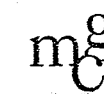
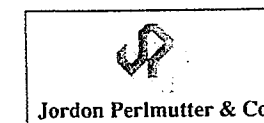


**NOTE:**  
All Infrastructure is Shown for Conceptual Level Cost Projections Only. Sizes and Costs are Subject to Change During Preliminary Design.



0 300 600  
Feet

## Larkridge Metropolitan District Phase 2 Water Distribution Infrastructure

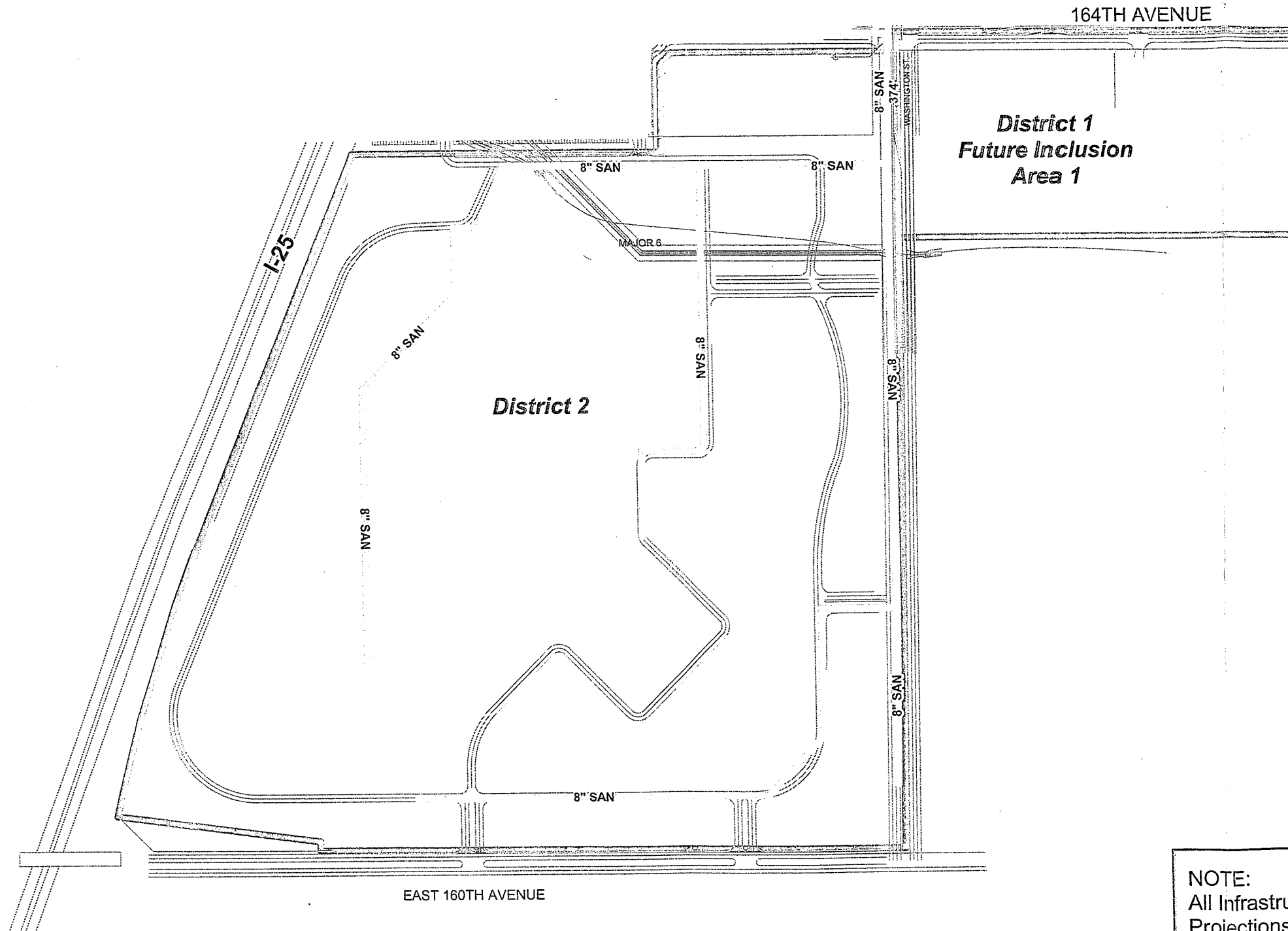


January 29, 2004

## **EXHIBIT E**

### Wastewater Improvements

**Legend**  
 Constructed by Larkridge  
 Metropolitan District No. 2  
 District Boundaries



**NOTE:**  
 All Infrastructure is Shown for Conceptual Level Cost Projections Only. Sizes and Costs are Subject to Change During Preliminary Design.

January 29, 2004

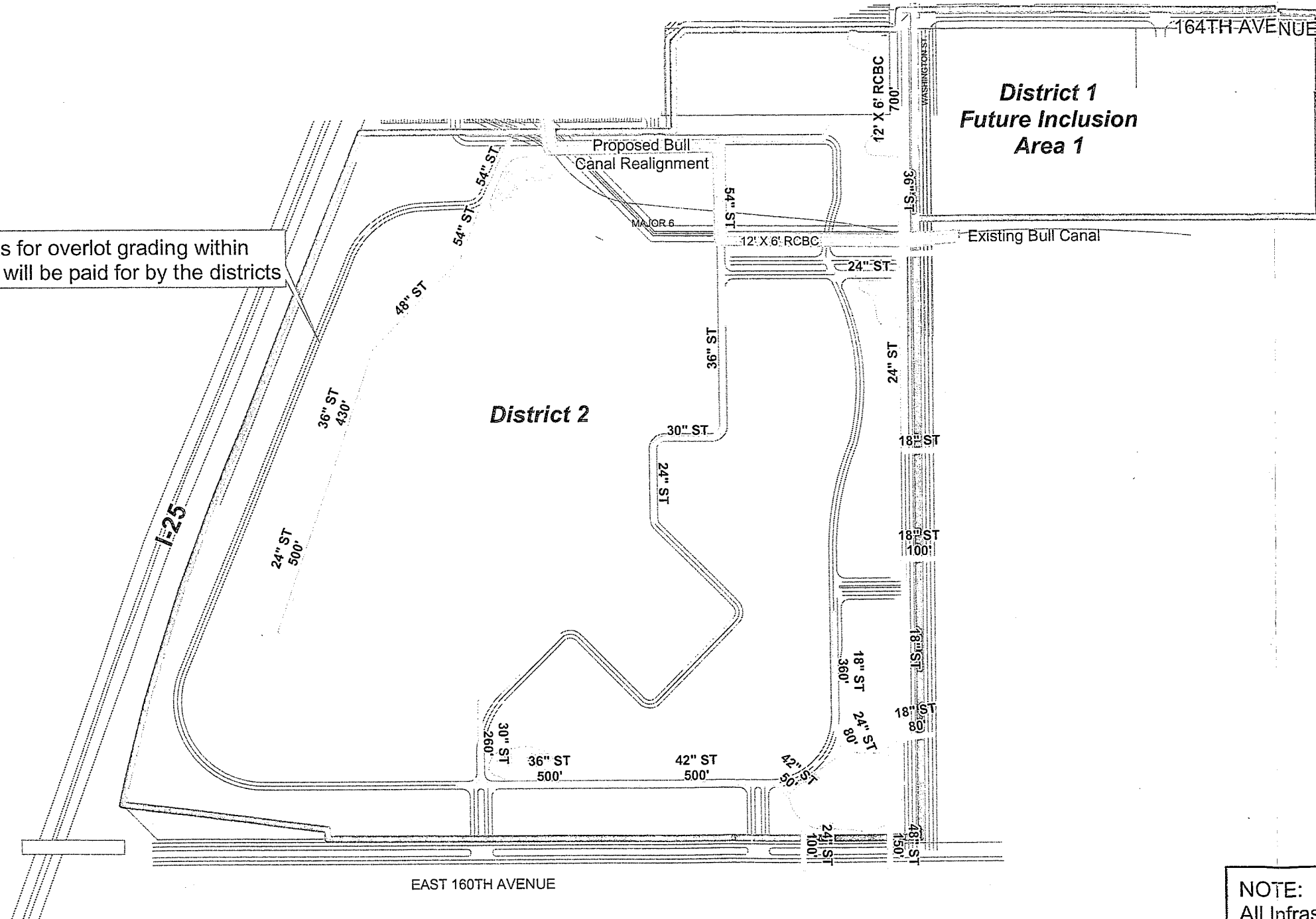
# **Larkridge Metropolitan District Phase 2 Wastewater Infrastructure**





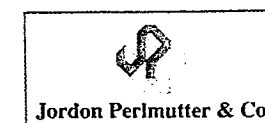
- Legend**
- Constructed by Larkridge Metropolitan District No. 2
  - Water Quality Ponds
  - Larkridge Metro District
  - District Boundaries

A portion of the costs for overlot grading within District 1 and District 2 will be paid for by the districts



**NOTE:**  
All Infrastructure is Shown for Conceptual Level Cost Projections Only. Sizes and Costs are Subject to Change During Preliminary Design.

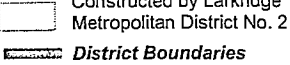
# Larkridge Metropolitan District Phase 2 Storm Drainage Infrastructure

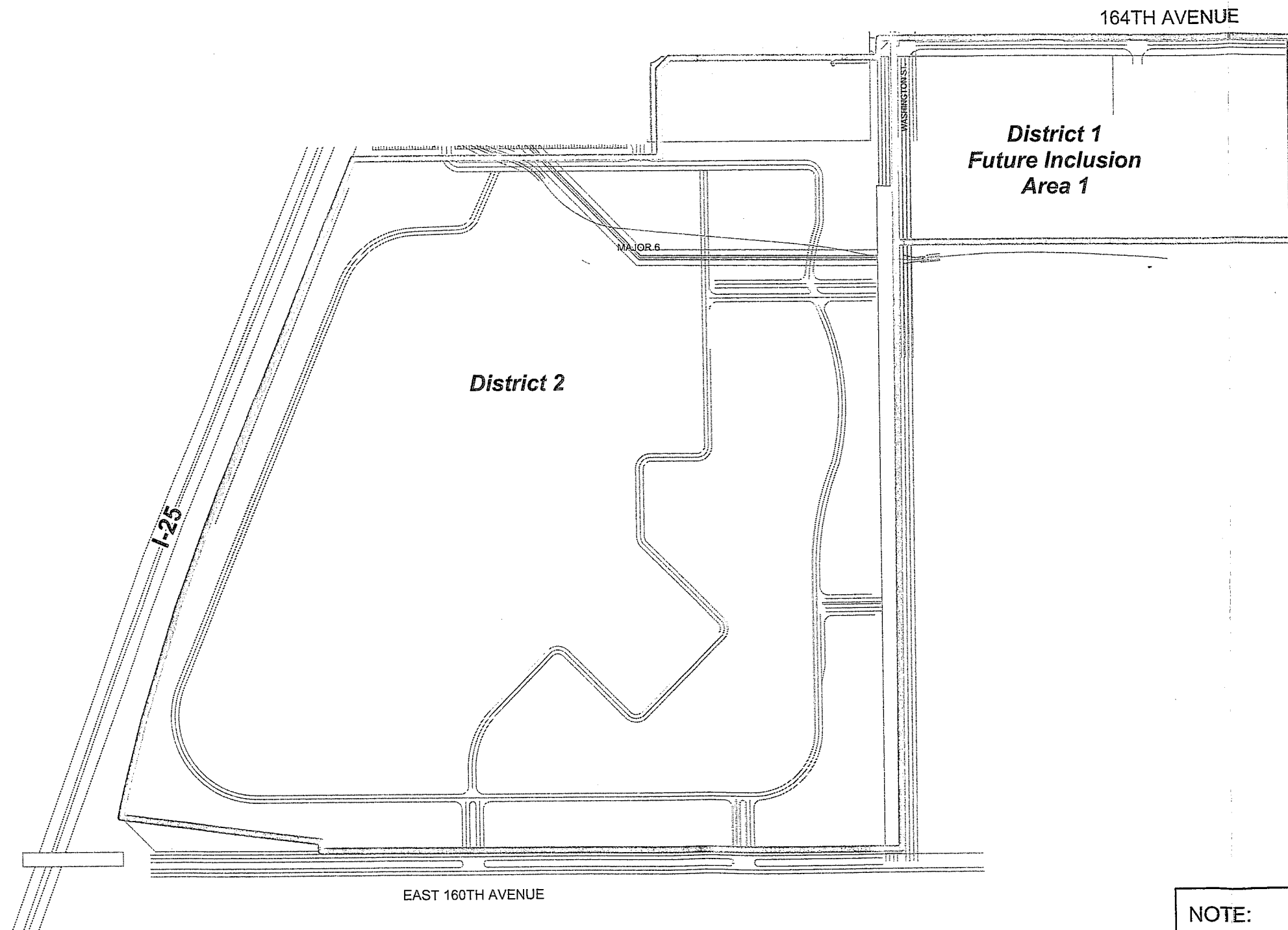


January 29, 2004

## **EXHIBIT F**

### **Street and Traffic Safety Protection Improvements**

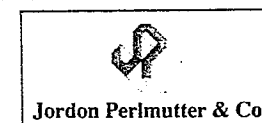
**Legend**  
  
 Constructed by Larkridge  
 Metropolitan District No. 2  
 District Boundaries



0 300 600  
 Feet

**NOTE:**  
 All Infrastructure is Shown for Conceptual Level Cost  
 Projections Only. Sizes and Costs are Subject  
 to Change During Preliminary Design.

# Larkridge Metropolitan District Phase 2 Roadway Infrastructure



January 29, 2004

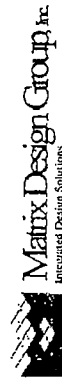
## **EXHIBIT G**

### **Public Improvements Costs Estimates**

Public Improvements Costs Estimates

LARKRIDGE METROPOLITAN DISTRICT NO. 1	
ROADWAY	\$ 1,594,376
WATER	\$ 567,823
SANITARY SEWER	\$ 420,408
DRAINAGE	\$ 2,012,860
EARTHWORK	\$ 600,000
ADD: CONTINGENCY (20%)	\$ 1,039,093
SUBTOTAL	\$ 6,234,560
ADD: SOFT COSTS (24%)	\$ 1,496,294
TOTAL	\$ 7,730,855

LARKRIDGE METROPOLITAN DISTRICT NO. 2	
ROADWAY	\$ 753,440
WATER	\$ 548,157
SANITARY SEWER	\$ 300,960
DRAINAGE	\$ 2,046,520
EARTHWORK	\$ 968,000
ADD: CONTINGENCY (20%)	\$ 923,415
SUBTOTAL	\$ 5,540,493
ADD: SOFT COSTS (24%)	\$ 1,329,718
TOTAL	\$ 6,870,211



Notes:

1. The cost and scope opinions are based on conceptual-level layouts for Phase 1 and extrapolated development programs for a potential future second phase. Costs are subject to modification as more detailed master plans and preliminary-level designs are prepared.
2. Matrix design Group, Inc does not guarantee or warranty costs shown. Opinions are based on our knowledge of the site and experience on similar projects within the Denver Metropolitan Area.
3. The information attached hereto has been prepared as a method for determining the preliminary cost and scope associated with trunk infrastructure and is not intended to set a budgetary limit for construction as unforeseeable and unavoidable conditions may require changes to the approaches set forth.

Public Roadway Improvements

Larkridge Metropolitan District No. 1					
PROJECT	SECTION	LENGTH	UNIT COST	EXTENSION	COSTS
164th Avenue - SH7 to Washington	4 lane	610	\$ 705	\$ 430,340	\$ 430,340
164th Avenue - SH7 to Washington (Half Section)	2 lane	1700	\$ 353	\$ 599,655	\$ 599,655
164th Avenue - Washington to I-25	4 lane	800	\$ 705	\$ 564,381	\$ 564,381
Total					\$ 1,594,376

Larkridge Metropolitan District No. 2					
PROJECT	SECTION	LENGTH	UNIT COST	EXTENSION	COSTS
Washington Street - 160th to 163rd (1/2 section)	3 lane	1800	\$ 419	\$ 753,440	\$ 753,440
Total					\$ 753,440

# WATER IMPROVEMENTS

Larkridge Metropolitan District No. 1					
PROJECT	SIZE	LENGTH	UNIT COST	EXTENSION	COSTS
JP Thornton LLC	12	11796	\$ 44	\$ 516,665	\$ 516,665
JP Thornton/Third Party 50/50 164th Ave	12	2336	\$ 44	\$ 102,317	\$ 51,158
<b>Total</b>					<b>\$ 567,823</b>

Larkridge Metropolitan District No. 2					
PROJECT	SIZE	LENGTH	UNIT COST	EXTENSION	COSTS
South Loop 1	12	800	\$ 44	\$ 35,040	\$ 35,040
South Loop 2	12	1050	\$ 44	\$ 45,990	\$ 45,990
South Loop 3	12	570	\$ 44	\$ 24,966	\$ 24,966
South Loop 4	12	370	\$ 44	\$ 16,206	\$ 16,206
South Loop 5	12	225	\$ 44	\$ 9,855	\$ 9,855
South Loop 6	12	3850	\$ 44	\$ 168,630	\$ 168,630
South Loop 7	12	875	\$ 44	\$ 38,325	\$ 38,325
South Link 1	12	2625	\$ 44	\$ 114,975	\$ 114,975
South Link 2	12	580	\$ 44	\$ 25,404	\$ 25,404
South Link 3	12	350	\$ 44	\$ 15,330	\$ 15,330
South Entrance 1	12	200	\$ 44	\$ 8,760	\$ 8,760
South Entrance 2	12	200	\$ 44	\$ 8,760	\$ 8,760
South Entrance 3	12	220	\$ 44	\$ 9,636	\$ 9,636
South Entrance 4	12	220	\$ 44	\$ 9,636	\$ 9,636
South Entrance 5	12	200	\$ 44	\$ 8,760	\$ 8,760
South Entrance 6	12	180	\$ 44	\$ 7,884	\$ 7,884
<b>Total</b>					<b>\$ 548,157</b>

# SANITARY SEWER IMPROVEMENTS

Larkridge Metropolitan District No. 1					
PROJECT	SIZE	LENGTH	UNIT COST	EXTENSION	PHASE
JP Thornton LLC	8	7154	\$ 36.00	\$ 257,544	1
JP Thornton LLC	12	3016	\$ 54.00	\$ 162,864	1
Total					
					\$ 420,408

Larkridge Metropolitan District No. 2					
PROJECT	SIZE	LENGTH	UNIT COST	EXTENSION	PHASE
South Branch 2	8	840	\$ 36.00	\$ 30,240	2
South Branch 3	8	950	\$ 36.00	\$ 34,200	2
South Branch 4	8	600	\$ 36.00	\$ 21,600	2
South Branch 5	8	480	\$ 36.00	\$ 17,280	2
South Branch 6	8	950	\$ 36.00	\$ 34,200	2
South Branch 7	8	575	\$ 36.00	\$ 20,700	2
South Branch 8	8	1170	\$ 36.00	\$ 42,120	2
South Branch 9	8	200	\$ 36.00	\$ 7,200	2
South Branch 10	8	450	\$ 36.00	\$ 16,200	2
South Branch 11	8	220	\$ 36.00	\$ 7,920	2
South Branch 12	8	350	\$ 36.00	\$ 12,600	2
South Branch 13	8	1575	\$ 36.00	\$ 56,700	2
Total					\$ 300,960



**DRAINAGE IMPROVEMENTS**

Larkridge Metropolitan District No. 1					
PROJECT	TYPE	QUANTITY	UNIT COST	EXTENSION	PHASE
164th Avenue	18	360	\$ 54	\$ 19,440	1
164th Avenue	24	340	\$ 72	\$ 24,480	1
164th Avenue	36	850	\$ 108	\$ 91,800	1
On-site Water Quality Detention Pond	AF	6	\$ 100,000	\$ 600,000	1
Bull Canal Relocation Box Culvert	12x6	1800	\$ 540	\$ 972,000	1
Bull Canal Relocation Open Channel	OPEN	850	\$ 420	\$ 273,000	1
Bull Canal Relocation Transition Structure	LS	2	\$ 50,000	\$ 100,000	1
<b>Total</b>					

Larkridge Metropolitan District No. 2					
PROJECT	TYPE	QUANTITY	UNIT COST	EXTENSION	PHASE
Bull Canal Relocation Segment 3	12x6	1200	\$ 540	\$ 648,000	2
A1	24	500	\$ 72	\$ 36,000	2
A2	36	430	\$ 108	\$ 46,440	2
A3	48	400	\$ 144	\$ 57,600	2
A4	54	200	\$ 162	\$ 32,400	2
A5	60	250	\$ 180	\$ 45,000	2
A6	66	240	\$ 198	\$ 47,520	2
B1	24	270	\$ 72	\$ 19,440	2
B2	30	220	\$ 90	\$ 19,800	2
B3	36	370	\$ 108	\$ 39,960	2
B4	42	580	\$ 126	\$ 73,080	2
B5	42	400	\$ 126	\$ 50,400	2
B6	24	600	\$ 72	\$ 43,200	2
B7	24	200	\$ 72	\$ 14,400	2
B8	30	750	\$ 90	\$ 67,500	2
SC1	24	100	\$ 72	\$ 7,200	2
SC2	30	260	\$ 90	\$ 23,400	2
SC3	36	500	\$ 108	\$ 54,000	2
SC4	42	500	\$ 126	\$ 63,000	2
SC5	42	50	\$ 126	\$ 6,300	2
SC6	24	150	\$ 72	\$ 10,800	2
SC7	18	360	\$ 54	\$ 19,440	2
SC8	24	80	\$ 72	\$ 5,760	2
SC9	18	100	\$ 54	\$ 5,400	2
SG10	18	560	\$ 54	\$ 30,240	2
SG11	18	80	\$ 54	\$ 4,320	2
SG12	24	60	\$ 72	\$ 4,320	2
Sack Creek WQ Facility (OPTION 2)	-	4.32	\$ 125,000	\$ 540,000	2
Sack Creek Outfall Structure		1	\$ 10,000	\$ 10,000	2
Sack Creek Outfall	48	150	\$ 144	\$ 21,600	2
<b>Total</b>					

**EXHIBIT H**

Financial Plan

**Larkridge Metropolitan District 2**  
**Service Plan Financing Information**  
**February 4, 2004**  
**Financing Summary**

Bond Issue Summary Information	
Gross Bond Proceeds	\$8,600,000
Issuance Costs	\$259,848
Debt Service Reserve Fund	\$516,000
Capitalized Interest	\$953,607
Bond Proceeds Available for Projects	\$6,870,545
Capitalized Interest Requirement	3 Years
Capitalized Interest Reinvestment Rate	1.00%
Total Principal	\$8,600,000
Total Interest	\$6,123,570
Total Letter of Credit Fee	\$1,080,630
Total Debt Service	\$15,804,200
Less: Debt Service Reserve Fund (Principal & Interest Earnings @ 3.40%)	(\$989,688)
Less: Capitalized Interest (Principal & Interest Earnings @ 1.00%)	(\$1,032,000)
Total Net Debt Service	\$13,782,512
Average Annual Net Debt Service	\$444,597
Maximum Annual Net Debt Service	\$517,456
Interest Rate	3.40%
Annual Letter of Credit Fee	0.60%
All-In Interest Rate	4.00%
Term	30 Years

Cash Flow Summary Information	
<b>Tax &amp; Growth Assumptions</b>	
Total Mill Levy (Operations & Debt Service)	25.000
Property Value Appreciation Rate (Biennial)	4.00%
Property Value Appreciation Rate Duration	2009 thru 2015
Commercial Assessment Rate	29.00%
<b>Development Assumptions</b>	
Total Commercial Sq Ft	1,000,000
Average Market Value Per Sq Ft (2003 Values)	55
Total Market Value	54,900,000
Total Assessed Value	15,921,000
Average Market Value Per Sq Ft (Inflated @ 3% to Completion Date)	65
Total Market Value	65,492,748
Total Assessed Value	18,992,897

Larkridge Metropolitan District 2  
Service Plan Financing Information  
February 4, 2004  
Development Detail

Code	Description	Category	Type	Year Completed	Ttl SF	Sales SF	2003 MV SF	3.00% Inflated MV SF	Ttl Mkt Value	Inflated Ttl Mkt Value
M1	Major Tenants	Major	Commercial	2008	250,000	200.00	\$45.00	\$52.17	11,250,000	13,041,833
M2	Major Tenants	Major	Commercial	2009	250,000	200.00	\$45.00	\$53.73	11,250,000	13,433,088
M3	Major Tenants	Major	Commercial	2010	200,000	200.00	\$45.00	\$55.34	9,000,000	11,068,865
P1	Pad Sites	Pad Site	Commercial	2008	50,000	250.00	\$100.00	\$115.93	5,000,000	5,796,370
P2	Pad Sites	Pad Site	Commercial	2009	50,000	250.00	\$100.00	\$119.41	5,000,000	5,970,261
P3	Pad Sites	Pad Site	Commercial	2010	50,000	250.00	\$100.00	\$122.99	5,000,000	6,149,369
I1	Inline Retail	Inline	Commercial	2008	50,000	150.00	\$56.00	\$64.92	2,800,000	3,245,967
I2	Inline Retail	Inline	Commercial	2009	50,000	150.00	\$56.00	\$66.87	2,800,000	3,343,346
I3	Inline Retail	Inline	Commercial	2010	50,000	150.00	\$56.00	\$68.87	2,800,000	3,443,647
Commercial Total					1,000,000	200.00	\$54.90	\$65.49	54,900,000	65,492,748
Total					1,000,000				54,900,000	65,492,748

Larkridge Metropolitan District 2  
Service Plan Financing Information  
February 4, 2004  
Development Summary

Type	Category	Square Footage							Total
		2006	2007	2008	2009	2010	2011	2012	
Commercial	Inline			60,000	60,000	60,000			180,000
	Major			300,000	300,000	300,000			900,000
	Pad Site			80,000	70,000	70,000			220,000
Commercial Total				440,000	430,000	430,000			1,300,000

Type	Category	2003 Market Value Per Square Foot							Total
		2006	2007	2008	2009	2010	2011	2012	
Commercial	Inline			56	56	56			56
	Major			45	45	45			45
	Pad Site			100	100	100			100
Commercial Total				54	54	56			55

Type	Category	2003 Market Value							Total
		2006	2007	2008	2009	2010	2011	2012	
Commercial	Inline			2,800,000	2,800,000	2,800,000			8,400,000
	Major			11,250,000	11,250,000	9,000,000			31,500,000
	Pad Site			5,000,000	5,000,000	5,000,000			15,000,000
Commercial Total				19,050,000	19,050,000	16,800,000			54,900,000
Total				19,050,000	19,050,000	16,800,000			54,900,000

Type	Category	Inflated Market Value Per Square Foot							Total
		2006	2007	2008	2009	2010	2011	2012	
Commercial	Inline			65	67	69			67
	Major			52	54	55			54
	Pad Site			116	119	123			119
Commercial Total				63	65	69			65

Type	Category	Inflated Market Value							Total
		2006	2007	2008	2009	2010	2011	2012	
Commercial	Inline			3,245,967	3,343,346	3,443,647			10,032,961
	Major			13,041,833	13,433,088	11,068,865			37,543,786
	Pad Site			5,796,370	5,970,261	6,149,369			17,916,001
Commercial Total				22,084,171	22,746,696	20,661,881			65,492,748
Total				22,084,171	22,746,696	20,661,881			65,492,748

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Property Tax Information</b>											
Beginning Commercial Mkt Value	-	-	-	22,084,171	45,714,234	66,376,115	69,031,160	69,031,160	71,792,406	71,792,406	74,664,102
Additions	-	-	22,084,171	22,746,696	20,661,881	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	883,367	-	2,655,045	-	2,761,246	-	2,871,696	-
Appreciation Rate%	-	0.00%	-	4.00%	-	4.00%	-	4.00%	-	4.00%	-
Ending Commercial Mkt Value	-	-	22,084,171	45,714,234	66,376,115	69,031,160	69,031,160	71,792,406	71,792,406	74,664,102	74,664,102
Commercial Market Value for Assessed Value	-	-	-	22,967,538	45,714,234	69,031,160	69,031,160	71,792,406	71,792,406	74,664,102	74,664,102
Commercial Assessment %	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Commercial Assessed Value	-	-	-	6,660,586	13,257,128	20,019,036	20,019,036	20,819,798	20,819,798	21,652,590	21,652,590
Total Assessed Value	-	-	-	6,660,586	13,257,128	20,019,036	20,019,036	20,819,798	20,819,798	21,652,590	21,652,590
Debt Service Mill Levy	-	-	-	25.000	25.000	22.502	22.502	22.598	22.598	22.691	22.691
Commercial Property Tax Revenue (1yr Lag)	-	-	-	-	166,515	331,428	450,476	450,476	470,495	470,495	491,315
Property Tax Revenue	-	-	-	-	166,515	331,428	450,476	450,476	470,495	470,495	491,315
Specific Ownership Tax @ 6.00%	-	-	-	-	9,991	19,886	27,029	27,029	28,230	28,230	29,479
Total Debt Service Revenue	-	-	-	-	176,506	351,314	477,504	477,504	498,725	498,725	520,794
<b>Senior Lien Debt Service</b>											
Debt Service @ 3.40%	-	146,200	292,400	292,400	292,400	312,400	436,720	436,790	461,690	460,570	484,280
Letter of Credit (LOC) @ 0.60%	-	25,800	51,600	51,600	51,600	51,600	51,480	50,610	49,710	48,630	47,520
Capitalized Interest	-	(172,000)	(344,000)	(344,000)	(172,000)	-	-	-	-	-	-
DSR Fund	-	-	-	-	-	(17,544)	(17,544)	(17,544)	(17,544)	(17,544)	(17,544)
Total Net Debt Service	-	-	-	-	172,000	346,456	470,656	469,856	493,856	491,656	514,256
Coverage Ratio	-	-	-	-	1.03	1.01	1.01	1.02	1.01	1.01	1.01
<b>Revenue After D/S</b>											
Revenue After D/S	-	-	-	-	4,506	4,858	6,848	7,648	4,869	7,069	6,538
Cash Balance Transfers	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	-	-	-	-	4,506	4,858	6,848	7,648	4,869	7,069	6,538
<b>Operating Mill Levy</b>											
Operating Mill Levy	-	-	-	-	-	2,498	2,498	2,402	2,402	2,309	2,309
Commercial Property Tax Revenue (1yr Lag)	-	-	-	-	-	50,000	50,000	50,000	50,000	50,000	50,000
Operating Property Tax Revenue	-	-	-	-	-	50,000	50,000	50,000	50,000	50,000	50,000
Total Mill Levy	-	-	-	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000
<b>Cash Balance Summary</b>											
Beginning Cash Balance	-	-	-	-	-	4,506	9,364	16,212	23,860	28,729	35,798
Deposits - Revenue After D/S	-	-	-	-	4,506	4,858	6,848	7,648	4,869	7,069	6,538
Developer Advances	-	-	-	-	-	-	-	-	-	-	-
Developer Repayments	-	-	-	-	-	-	-	-	-	-	-
D/S Transfers	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	-	-	-	-	4,506	9,364	16,212	23,860	28,729	35,798	42,336
<b>Bond Issue Summary</b>											
GO Bonds - LOC (All-In Rate @ 4.00%)	-	-	-	-	-	-	-	-	-	-	-
Costs of Issuance	-	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve Fund	-	-	-	-	-	-	-	-	-	-	-
Capitalized Interest (Net Funded)	-	-	-	-	-	-	-	-	-	-	-
Project Funds	-	-	-	-	-	-	-	-	-	-	-

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Property Tax Information</b>											
Beginning Commercial Mkt Value	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102
Additions	-	-	-	-	-	-	-	-	-	-	-
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate%	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Ending Commercial Mkt Value	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102
<b>Commercial Market Value for Assessed Value</b>											
Commercial Assessment %	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Commercial Assessed Value	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590
Total Assessed Value	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590
<b>Debt Service Mill Levy</b>											
Debt Service	22,691	22,691	22,691	22,691	22,691	22,691	22,691	22,691	22,691	22,691	22,691
Commercial Property Tax Revenue (1yr Lag)	491,315	491,315	491,315	491,315	491,315	491,315	491,315	491,315	491,315	491,315	491,315
Property Tax Revenue	491,315	491,315	491,315	491,315	491,315	491,315	491,315	491,315	491,315	491,315	491,315
Specific Ownership Tax @ 6.00%	29,479	29,479	29,479	29,479	29,479	29,479	29,479	29,479	29,479	29,479	29,479
<b>Total Debt Service Revenue</b>											
	520,794	520,794	520,794	520,794	520,794	520,794	520,794	520,794	520,794	520,794	520,794
<b>Senior Lien Debt Service</b>											
Debt Service @ 3.40%	486,970	489,320	491,330	493,000	494,330	495,320	495,970	496,280	496,250	500,880	500,000
Letter of Credit (LOC) @ 0.60%	46,230	44,880	43,470	42,000	40,470	38,880	37,230	35,520	33,750	31,920	30,000
Capitalized Interest	-	-	-	-	-	-	-	-	-	-	-
DSR Fund	(17,544)	(17,544)	(17,544)	(17,544)	(17,544)	(17,544)	(17,544)	(17,544)	(17,544)	(17,544)	(17,544)
<b>Total Net Debt Service</b>											
	515,656	516,656	517,256	517,456	517,256	516,656	515,656	514,256	512,456	515,256	512,456
Coverage Ratio	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.02	1.01	1.02
<b>Revenue After D/S</b>											
	5,138	4,138	3,538	3,338	3,538	4,138	5,138	6,538	8,338	5,538	8,338
<b>Cash Balance Transfers</b>											
Cash Balance	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow</b>											
	5,138	4,138	3,538	3,338	3,538	4,138	5,138	6,538	8,338	5,538	8,338
<b>Operating Mill Levy</b>											
	2,309	2,309	2,309	2,309	2,309	2,309	2,309	2,309	2,309	2,309	2,309
<b>Commercial Property Tax Revenue (1yr Lag)</b>											
	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Operating Property Tax Revenue</b>											
	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total Mill Levy</b>											
	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
<b>Cash Balance Summary</b>											
Beginning Cash Balance	42,336	47,474	51,612	55,150	58,488	62,026	66,164	71,302	77,840	86,178	91,716
Deposits - Revenue After D/S	5,138	4,138	3,538	3,338	3,538	4,138	5,138	6,538	8,338	5,538	8,338
Developer Advances	-	-	-	-	-	-	-	-	-	-	-
Developer Repayments	-	-	-	-	-	-	-	-	-	-	-
D/S Transfers	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	47,474	51,612	55,150	58,488	62,026	66,164	71,302	77,840	86,178	91,716	100,054
<b>Bond Issue Summary</b>											
GO Bonds - LOC (All-In Rate @ 4.00%)	-	-	-	-	-	-	-	-	-	-	-
Costs of Issuance	-	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve Fund	-	-	-	-	-	-	-	-	-	-	-
Capitalized Interest (Net Funded)	-	-	-	-	-	-	-	-	-	-	-
<b>Project Funds</b>											

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	Totals
Property Tax Information											
Beginning Commercial Mkt Value	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	65,492,748
Additions	-	-	-	-	-	-	-	-	-	-	9,171,354
Reassessment Appreciation	-	-	-	-	-	-	-	-	-	-	-
Appreciation Rate%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Ending Commercial Mkt Value	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	-
Commercial Market Value for Assessed Value	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	74,664,102	-
Commercial Assessment %	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Commercial Assessed Value	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590
Total Assessed Value	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590	21,652,590
Debt Service Mill Levy	22.691	22.691	22.691	22.691	22.691	22.691	22.691	22.691	22.691	22.691	-
Commercial Property Tax Revenue (1yr Lag)	491,315	491,315	491,315	491,315	491,315	491,315	491,315	491,315	491,315	491,315	13,148,809
Property Tax Revenue	491,315	491,315	491,315	491,315	491,315	491,315	491,315	491,315	491,315	491,315	13,148,809
Specific Ownership Tax @ 6.00%	29,479	29,479	29,479	29,479	29,479	29,479	29,479	29,479	29,479	29,479	788,929
Total Debt Service Revenue	520,794	520,794	520,794	520,794	520,794	520,794	520,794	520,794	520,794	520,794	13,937,737
Senior Lien Debt Service											
Debt Service @ 3.40%	503,780	507,050	509,810	512,080	513,800	515,030	515,750	520,960	525,490	1,044,340	14,723,570
Letter of Credit (LOC) @ 0.60%	28,020	25,950	23,790	21,540	19,200	16,770	14,250	11,640	8,910	6,060	1,080,630
Capitalized Interest	-	-	-	-	-	-	-	-	-	-	(1,032,000)
DSR Fund	(17,544)	(17,544)	(17,544)	(17,544)	(17,544)	(17,544)	(17,544)	(17,544)	(17,544)	(533,544)	(989,888)
Total Net Debt Service	514,256	515,456	516,056	516,056	515,456	514,256	512,456	515,056	516,856	516,856	13,782,512
Coverage Ratio	1.01	1.01	1.01	1.01	1.01	1.01	1.02	1.01	1.01	1.01	-
Revenue After D/S	6,538	5,338	4,738	4,738	5,338	6,538	8,338	5,738	3,938	3,938	155,234
Cash Balance Transfers	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	6,538	5,338	4,738	4,738	5,338	6,538	8,338	5,738	3,938	3,938	155,234
Operating Mill Levy	2,309	2,309	2,309	2,309	2,309	2,309	2,309	2,309	2,309	2,309	-
Commercial Property Tax Revenue (1yr Lag)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	1,350,000
Operating Property Tax Revenue	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	1,350,000
Total Mill Levy	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	-
Cash Balance Summary											
Beginning Cash Balance	100,054	106,592	111,930	116,668	121,406	126,744	133,282	141,620	147,358	151,296	-
Deposits - Revenue After D/S	6,538	5,338	4,738	4,738	5,338	6,538	8,338	5,738	3,938	3,938	155,234
Developer Advances	-	-	-	-	-	-	-	-	-	-	-
Developer Repayments	-	-	-	-	-	-	-	-	-	-	-
D/S Transfers	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	106,592	111,930	116,668	121,406	126,744	133,282	141,620	147,358	151,296	155,234	-
Bond Issue Summary											
GO Bonds - LOC (All-In Rate @ 4.00%)	-	-	-	-	-	-	-	-	-	-	8,600,000
Costs of Issuance	-	-	-	-	-	-	-	-	-	-	259,848
Debt Service Reserve Fund	-	-	-	-	-	-	-	-	-	-	516,000
Capitalized Interest (Net Funded)	-	-	-	-	-	-	-	-	-	-	953,607
Project Funds	-	-	-	-	-	-	-	-	-	-	6,870,545



## ***Larkridge Metropolitan District 2***

*Service Plan Financing Information*

*February 4, 2004*

### **Sources & Uses**

Dated 06/01/2007 | Delivered 06/01/2007

#### **SOURCES OF FUNDS**

Par Amount of Bonds

\$8,600,000.00

#### **TOTAL SOURCES**

**\$8,600,000.00**

#### **USES OF FUNDS**

Costs of Issuance

259,848.43

Deposit to Debt Service Reserve Fund (DSRF)

516,000.00

Deposit to Capitalized Interest (CIF) Fund

953,606.53

Deposit to Project Construction Fund

6,870,545.04

#### **TOTAL USES**

**\$8,600,000.00**

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# Larkridge Metropolitan District 2

Service Plan Financing Information

February 4, 2004

## Net Debt Service Schedule

Date	Principal	Coupon	Interest	LOC	Total P+I	DSR	CIF	Net New D/S
12/01/2007	-	-	146,200.00	25,800.00	172,000.00	-	(172,000.00)	-
12/01/2008	-	-	292,400.00	51,600.00	344,000.00	-	(344,000.00)	-
12/01/2009	-	-	292,400.00	51,600.00	344,000.00	-	(344,000.00)	-
12/01/2010	-	-	292,400.00	51,600.00	344,000.00	-	(172,000.00)	172,000.00
12/01/2011	20,000.00	3.400%	292,400.00	51,600.00	364,000.00	(17,544.00)	-	346,456.00
12/01/2012	145,000.00	3.400%	291,720.00	51,480.00	488,200.00	(17,544.00)	-	470,656.00
12/01/2013	150,000.00	3.400%	286,790.00	50,610.00	487,400.00	(17,544.00)	-	469,856.00
12/01/2014	180,000.00	3.400%	281,690.00	49,710.00	511,400.00	(17,544.00)	-	493,856.00
12/01/2015	185,000.00	3.400%	275,570.00	48,630.00	509,200.00	(17,544.00)	-	491,656.00
12/01/2016	215,000.00	3.400%	269,280.00	47,520.00	531,800.00	(17,544.00)	-	514,256.00
12/01/2017	225,000.00	3.400%	261,970.00	46,230.00	533,200.00	(17,544.00)	-	515,656.00
12/01/2018	235,000.00	3.400%	254,320.00	44,880.00	534,200.00	(17,544.00)	-	516,656.00
12/01/2019	245,000.00	3.400%	246,330.00	43,470.00	534,800.00	(17,544.00)	-	517,256.00
12/01/2020	255,000.00	3.400%	238,000.00	42,000.00	535,000.00	(17,544.00)	-	517,456.00
12/01/2021	265,000.00	3.400%	229,330.00	40,470.00	534,800.00	(17,544.00)	-	517,256.00
12/01/2022	275,000.00	3.400%	220,320.00	38,880.00	534,200.00	(17,544.00)	-	516,656.00
12/01/2023	285,000.00	3.400%	210,970.00	37,230.00	533,200.00	(17,544.00)	-	515,656.00
12/01/2024	295,000.00	3.400%	201,280.00	35,520.00	531,800.00	(17,544.00)	-	514,256.00
12/01/2025	305,000.00	3.400%	191,250.00	33,750.00	530,000.00	(17,544.00)	-	512,456.00
12/01/2026	320,000.00	3.400%	180,880.00	31,920.00	532,800.00	(17,544.00)	-	515,256.00
12/01/2027	330,000.00	3.400%	170,000.00	30,000.00	530,000.00	(17,544.00)	-	512,456.00
12/01/2028	345,000.00	3.400%	158,780.00	28,020.00	531,800.00	(17,544.00)	-	514,256.00
12/01/2029	360,000.00	3.400%	147,050.00	25,950.00	533,000.00	(17,544.00)	-	515,456.00
12/01/2030	375,000.00	3.400%	134,810.00	23,790.00	533,600.00	(17,544.00)	-	516,056.00
12/01/2031	390,000.00	3.400%	122,060.00	21,540.00	533,600.00	(17,544.00)	-	516,056.00
12/01/2032	405,000.00	3.400%	108,800.00	19,200.00	533,000.00	(17,544.00)	-	515,456.00
12/01/2033	420,000.00	3.400%	95,030.00	16,770.00	531,800.00	(17,544.00)	-	514,256.00
12/01/2034	435,000.00	3.400%	80,750.00	14,250.00	530,000.00	(17,544.00)	-	512,456.00
12/01/2035	455,000.00	3.400%	65,960.00	11,640.00	532,600.00	(17,544.00)	-	515,056.00
12/01/2036	475,000.00	3.400%	50,490.00	8,910.00	534,400.00	(17,544.00)	-	516,856.00
12/01/2037	1,010,000.00	3.400%	34,340.00	6,060.00	1,050,400.00	(533,544.00)	-	516,856.00
<b>Total</b>	<b>\$8,600,000.00</b>	<b>-</b>	<b>\$6,123,570.00</b>	<b>\$1,080,630.00</b>	<b>\$15,804,200.00</b>	<b>(989,688.00)</b>	<b>(1,032,000.00)</b>	<b>\$13,782,512.00</b>

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**Larkridge Metropolitan District 2**

Service Plan Financing Information

February 4, 2004

**Operation Of Capitalized Interest Fund**

Date	Principal	Rate	Interest	+ Transfers	Receipts	Disbursements	Cash Balance
12/01/2007	158,459.97	1.00000000%	4,768.03	8,772.00	172,000.05	172,000.00	0.05
12/01/2008	319,171.77	1.00000000%	7,284.20	17,544.00	343,999.97	344,000.00	0.02
12/01/2009	322,371.48	1.00000000%	4,084.50	17,544.00	343,999.98	344,000.00	-
12/01/2010	153,603.26	1.00000000%	852.74	17,544.00	172,000.00	172,000.00	-
<b>Total</b>	<b>\$953,606.48</b>	<b>-</b>	<b>\$16,989.47</b>	<b>\$61,404.00</b>	<b>\$1,032,000.00</b>	<b>\$1,032,000.00</b>	<b>-</b>

**Investment Parameters**

Investment Model [PV, GIC, or Securities]	GIC
Default investment yield target	User Defined
Cash Deposit	0.05
Cost of Investments Purchased with Bond Proceeds	953,606.48
Total Cost of Investments	\$953,606.53
Target Cost of Investments at bond yield	\$905,359.55
Actual positive or (negative) arbitrage	(48,246.98)
Yield to Receipt	0.9999997%
Yield for Arbitrage Purposes	3.9942815%
<b>Composition Of Initial Deposit</b>	
Original Bond Proceeds	953,606.53
Accrued Interest	-
Cash Contribution and Prior Issue Transfers	-

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## Larkridge Metropolitan District 2

Service Plan Financing Information

February 4, 2004

### Operation Of Debt Service Reserve Fund

Part 1 of 2

Date	Principal	Rate	Interest	-Transfers	Receipts	Disbursements	Cash Balance
12/01/2007	-	3.40000000%	8,772.00	(8,772.00)	-	-	-
12/01/2008	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2009	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2010	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2011	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2012	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2013	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2014	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2015	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2016	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2017	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2018	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2019	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2020	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2021	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2022	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2023	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2024	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2025	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2026	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2027	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2028	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2029	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2030	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2031	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2032	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2033	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2034	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2035	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2036	-	3.40000000%	17,544.00	(17,544.00)	-	-	-
12/01/2037	516,000.00	3.40000000%	17,544.00	(17,544.00)	516,000.00	516,000.00	-
<b>Total</b>	<b>\$516,000.00</b>	<b>-</b>	<b>\$535,092.00</b>	<b>(535,092.00)</b>	<b>\$516,000.00</b>	<b>\$516,000.00</b>	<b>-</b>

2/4/2004 | 9:28 PM

**EXHIBIT I**

Intergovernmental Agreement - Service Plan

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF THORNTON AND  
LARKRIDGE METROPOLITAN DISTRICT NO. 2 REGARDING THE SERVICE PLAN  
FOR THE DISTRICT**

THIS AGREEMENT is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by and between the **CITY OF THORNTON**, State of Colorado ("City") and the **LARKRIDGE METROPOLITAN DISTRICT NO. 2**, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"). (The City and the District are collectively referred to as the "Parties".)

**RECITALS**

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District's Service Plan dated \_\_\_\_\_, 2004, and approved by the City on February 24, 2004 ("Service Plan"); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the City and the District, as required by the Thornton City Code; and

WHEREAS, the City and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement ("Agreement").

NOW THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**COVENANTS AND AGREEMENTS**

1. Changes in Boundaries. The District agrees that any inclusion of properties within or exclusion of properties from its boundaries shall be subject to the prior approval of the Thornton City Council ("City Council") as evidenced by a resolution after a public hearing thereon.

2. Mill Levy Cap. The District agrees that the Mill Levy Cap set forth in of the Service Plan is 50 mills. The City agrees that for any portion of the District's Debt (as such term is defined in the Service Plan) with respect to which the Debt to Assessed Valuation (as such term is defined in the Service Plan) is less than 50%, the District shall be permitted to impose a mill levy for the payment thereof that shall not be subject to the Mill Levy Cap. The City further agrees that in the event the method of calculating assessed valuation is changed after the date of the approval of the Service Plan by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut or abatement, the Mill Levy Cap may be increased or decreased to reflect such changes. The District further agrees that any increase in the mill levy above the Mill Levy Cap, except as set forth in this section, shall

be subject to the prior approval of the City Council as evidenced by a resolution after a public hearing thereon.

3. Financing. The District shall submit revised Public Improvements Cost Estimates and a revised Financial Plan to the City Council for approval prior to the issuance of any bonds as a material modification to the Service Plan. The District agrees that any refunding of outstanding bonds of the District which could extend the maturity of such bonds or increase the total debt service thereon, except as set forth below, shall be subject to the prior approval of the City Council as evidenced by a resolution after a public hearing thereon. Costs of issuance with any refunding of outstanding bonds shall not be considered an increase in the total debt service. Costs of issuance may include but shall not be limited to legal fees, underwriter fees and discounts, capitalized interest, letter of credit fees including bank commitment fees, reserve funds and costs associated with funding an escrow for refundings.

4. Fees. The District agrees that it shall not impose any capital fees and exactions on any property within its boundaries without obtaining the prior opinion of a qualified financial advisor, acceptable to the City, which opinion shall state that such fees are reasonable.

5. Consolidation. The District agrees that the consolidation of the District with any other special district within the State of Colorado shall be subject to the prior approval of the City Council as evidenced by a resolution after a public hearing thereon.

6. Water Rights / Resources. The District agrees not to acquire, own, manage, adjudicate or develop water rights or resources without the consent of the City.

7. Eminent Domain. The District agrees not to use eminent domain powers for any real property without the consent of the City.

8. Greater Outdoors Colorado Trust Fund. The District agrees not to apply for Greater Outdoors Colorado Trust Fund grants or other State or Federal grants without a modification of this Agreement by the Parties. In the event the District receives any money from this fund, the District agrees to remit to the City all moneys it receives from this Fund within 30 days.

9. Bond Documents. The District agrees that any bond documents may not provide acceleration of debt against the issuer as a remedy without a modification of this Agreement by the Parties.

10. Dissolution. The District agrees it shall take all action necessary to dissolve pursuant to C.R.S. Section 32-1-701 et seq., upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, whereupon City Council shall adopt a resolution, after a public hearing thereon, stating that the District shall be dissolved, provided however, that the City agrees that the District shall not be dissolved until all of the District's outstanding debt obligations have been discharged.

11. Provision of Services. The District agrees not to provide services outside of its boundaries, except as necessary to construct, operate and maintain the public improvements set forth in the Service Plan.

12. City Zoning Requirements. The District agrees that it shall be subject to all of the City's zoning, subdivision, building code and other land use requirements.

13. Telecommunication Facilities. The District agrees that no telecommunication facilities owned, operated or otherwise allowed by the Metro District shall affect the ability of the City to expand its telecommunication facilities or impair existing telecommunication facilities.

14. Bond Counsel Opinion. The District agrees that prior to the issuance of any bond issue, it shall provide a copy of an opinion of a nationally recognized bond counsel stating that the bond issue satisfies TABOR requirements.

15. District Counsel Opinion. The District agrees that prior to the issuance of any bond issue, it shall provide a copy of an opinion by the Metro District's Counsel that the bond issue is in conformance with the service plan.

16. Growth Limitations. The City agrees that it shall not impose growth limitations on any property within the District's boundaries.

17. Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via United Parcel Service or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the District: Larkridge Metropolitan District No. 2  
c/o McGeedy Sisneros, P.C.  
1675 Broadway, Suite 2100  
Denver, CO 80202  
Attn: MaryAnn McGeedy  
Phone: (303) 592-4380  
Fax: (303) 529-4385

To the City: City of Thornton  
9500 Civic Center Drive  
Thornton, CO 80229  
Attn: City Manager  
Phone: 303-538-7200  
Fax: 303-538-7562

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or three (3) business



days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

18. Amendment. This Agreement may be amended, modified, changed or terminated in whole or in part by a written agreement duly authorized and executed by the Parties hereto and without amendment to the Service Plan.

19. Assignment. Neither Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of the other Party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

20. Default/Remedies. In the event of a breach or default of this Agreement by either Party, the non-defaulting Party shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

21. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado.

22. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

23. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

24. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the City any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the City shall be for the sole and exclusive benefit of the District and the City.

25. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

26. Quinquennial Review. The District shall submit an application for a quinquennial finding of reasonable diligence in accordance with Section 32-1-1101.5 of the Special District Act.

27. No Liability of City. The City has no obligation whatsoever to construct any improvements that the District is required to construct, or pay any debt or liability of the District including any bonds.

28. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first set forth above.

LARKRIDGE METROPOLITAN DISTRICT NO.  
1, a quasi-municipal corporation and political  
subdivision of the State of Colorado

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Attest:

By: \_\_\_\_\_  
Its: \_\_\_\_\_

CITY OF THORNTON

\_\_\_\_\_  
Name: Noel I. Busck  
Title: Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

**EXHIBIT J**

District Court Petition

<b>DISTRICT COURT, COUNTY OF ADAMS, STATE OF COLORADO</b>  Adams County Justice Center 1100 Judicial Center Drive Brighton, Colorado 80601	▲ COURT USE ONLY ▲
<b>PETITIONER: IN RE THE ORGANIZATION OF LARKRIDGE METROPOLITAN DISTRICT NO. 2</b>	
MaryAnn McGeady McGEADY SISNEROS, P.C. 1675 Broadway, Suite 2100 Denver, CO 80202 Phone: (303) 592-4380 Fax: (303) 592-4385 E-mail: mmcgeady@mcgeadysisneros.com Atty. Reg#: 12417	Case Number: _____  Div.: _____ Ctrm.: _____
<b>PETITION FOR ORGANIZATION</b>	

**TO THE HONORABLE DISTRICT COURT IN AND FOR THE COUNTY OF ADAMS COUNTY, AND STATE OF COLORADO:**

We, the undersigned, constituting more than thirty percent (30%) or two hundred (200) of the taxpaying electors of the District, whichever number is the smaller, present this Petition for the organization of a metropolitan district, pursuant to and in accordance with Title 32, Article 1, Part 3, Colorado Revised Statutes, and in support of the Petition state:

1. That attached hereto as **Exhibit A** is the Service Plan for the proposed District approved by the City Council of the City of Thornton, Colorado and attached hereto as **Exhibit B**, is the Resolution of the City Council of the City of Thornton, Colorado, approving the Organization of Larkridge Metropolitan District No. 2, adopted by said City Council in compliance with Section 32-1-205, C.R.S.

2. The name of the proposed District is "Larkridge Metropolitan District No. 2" in the City of Thornton, Colorado.

3. The proposed District will have the power to provide the following service(s):

- (a) water;
- (b) wastewater and drainage;

- (c) streets and traffic safety protection;
- (d) parks and recreation;
- (e) transportation; and
- (f) mosquito control.

4. A general description of the facilities and improvements to be designed, constructed, installed, or purchased for the District are:

- (1) Water - The District shall have the power to provide for the design, acquisition, construction, completion and installation of a complete potable water supply transmission and distribution system, which may include, but shall not be limited to, transmission lines, distribution mains and laterals, fire hydrants, irrigation facilities, land and easements, and all necessary, incidental, and appurtenant facilities, together with extensions of and improvements to said system within and without the boundaries of the District.

Subject to the approval of the City Manager/Utilities Director, the District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of a non-potable water supply, purification, storage, transmission and distribution system, which may include, but shall not be limited to, wells, reservoirs, water pumps, purification plants, pump stations, transmission lines, distribution mains and laterals, irrigation facilities, canals, ditches, flumes, partial flumes, head gates, drop structures, storage facilities, land and easements, and all necessary incidental, and appurtenant facilities, together with extensions of and improvements to said system within and without the boundaries of the District.

- (2) Wastewater - The District shall have the power to provide for the design, acquisition, construction, completion and installation, of wastewater collection, treatment and transmission system which may include, but shall not be limited to, collection mains and laterals, transmission lines, and all necessary , incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said system within and without the boundaries of the District.

Drainage – The District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of storm sewer, flood and surface drainage facilities and systems, including detention/retention ponds and associated irrigation facilities, relocation of existing irrigation ditches and canals and all necessary, incidental, and appurtenant

facilities together with extensions of and improvements to said system within and without the boundaries of the District.

- (3) Streets and Traffic Safety Protection - The District shall have the power to provide for the design, acquisition, construction, completion, relocation, installation and/or operation and maintenance of street improvements, including, but not limited to, curbs, gutters, culverts, and other drainage facilities, underground conduits, sidewalks, trails, bike paths and pedestrian ways, pedestrian overpasses, retaining walls, bridges, overpasses, underpasses, interchanges, parking areas, parking facilities, median islands, paving, lighting, grading, landscaping and irrigation, land and easements and all necessary, incidental, and appurtenant facilities within and without the boundaries of the District as well as for the acquisition, construction, completion, installation, and/or operation and maintenance of facilities and/or services for a system of traffic and safety controls and devices on streets and highways, including, but not limited to, signalization, signage and striping, area identification, driver information and directional assistance signs, and all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District.
- (4) Parks and Recreation - The District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of parks and recreational facilities and programs including, but not limited to, open space, landscaping, irrigation facilities, and all necessary, incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District.
- (5) Transportation - The District shall have the power to provide for the design, acquisition, construction, completion, installation, operation and maintenance of a system to transport the public by bus, rail, or any other means of conveyance, or combination thereof, or pursuant to contract, including park and ride facilities and parking lots, structures and facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities of systems within and without the boundaries of the District.

- (6) Mosquito Control - The District shall have the power to provide for the eradication and control of mosquitoes, including, but not limited to, elimination or treatment of breeding grounds and purchase, lease, contracting or other use of equipment or supplies for mosquito control within the boundaries of the District.

5. The proposed District lies wholly or partly within the following special districts or municipalities:

- (a) City of Thornton;
- (b) Adams County
- (c) North Metro Fire & Rescue District
- (d) Adams County School District 12
- (e) Urban Drainage South Platte
- (f) Urban Drainage & Flood Control

6. The present estimated cost of the proposed facilities and improvements is \$6,870,211.

7. The proposed District is generally located south of 164<sup>th</sup> Avenue, east of I-25, west of Washington Street and north of 158<sup>th</sup> Avenue in the City of Thornton. The legal description of the proposed District is attached hereto as Exhibit C.

8. The estimated property tax revenues for the proposed District's first budget year is \$-0-.

9. That each of the undersigned Petitioners does hereby consent to the inclusion in said proposed District of any and all lands owned by him or her located within said proposed District.

**WHEREFORE**, Petitioners pray that this Honorable Court will enter such orders and decrees as may be necessary or proper for the organization of said District and, for the submission to the electors of the proposed District at the organizational election, the submission of the proposition of issuing general obligation bonds or creating other general obligation indebtedness or any question or questions necessary to implement the provisions of Section 20 of Article X of the Colorado Constitution, as applied to the proposed District.



**WARNING:**

**DO NOT SIGN THIS PETITION UNLESS YOU ARE A  
QUALIFIED TAXPAYING ELECTOR:**

**TO BE A QUALIFIED TAXPAYING ELECTOR, YOU MUST BE:**

1. At least eighteen years of age.
2. A citizen of the United States.
3. A resident of the State of Colorado and have resided in the State at least thirty (30) days.
4. Registered to vote pursuant to the "Uniform Election Code of 1992", Articles 1 to 13 of Title 1, C.R.S., and
5. A resident of the proposed District for not less than thirty (30) days, or
6. An owner or spouse of an owner of taxable real or personal property within the proposed District. A person who is obligated to pay taxes under a contract to purchase taxable property within the proposed District is considered an owner under this provision.

Do not sign this Petition unless you have read or had read to you the Petition in its entirety and understand its meaning.

	<u>NAME</u>	<u>ADDRESS</u> (Street, Number, City and Zip Code)
1.	<div>Print Name</div>	
	<div>Signature</div>	
2.	<div>Print Name</div>	
	<div>Signature</div>	
3.	<div>Print Name</div>	
	<div>Signature</div>	
4.	<div>Print Name</div>	
	<div>Signature</div>	
5.	<div>Print Name</div>	
	<div>Signature</div>	
6.	<div>Print Name</div>	
	<div>Signature</div>	

7.

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

8.

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

9.

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

10.

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

<b>DISTRICT COURT, COUNTY OF ADAMS, STATE OF COLORADO</b>  Adams County Justice Center 1100 Judicial Center Drive Brighton, Colorado 80601	▲ COURT USE ONLY ▲
<b>PETITIONER: IN RE THE ORGANIZATION OF LARKRIDGE METROPOLITAN DISTRICT NO. 1</b>	
MaryAnn McGeady McGEADY SISNEROS, P.C. 1675 Broadway, Suite 2100 Denver, CO 80202 Phone: (303) 592-4380 Fax: (303) 592-4385 E-mail: mmcgeady@mcgeadysisneros.com Atty. Reg#: 12417	Case Number: _____  Div.: _____ Ctrm.: _____
<b>AFFIDAVIT</b>	

\_\_\_\_\_, being first duly sworn on oath, deposes and says:

That he is one of the Petitioners named in the foregoing Petition; that he has read said Petition and knows the contents thereof and that the same is true to the best of affiant's knowledge, information, and belief.

Affiant further states that he knows the persons whose names are subscribed to the foregoing Petition, that he has circulated the Petition, that each signature thereon was affixed in his presence and that each signature thereon is the true, genuine, and correct signature of the person it purports to be.

Affiant further states that to his best knowledge and belief the persons whose names are subscribed to the foregoing Petition are persons who are registered to vote pursuant to the "Uniform Election Code of 1992," articles 1 to 13 of Title 1, C.R.S., and who, or whose spouse, owns taxable real or personal property within the area to be included in the proposed Larkridge Metropolitan District No. 1, whether or not such person resides within said proposed District.

\_\_\_\_\_, Affiant

\_\_\_\_\_  
(Address of Affiant)

STATE OF COLORADO                    )  
  ) ss.  
COUNTY OF \_\_\_\_\_

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_ day of \_\_\_\_\_,  
2004.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

(S E A L)

**EXHIBIT A**  
**SERVICE PLAN**

**EXHIBIT B**

**RESOLUTION OF APPROVAL**

**EXHIBIT C**  
**LEGAL DESCRIPTION**



**EXHIBIT K**

**Bond Counsel Opinion and Draft Debt Election Questions**

# KUTAK ROCK LLP

SUITE 3100  
1801 CALIFORNIA STREET  
DENVER, COLORADO 80202  
303-297-2400  
FACSIMILE 303-292-7799  
[www.kutakrock.com](http://www.kutakrock.com)

ATLANTA  
CHICAGO  
FAYETTEVILLE  
IRVINE  
KANSAS CITY  
LINCOLN  
LITTLE ROCK  
NEWPORT BEACH  
OKLAHOMA CITY  
OMAHA  
PASADENA  
RICHMOND  
SCOTTSDALE  
WASHINGTON

December 19, 2003

Thornton City Councilmembers  
Thornton, Colorado

Larkridge Metropolitan District No. 2  
In the City of Thornton, Colorado  
Proposed Limited Tax General Obligation Bonds

Ladies and Gentlemen:

We have been named as bond counsel to the Larkridge Metropolitan District No. 2, Thornton, Colorado (the "District") in connection with the proposed issuance of its Limited Tax General Obligation Bonds (the "Bonds") in a principal amount estimated at \$8610,000, but not to exceed \$11,195,000, all as further described in the Service Plan for the District ("Service Plan") to be filed with the City of Thornton (the "City") on or about December 19, 2003. Pursuant to the requirements established by the City for the formation of special districts under Article 1 of Title 32 of the Colorado Revised Statutes (the "Act") and in anticipation of our role as bond counsel to the District, we have been requested to submit our opinion regarding the enumerated matters set forth below. Such matters generally reflect the form of opinion given by us, as bond counsel, on the date of issuance of the Bonds.

In rendering this opinion, we make the following assumptions: (i) the Bonds will be structured substantially as described in the Service Plan; (ii) the Service Plan will be duly approved by the City in substantially the form in which it was submitted; (iii) the District has been duly and properly organized in accordance with the provisions of the Act; (iv) the election to be held by the District to obtain voter authorization for the Bonds in May 2004 will be duly and properly conducted, and the issuance of the Bonds will be approved by majority vote of the District's qualified electors voting at such election; (v) the Board of Directors of the District will duly adopt a resolution authorizing the issuance of the Bonds (the "Bond Resolution") and such Bond Resolution will be valid and enforceable in accordance with its terms and will be in full force and effect on the date of issuance of the Bonds; (vi) the Bonds will mature on the dates, be subject to optional and mandatory redemption, bear interest at the rates, and be transferable and payable in the manner and be subject to the conditions and limitations provided in the Bond Resolution at the time the Bonds are issued; and (vii) standard opinions of other counsel will be delivered at closing on the Bonds. We are also assuming that the applicable provisions of the Constitution and laws of the State of Colorado, the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations, rulings and judicial decisions relevant to the Bonds, and other relevant regulations, rulings and judicial decisions applicable to the Bonds will be in effect on the date of issuance of the Bonds in substantially the form and content as they exist today. As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Service Plan without undertaking to verify the same by

independent investigation. We also must note that, as to questions of fact material to our opinion as bond counsel on the date of issuance of the Bonds, we will be relying upon the representations of the District contained in the Bond Resolution and in the certified proceedings, and certifications of public officials and other persons or entities involved in the transaction that are furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, as of the date hereof, that we will be willing and able to render an unqualified, approving opinion on the Bonds as to the following matters:

1. Lawful authority exists for the Bonds to be issued under the constitution and laws of the State of Colorado.

2. The Bonds in the maximum principal amount stated above would be valid and binding general obligations of the District, subject to a limited mill levy, and would be legally enforceable in accordance with their terms.

3. All taxable property within the boundaries of the District will be subject to an ad valorem tax levy sufficient to pay the principal of and the interest on the Bonds not paid from other sources. Initially, the tax levy will be limited to 50 mills. The District will be required by law to include the principal of and interest coming due on the Bonds in its annual tax levy to the extent the necessary funds are not provided from other sources.

4. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds will be excluded from gross income for federal income tax purposes and will not be a specific preference item for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence assume compliance by the District with certain requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause such interest to be includible in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

5. Under existing State of Colorado statutes, the Bonds and the interest income therefrom will be exempt from Colorado income tax.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof for the purpose of meeting the City's requirements for Service Plan approval.

/s/ Kutak Rock LLP

## **LARKRIDGE METROPOLITAN DISTRICT NO. 2 BALLOT QUESTIONS**

### **OPERATIONS AND MAINTENANCE**

SHALL LARKRIDGE METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$100,000 ANNUALLY OR SUCH LESSER AMOUNT AS NECESSARY TO PAY THE DISTRICT'S ADMINISTRATION, OPERATIONS, MAINTENANCE, LANDSCAPE MAINTENANCE AND OTHER EXPENSES, AND SHALL PROPERTY TAXES BE IMPOSED IN ANY YEAR AT A RATE AND IN AN AMOUNT NECESSARY TO RAISE THE NECESSARY REVENUES TO PAY SUCH EXPENSES AND SHALL THE PROCEEDS OF SUCH TAXES AND ANY INVESTMENT INCOME THEREON BE COLLECTED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2004 AND IN EACH YEAR THEREAFTER FOR AS LONG AS THE DISTRICT CONTINUES IN EXISTENCE, WITHOUT LIMITATION BY THE REVENUE AND SPENDING LIMITS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION AND WITHOUT REGARD TO THE LIMITATION ON PROPERTY TAXATION IN 29-1-301, C.R.S. OR ANY OTHER STATUTORY OR CONSTITUTIONAL PROVISION THAT PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES?

### **WATER IMPROVEMENTS**

SHALL LARKRIDGE METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$1,350,000 WITH A REPAYMENT COST OF \$6,210,000 OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL LARKRIDGE METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$6,210,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER OBLIGATIONS OF THE DISTRICT, INCLUDING CONTRACTS, LEASES, AND INTERGOVERNMENTAL AGREEMENTS (THE "BONDS"), ALL FOR THE PURPOSES OF PAYING, LEASING, FINANCING, OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM TO SUPPLY WATER FOR DOMESTIC AND OTHER PUBLIC AND PRIVATE PURPOSES BY ANY AVAILABLE MEANS AND TO PROVIDE ALL NECESSARY OR PROPER RESERVOIRS, TREATMENT WORKS AND FACILITIES, EQUIPMENT, AND APPURTENANCES INCIDENT THERETO, WHICH MAY INCLUDE, BUT SHALL NOT BE LIMITED TO, WELLS, WATER PUMPS, PURIFICATION PLANTS, PUMP STATIONS, TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, FIRE HYDRANTS, IRRIGATION FACILITIES, CANALS, DITCHES, FLUMES, PARTIAL FLUMES, HEADGATES, DROP STRUCTURES, STORAGE FACILITIES, LAND, EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH BONDS TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 12%, BE REFINANCED AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF THE MAXIMUM NET EFFECTIVE INTEREST RATE WITHOUT ADDITIONAL VOTER APPROVAL AND MATURE, BE SUBJECT TO REDEMPTION, WITH OR WITHOUT

PREMIUM, AND BE ISSUED, DATED AND SOLD AT, ABOVE OR BELOW PAR, AND AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HERewith, AS THE BOARD OF DIRECTORS MAY DETERMINE; AND IN CONNECTION THEREWITH (I) TO INCREASE THE DISTRICT'S PROPERTY TAXES IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS WHEN DUE, AND (II) TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE REVENUES FROM SUCH TAXES, ANY OTHER REVENUES USED TO PAY THE BONDS AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES AS VOTER-APPROVED REVENUE CHANGES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

### **SANITATION IMPROVEMENTS**

SHALL LARKRIDGE METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$8,000,000 WITH A REPAYMENT COST OF \$36,800,000 OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL LARKRIDGE METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$36,800,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER OBLIGATIONS OF THE DISTRICT, INCLUDING CONTRACTS, LEASES, AND INTERGOVERNMENTAL AGREEMENTS (THE "BONDS"), ALL FOR THE PURPOSES OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STORM OR SANITARY SEWERS, OR BOTH, FLOOD AND SURFACE DRAINAGE, TREATMENT AND DISPOSAL WORKS AND FACILITIES, OR SOLID WASTE DISPOSAL FACILITIES OR WASTE SERVICES, AND ALL NECESSARY OR PROPER EQUIPMENT AND APPURTENANCES INCIDENT THERETO, WHICH MAY INCLUDE, BUT SHALL NOT BE LIMITED TO, TREATMENT PLANTS, COLLECTION MAINS AND LATERALS, LIFT STATIONS, TRANSMISSION LINES, CANALS, SLUDGE HANDLING, REUSE AND DISPOSAL FACILITIES, AND/OR STORM SEWER, FLOOD AND SURFACE DRAINAGE FACILITIES AND SYSTEMS, INCLUDING DETENTION/RETENTION PONDS, BOX CULVERTS AND ASSOCIATED IRRIGATION FACILITIES, EQUIPMENT, LAND, EASEMENTS AND SEWER TAPS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH BONDS TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 12%, BE REFINANCED AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF THE MAXIMUM NET EFFECTIVE INTEREST RATE WITHOUT ADDITIONAL VOTER APPROVAL AND MATURE, BE SUBJECT TO REDEMPTION, WITH OR WITHOUT PREMIUM, AND BE ISSUED, DATED AND SOLD AT, ABOVE OR BELOW PAR, AND AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HERewith, AS THE BOARD OF DIRECTORS MAY DETERMINE; AND IN CONNECTION THEREWITH (I) TO INCREASE THE DISTRICT'S PROPERTY TAXES IN ANY YEAR, WITHOUT LIMITATION AS TO

RATE OR AMOUNT, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS WHEN DUE, AND (II) TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE REVENUES FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY THE BONDS AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES AS VOTER-APPROVED REVENUE CHANGES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

#### **STREET AND SAFETY PROTECTION IMPROVEMENTS**

SHALL LARKRIDGE METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$1,845,000 WITH A REPAYMENT COST OF \$8,487,000 OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL LARKRIDGE METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$8,487,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE GENERAL OBLIGATION BONDS, REVENUE BONDS, OR OTHER OBLIGATIONS OF THE DISTRICT, INCLUDING CONTRACTS, LEASES, AND INTERGOVERNMENTAL AGREEMENTS (THE "BONDS"), ALL FOR THE PURPOSES OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STREET IMPROVEMENTS THROUGH THE CONSTRUCTION AND INSTALLATION OF CURBS, GUTTERS, CULVERTS, AND OTHER DRAINAGE FACILITIES, UNDERGROUND CONDUITS, SIDEWALKS, TRAILS, BRIDGES, PARKING FACILITIES, PARKING AREAS, PAVING, LIGHTING, GRADING, LANDSCAPING, AND OTHER STREET IMPROVEMENTS, INCLUDING BIKE PATHS AND PEDESTRIAN WAYS, PEDIASTRIAN OVERPASSES, RETAINING WALLS, FENCING, ENTRY MONUMENTATION, STREETSCAPING, BRIDGES, OVERPASSES, UNDERPASSES, INTERCHANGES, MEDIAN ISLANDS, IRRIGATION, AND A SAFETY PROTECTION SYSTEM THROUGH TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING, BUT NOT LIMITED TO, SIGNALIZATION, SIGNING AND STRIPING, AREA IDENTIFICATION, DRIVER INFORMATION AND DIRECTIONAL ASSISTANCE SIGNS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH BONDS TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 12%, BE REFINANCED AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF THE MAXIMUM NET EFFECTIVE INTEREST RATE WITHOUT ADDITIONAL VOTER APPROVAL AND MATURE, BE SUBJECT TO REDEMPTION, WITH OR WITHOUT PREMIUM, AND BE ISSUED, DATED AND SOLD AT, ABOVE OR BELOW PAR, AND AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HEREWITH, AS THE BOARD OF DIRECTORS MAY DETERMINE; AND IN CONNECTION THEREWITH (I) TO INCREASE THE DISTRICT'S PROPERTY TAXES IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS WHEN

DUE, AND (II) TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE REVENUES FROM SUCH TAXES, ANY OTHER REVENUES USED TO PAY THE BONDS AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES AS VOTER-APPROVED REVENUE CHANGES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

#### **OPERATIONS AND MAINTENANCE DEBT**

SHALL LARKRIDGE METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$500,000 WITH A REPAYMENT COST OF \$2,300,000 OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL LARKRIDGE METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$2,300,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT OR MULTIPLE FISCAL YEAR OBLIGATION TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER OBLIGATIONS OF THE DISTRICT, INCLUDING CONTRACTS AND AGREEMENTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, FINANCING OR REFINANCING ALL OR ANY PART OF THE DISTRICT'S OPERATING EXPENSES, OR ADVANCES OF OPERATING EXPENSES MADE TO THE DISTRICT, SUCH DEBT OR MULTIPLE FISCAL YEAR OBLIGATION TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO ACCRUE UNTIL PAID AND TO COMPOUND ANNUALLY OR SEMIANNUALLY AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS, SUCH DEBT OR MULTIPLE FISCAL YEAR OBLIGATION TO BE INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE, BE SUBJECT TO REDEMPTION OR PREPAYMENT, WITH OR WITHOUT PREMIUM, AND TO CONTAIN SUCH TERMS, NOT INCONSISTENT HERewith AS THE BOARD OF DIRECTORS MAY DETERMINE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE REVENUES DERIVED FROM INTEREST EARNINGS AND FROM THE OPERATION OF ANY OF THE DISTRICT'S FACILITIES OR PROPERTIES; AND IN CONNECTION THEREWITH (I) TO INCREASE THE DISTRICT'S PROPERTY TAXES IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, AND INTEREST ON THE DEBT OR MULTIPLE FISCAL YEAR OBLIGATION WHEN DUE, AND (II) TO AUTHORIZE THE COLLECTION AND SPENDING OF ANY PROCEEDS OF THE DEBT OR MULTIPLE FISCAL YEAR OBLIGATION, THE REVENUES FROM SUCH TAXES, ANY OTHER REVENUES USED TO PAY THE DEBT OR MULTIPLE FISCAL YEAR OBLIGATION AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES AS VOTER-APPROVED REVENUE CHANGES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

#### **REFUNDING**

SHALL LARKRIDGE METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$11,695,000 WITH A REPAYMENT COST OF \$53,797,000 OR SUCH LESSER AMOUNT

AS MAY BE NECESSARY, AND SHALL LARKRIDGE METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$53,797,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH DEBT TO BE GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER OBLIGATIONS OF THE DISTRICT, INCLUDING CONTRACTS, LEASES, AND INTERGOVERNMENTAL AGREEMENTS (THE "BONDS"), ALL FOR THE PURPOSE OF REFUNDING, REFINANCING OR DEFEASING ANY OR ALL OF THE DISTRICT'S DEBT OR OTHER OBLIGATIONS AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED BONDS, BUT IS NOT IN EXCESS OF THE MAXIMUM NET EFFECTIVE INTEREST RATE OF 12%, SUCH BONDS TO MATURE, BE SUBJECT TO REDEMPTION, WITH OR WITHOUT PREMIUM, AND BE ISSUED, DATED AND SOLD AT, ABOVE OR BELOW PAR, AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HERewith, AS THE BOARD OF DIRECTORS MAY DETERMINE, AND IN CONNECTION THEREWITH (I) TO INCREASE THE DISTRICT'S PROPERTY TAXES IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS WHEN DUE, AND (II) TO AUTHORIZE THE COLLECTION AND SPENDING OF THE PROCEEDS OF THE BONDS, THE REVENUES FROM SUCH TAXES, ANY OTHER REVENUES USED TO PAY THE BONDS AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES AS VOTER-APPROVED REVENUE CHANGES, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

#### **DE-BRUCING**

SHALL LARKRIDGE METROPOLITAN DISTRICT NO. 2 BE AUTHORIZED TO COLLECT, RETAIN, AND SPEND THE FULL AMOUNT OF ALL TAXES, TAP FEES, FACILITY FEES, SERVICE CHARGES, INSPECTION CHARGES, ADMINISTRATIVE CHARGES, GRANTS OR ANY OTHER FEE, RATE, TOLL, PENALTY, OR CHARGE AUTHORIZED BY LAW TO BE IMPOSED OR COLLECTED BY THE DISTRICT AND ANY OTHER REVENUES OR INCOME LAWFULLY RECEIVED BY THE DISTRICT DURING 2002 AND EACH YEAR THEREAFTER, WITHOUT LIMITATION BY THE REVENUE AND SPENDING LIMITS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES?



## **EXHIBIT L**

### Initial Board of Directors

Jay Perlmutter

John Perlmutter

Shell Cook

Douglas Ernst

James Smith

**EXHIBIT M**

Title Commitment



## CT ESCROW SERVICES, LLC

**Date:** January 8, 2004  
**Our File Number:** CO11421 C3

**Re:** Weaver/JP Thornton LLC  
**Property Address:** Vacant Land 160<sup>th</sup> & Washington St.

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*Commercial Escrow Officer:* Susan Williams – [swilliams@fnts.net](mailto:swilliams@fnts.net) – 303.863.8300  
*Title Officer:* Jef Stanton – [jstanton@chancerytitle.com](mailto:jstanton@chancerytitle.com) – 303.375.4948

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### Delivery List

**Buyer's Counsel:**

Silverman & Riley  
1601 Blake St., Suite 310  
Denver, CO 80202  
Attn: William S. Silverman, Esq.  
Phone: 303.623.6966 Fax: 303.623.4812  
[wsilverman@silvermanriley.com](mailto:wsilverman@silvermanriley.com)

**Buyer:**

JP Thornton LLC  
1601 Blake St., Suite 600  
Denver, CO 80202  
Attn: Jordon Perlmutter  
Fax: 303.595.3435

**Seller:**

The Weaver Family Limited Partnership  
8070 S. Catawaba Ct.  
Aurora, CO 80016  
Attn: Dean R. Weaver

**Attached please find:** Revised Title Commitment

**This revision includes the following changes:**

Added loan amount to seller carryback  
See new exceptions 18, 19

3950 Lewiston Street ♦ Suite 100 ♦ Aurora, Colorado 80011-1556  
303-373-5500 ♦ Fax: 303-373-5548



# Commitment for Title Insurance

**Fidelity National Title Insurance Company**

A Stock Company

## COMMITMENT FOR TITLE INSURANCE

FIDELITY NATIONAL TITLE INSURANCE COMPANY, a Corporation, herein called the Company, for valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefore; all subject to the provisions of Schedules A and B and to the Conditions and Stipulations hereof.

This Commitment shall be effective only when the identity of the proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, either at the time of the issuance of this Commitment or by subsequent endorsement.

This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate six (6) months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company. This Commitment shall not be valid or binding until countersigned by an authorized officer or agent.

IN WITNESS WHEREOF, the Company has caused this Commitment to be signed and sealed, to become valid when countersigned by an authorized officer or agent of the Company, all in accordance with its By-Laws. This Commitment is effective as of the date shown in Schedule A as "Effective Date."

**Fidelity National Title Insurance Company**



BY

*[Signature]*

President

ATTEST

*M'axis Jones Kane*

Secretary

Countersigned

*[Signature]*

Authorized Signature

# COMMITMENT FOR TITLE INSURANCE

## SCHEDULE A

Commitment Number CO00011421 C3

PROPERTY ADDRESS:

Vacant Land

SCHEDULE #: 1573-03-0-02-002

1. Effective date: January 1, 2004 at 7:30 a.m.

2. Policy or policies to be issued:	Amount	Premium
A. ALTA 1992 Owner's Policy - Proposed Insured:	\$3,000,000.00	\$ 2,994.00

**JP Thornton LLC, a Colorado limited liability company**

B. ALTA 1992 Loan Policy - Proposed Insured:	\$3,000,000.00	\$ 110.00
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**The Weaver Family Limited Partnership, a Colorado limited partnership**

C. None - Proposed Insured:	\$	\$
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Deletion of 1-4	\$	50.00
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\$  
\$  
\$  
\$  
\$  
\$  
\$  
\$  
\$

TOTAL

\$ 3,154.00

3. The estate or interest in the land described or referred to in this commitment and covered herein is fee simple and title thereto is at the effective date hereof vested in:

**The Weaver Family Limited Partnership, a Colorado limited partnership**

4. The land referred to in this commitment is described as follows:

**See Exhibit A attached hereto and made a part hereof.**

Issued by: Chancery Title Company, LLC  
As Agent for: Fidelity National Title Insurance Company

**Exhibit A - Legal Description**

That part of the Southeast one-quarter Section 3, Township 1 South, Range 68 West of the 6th Principal Meridian, Adams County, Colorado, lying East of the U.S. Highway No. 87 R.O.W., described as:

Beginning at the Southeast corner of said Southeast one-quarter;

thence North along the East line of said Southeast one-quarter a distance of 2588.59 feet to the Northeast corner of said Southeast one-quarter;

thence a deflection angle to the left of  $90^{\circ}00'$  and along the North line of said Southeast one-quarter a distance of 1585.30 feet more or less to a point on the Easterly R.O.W. line of U.S. Highway No. 87 as described in Book 473 at Page 51, Adams County records;

thence on a deflection angle to the left of  $67^{\circ}56'25''$  and along said Easterly R.O.W. line a distance of 1684.45 feet to beginning of a curve to the left;

thence along the arc of said curve to the left, a distance of 970.0 feet, the radius of which arc has a length of 5630.00 feet and the chord of which has a deflection angle to the left of  $04^{\circ}50'$  and a distance of 968.80 feet to a point on the Northerly R.O.W. line of U.S. Highway No. 87 as described in Book 595 at Page 282, Adams County records;

thence on a deflection angle to the left of  $100^{\circ}11'55''$  and along said Northerly R.O.W. line a distance of 651.22 feet more or less to a point 30.0 feet North of the South line of said Southeast one-quarter;

thence on a deflection angle to the right of  $82^{\circ}58'20''$  a distance of 30.0 feet to a point on the South line of said Southeast one-quarter;

thence on a deflection angle to the left of  $90^{\circ}14'$  and along said South line, a distance of 1858.41 feet more or less to the Point of Beginning;

EXCEPT that part lying within North Washington Street (being 50 feet along Digby Tract) and the North 30 feet of subject property lying within East 164th Avenue;

AND EXCEPT any portion described in the Special Warranty Deed recorded October 10, 2001, at Reception Number C0870004, Adams County records;

AND EXCEPT any portion lying within the Bull Canal as described in documents recorded December 11, 1914 in Book 73 page 86 and June 25, 1915 in Book 75 page 40.

County of Adams  
State of Colorado

## **SCHEDULE B-1      Requirements**

The following are to be complied with:

- A. Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest to be insured.
- B. Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record, to-wit:
  - i. Warranty Deed satisfactory to the Company, from The Weaver Family Limited Partnership, a Colorado limited partnership, vesting fee simple title in and to JP Thornton LLC, a Colorado limited liability company.
  - ii. Deed of Trust satisfactory to the Company, from JP Thornton LLC, a Colorado limited liability company, to the Public Trustee of Adams County, for the benefit of The Weaver Family Limited Partnership, a Colorado limited partnership.
- C. Receipt by the Company of the following documentation for JP Thornton LLC, a Colorado limited liability company:

Operating Agreement, and all amendments thereto, if any.
- D. Receipt by the Company of the following documentation for The Weaver Family Limited Partnership, a Colorado limited partnership:

Partnership Agreement, and all amendments thereto, if any.
- E. Receipt by the Company of an ALTA/ACSM Land Title Survey, certified to Chancery Title Company, LLC and to Fidelity National Title Insurance Company, and in form and content satisfactory to the Company.

NOTE: The Company reserves the right to make further requirements and/or exceptions upon review of this survey.
- F. Receipt by the Company of a satisfactory Final Affidavit, executed by JP Thornton LLC, a Colorado limited liability company.
- G. Receipt by the Company of a satisfactory Final Affidavit, executed by The Weaver Family Limited Partnership, a Colorado limited partnership.
- H. Payment of all taxes and assessments now due and payable.

## **SCHEDULE B-2      Exceptions**

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

1. Rights or claims of parties in possession not shown by the public records.
2. Easements or claims of easements, not shown by the public records.
3. Discrepancies, conflicts in boundary lines, shortages in area, encroachments, and any facts which a correct survey and inspection of the premises would disclose and which are not shown by the public records.
4. Any lien, or right to a lien for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Defects, liens, encumbrances, adverse claims, or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.
6. Taxes and assessments which are a lien or are now due and payable; any tax, special assessment, charge or lien imposed for or by any special taxing district or for water or sewer service; any unredeemed tax sales.
7. Water rights, claims or title to water, whether or not shown by the public records.
8. Intentionally deleted.
9. Easement for ditches and canals, and incidental purposes, as set forth in an instrument recorded April 22, 1916, in Book 79 at Page 82.
10. Easements and rights of way for utilities and incidental purposes, as set forth in an instrument recorded October 5, 1955, in Book 573 at Page 306, and amended in instruments recorded December 10, 1955, in Book 580 at Page 118 and December 31, 1962 in Book 1025 at Page 26.
11. Easement and right of way for highway purposes as set forth in an instrument recorded February 10, 1956, in Book 595 at Page 281.
12. Easement for utilities and incidental purposes, to Public Service Company of Colorado, as set forth in an instrument recorded September 27, 1969, in Book 1100 at Page 210.
13. Oil and Gas Lease as set forth in an instrument recorded January 16, 1986, in Book 3100 at Page 144.
14. Oil and Gas Lease as set forth in an instrument recorded August 26, 1992, in Book 3945 at Page 821, and Extension of Oil and Gas Lease recorded November 3, 1993, in Book 4184 at Page 549.
15. Each and every right or rights of access to and from any part of the Right of Way as set forth in an instrument recorded October 10, 2001 at Reception Number C0870005.
16. Terms, conditions, provisions, obligations and easements as set forth in Multi-Use Easement Agreement recorded October 10, 2001 at Reception Number C0870006.
17. Existing leases and tenancies.
18. Memorandum of Contract, and the terms and conditions contained therein, between the Weaver Family Limited Partnership, as Seller, and JP Thornton LLC, a Colorado limited liability company, as Purchaser, recorded February 5, 2003 at Reception Number C1090587.



SCHEDULE B-2 - Continued

Commitment Number CO00011421 C3

19. Memorandum of Contract, and the terms and conditions contained therein, between the Weaver Family Limited Partnership, a Colorado limited partnership as Seller, and JP Thornton LLC, a Colorado limited liability company, as Purchaser, recorded July 29, 2003 at Reception Number C1171764.

NOTE: Upon receipt of a satisfactory survey and final affidavits, as shown in Schedule B - Section 1, Exceptions 1 through 4 will be deleted.

NOTE: Provided First National Title Services conducts the closing of this transaction, Exception 5 will be deleted.

NOTE: Upon payment of all taxes and assessments now due and payable, as shown in Schedule B - Section 1, Exception 6 will be amended to read as follows: "Taxes and assessments for the year 2004 and subsequent years, a lien, not yet due or payable."

## DISCLOSURE ATTACHMENT

Pursuant to C.R.S. 30-10-406(3)(a) all documents received for recording or filing in the Clerk and Recorder's office shall contain a top margin of at least one inch and a left, right and bottom margin of at least one-half of an inch. The Clerk and Recorder will refuse to record or file any document that does not conform to the requirements of this section.

Pursuant to C.R.S. 39-22-604.5, if this transaction includes a sale of the property and the sales price exceeds \$100,000.00, the seller must comply with the disclosure/withholding requirements of said section. (Nonresident withholding)

Pursuant to C.R.S. 10-11-122, the company will not issue its policy or policies of title insurance contemplated by this commitment until it has been provided a Certificate of Taxes due or other equivalent documentation from the County Treasurer or the County Treasurer's authorized agent; or until the Proposed Insured has notified or instructed the company in writing to the contrary.

Pursuant to C.R.S. 10-11-122 notice is hereby given that: The subject property may be located in a special taxing district. A Certificate of Taxes due listing each taxing jurisdiction shall be obtained from the County Treasurer or the County Treasurer's authorized agent. Information regarding special districts and the boundaries of such districts may be obtained from the Board of County Commissioners, the County Clerk and Recorder, or the County Assessor.

Pursuant to C.R.S. 38-35-125(2) no person or entity that provides closing and settlement services for a real estate transaction shall disburse funds as a part of such services until those funds have been received and are available for immediate withdrawal as a matter of right.

Pursuant to C.R.S. 10-11-122, notice is hereby given that: (a) "Gap Protection" – When this Company conducts the closing and is responsible for recording or filing the legal documents resulting from the transaction, the Company shall be responsible for all matters which appear on the record prior to such time of recording or filing; and (b) "Mechanic's Lien Protection" – If you are the buyer of a single family residence, you may request mechanic's lien coverage to be issued on your policy of insurance. If the property being purchased has not been the subject of construction, improvements or repairs in the last six months prior to the date of this commitment, the requirements will be payment of the appropriate premium and the completion of an Affidavit and Indemnity by the seller. If the property being purchased was constructed, improved or repaired within six months prior to the date of this commitment, the requirements may involve disclosure of certain financial information, payment of premiums, and indemnity, among others. The general requirements stated above are subject to revision and approval by the Company.

Pursuant to C.R.S. 10-11-123, the Company hereby notifies the proposed buyer in the current transaction that there is recorded evidence that the mineral estate, or a portion thereof, has been severed, leased, or otherwise conveyed from the surface estate. There is a substantial likelihood that a third party holds some or all interest in the oil, gas, other minerals, or geothermal energy in the subject property. Such mineral estate may include the right to enter and use the property without the surface owner's permission.

## CONDITIONS AND STIPULATIONS

1. The term "mortgage", when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquires actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate of interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions, exclusion from coverage, and the Conditions and Stipulations of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest or the lien of the insured mortgage covered hereby or any action asserting such claim, shall be restricted to the provisions and Conditions and Stipulations of the Commitment.

**EXHIBIT N**

Mill Levy Comparison

# MILL LEVY COMPARISON Selected Metropolitan Districts

## AURORA CENTRE TECH METROPOLITAN DISTRICT

Arapahoe County	14.594
Arapahoe County - SBOE	0.000
Aurora Schools	49.825
City of Aurora	11.409
Aurora Centre Tech Metropolitan	45.000
Urban Drainage & Flood Control	0.531
Urban Drainage & Flood Control - South Platte	0.071

Total 2003 Mill Levy

121.430

## BROMLEY PARK METROPOLITAN DISTRICT NO. 5

Adams County	26.370
Adams County School District No. 27	47.016
Adams County Library	1.391
City of Brighton	7.248
Brighton Fire District 6	9.295
Bromley Park Metropolitan No. 5	25.000
Central Colorado Water Conservancy	0.871
Urban Drainage & Flood Control	0.531
Urban Drainage & Flood Control - South Platte	0.071

Total 2003 Mill Levy

117.793

## CENTRAL PLATTE VALLEY METROPOLITAN DISTRICT

Denver City and County	22.548
Denver Schools	36.705
Urban Drainage & Flood Control	0.531
Urban Drainage & Flood Control - South Platte	0.071
Central Platte Valley - General	32.500
Central Platte Valley - General Obligation Bonds	20.000

Total 2003 Mill Levy

112.355

# MILL LEVY COMPARISON Selected Metropolitan Districts

## DENVER WEST METROPOLITAN DISTRICT

Jefferson County	23.539
Jefferson County Schools	45.387
Northwest Lakewood Sanitation District	7.187
City of Lakewood	4.711
Lakewood Fire	0.000
Urban Drainage & Flood Control	0.531
Urban Drainage & Flood Control - South Platte	0.071
Jefferson County Law Enforcement Authority	
Prospect Recreation & Park District	3.000
Denver West Metropolitan	35.000
West Metro Fire	11.480
Total 2003 Mill Levy	130.906

## SAND CREEK METROPOLITAN DISTRICT

Adams County Portion	
Adams County	26.370
Adams - Arapahoe School District 28	49.825
City of Aurora	11.409
Urban Drainage & Flood Control	0.531
Urban Drainage & Flood Control - South Platte	0.071
Sand Creek Metropolitan District	43.000
Total 2003 Mill Levy	131.206

## SECTION 14 METROPOLITAN DISTRICT

Jefferson County	23.539
Jefferson County Schools	45.387
City of Lakewood	4.711
Grant Water and Sanitation District	0.000
Regional Transportation District	0.000
Section 14 Metropolitan District	29.000
Urban Drainage & Flood Control District	0.531
Urban Drainage & Flood Control South Platte	0.071
West Metro Fire Protection District	11.480
Total 2003 Mill Levy	114.719

**MILL LEVY COMPARISON**  
**Selected Metropolitan Districts**

**LARKRIDGE METROPOLITAN DISTRICT NO. 2**

Adams County	27.761
North Metro Fire & Rescue District	7.909
Regional Transportation District	0.000
Adams County School District 12	63.786
City of Thornton	10.210
Urban Drainage South Platte	0.071
Urban Drainage & Flood Control District	0.531
Larkridge Metropolitan District No. 2	25.000
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Total 2003 Mill Levy	<hr/> 135.268 <hr/>