

**SERVICE PLAN**  
**FOR**  
**CASCADE RIDGE METROPOLITAN DISTRICT**

**Prepared by**  
**WHITE, BEAR & ANKELE PROFESSIONAL CORPORATION**

**1805 Shea Center Drive, Suite 100**  
**Highlands Ranch, Colorado 80129**  
**(303) 858-1800**

**July 18, 2007**

## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
A.	General Overview.....	1
1.	Scope of Service Plan .....	1
2.	Configuration of District.....	1
3.	Long-Term District Plan.....	1
4.	Existing Services and Districts .....	2
5.	Dedication of Improvements .....	2
6.	City's Laws and Regulations.....	3
B.	General Financial Information and Assumptions .....	3
C.	Contents of Service Plan .....	4
D.	Modification of Service Plan.....	4
II.	NEED FOR NEW DISTRICT AND GENERAL POWERS .....	4
A.	Need for Metropolitan District.....	4
B.	General Powers of District .....	4
1.	Provision of Services and Facilities.....	5
2.	Covenant Enforcement Powers .....	6
3.	Legal Powers.....	6
4.	Other.....	6
5.	Condemnation.....	7
III.	PROPOSED AND EXISTING AGREEMENTS .....	7
IV.	DEVELOPMENT PROJECTIONS .....	7
V.	DESCRIPTION OF FACILITIES AND IMPROVEMENTS .....	7
A.	General.....	8
B.	General Design Standards .....	8
1.	Wastewater System.....	8
2.	Storm Drainage .....	8
3.	Water System .....	9
4.	Street System and Traffic Safety .....	9
5.	Signals and Signage .....	9
6.	Parks and Recreation.....	10
VI.	ESTIMATED CONSTRUCTION AND OPERATING COSTS.....	10
VII.	FINANCIAL PLAN .....	10
A.	Debt Issuance Limitation.....	10
B.	Debt Service Mill Levy .....	11
C.	Other District Revenues .....	11

D.	Filings with City and Quinquennial Review.....	12
E.	Other Financial Information.....	12
VIII.	OTHER REQUIREMENTS.....	13
A.	Annual Report .....	13
B.	Enterprises .....	14
C.	Conservation Trust Fund .....	14
D.	Elections; Other Requirements.....	14
E.	City Improvement and Thompson Educational Foundation Contribution.....	15
F.	Disclosure.....	15
G.	Modification of the Service Plan.....	15
IX.	CONCLUSIONS .....	15

**LIST OF EXHIBITS**

**EXHIBIT A** - Map of District Boundaries

**EXHIBIT B** - Legal Description

**EXHIBIT C** - Vicinity Map

**EXHIBIT D** - Financing Plan

**EXHIBIT E** - Costs of District's Facilities

**EXHIBIT F** - Description of District's Facilities

**EXHIBIT G** - Loveland Resolution of Approval

**EXHIBIT H** - Loveland Contribution IGA

**EXHIBIT I** - Thompson Education Foundation Agreement

## I. INTRODUCTION

### A. General Overview

1. Scope of Service Plan. This Service Plan ("Service Plan") for the Cascade Ridge Metropolitan District (the "District"), constitutes the service plan for a Title 32 special district organized to serve the needs of a new development generally known as "Cascade Ridge" and surrounding areas in the City of Loveland (the "City"), Larimer County (the "County"), Colorado.

The District is located entirely within the Loveland city limits, approximately 8 miles west of I-25 and U.S. 34, bordered generally on the east by Cascade Avenue, on the west by Morning Drive, on the south by 22<sup>nd</sup> Avenue, and on the north by 29<sup>th</sup> Avenue. The District ultimately is expected to consist of 223.6 total acres for residential development. Construction is scheduled over the next 1 to 6 years, with build-out expected to occur within that time. Exhibit A contains an overall map of the District's proposed boundaries.

All "Exhibits" referred to herein are attached to the end of this Service Plan. The initial Developer of the real property in the District is H.F. Holdings, LLC (the "Developer") and the Owner is R.I. Heritage Inn of Deptford, Inc., (the "Owner"). The Property currently within the District is owned by entities controlled directly or indirectly by the Developer.

Considerable public infrastructure will be constructed to provide the public improvements and services needed to support development in and around the District. This Service Plan addresses the improvements and services that will be provided by the District, and demonstrates how the special district proposed to serve the development will provide the necessary public improvements and services including sanitation, storm drainage, water, streets, traffic and safety controls, park and recreation and mosquito and pest control. In addition to surrounding public infrastructure, the District will help build and expand the 29<sup>th</sup> Street Pump Station.

2. Configuration of District. A legal description of the anticipated boundaries of the District is attached to this Service Plan as Exhibit B. A vicinity map showing the surrounding area and the District's location are attached to this Service Plan as Exhibit C.

It is possible that subsequent to the District's organization, it may be desirable to include additional neighboring property into the boundaries of the District. No property shall be included into or excluded from the District without prior written approval by the City Council of the City of Loveland ("City Council"). Notification of the same shall be given to the City Council prior to the District holding a public hearing thereon.

3. Long-Term District Plan. The District may consider dissolution at the time the District's Debt (as hereinafter defined) has been paid and adequate provisions have been made for operation of all of the District's facilities and services. The District shall not file a request with the District Court in and for Larimer County, Colorado, to consolidate with any other Title 32 district, without the prior written approval of the City Council.

4. Existing Services and Districts. There currently are no other public entities in existence in the area of the proposed development which have the ability and/or desire to undertake the design, financing, construction, operation and maintenance of the improvements which are needed for Cascade Ridge and the surrounding area. It is also the Developer's understanding that the City does not consider it feasible or practicable to provide all of the necessary services and facilities for the development, as further described herein. Consequently, formation of the District is deemed necessary for the provision of public improvements in and around Cascade Ridge.

In order to minimize the proliferation of new governmental entities and personnel, the District intends to utilize existing entities, as much as practicable, for operation and maintenance of public improvements. As a general matter, operation and maintenance of certain public improvements will be the responsibility of the City after such completed improvements are conveyed to the City, by, on behalf of, or at the direction of the District. Improvements not conveyed to, or accepted by, the City will be owned by other appropriate entities or will continue to be owned by the District and operation and maintenance of the same may be provided by other entities, such as a facilities management company or a recreational facility operator, through appropriate agreements with the District. Consequently, while the District will exist to design, finance, construct, operate, and maintain capital improvements and coordinate the provision of services, the District is expected to utilize existing entities as much as practicable.

5. Dedication of Improvements. The District shall, in accordance with City Policy, dedicate, or cause to be dedicated on its behalf, all public improvements customarily dedicated to the City. These improvements include public water and wastewater improvements, storm drainage and detention improvements, all public streets and those streets dedicated by plat, all public sidewalks as well as rights-of-way and easements necessary for access to public improvements. Operation and maintenance of those improvements dedicated to and accepted by the City shall rest with the City; provided that the District shall maintain all landscaping in the public right-of-way unless such obligation is expressly accepted by the City.

Improvements, which are to be dedicated to the City, shall be designed and constructed in accordance with applicable state and federal laws, regulations and standards, and with City Policy as hereinafter defined. In those instances where the District has constructed enhanced improvements that exceed City Policy, the City and the District shall agree as to the operation and maintenance thereof prior to the City's acceptance of any such improvements. Once the public improvements have been constructed in accordance with City Policy, an initial acceptance letter shall be issued by the City specifying that the public improvements dedicated to the City shall be warranted for a period as may be required by City Policy.

The District shall retain such easements as are necessary to operate and maintain landscaping as well as improvements associated with storm drainage and detention areas. The City may accept, but shall not be required to accept, dedication of park and recreation and landscaping improvements. Park and recreation and landscaping improvements not dedicated to the City may be owned, operated and maintained by the District, either independently or by contract with another entity, or may be owned, operated and maintained by the owner's association, either independently

or by contract with another entity. Parking lots and other off-street parking facilities, if any, shall not be dedicated to the City but shall be owned, operated and maintained by the District.

The District may, at its sole cost and expense, acquire all property required for the construction of public improvements to be provided by the District pursuant to this Service Plan. The District shall only acquire real property for the purpose of constructing public improvements and only those improvements necessary to construct improvements associated with approved final plats for the property. The District may acquire any interests in real property, leases and easements necessary to the functions or the operation of the District as approved by the City. The District shall not pay more than fair market value and reasonable settlement costs for any interest in real property and shall not pay for any interest in real property which must otherwise be dedicated for public use or the District's use in accordance with any governmental ordinance, regulation or law and in accordance with City Policy.

Failure of the District to comply with these dedication requirements shall be deemed to be a material departure from this Service Plan. Such dedication requirements shall not be amended without the prior written consent of City Council. In addition, nothing herein shall be deemed to obligate the City to accept any public improvements constructed by the District.

6. City's Laws and Regulations. Notwithstanding anything contained herein to the contrary, the District shall be subject to and comply with all applicable provisions of the City's Charter, Code, Ordinances, rules, regulations, standards and policies ("City Policy"). In addition, the District shall timely provide to the City Clerk a copy of all notices of all board meetings of the District at the time such notices are posted.

B. General Financial Information and Assumptions.

The estimated current assessed valuation within the District is three hundred thousand dollars. (\$300,000.00) The projected assessed valuation within the District is shown in the Financing Plan attached hereto as Exhibit D. The anticipated cost of improvements necessary to provide access and appropriate services within the District is estimated in Exhibit E. The District may obtain financing for capital improvements through the issuance of Debt. As used in this Service Plan, "Bonds" or "Debt": means any bonds, notes, debentures, certificates, contracts, capital leases, or other multiple fiscal year financial obligations of the District. The Financing Plan demonstrates one method that might be used by the District to finance the cost of the infrastructure as well as operations and administrative costs. At the time Bonds are demonstrated to be issued, alternative financing plans may be employed and utilized by the District without further approval from the City Council so long as said alternative plans are generally consistent with the limitations set forth herein and do not constitute a material modification of this Service Plan; however, pursuant to C.R.S. 32-1-202(2)(b), the District Board of Directors shall notify City Council in writing of any alteration or revision of the proposed schedule of issuance of Debt as set forth in the Financing Plan.

C. Contents of Service Plan.

This Service Plan consists of preliminary financial and engineering estimates and analyses describing how the facilities and services for Cascade Ridge can be provided and financed by the District on a coordinated basis. Numerous items are included in this Service Plan in order to satisfy the requirements of law for formation of special districts.

The assumptions contained within this Service Plan were derived from a variety of sources. Information regarding the present status of property within the District, as well as the current status and projected future level of similar services, was obtained from the Developer. Construction cost estimates and facilities diagrams were assembled by Nolte Engineering, Inc., which has experience in the costing and construction of similar facilities. Legal advice in the preparation of this Service Plan was provided by White, Bear & Ankele Professional Corporation, which represents numerous special districts in Colorado as general counsel. Preparation of the Financing Plan was provided by Stan Bernstein & Associates, Inc., which has extensive experience in the preparation of financial plans for special districts. Review and oversight of the Service Plan and Financial Plan were provided by Fellows Financial, Inc. which has extensive experience with special district formation and finance.

D. Modification of Service Plan.

This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. While the assumptions upon which this Service Plan are generally based are reflective of current zoning for the property within the District, the cost estimates and financing plans are sufficiently flexible to enable the District to provide necessary services and facilities without the need to amend this Service Plan in the event of zoning changes or changes in the financial schedules, method, timing, or typical changes in construction costs. Modification of the general types of services and facilities, and changes in proposed configurations, locations, or dimensions of various facilities and improvements shall be permitted to accommodate development needs consistent with then current zoning for the property so long as they are consistent with City Policy.

II. NEED FOR DISTRICT AND GENERAL POWERS

A. Need for Metropolitan District.

The property in the District is currently undeveloped. No other governmental entities exist which will finance the construction of the facilities needed for development of the property within the District.

B. General Powers of the District.

Except as specifically limited herein, the District will have power and authority to provide the services and facilities described in this Section both within and outside its boundaries, in accordance with law.



1. Provision of Services and Facilities. The District shall have authority to provide the services and construct or acquire the facilities listed below, all of which shall be constructed, operated and maintained in conformance with City Policy. The District or the Developer will obtain City approval of civil engineering plans and a permit from the City for construction and installation of public improvements, as required by City Policy. The District, the Owner or the Developer shall cause payment of the City's fees associated with any and all such review and permit approval.

a. Sanitation. The design, acquisition, installation, construction, financing, and operation and maintenance of sanitary sewers, force mains, lift stations and all necessary or proper equipment and appurtenances incident thereto, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems. The District shall not design, acquire, install, construct, operate or maintain any sewer treatment or disposal works or facilities.

b. Storm Drainage. The design, acquisition, installation, construction, financing, and operation and maintenance of storm drainage, flood and surface drainage improvements including but not limited to, culverts, dams, retaining walls, access ways inlets, detention ponds and paving, roadside swales and curb and gutter, and all necessary or proper equipment and appurtenances incident thereto, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of an improvements to said facilities or systems.

c. Water. The design, acquisition, installation, construction, financing, and operation and maintenance of a complete water and irrigation water system, including but not limited to, water rights, water supply, transmission and distribution systems for domestic and other public or private purposes, together with all necessary and proper water rights, equipment and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, pump stations, storage facilities, land and easements, together with extensions of and improvements to said systems. The District shall not design, acquire, install, construct, operate or maintain any water well or water treatment facilities without written permission from the City.

d. Streets. The design, acquisition, installation, construction, operation, and maintenance of street and roadway improvements, including but not limited to curbs, gutters, culverts, storm sewers and other drainage facilities, detention ponds, retaining walls and appurtenances, as well as sidewalks, bridges, pedestrian underpasses and tunnels, parking facilities, paving, lighting, grading, landscaping, undergrounding of public utilities, snow removal equipment, or tunnels and other street improvements, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities.

e. Traffic and Safety Controls. The design, acquisition, installation, construction, financing, operation and maintenance of traffic and safety protection facilities and services through traffic and safety controls and devices on streets and highways, as well as other facilities and improvements including but not limited to, signalization at intersections, traffic signs,

area identification signs, monumentation, signage, painting and striping and associated landscaping, directional assistance, and driver information signs, together with all necessary, incidental, and appurtenant facilities, land, easements, together with extensions of and improvements to said facilities.

f. Parks and Recreation. The design, acquisition, installation, construction, operation and maintenance of park and recreation facilities or programs including, but not limited to, grading, soil preparation, sprinkler systems, playgrounds, playfields, swimming pool, bike and hiking trails, pedestrian trails, pedestrian bridges, picnic areas, common area landscaping and weed control, outdoor lighting of all types, pedestrian underpasses and tunnels, urban plazas, a recreation center and other facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

g. Mosquito and Pest Control. The design, acquisition, installation, construction, financing, operation and maintenance of systems and methods for the elimination and control of mosquitoes, rodents and other pests.

2. Covenant Enforcement Powers. The District shall have the power to provide covenant enforcement and design review services within the District if the District or the governing body of a owner's association or similar body contract for such services, or if the declaration, rules and regulations, or any similar document containing the covenants to be enforced for the area within the District name the District as the enforcement or design review entity. The District shall have the power to provide covenant enforcement and design review services only if revenues used to provide such services are derived from the area in which the service is furnished.

3. Legal Powers. The powers of the District will be exercised by its Board of Directors to provide the services contemplated in this Service Plan. The foregoing improvements and services, along with all other activities permitted by law, will be undertaken in accordance with, and pursuant to, the procedures and conditions contained in the Special District Act, other applicable statutes, and this Service Plan, as any or all of the same may be amended from time to time.

4. Other. In addition to the powers enumerated above, the Board of Directors for the District shall also have the following authority:

a. To amend this Service Plan as needed, subject to the appropriate statutory procedures provided that any material modification of this Service Plan shall be made only with the prior approval of the City Council in accordance with § 32-1-207, C.R.S.; and

b. To forego, reschedule, or restructure the financing and construction of certain improvements and facilities, in order to better accommodate the pace of growth, resource availability, net effective savings, and potential inclusions of property within the District, or if the development of the improvements and facilities would best be performed by another entity; and

c. To provide all such additional services and exercise all such powers as are expressly or impliedly granted by Colorado law, and which the District is required to provide or exercise or, in its discretion, chooses to provide or exercise subject to approval by the City; and

d. To exercise all necessary and implied powers under Title 32, C.R.S. in the reasonable discretion of the District's Board of Directors, except as limited by this Service Plan. However, no Director will be entitled to compensation for meeting attendance.

5. Condemnation. Absent the prior written approval of the City Council, the District shall not exercise its statutory power of eminent domain with respect to property outside its boundaries, as those boundaries may be amended from time to time, except that the District may use the power of eminent domain for the limited purpose of procuring easements and right of ways for infrastructure required to implement the improvements associated with the plats as approved by the City. The District shall not exercise the power of eminent domain after seven years from the date of formation without written consent from the City.

### III. PROPOSED AND EXISTING AGREEMENTS

The District will be permitted to exercise its statutory powers and respective authority as set forth herein to design, finance, construct, acquire, operate and maintain the public facilities and improvements either directly or by contract. Where appropriate, the District will contract with various public and/or private entities to undertake such functions. To the extent practicable, the District may enter into additional intergovernmental and other private agreements to better ensure long-term provision of the improvements, services, public benefits and effective management thereof. Agreements may also be executed with other service providers. Such agreements are authorized pursuant to Colorado Constitution, Article XIV, Section 18 (2)(a) and Sections 29-1-201, *et seq.*, C.R.S. The District may also petition existing governmental entities for inclusion of part or all of the property within the District into an existing service area.

### IV. DEVELOPMENT PROJECTIONS

Land use within Cascade Ridge is currently zoned residential. The District anticipates up to 451 residential units being completed by the end of 2012.

### V. DESCRIPTION OF FACILITIES AND IMPROVEMENTS

The diagrams contained in Exhibit F show the conceptual layouts of the public facilities and improvements described in this section. Information for each type of improvement needed for Cascade Ridge is set forth in the following pages. It is important to note that the information contained in this Section and the preliminary layouts contained in Exhibit F are conceptual in nature only, and that modifications to the type, configuration, and location of improvements may be necessary as development proceeds. All facilities will be designed in such a way as to assure that the facility and service standards will comply with City Policy and be compatible with the public facilities of the City and of other service providers.

The following sections contain general descriptions of the contemplated facilities and improvements, which may be financed and constructed by the District.

A. General. Construction of all planned facilities and improvements will be scheduled to allow for proper sizing and phasing to keep pace with the need for service. All descriptions of the specific facilities and improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, requirements of the City, and construction design and scheduling may require. Operation and Maintenance of the district improvements will be provided by the District, or another entity acceptable to the City, until such facilities are dedicated to the City in accordance with this Service Plan and City Policy.

B. General Design Standards. The District shall cause the public improvements within the District specifically described on Exhibit F, to be designed and installed in conformance with applicable City Policy and any additional standards adopted by the District. Designs and contract documents prepared for improvements must be reviewed and approved by the District with payment by the District, or by another party on the District's behalf and must be in accordance with applicable standards and specifications as set forth herein.

1. Wastewater System. The wastewater facilities will be designed and installed to conform to City Policy and the current standards and recommendations of the Colorado Department of Health, the City, and rules and regulations adopted by the District or other affected entities, and sound engineering judgment. All major elements of the wastewater facilities required for proper operation may be designed, and installed by the District.

2. Storm Drainage.

a. Generally. The District will cause to be installed the necessary storm drainage system to serve Cascade Ridge. The proposed elements of the storm drainage system will provide a network of culverts, swales, pipes, inlets, detention and water quality ponds, inlet and outlet structures, emergency overflow structures and curb and gutter designed and installed in accordance with applicable City Policy, plans approved by the City and sound engineering judgment.

b. Culverts. Culverts may be installed under roadways that intersect storm drainage channels. Culverts will be designed and constructed to pass flows as required by City Policy, plans approved by the City, and State and Federal law, and may include without limitation headwalls, wing walls, inlet and outlet structures, and riprap protection to enhance their hydraulic capacity and reduce bank or channel erosion.

An overall drainage plan has been or will be developed that will identify the major facilities necessary to convey the storm runoff from Cascade Ridge. The overall drainage plan will include the utilization of storm sewers, inlets, swales, detention ponds, streets, gutters, and culverts.

3. Water System.

a. Overall Plan. The water system will be comprised of a potable water distribution system consisting of buried water mains, pump stations, fire hydrants, and related appurtenances located predominately within the Districts' boundaries. The final configuration of the water system will be constructed as approved by the City. When design and construction are finalized, the system will serve the development from adjacent streets and roads. All major elements of the water facility will be designed, and installed by the District, the Developer, the Owner or others acting on their behalf.

b. Design Criteria. The irrigation water system is expected to include pressurized water lines with multiple pressure zones. Water system components will be designed and installed in accordance with City Policy and the applicable standards of all entities with jurisdiction over the District. The water system will also be designed based on applicable fire protection requirements.

4. Street System and Traffic Safety.

a. General. Anticipated improvements include without limitation design and construction of an entire public street system and associated street furnishings, landscaping and amenities within the District.

Streets within the District may contain a high concentration of public amenities (lighting, furnishings, paving and curb treatments, enhanced landscaping, public art, etc.). Street improvements will be constructed in dedicated public right of way. Typical elements may include:

- (i) Grading;
- (ii) Street, curb, sidewalk and storm inlet construction;
- (iii) Street trees, tree grates, tree lawns, hedges, other forms of landscaping and irrigation systems;
- (iv) Street and pedestrian lighting and electrical service to serve this lighting; and
- (v) Street furnishings such as benches, bike racks, trash receptacles, poles, signage and newspaper vending machine corrals.

All facilities will be designed and installed in accordance with applicable City Policy and sound engineering judgment.

5. Signals and Signage. Improvements may include new traffic signals and controls associated with the new public streets within Cascade Ridge. New traffic signals and associated electrical connections may occur along the major roadways. Traffic signage and controls (stop, yield, directional signage, etc.) may also be required along newly constructed public streets and at intersections throughout the site and shall comply with City Policy.

6. Park and Recreation Facilities. All park and recreation facilities, programs and/or services that the District determines to undertake will be designed and constructed in accordance with City Policy where applicable. If any landscaping is installed by the District it will be in designated open space areas located within the District's boundaries.

## VI. ESTIMATED CONSTRUCTION AND OPERATING COSTS

The estimated cost of the public infrastructure needed to serve Cascade Ridge is approximately \$11,050,375. The estimated cost of the facilities to be constructed, installed and/or acquired by the District is approximately \$7,420,500, and is more specifically depicted in Exhibit E. These costs include contingencies, supervision for the administrative oversight process including necessary approvals, and construction management for onsite management of ongoing capital construction, but are exclusive of all costs of Debt issuance, including but not limited to such issuance expenses and costs like debt service reserves, capitalized interest, underwriter's discount and legal fees, organizational costs and inflation. To the extent the District cannot fund all of the improvements set forth herein, the Developer or others shall fund the balance of the improvements to be constructed. The estimated costs do not include the costs of acquisition of any land or easements necessary for right-of-ways; however, the District shall have the ability to finance such acquisitions from third parties.

Estimated costs for operating functions are presented in the Financial Plan at Exhibit D and are initially forecasted at approximately \$160,355 per year over the life of the forecast.

## VII. FINANCIAL PLAN

The Financial Plan attached as Exhibit D, sets forth an example of how the improvements benefiting the District could be funded. It is currently anticipated that the District will issue limited tax Debt in amounts sufficient to permit the District to finance or construct all or a portion of the facilities needed. In addition, the District shall have the ability to issue such additional Debt as may be necessary to support future capital requirements of the District; however, nothing herein shall be construed to allow the District to issue Debt that is not in accordance with State law. District Debt may be supported by ad valorem mill levies and other available revenues of the District. The Financial Plan shows how the proposed services and facilities may be financed and operated by the District and identifies a possible Debt issuance schedule of the District.

### A. Debt Issuance Limitation.

The maximum Debt limit is eight million dollars (\$8,000,000). Organizational costs are estimated to be approximately seventy thousand dollars (\$70,000) and may be reimbursed to the Developer by the District out of its initial revenue sources including bond proceeds. The District shall have the authority, subject to the Debt limits contained herein, to issue Debt in an amount sufficient to fully finance and construct all facilities contemplated herein and fully implement the Service Plan without the need to seek approval of any modification of this Service Plan. Obligations of the District which have been paid or refunded do not count against the Debt

limit. The District will not issue additional Debt twenty (20) years after the date of formation without written consent from the City unless it is a refunding for the purpose of the net effective savings.

Any Debt issued by the District must be issued in compliance with the requirements of § 32-1-1101, C.R.S., and § 11-59-110, C.R.S. This will ensure that appropriate development risk associated with current and future development within the District remains with the Developer/Owner until such time as the assessed valuation in the District can be shown to support the debt service requirements of the District with the imposition of reasonable mill levies. All Debt shall provide that the District's obligations shall be discharged forty (40) years after the date of issuance regardless of whether such obligations are paid in full.

In addition to the limitations set forth in this Service Plan, all Debt issued by the District shall be subject to applicable state law. In the event of conflicting terms or provisions, the more restrictive provision shall control.

B. Debt Service Mill Levy.

So long as there is Debt outstanding, the District shall be required to impose a debt service mill levy on all property within its boundaries. Such mill levy shall terminate upon the discharge of all such Debt, however, the District may continue to certify a mill levy to pay for administrative, service, and operation and maintenance requirements of the District.

The maximum mill levy the District shall impose for the payment of general obligation Debt shall be forty (40) mills (the "Mill Levy Cap"). The District may impose an additional five (5) mills for payment of operations and maintenance costs. The District may assess additional mills for operation and maintenance but the combined mill levy for Debt and operations and maintenance shall not exceed forty-five (45) mills. In addition, the District shall impose two and a half (2.5) mills for the Thompson Education Foundation and two and a half (2.5) mills for the City Improvement Contribution, pursuant to Section VIII. E. of this Service Plan. The Mill Levy Cap, mills assessed for operation and maintenance and individual allocation of the Mill Levy Cap discussed herein will also be subject to adjustment if, after the date of approval of this Service Plan, the laws of the State change with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation changes, or other similar changes occur. In these events, the foregoing thresholds and limits shall be automatically adjusted so that the tax liability of individual property owners neither increases nor decreases as a result of any such changes thereby. The Financing Plan includes the proposed operating revenue derived from ad valorem property taxes for the first budget year and thereafter.

C. Other District Revenues.

In addition to ad valorem property taxes, and in order to offset the expenses of the anticipated construction and the District's operations and maintenance costs, the District may rely upon various other revenue sources authorized by law. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in § 32-1-1001(1), C.R.S., as amended. The District also anticipates revenue from specific ownership taxes, developer advances, interest income and

other sources, as further set forth and projected in the Financial Plan. Any future fees imposed by the District shall be approved in writing by the City Council, but in no event, shall the imposition of any future fees be deemed a material modification of this Service Plan and require the District to file an Amended and Restated Service Plan.

D.  Filings With City And Quinquennial Review

The District shall file with the City the following information and documents promptly after they become available in their final, executed form:

- (a) Annual audited financial statements of the District;
- (b) Annual Budget of the District;
- (c) Construction contracts in excess of \$100,000;
- (d) Intergovernmental Agreements;
- (e) Resolutions regarding issuance of Debt, including relevant financing documents, credit agreements and official statements; and
- (f) Notice of all board meetings of the District.

Pursuant to § 32-1-1101.5, C.R.S., at the City's request, the District shall submit application for a quinquennial finding of reasonable diligence in every fifth calendar year after the calendar year in which any District's ballot issue to incur any indebtedness was approved by its electors. In the event that the City reasonably determines that a public hearing is necessary on such application, such hearing shall be held in accordance with § 32-1-1101.5(2)(a), C.R.S., and a determination for continuation of the authority of the board of the District to issue any remaining authorized Debt shall be made at that time. At the City's discretion, the District shall pay a reasonable administrative fee for any review required by City under this Section.

E.  Other Financial Information

Due to the support expected to be received from the Developer, the Owner and others, the Financial Plan demonstrates that the cost of the infrastructure described herein can be provided with reasonable mill levies assuming reasonable increases in assessed valuation and assuming the rate of build-out estimated in the Financial Plan. Upon approval of this Service Plan, the District will continue to develop and refine cost estimates contained herein.

The Financing Plan does not project any significant accumulation of fund balances which might represent receipt of revenues in excess of expenditures under the TABOR Amendment. To the extent annual District revenues exceed expenditures in this manner, the District will comply with the provisions of TABOR and either refund the excess or obtain voter approval to retain such amounts. Initial spending and revenue limits of the District, as well as mill levies, will be established by elections which satisfy TABOR requirements. In the discretion of the District's Board of Directors, the District may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District may remain under the control of its Board of Directors.



The maximum voted interest rate for Debt will be fifteen percent (15%). However, the District shall not issue Debt with an interest rate in excess of twelve percent (12%) without the prior written consent of the City Council. Prior to issuing Debt, the District shall provide an opinion from an independent financial advisor that the rate established is consistent with the current market rate. Compound interest shall not be allowed without prior written consent of City Council, except in those cases of interest payment default. The proposed maximum underwriting discount will be no greater than five (5) percent. It is estimated that any Debt, when issued, will mature not more than forty (40) years from date of issuance. The District shall not undertake the refinancing of any outstanding Debt, which refinancing shall lengthen the final maturity of such Debt beyond forty (40) years from creation of the District, without the prior written approval of the City Council. Final determination of the amount of Debt for which approval will be sought from the District's electorate from time to time will be made by the board of directors of the District based on then-current estimates of construction costs, issuance costs, and contingencies. Debt may be issued to the party conveying the infrastructure and any repayment note may be issued only to the Developer, the Owner or constructing party. Authorization to issue Debt and enter into various agreements described herein will be sought from the District's electorate pursuant to the terms of the Special District Act and the Colorado Constitution both as amended from time to time.

#### VIII. OTHER REQUIREMENTS

The District shall be subject to the following additional requirements:

##### A. Annual Report.

The District shall be responsible for submitting an annual report to the City no later than March 1 of each year that the District is in existence. The annual report shall include information as to any of the following significant events that occurred during the preceding calendar year:

- (1) Boundary changes made or proposed.
- (2) Intergovernmental Agreements with other governmental entities entered into or proposed.
- (3) Changes or proposed changes in the District's policies.
- (4) Changes or proposed changes in the District's operations.
- (5) Any material changes in the financial status of the District including revenue projections, or operating costs.
- (6) A summary of any litigation, which involves the District.
- (7) Proposed plans for the year immediately following the year summarized in the annual report.
- (8) Status of District's public improvement construction schedule.
- (9) A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City.
- (10) Summary of current assessed valuation in the District.

In addition, the annual report shall include a summary of the following information:

- (1) Assessed value of taxable property within the District.
- (2) Total acreage of property within the District.
- (3) The District's indebtedness (stated separately for each class of Debt).
- (4) The District's debt service (stated separately for each class of Debt).
- (5) The District's tax revenue.
- (6) Other revenues of the District.
- (7) Public improvement expenditure.
- (8) Other District expenditures.

B. Enterprises.

The Board of Directors for the District may set up enterprises to manage, fund and operate such facilities, services and programs as may qualify for enterprise status using the procedures and criteria provided by Article X, Section 20, Colorado State Constitution provided that the District obtains prior consent of the City Council. To the extent provided by law, any enterprise created by the District will remain under the control of the Board of Directors of the District. Additionally, the District and the Board may not establish 63-20 Corporations or subdistricts without the prior written consent of the City Council.

C. Conservation Trust Fund.

The District shall claim no entitlement to funds from the Conservation Trust Fund, the Great Outdoor Colorado Fund or any other grant moneys for which the City may be eligible, without the prior written consent of the City Council. Any such funds received by the District without the prior written consent of City Council shall be promptly remitted to the City.

D. Elections; Other Requirements.

All elections will be conducted as provided by the Uniform Election Code of 1992 (as amended) and the TABOR Amendment. The election questions may include TABOR Amendment ballot questions. Thus, the ballot may deal with the following topics (in several questions, but not necessarily using the exact divisions shown here):

1. Approval of new taxes,
2. Approval of maximum operational mill levies,
3. Approval of bond and other indebtedness limits,
4. Approval of property tax revenue limitations,
5. Approval of total revenue limits,
6. Approval of a four-year delay in voting on ballot issues, and
7. Approval of intergovernmental agreements containing multiple year fiscal obligations.

Ballot issues may be consolidated as approved in Court orders. In addition, the District shall submit a ballot question to the eligible electors of the District to allow the District to receive and spend revenue received from any source without regard to any spending, revenue-

raising or other limitation contained within Article X, Section 20 of the Colorado Constitution. The City should be assured that the District intends to follow the Special District Act, the Uniform Election Code of 1992, and the TABOR Amendment and any applicable City requirements. Future elections to comply with the TABOR Amendment are anticipated, and may be held as determined by the elected board of directors of the District.

E. City Improvement and Thompson Education Foundation Contribution.

The District acknowledges the importance of education and schools for neighborhoods and cities and the potential impact a new development can possibly have on a community. In an effort to ease potential impacts the District shall dedicate two and a half (2.5) mills to the Thompson Education Foundation ("Foundation") and two and a half (2.5) mills to the City per year for thirty (30) years from the date of first collection of tax revenue after mill levy certification. The District, Foundation and participating schools will enter into an Agreement establishing the terms and general purposes for which the contribution may be used by the Foundation, a form of which is attached hereto as Exhibit I.

The District and City will enter into an Intergovernmental Agreement establishing the terms and specific purposes for which the contribution may be used, a form of which is attached hereto as Exhibit H. The contribution will be multi-fiscal year obligations of the District that must be approved by eligible District voters. The contribution will remain at two and a half (2.5) mills for thirty (30) years from first payment and cannot be deleted, decreased or increased without District and/or City and/or Foundation approval. This contribution is being made independent of and in addition to all other fees owed to the City under City Policy for the Development. It is also being made independent of and in addition to any exactions required by the City for the Development under the City's development review process and City Policy.

F. Disclosure. The Developer of the property located within the boundaries of the District shall provide to the Loveland City Attorney a mill levy disclosure statement for the District signed by the owner of the property and in a form acceptable to the City Attorney, which statement shall be recorded with the Larimer County Clerk and Recorder and further conditioned upon an agreement between the City and the Developer, in a form acceptable to the City Manager and City Attorney, requiring the Developer, to provide the mill levy disclosure statement to all prospective purchasers of lots in the District prior to any purchaser entering into the contract to purchase a lot from the Developer, or its successors and assigns.

G. Modification of the Service Plan.

Material modifications of this Service Plan, except as otherwise stated herein, shall be subject to approval by the City Council in accordance with the provisions of § 32-1-207, C.R.S.

IX. CONCLUSIONS

It is submitted that this Service Plan for Cascade Ridge Metropolitan District, as required by § 32-1-203(2), C.R.S., has established that:

1. There is sufficient existing and projected need for organized service in the area to be served by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its boundaries;
4. The area included in the District will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

Therefore, it is requested that the City Council, which has jurisdiction to approve this Service Plan by virtue of § 32-1-204.5, *et seq.*, C.R.S., as amended, adopt a resolution that approves this Service Plan for Cascade Ridge Metropolitan District. A form of the proposed resolution of approval is attached hereto as Exhibit G.

Respectfully submitted,

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

Gary R. White

Joseph J. Lico

White, Bear & Ankele

Professional Corporation

Counsel to the District

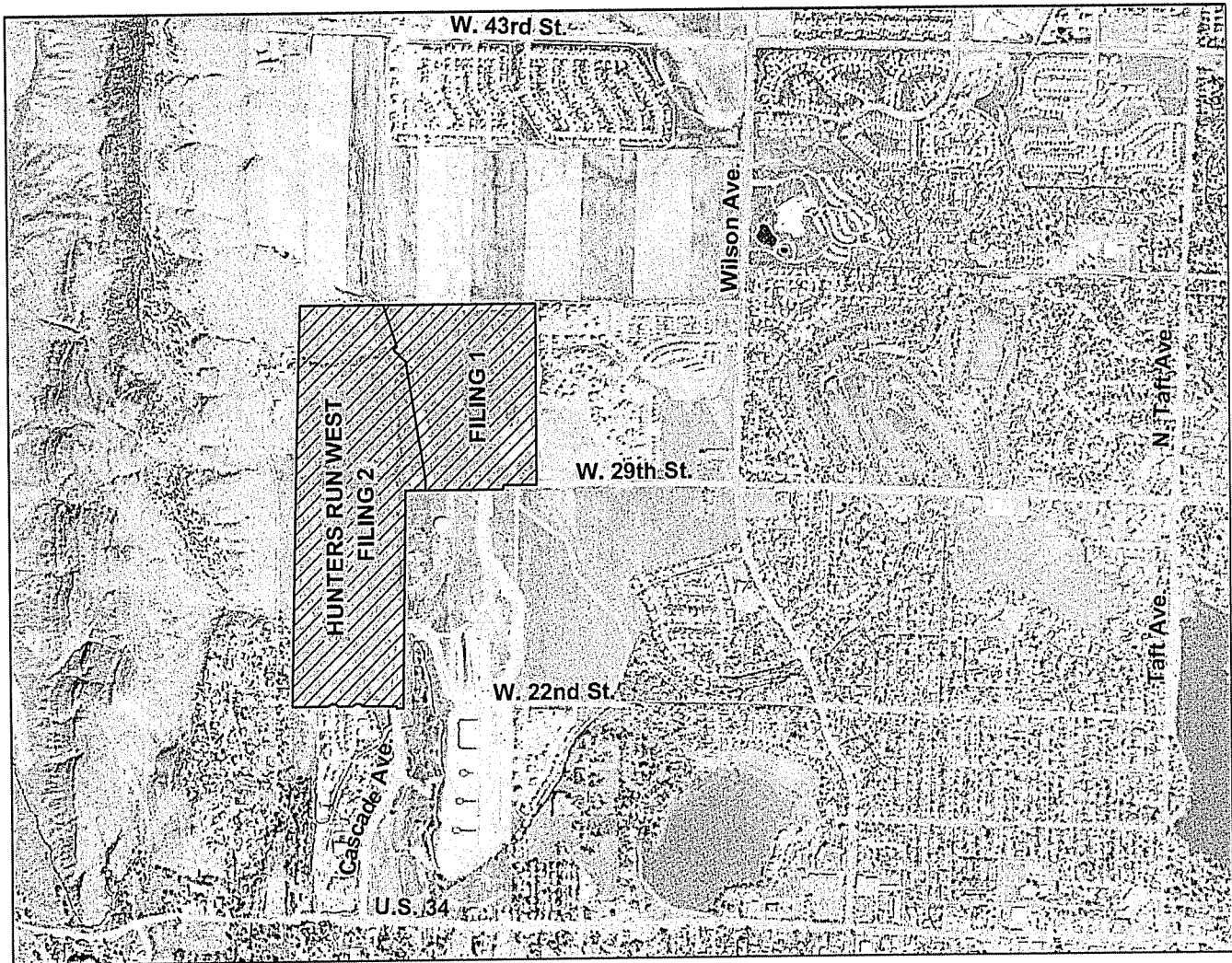
**EXHIBIT A**  
**Map of District Boundaries**

# DISTRICT BOUNDARIES MAP

SCALE 1"=2000'



NORTH



**NOLTE**  
BEYOND ENGINEERING

1901 SHARP POINT DRIVE, SUITE A,  
970.2212400 TEL. 970.2212416 FAX

FORT COLLINS, CO. 80526  
WWW.NOLTE.COM

## DISTRICT BOUNDARIES CASCADE RIDGE METROPOLITAN DISTRICT

PREPARED FOR: DELTA INVESTMENTS

DATE SUBMITTED: JULY 13, 2007

SHEET NUMBER

EXHIBIT  
A

JOB NUMBER  
FCB0130

**EXHIBIT B**  
**Legal Description**

Cascade Ridge Metropolitan District  
Exhibit B - Legal Description

Our Order No: FC25040934-17

**LEGAL DESCRIPTION**

TRACT A, VANGUARD-FAMLECO SECOND ADDITION AND TRACT C, VANGUARD-FAMLECO EIGHTH SUBDIVISION, BEING LOCATED IN THE S 1/2 OF SECTION 4, TOWNSHIP 5 NORTH, RANGE 69 WEST OF THE 6TH P.M., CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: CONSIDERING THE SOUTH LINE OF THE SW 1/4 OF SAID SECTION 4 AS BEARING S 89° 59' 59" W AND WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO: BEGINNING AT THE SW CORNER OF SAID TRACT A, VANGUARD-FAMLECO SECOND ADDITION; THENCE ALONG THE WEST AND NORTH LINES OF SAID TRACT A BY THE FOLLOWING 2 COURSES AND DISTANCES; N 01° 48' 31" E, 2222.33 FEET; THENCE N 89° 59' 25" E, 2491.72 FEET TO THE NW CORNER OF SAID TRACT C, VANGUARD-FAMLECO EIGHTH SUBDIVISION; THENCE ALONG THE NORTH, EAST AND SOUTHERLY LINES OF SAID TRACT C, BY THE FOLLOWING 4 COURSES AND DISTANCES; N 89° 59' 25" E, 330.37 FEET; THENCE S 00° 01' 19" W, 2171.82 FEET; THENCE S 89° 59' 16" W, 243.86 FEET; THENCE S 90° 00' 00" W, 149.43 FEET TO THE SW CORNER THEREOF, SAID POINT ALSO ON THE EAST LINE OF SAID TRACT A; THENCE ALONG THE EAST AND SOUTH LINES OF SAID TRACT A BY THE FOLLOWING 2 COURSES AND DISTANCES; THENCE S 01° 40' 53" W, 49.85 FEET; THENCE S 89° 59' 59" W, 2496.65 FEET TO THE POINT OF BEGINNING;

AND

TRACT A, VANGUARD-FAMLECO THIRD ADDITION TO THE CITY OF LOVELAND, EXCEPT THAT STREET DEDICATION RECORDED APRIL 7, 2000 AT RECEPTION NO. 2000022700, BEING LOCATED IN THE W 1/2 OF THE NW 1/4 OF SECTION 9, TOWNSHIP 5 NORTH, RANGE 69 WEST OF THE 6TH P.M., CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: CONSIDERING THE NORTH LINE OF THE NW 1/4 OF SAID SECTION 9 AS BEARING N 89° 59' 59" E AND WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO: BEGINNING AT THE NW CORNER OF SAID TRACT A: THENCE ALONG THE NORTH, EAST AND SOUTH LINE OF SAID TRACT A BY THE FOLLOWING 3 COURSES AND DISTANCES; N 89° 59' 59" E, 1323.65 FEET; THENCE S 01° 07' 51" W, 2610.18 FEET; THENCE N 89° 36' 55" W, 74.81 FEET TO THE SE CORNER OF THAT ROAD RIGHT OF WAY DESCRIBED AT RECEPTION NO. 2000022700; THENCE ALONG THE EAST AND NORTHERLY LINES OF SAID ROAD RIGHT OF WAY DESCRIBED AT RECEPTION NO. 2000022700 BY THE FOLLOWING 13 COURSES AND DISTANCES; N 08° 02' 19" W, 30.33 FEET; THENCE N 89° 36' 55" W, 400.01 FEET TO A POINT ON A CURVE TO THE NE HAVING A CENTRAL ANGLE OF 20° 30' 05", A RADIUS OF 30.00 FEET AND THE CHORD OF WHICH BEARS N 79° 21' 52" W, 10.68 FEET; THENCE ALONG THE ARC OF SAID CURVE 10.73 FEET TO A POINT OF COMPOUND CURVE, CONCAVE TO THE NE HAVING A CENTRAL ANGLE OF 23° 42' 24", A RADIUS OF 52.42 FEET AND THE CHORD BEARS N 57° 15' 38" W, 21.53 FEET; THENCE ALONG THE ARC OF SAID CURVE, 21.69 FEET TO A POINT OF A REVERSE CURVE, CONCAVE TO THE SOUTH, HAVING A CENTRAL ANGLE OF 88° 00' 35", A RADIUS OF 60.58 FEET AND THE CHORD OF WHICH BEARS N 89° 24' 43" W, 84.17 FEET; THENCE ALONG THE ARC OF SAID CURVE, 93.05 FEET TO A POINT ON A REVERSE CURVE, CONCAVE TO THE NW, HAVING A CENTRAL ANGLE OF 24° 09' 59", A RADIUS OF 54.42 FEET AND THE CHORD OF WHICH BEARS S 58° 39' 59" W, 22.78 FEET; THENCE ALONG THE ARC OF SAID CURVE, 22.95 FEET TO A POINT ON A COMPOUND CURVE, CONCAVE TO THE NW, HAVING A CENTRAL ANGLE OF 19° 38' 07", A RADIUS OF 30.00 FEET AND THE CHORD OF WHICH BEARS S 80° 34' 02" W, 10.23 FEET; THENCE ALONG THE ARC OF SAID CURVE, 10.28 FEET; THENCE N 89° 36' 55" W, 149.16 FEET TO A POINT ON A CURVE CONCAVE TO THE NE, HAVING A CENTRAL ANGLE OF 20° 30' 05", A RADIUS OF 30.00 FEET AND THE CHORD OF WHICH BEARS N 79° 21' 52" W, 10.68 FEET; THENCE ALONG THE ARC OF SAID CURVE



Cascade Ridge Metropolitan District  
Exhibit B - Legal Description

Our Order No: FC25040934-17

**LEGAL DESCRIPTION**

10.73 FEET TO A POINT ON A COMPOUND CURVE, CONCAVE TO THE NE, HAVING A CENTRAL ANGLE OF 23° 42' 24", A RADIUS OF 52.42 FEET AND THE CHORD OF WHICH BEARS N 57° 15' 38" W, 21.53 FEET; THENCE ALONG THE ARC OF SAID CURVE 21.69 FEET TO A POINT ON A REVERSE CURVE, CONCAVE TO THE SOUTH, HAVING A CENTRAL ANGLE OF 88° 00' 35", A RADIUS OF 60.58 FEET AND THE CHORD OF WHICH BEARS N 89° 24' 43" W, 84.17 FEET; THENCE ALONG THE ARC OF SAID CURVE 93.05 FEET TO A POINT ON A REVERSE CURVE, CONCAVE TO THE NW, HAVING A CENTRAL ANGLE OF 24° 09' 59", A RADIUS OF 54.42 FEET AND THE CHORD OF WHICH BEARS S 58° 39' 59" W, 22.78 FEET; THENCE ALONG THE ARC OF SAID CURVE 22.95 FEET TO A POINT ON A COMPOUND CURVE, CONCAVE TO THE NW, HAVING A CENTRAL ANGLE OF 19° 38' 07", A RADIUS OF 30.00 FEET AND THE CHORD OF WHICH BEARS S 80° 34' 02" W, 10.23 FEET; THENCE ALONG THE ARC OF SAID CURVE 10.28 FEET; THENCE N 89° 36' 55" W, 416.99 FEET TO A POINT ON THE WEST LINE OF SAID NW 1/4; THENCE ALONG SAID LINE, N 01° 17' 09" E, 2571.38 FEET TO THE POINT OF BEGINNING.

**EXHIBIT C**  
**Vicinity Map**

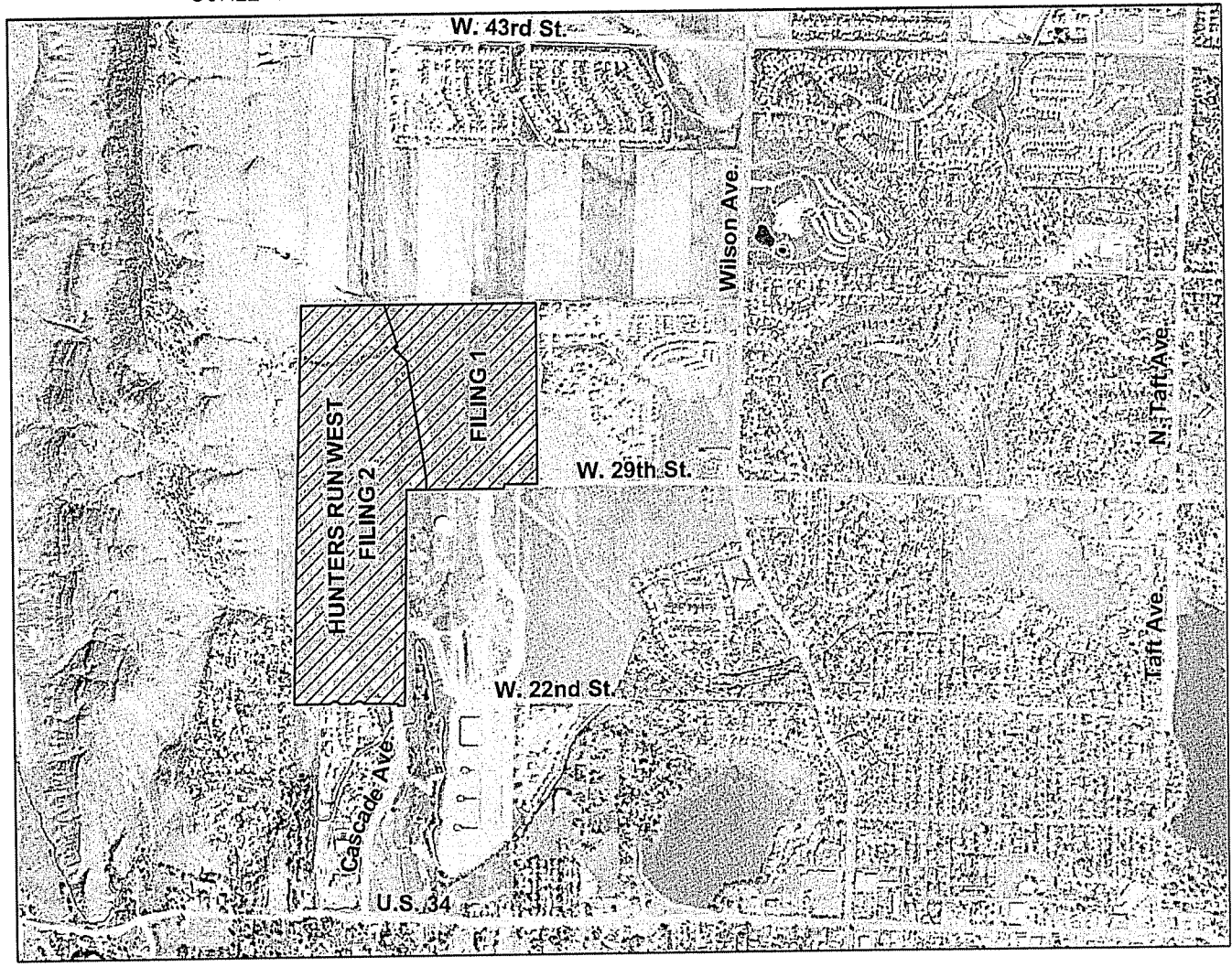
XREFS:

# VICINITY MAP

SCALE 1"=2000'



NORTH



# NOLTE

BEYOND ENGINEERING

1901 SHARP POINT DRIVE, SUITE A,  
970.221.2400 TEL. 970.221.2416 FAX

FORT COLLINS, CO. 80525  
WWW.NOLTE.COM

## VICINITY MAP CASCADE RIDGE METROPOLITAN DISTRICT

PREPARED FOR: DELTA INVESTMENTS

DATE SUBMITTED: JULY 13, 2007

SHEET NUMBER

EXHIBIT  
**C**

JOB NUMBER  
FCB0130

**EXHIBIT D**  
**Financial Plan**

**Stan Bernstein and Associates, Inc.**

*Financial Planners and Consultants  
For Local Governments, Municipal Bond Underwriters, and Real Estate Developers  
8400 East Prentice Ave., Penthouse  
Greenwood Village, Colorado 80111  
Phone: 303-409-7611 Fax: 303-409-7612 Email: Stanplan@Earthlink.net*

**MEMORANDUM**

**TO:** Delta Investments  
Chris Fellows, Fellows Financial, Inc.

**FROM:** Stan Bernstein  
Amy Bernstein

**DATE:** June 25, 2007

**SUBJECT:** Exhibit D – Financing Plan – Cascade Ridge Metropolitan District

**INTRODUCTION AND SCOPE**

Stan Bernstein and Associates, Inc. has assembled a Financial Model for Cascade Ridge Metropolitan District upon key assumptions provided by officials of TerraVisions, LLC. The Financial Model was assembled in order to provide a conceptual understanding of the amount of Limited Tax General Obligation Bonds (the Limited G.O. Bonds) that could ultimately be supported by the Cascade Ridge Metropolitan District (the “District”). The Limited G.O. Bonds are assumed to be issued by the District to reimburse infrastructure costs funded by Delta Investments (the “Developer”).

It is important that officials of the District, the Developer, TerraVisions, LLC, and Fellows Financial, Inc. understand and feel comfortable with the key assumptions that the Financial Model is based upon. It is also important that all parties understand that Stan Bernstein and Associates, Inc. has not independently reviewed or evaluated these key assumptions.

Cascade Ridge Metropolitan District  
Exhibit D – Financing Plan  
Memorandum Page 2 of 4

**FUTURE RATES OF RESIDENTIAL BUILDOUT AND RELATED ASSESSED VALUATION, AND BONDING CAPACITY**

The financial planning concept is that as the construction of future residential real estate product occurs within the boundaries of the District, incremental assessed valuation will generate property tax revenues for the District.

For financial planning purposes it is assumed that a portion (approximately 5.0 mills) of the property tax revenues generated from the 40 mills assumed to be levied by the District will be used to pay administrative costs (it is assumed that all road, landscaping, water, sewer, park and recreation maintenance costs will be the responsibility of the City of Loveland or the Cascade Ridge HOA). It is also assumed that property tax revenues generated from 2.5 mills (from 2009 - 2038) will be contributed to the Town of Loveland Park Improvement Fund; and that property tax revenues generated from 2.5 mills (from 2009 – 2038) will be contributed to the Education Fund or directly to benefiting schools. The property tax revenues not used to pay administrative and other costs will be available to make annual interest and principal payments on outstanding Limited G.O. Bonds.

**This draft indicates that the District could support approximately \$3,750,000 of Series 2011 Limited G.O. Bonds (assuming 30-year amortization and 7% interest rates), approximately \$2,500,000 of Series 2013 Limited G.O. Bonds (assuming up to 30-year amortization and 6% interest rates) and approximately \$1,400,000 of Series 2027 Limited G.O. Bonds (assuming up to 30-year amortization and 6% interest rates). It is possible, depending upon bond marketing strategies, that these Limited G.O. Bonds could be issued sooner than indicated above. It is also possible, depending upon buildout rates, assessed valuation, actual administrative expenditures, and interest rates and debt service coverage requirements that the District might not be able to issue \$7,650,000 of Limited G.O. Bonds.**

It is assumed that the net proceeds of the Limited G.O. Bonds will be used to reimburse the Developer for a portion of the following infrastructure costs expected to be originally funded by the Developer.

Roads	\$4,742,306
Water	1,043,313
Sewer	954,250
Storm Sewer	1,488,500
Landscape	1,244,480
Parks and Rec.	630,284
Miscellaneous	<u>947,242</u>
Total	<u>11,050,375</u>

Cascade Ridge Metropolitan District  
Exhibit D – Financing Plan  
Memorandum Page 3 of 4

The key assumptions with respect to future residential buildout, and related assessed valuation buildup, within the boundaries of the District are presented in detail on Schedule 1 on page 5. These assumptions were provided by officials of TerraVisions, LLC and the Developer. It is generally assumed that any increases in residential assessed valuation as a result of inflation will be offset by decreases in the residential assessment rate caused by The Gallagher Amendment, although the assessed valuation estimates do assume a net average annual inflationary increase of approximately 1% (2% biennially) above decreases in assessed valuation caused by Gallagher.

The Financial Model is based upon a total of 451 residential units being completed by the end of 2012. Officials of TerraVisions, LLC have provided the information contained in Schedule 1, and believes these assumptions to be reasonable and appropriate to use for financial modeling purposes at this time.

**CASCADE RIDGE METRO DISTRICT – CASH FLOW – EXHIBIT I, PAGE 1**

Exhibit I presents the estimated revenues and expenditures for Cascade Ridge Metropolitan District. The primary revenue source consists of property tax revenues generated from a 40.0 mill levy. Other sources of revenue include specific ownership tax revenues, interest earnings, and Developer operating advances in years 2008 and 2009 (which may not be needed depending upon the actual amount of administrative costs incurred during those years).

Operating and administrative expenditure estimates are presented on Exhibit I. Legal, audit and other administrative related expenditures are estimated at \$35,000 for years 2008 - 2011 and are equal to approximately 5 mills for years thereafter.

It is assumed that from 2009 to 2038 the District will contribute a total of \$1,137,235 to the City of Loveland Park Improvement Fund from the property taxes generated from 2.5 mills. It is also assumed that from 2009 to 2038 the District will contribute a total of \$1,137,235 to the Education Fund or directly benefiting schools.

The Limited G.O. Bonds debt service schedule is also presented on Exhibit I. Average interest rates of 7.0% and 30-year amortization have been assumed for the Series 2011 issue, and average interest rates of 6.0% and up to 30-year amortization have been assumed for the Series 2013 and 2027 issues. Exhibit I indicates all Limited G.O. Bonds could be redeemed by December 31, 2044.

Cascade Ridge Metropolitan District  
Exhibit D – Financing Plan  
Memorandum Page 4 of 4

It is assumed that infrastructure reimbursements to the Developer could occur in the following years:

<u>Year</u>	<u>Amount</u>	<u>Funding Source</u>
2011	\$3,637,500	Net Bond Proceeds
2013	2,425,000	Net Bond Proceeds
2027	<u>1,358,000</u>	Net Bond Proceeds
Total	<u>\$7,420,500</u>	

**DISCLAIMER AND LIMITATIONS**

The Financial Model was assembled by Stan Bernstein and Associates, Inc. based upon key assumptions provided by officials of the Districts, TerraVisions LLC, and the Developer. Stan Bernstein and Associates, Inc. has not independently evaluated or reviewed these key assumptions and, consequently, does not vouch for the achievability of the information presented on Exhibit I and on Schedule 1. Furthermore, because of the inherent nature of future events, which are subject to change and variation as events and circumstances change, the actual results may vary materially from the results presented on Exhibit I and on Schedule 1. Stan Bernstein and Associates, Inc. has no responsibility or obligation to update this information or these Financial Models for events occurring after the date of this memorandum.

The actual amount of Limited G.O. Bonds that could be supported by the District will depend on the rate of buildout and the related increases in assessed valuation, interest rates and debt service coverage requirements, and the actual amounts needed to pay for the District's administrative expenses. In the event that the District's actual administrative expenses are more than anticipated on Exhibit I, the amount of Limited G.O. Bonds that could actually be supported by the District will likely be less than shown.



EXHIBIT D - FINANCING PLAN  
FINANCIAL MODEL  
WORKING DRAFT  
SUBJECT TO REVISION  
JUNE 21, 2007  
SEE CONSULTANTS' DISCLAIMER

EXHIBIT D - FINANCING PLAN  
CASCADE RIDGE METROPOLITAN DISTRICT  
CASH FLOW FORECASTS  
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2044

EXHIBIT I

KEY ASSUMPTIONS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
ASSESSED VALUATION (SCH. 1)	0	100,000	300,000	1,929,810	5,207,340	9,214,792	13,191,170	15,130,454	15,130,454	15,433,063	15,433,063	15,741,724	15,741,724	16,056,559
TOTAL DISTRICT MILL LEVY	0.00	0.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 1)	0	56	113	113	113	56	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS (SCH. 1)	0	56	169	282	395	451	451	451	451	451	451	451	451	451

CASH FLOW

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PROPERTY TAXES	0	0	12,000	77,192	208,294	368,592	527,647	605,218	605,218	617,323	617,323	629,669	629,669	642,262
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	0	0	720	4,632	12,468	22,116	31,659	36,313	36,313	37,039	37,039	37,780	37,780	38,536
DEVELOPER OPERATING ADVANCE	0	35,000	30,000	0	0	0	0	0	0	0	0	0	0	0
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	0	0	0	176	1,227	5,869	5,585	9,119	9,097	9,924	9,196	9,345	9,825	10,367
TOTAL REVENUES	0	35,000	42,720	82,000	222,018	396,576	584,901	650,650	650,629	663,286	663,558	676,794	677,274	691,165

EXPENDITURES

COUNTY TREASURER 3.0% COLLECTION FEE	0	0	360	2,316	6,249	11,058	15,829	18,157	18,157	18,520	18,520	18,890	18,890	19,268
ADMINISTRATIVE ALLOWANCE (Approx 5 mills)	0	35,000	35,000	35,000	35,000	46,074	65,956	75,652	75,652	77,165	77,165	78,709	78,709	80,283
CONTRIBUTION TO EDUCATION FUND (2.5 Mills For 30-Years)	0	0	750	4,825	13,018	23,037	32,978	37,826	37,826	38,583	38,583	39,354	39,354	40,141
CONTRIBUTION TO LOVELAND PARK IMPROVEMENT FUND (2.5 Mills For 30-Years)	0	35,000	0	4,825	13,018	23,037	32,978	37,826	37,826	38,583	38,583	39,354	39,354	40,141
TOTAL OPERATING EXPENDITURES	0	35,000	36,860	46,965	67,286	103,206	147,741	169,461	169,461	172,850	172,850	176,307	176,307	179,833

FUNDS AVAILABLE FOR DEBT SERVICE

LTD. G.O. CASH FLOW BONDS	0	0	5,860	35,035	154,733	293,370	417,159	481,189	481,168	490,435	490,708	500,487	500,967	511,351
INTEREST @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	262,500	259,700	256,900	253,750	250,250	246,750	242,900	238,700	234,150
TOTAL DEBT SERVICE	0	0	0	0	0	40,000	40,000	45,000	50,000	50,000	55,000	60,000	65,000	70,000
LTD. G.O. CASH FLOW BONDS OUTSTANDING @ 12/31	0	0	0	0	0	302,500	299,700	301,900	303,750	300,250	301,750	302,900	303,700	304,150

LTD. G.O. CASH FLOW BONDS

INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LTD. G.O. CASH FLOW BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	2,500,000	2,470,000	2,435,000	2,400,000	2,360,000	2,320,000	2,280,000	2,235,000

LTD. G.O. CASH FLOW BONDS

INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LTD. G.O. CASH FLOW BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	2,500,000	2,470,000	2,435,000	2,400,000	2,360,000	2,320,000	2,280,000	2,235,000

TOTAL LTD. G.O. BONDS DEBT SERVICE

LTD G.O. BOND PROCEEDS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
COSTS OF BOND ISSUANCE @ 3%	0	0	0	0	(112,500)	0	(75,000)	0	0	0	0	0	0	0

TOTAL REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE (SCH. 2)

DEVELOPER INFRASTRUCTURE CONTRIBUTIONS	0	11,050,375	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INFRASTRUCTURE COSTS(SCH. 2)	0	(11,050,375)	0	0	0	0	0	0	0	0	0	0	0	0

EXCESS REVENUES & BONDS OVER EXPENDITURES

BEGINNING FUND BALANCE - JANUARY 1	0	0	5,860	35,035	154,733	(9,130)	117,459	(7,111)	(5,782)	9,085	4,958	15,987	18,067	25,381
ENDING FUND BALANCE - DECEMBER 31	0	0	5,860	40,895	195,627	186,498	303,957	303,246	303,246	297,464	306,549	311,507	327,494	345,561

% OF OUTSTANDING LTD. G.O. BONDS/ASSESSED VALUATION

	0.00%	0.00%	0.00%	0.00%	40.70%	28.12%	40.78%	40.28%	38.94%	38.38%	37.04%	36.40%	35.03%	34.32%
--	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

EXHIBIT D - FINANCING PLAN  
FINANCIAL MODEL  
WORKING DRAFT  
SUBJECT TO REVISION  
JUNE 21, 2007  
SEE CONSULTANTS' DISCLAIMER

EXHIBIT D - FINANCING PLAN  
CASCADE RIDGE METROPOLITAN DISTRICT  
CASH FLOW FORECASTS  
FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2044

EXHIBIT I

KEY ASSUMPTIONS

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
ASSESSED VALUATION (SCH. 1)	16,056,559	16,377,890	16,377,890	16,705,244	17,039,349	17,039,349	17,039,349	17,380,136	17,380,136	17,727,738	17,727,738	18,062,293	18,062,293	18,443,939
TOTAL DISTRICT MILL LEVY	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS (SCH. 1)	451	451	451	451	451	451	451	451	451	451	451	451	451	451

CASH FLOW

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
REVENUES	642,262	655,108	655,108	668,210	681,574	681,574	661,574	695,205	695,205	709,110	709,110	723,292	723,292	737,758
PROPERTY TAXES	38,536	39,306	39,306	40,093	40,894	40,894	40,998	43,450	43,450	44,319	44,319	45,206	45,206	44,265
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEVELOPER OPERATING ADVANCE	11,128	14,991	13,118	14,237	17,446	19,437	19,437	21,515	21,502	21,407	21,581	21,738	21,789	21,906
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	691,926	706,405	707,532	722,539	739,914	739,914	741,905	758,433	758,432	773,063	773,237	788,427	788,479	803,929
TOTAL REVENUES	19,268	19,653	19,653	20,046	20,447	20,447	20,447	20,856	20,856	21,273	21,273	21,699	21,699	22,133

EXPENDITURES

COUNTY TREASURER 3.0% COLLECTION FEE	80,283	81,888	81,888	83,526	85,197	85,197	85,197	86,901	86,901	88,639	88,639	90,411	90,411	92,220
ADMINISTRATIVE ALLOWANCE (Approx 5 mills)	40,141	40,944	40,944	41,763	42,598	42,598	42,598	43,450	43,450	44,319	44,319	45,206	45,206	46,110
CONTRIBUTION TO EDUCATION FUND (2.5 Mills For 30-Years)	40,141	40,944	40,944	41,763	42,598	42,598	42,598	43,450	43,450	44,319	44,319	45,206	45,206	46,110
CONTRIBUTION TO LOVELAND PARK IMPROVEMENT FUND (2.5 Mills For 30-Years)	179,833	183,430	183,430	187,099	190,841	190,841	190,841	194,658	194,658	198,551	198,551	202,522	202,522	206,572
TOTAL OPERATING EXPENDITURES	512,093	522,974	524,102	535,440	549,074	549,074	551,065	563,775	563,763	574,512	574,686	585,906	585,957	597,357

FUNDS AVAILABLE FOR DEBT SERVICE

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
LTD. G.O. CASH FLOW BONDS	229,250	224,000	218,400	212,450	206,150	199,500	192,500	184,800	176,750	168,000	158,550	148,400	137,550	126,000
INTEREST @ 7.0%	75,000	80,000	85,000	90,000	95,000	100,000	110,000	115,000	125,000	135,000	145,000	155,000	165,000	175,000
PRINCIPAL REDUCTION	304,250	304,000	303,400	302,450	301,150	299,500	302,500	299,800	301,750	303,000	303,550	303,400	302,550	301,000
TOTAL DEBT SERVICE	3,200,000	3,120,000	3,035,000	2,945,000	2,850,000	2,750,000	2,640,000	2,525,000	2,400,000	2,265,000	2,120,000	1,965,000	1,800,000	1,625,000
LTD. G.O. CASH FLOW BONDS OUTSTANDING @ 12/31	134,100	131,400	128,400	125,100	121,800	118,200	114,300	110,400	106,200	101,700	96,900	91,800	86,400	80,700

LTD. G.O. CASH FLOW BONDS

SERIES 12/1/2011 @ 7.0%	45,000	50,000	55,000	59,000	62,000	65,000	65,000	70,000	75,000	80,000	85,000	90,000	95,000	100,000
SERIES 12/1/2013 @ 6.0%	179,100	161,400	163,400	160,100	161,800	163,200	179,300	180,400	181,200	181,700	181,900	181,800	181,400	180,700
INTEREST @ 6.0%	2,190,000	2,140,000	2,085,000	2,030,000	1,970,000	1,905,000	1,840,000	1,770,000	1,695,000	1,615,000	1,530,000	1,440,000	1,345,000	1,245,000
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	84,000	84,000	84,000	84,000	84,000	84,000	82,200
TOTAL DEBT SERVICE	2,190,000	2,140,000	2,085,000	2,030,000	1,970,000	1,905,000	1,840,000	1,770,000	1,695,000	1,615,000	1,530,000	1,440,000	1,345,000	1,245,000

LTD. G.O. CASH FLOW BONDS

SERIES 12/1/2027 @ 6.0%	483,350	485,400	486,800	482,550	482,950	482,700	481,800	564,200	566,950	568,700	569,450	584,200	582,050	593,900
INTEREST @ 6.0%	0	0	0	0	0	0	0	84,000	84,000	84,000	84,000	84,000	83,100	82,200
PRINCIPAL REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	483,350	485,400	486,800	482,550	482,950	482,700	481,800	564,200	566,950	568,700	569,450	584,200	582,050	593,900

LTD G.O. BOND PROCEEDS

TOTAL LTD. G.O. BONDS DEBT SERVICE	0	0	0	0	0	0	0	84,000	84,000	84,000	84,000	84,000	83,100	82,200
LTD G.O. BOND PROCEEDS	0	0	0	0	0	0	0	0	0	0	0	0	0	0

COSTS OF BOND ISSUANCE @ 3%

TOTAL REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
COSTS OF BOND ISSUANCE @ 3%	0	0	0	0	0	0	0	0	0	0	0	0	0	0

DEVELOPER INFRASTRUCTURE CONTRIBUTIONS

TOTAL INFRASTRUCTURE COSTS(SCH. 2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEVELOPER INFRASTRUCTURE CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0	0	0	0	0

EXCESS REVENUES & BONDS OVER EXPENDITURES

TOTAL INFRASTRUCTURE COSTS(SCH. 2)	28,743	37,574	37,302	52,890	54,077	66,374	69,265	(425)	(3,187)	5,812	5,236	1,706	3,907	3,457
EXCESS REVENUES & BONDS OVER EXPENDITURES	370,942	399,685	437,260	474,561	527,452	581,529	647,903	717,167	716,743	719,367	724,604	726,309	730,216	733,673

BEGINNING FUND BALANCE - JANUARY 1

BEGINNING FUND BALANCE - JANUARY 1	399,685	437,260	474,561	527,452	581,529	647,903	717,167	716,743	713,555	719,367	724,604	726,309	730,216	733,673
------------------------------------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

% OF OUTSTANDING LTD. G.O. BONDS/ASSESSED VALUATION

% OF OUTSTANDING LTD. G.O. BONDS/ASSESSED VALUATION	32.91%	32.12%	30.65%	29.78%	28.29%	27.32%	33.83%	32.77%	31.00%	29.76%	27.93%	26.49%	24.48%	22.85%
---	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

EXHIBIT D - FINANCING PLAN  
 CASCADE RIDGE METROPOLITAN DISTRICT  
 CASH FLOW FORECASTS  
 FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2044

EXHIBIT I

KEY ASSUMPTIONS	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	TOTALS
ASSESSED VALUATION (SCH. 1)	18,443,939	19,812,818	18,812,818	19,189,074	19,189,074	19,572,856	19,572,856	19,964,313	19,964,313	20,363,599	203,653,599
TOTAL DISTRICT MILL LEVY	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	451
INCREMENTAL RESIDENTIAL UNITS ADDED (SCH. 1)	0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE RESIDENTIAL UNITS (SCH. 1)	451	451	451	451	451	451	451	451	451	451	451
<b>CASH FLOW REVENUES</b>											
PROPERTY TAXES	737,758	752,513	752,513	767,563	767,563	782,914	782,914	798,573	798,573	814,544	7,940,848
SPECIFIC OWNERSHIP TAXES @ 6% OF PROPERTY TAXES	44,265	45,151	45,151	46,054	46,054	46,975	46,975	47,914	47,914	48,873	488,451
DEVELOPER OPERATING ADVANCE	0	0	0	0	0	0	0	0	0	0	65,000
INTEREST EARNINGS @ 3% OF BEGINNING FUNDS	22,010	22,119	22,167	22,176	22,244	22,418	22,559	22,646	22,478	42,354	586,528
TOTAL REVENUES	804,033	819,782	819,831	835,792	835,861	852,307	852,448	869,132	878,965	905,770	24,968,828
<b>EXPENDITURES</b>											
COUNTY TREASURER 3.0% COLLECTION FEE	22,133	22,575	23,027	23,027	23,027	23,487	23,487	23,957	23,957	24,436	688,225
ADMINISTRATIVE ALLOWANCE (Approx 5 mills)	92,220	94,064	94,064	95,945	95,945	97,864	97,864	99,822	99,822	101,818	2,970,420
CONTRIBUTION TO EDUCATION FUND (2.5 Mills For 30-Years)	46,110	47,032	47,032	47,973	47,973	0	0	0	0	0	1,137,235
CONTRIBUTION TO LOVELAND PARK IMPROVEMENT FUND (2.5 Mills For 30-Years)	46,110	47,032	47,032	47,973	47,973	0	0	0	0	0	1,137,235
TOTAL OPERATING EXPENDITURES	206,572	210,704	210,704	214,918	214,918	121,352	121,352	123,779	123,779	126,254	5,933,117
FUNDS AVAILABLE FOR DEBT SERVICE	597,461	609,078	609,127	620,875	620,888	730,955	731,096	745,354	755,186	779,516	19,035,711
<b>LTD. G.O. CASH FLOW BONDS</b>											
SERIES 12/1/2011 @ 7.0%	113,750	100,450	86,450	71,400	55,300	38,150	19,600	0	0	0	5,313,000
INTEREST @ 7.0%	190,000	200,000	215,000	230,000	245,000	265,000	280,000	0	0	0	3,750,000
PRINCIPAL REDUCTION	303,750	300,450	301,450	301,400	303,300	303,150	299,600	0	0	0	9,063,000
TOTAL DEBT SERVICE	1,435,000	1,235,000	1,020,000	790,000	545,000	280,000	0	0	0	0	0
<b>LTD. G.O. CASH FLOW BONDS OUTSTANDING @ 12/31</b>											
SERIES 12/1/2013 @ 6.0%	74,700	68,400	61,500	54,300	46,800	38,700	30,000	21,000	11,400	0	2,960,100
INTEREST @ 6.0%	105,000	115,000	120,000	125,000	135,000	145,000	150,000	160,000	190,000	0	2,500,000
PRINCIPAL REDUCTION	179,700	183,400	181,500	179,300	181,800	183,700	180,000	181,000	201,400	0	5,460,100
TOTAL DEBT SERVICE	1,140,000	1,025,000	905,000	780,000	645,000	500,000	350,000	190,000	0	0	0
<b>LTD. G.O. CASH FLOW BONDS OUTSTANDING @ 12/31</b>											
SERIES 12/1/2027 @ 6.0%	80,400	78,600	75,900	72,900	69,000	59,400	48,600	36,600	24,600	12,600	1,143,900
INTEREST @ 6.0%	30,000	45,000	50,000	55,000	60,000	65,000	70,000	75,000	80,000	85,000	1,400,000
PRINCIPAL REDUCTION	110,400	123,600	125,900	137,900	149,000	160,000	168,600	176,600	184,000	191,000	2,543,900
TOTAL DEBT SERVICE	1,310,000	1,265,000	1,215,000	1,150,000	990,000	810,000	610,000	410,000	210,000	0	0
<b>TOTAL LTD. G.O. BONDS DEBT SERVICE</b>	583,650	607,450	608,850	618,600	711,100	726,250	728,200	417,600	426,000	222,600	17,067,000
LTD G.O. BOND PROCEEDS	0	0	0	0	0	0	0	0	0	0	7,650,000
COSTS OF BOND ISSUANCE @ 3%	0	0	0	0	0	0	0	0	0	0	(229,500)
TOTAL REIMBURSEMENT TO DEVELOPER FOR INFRASTRUCTURE (SCH. 2)	0	0	0	0	0	0	0	0	0	0	(7,420,500)
DEVELOPER INFRASTRUCTURE CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0	11,050,375
TOTAL INFRASTRUCTURE COSTS(SCH. 2)	0	0	0	0	0	0	0	0	0	0	(11,050,375)
EXCESS REVENUES & BONDS OVER EXPENDITURES	3,611	1,628	277	2,275	5,768	4,705	2,896	327,754	329,186	556,916	1,969,711
BEGINNING FUND BALANCE - JANUARY 1	733,673	737,285	736,913	739,190	741,465	747,254	751,959	754,855	1,082,608	1,411,795	0
ENDING FUND BALANCE - DECEMBER 31	737,285	736,913	739,190	741,465	747,254	751,959	754,855	1,082,608	1,411,795	1,968,711	1,968,711
% OF OUTSTANDING LTD. G.O. BONDS/ASSESSED VALUATION	20.65%	18.74%	16.36%	14.17%	11.14%	8.12%	4.81%	3.01%	1.03%	0.00%	0.00%

The accompanying summary memorandum (and disclaimer) is an integral part of these cash flow forecasts.

EXHIBIT D - FINANCING PLAN  
 CASCADE RIDGE METROPOLITAN DISTRICT  
 PROJECTED ASSESSED VALUATION - BUILDOUT  
 FOR THE YEARS ENDING DECEMBER 31, 2007 THROUGH 2014

SCHEDULE 1

Description of Unit	Planned Number of Homes	Average Per Unit Price	Total Gross Unit Volume	
			Number	Volume
<b>Residential Units</b>				
SFD Half Acre	61	750,000		45,750,000
SFD 75x120	42	450,000		18,900,000
SFD 65x100	265	375,000		99,375,000
Townhomes	93	229,000		18,675,000
Total Residential - Incremental	451	405,100		182,700,000
Total Residential - Cumulative	451			

Actual Values:

SFD Half Acre	0	0	17,250,000	19,500,000	9,000,000	0	0	45,750,000
SFD 75x120	0	5,850,000	1,350,000	0	0	0	0	18,900,000
SFD 65x100	0	12,375,000	24,750,000	24,750,000	12,750,000	0	0	99,375,000
Townhomes	0	2,250,000	4,725,000	4,725,000	2,250,000	0	0	18,675,000
Total Actual Values	0	20,475,000	41,175,000	48,975,000	24,000,000	0	0	182,700,000
Total Actual Values - Cumulative	0	20,475,000	109,725,000	158,700,000	182,700,000	182,700,000	182,700,000	182,700,000

Assessed Values:

SFD Half Acre	0	0	1,373,100	1,552,200	716,400	0	0	3,641,700
SFD 75x120	0	465,660	107,460	0	0	0	0	1,504,440
SFD 65x100	0	985,050	1,970,100	1,970,100	1,014,900	0	0	7,910,250
Townhomes	0	179,100	376,110	376,110	179,100	0	0	1,486,530
Total Assessed Valuation Residential	0	1,629,810	3,277,530	3,898,410	1,910,400	0	0	14,542,920
Total Assessed Valuation Vacant Land	300,000	0	0	0	(300,000)	0	0	0
Total Assessed Valuation - Incremental	300,000	1,629,810	3,277,530	3,898,410	1,610,400	0	0	14,542,920
Total Assessed Valuation - Cumulative	300,000	1,929,810	5,207,340	12,932,520	14,542,920	14,542,920	14,542,920	14,542,920
Total Assessed Values - Cum. 2% Biennial Net Increases after 2009	300,000	1,929,810	9,214,792	13,191,170	15,130,454	15,130,454	15,433,063	19,572,856

Year Assessed Valuation Certified To CRMD  
 Year Taxes Received By CRMD

2008	2009	2010	2011	2012	2013	2014	2015	2016
2009	2010	2011	2012	2013	2014	2015	2016	

EXHIBIT D - FINANCING PLAN  
 CASCADE RIDGE METROPOLITAN DISTRICT  
 CAPITAL EXPENDITURES  
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2028

SCHEDULE 2

CAPITAL EXPENDITURES

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
ROADS	4,742,306	0	0	0	0	0	0	0	0	0	0
WATER	1,043,313	0	0	0	0	0	0	0	0	0	0
SEWER	954,250	0	0	0	0	0	0	0	0	0	0
STORM	1,488,500	0	0	0	0	0	0	0	0	0	0
LANDSCAPE	1,244,480	0	0	0	0	0	0	0	0	0	0
PARKS AND REC	630,284	0	0	0	0	0	0	0	0	0	0
MISC	<u>947,242</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL CAPITAL EXPENDITURES	<u>11,050,375</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL CAPITAL EXPENDITURES REIMBURSED FROM BONDS AND AVAIL. CASH	0	0	0	<u>3,637,500</u>	0	<u>2,425,000</u>	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES CONTRIBUTED FROM DEVELOPER	<u>11,050,375</u>	<u>0</u>	<u>0</u>	<u>(3,637,500)</u>	<u>0</u>	<u>(2,425,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

EXHIBIT D - FINANCING PLAN  
 CASCADE RIDGE METROPOLITAN DISTRICT  
 CAPITAL EXPENDITURES  
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2028

SCHEDULE 2

CAPITAL EXPENDITURES

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
ROADS	0	0	0	0	0	0	0	0	0	0
WATER	0	0	0	0	0	0	0	0	0	0
SEWER	0	0	0	0	0	0	0	0	0	0
STORM	0	0	0	0	0	0	0	0	0	0
LANDSCAPE	0	0	0	0	0	0	0	0	0	0
PARKS AND REC	0	0	0	0	0	0	0	0	0	0
MISC	0	0	0	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURES	0	0	0	0	0	0	0	0	1,358,000	0
TOTAL CAPITAL EXPENDITURES REIMBURSED FROM BONDS AND AVAIL. CASH	0	0	0	0	0	0	0	0	1,358,000	0
TOTAL CAPITAL EXPENDITURES CONTRIBUTED FROM DEVELOPER	0	0	0	0	0	0	0	0	(1,358,000)	0

EXHIBIT D - FINANCING PLAN  
 CASCADE RIDGE METROPOLITAN DISTRICT  
 CAPITAL EXPENDITURES  
 FOR THE YEARS ENDING DECEMBER 31, 2008 THROUGH 2028  
 SCHEDULE 2

CAPITAL EXPENDITURES

ROADS	4,742,306	
WATER	1,043,313	
SEWER	954,250	
STORM	1,488,500	
LANDSCAPE	1,244,480	
PARKS AND REC	630,284	
MISC	947,242	
<b>TOTAL CAPITAL EXPENDITURES</b>	<b><u>11,050,375</u></b>	
<b>TOTAL CAPITAL EXPENDITURES REIMBURSED FROM BONDS AND AVAIL. CASH</b>	<b><u>7,420,500</u></b>	<b><u>67.15%</u></b>
<b>TOTAL CAPITAL EXPENDITURES CONTRIBUTED FROM DEVELOPER</b>	<b><u>3,629,875</u></b>	<b><u>32.85%</u></b>

**EXHIBIT E**  
**Costs of District's Facilities**



**Cascade Ridge Metropolitan District  
Exhibit E - Costs of District's Facilities  
1 of 1**

<u>Type of Infrastructure</u>	<u>Projected Costs</u>	<u>Costs Minus Regional Benefits</u>	
Roads	\$ 4,742,306.00	\$ 1,194,386.82	add in local cost
Water System	\$ 1,043,313.00	\$ 193,313.00	add in std lines
Sewer System	\$ 945,250.00	\$ 945,250.00	
Storm Drainage	\$ 1,488,500.00	\$ 1,488,500.00	subtract arroyo & east side
Landscaping and Streetscaping	\$ 1,244,480.00	\$ 1,244,480.00	
Parks and Recreation	\$ 630,284.00	\$ 630,284.00	
<b>Subtotal</b>	<b>\$ 10,094,133.00</b>	<b>\$ 5,696,213.82</b>	
Contingency of 20%	\$ 2,018,826.60	\$ 1,139,242.76	
<b>Total Costs</b>	<b>\$ 12,112,959.60</b>	<b>\$ 6,835,456.58</b>	

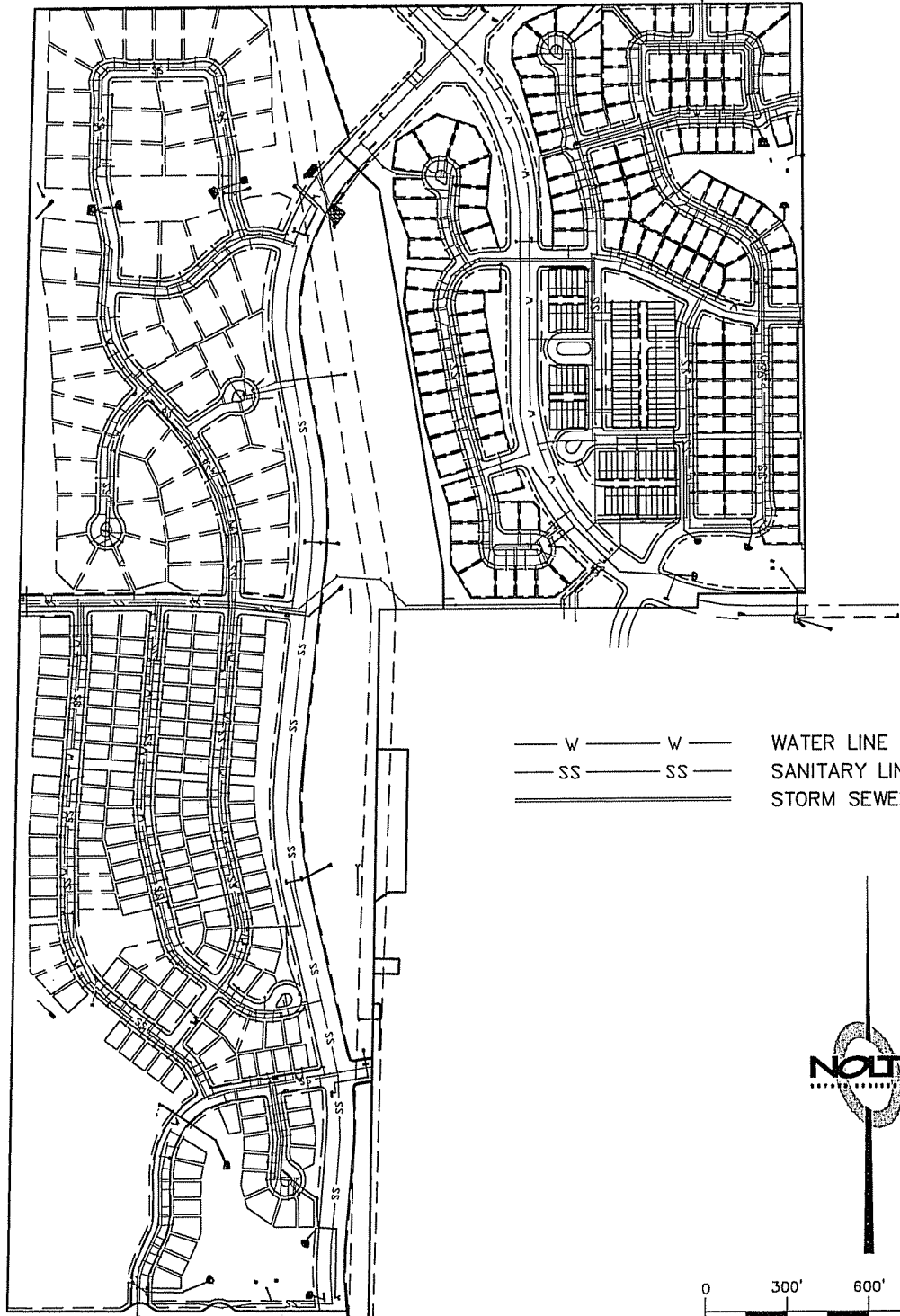
---

**Regional Infrastructure**

---

Cascade	\$ 1,464,447.47	
29th Street & Round-a-bout	\$ 1,281,671.71	
<b>Arroyo</b> (regional benefit not regional detention - we are being asked to detain at a higher rate than standard)		
Pump Station	\$ 850,000.00	
Waterlines	\$ 680,800.00	
East side drainage		
Wilson Median - security	\$ 121,000.00	
	<b>\$ 4,397,919.18</b>	
<b>Reimbursements</b>		
Filing One	\$ 1,482,292.30	
Filing Two	\$ 1,245,000.00	
Third Party reimbursement for PS	\$ 340,000.00	
	<b>\$ 3,067,292.30</b>	
	<b>\$ 1,330,626.88</b>	

**EXHIBIT F**  
**Description of District's Facilities**



**NOLTE**

BEYOND ENGINEERING

1901 SHARP POINT DRIVE, SUITE A,  
970.2212400 TEL. 970.2212416 FAX

FORT COLLINS, CO. 80525  
WWW.NOLTE.COM

# PRIMARY INFRASTRUCTURE PLAN CASCADE RIDGE METROPOLITAN DISTRICT

PREPARED FOR: DELTA INVESTMENTS

DATE SUBMITTED: JULY 13, 2007

SHEET NUMBER

EXHIBIT  
F

JOB NUMBER  
FCB0130

**EXHIBIT G**  
**Loveland Resolution of Approval**

RESOLUTION #R-\_\_\_\_\_

**A RESOLUTION OF THE LOVELAND CITY COUNCIL  
APPROVING THE SERVICE PLAN FOR CASCADE RIDGE  
METROPOLITAN DISTRICT**

WHEREAS, pursuant to C.R.S. Section 32-1-204.5, as amended, the Service Plan for Cascade Ridge Metropolitan District (“the District”) has been submitted to the City Council (the “City Council”) of the City of Loveland, Colorado (the “City”); and

WHEREAS, a copy of the said Service Plan is attached hereto as Exhibit “A” and incorporated herein by reference (the “Service Plan”); and

WHEREAS, the boundaries of the proposed District are wholly contained within the boundaries of the City; and

WHEREAS, notice of the hearing before the City Council for its consideration of the Service Plan was duly published in the *Loveland Reporter-Herald* on \_\_\_\_\_ as required by law, as evidenced by the “Affidavit of Publication” attached hereto as Exhibit “B” and incorporated herein by reference; and

WHEREAS, notice of the hearing before the City Council was also duly mailed by first class mail, on \_\_\_\_\_, to interested persons, defined as follows; (1) the Colorado Division of Local Government; and (2) the governing body of any municipality or special district which has levied an ad valorem tax within the next preceding tax year, and which has boundaries within a radius of three (3) miles of the proposed District’s boundaries, as evidenced by the Certificate of Service attached hereto as Exhibit “C” and incorporation herein by reference; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, C.R.S., as amended, the City Council held a public hearing on the Service Plan for the proposed District on \_\_\_\_\_ 2007; and

WHEREAS, the City Council has considered the Service Plan, and all other testimony and evidence presented at the hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

1. That the hearing before the City Council was open to the public; that all interested parties were heard or had the opportunity to be heard; and that all relevant testimony and evidence submitted to the City Council was considered.

2. That evidence satisfactory to the City Council for finding each of the following was presented at the hearing:

a. there is sufficient existing and projected need for organized service in the area to be served by the proposed District;

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

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

d. the area to be included within the proposed District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

e. adequate service is not or will not be available to the area through the City or other existing municipal or quasi-municipal corporations 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 City;

g. the proposal is in substantial compliance with any Master Plan adopted by the City pursuant to Section 31-23-206 C.R.S., as amended;

h. the proposal is in compliance with any duly adopted City, County, Regional and State long-range water quality management plans for the area; and

i. the approval of the District will be in the best interests of the area proposed to be served.

3. That the City Council hereby determines that the requirements of C.R.S. Sections 32-1-202 (1), (2) and (3) relating to the filing of the Service Plan for the District, and the requirements of Sections 32-1-204 (1) and (1.5) relating to notice of the hearing by the City Council, and the requirements of C.R.S. Section 32-1-204.5 relating to the approval by the City Council have been fulfilled in a timely manner.

4. That City Council hereby approves the Service Plan for the District as submitted.

5. That a certified copy of this Resolution shall be filed in the records of the City and the Larimer County Clerk and Recorder, and submitted to the petitioners under the Service Plan for the purpose of filing in the District Court of Larimer County.

6. The Developer of the property located within the boundaries of the District shall provide to the Loveland City Attorney a mill levy disclosure statement for the District signed by the owner of the property and in a form acceptable to the City Attorney, which statement shall be recorded with the Larimer County Clerk and Recorder and further conditioned upon an agreement between the City and the Developer, in a form acceptable to the City Manager and

City Attorney, requiring the Developer, to provide the mill levy disclosure statement to all prospective purchasers of lots in the District prior to any purchaser entering into the contract to purchase a lot from the Developer, or its successors and assigns.

7. That nothing herein limits the City's powers with respect to the District, the property within the District, or the improvements to be constructed by the District.

8. The City's findings are based solely upon the evidence in the Service Plan and such other evidence presented at the public hearing and the City has not conducted any independent investigation of the evidence. The City makes no guarantee as to the financial viability of the District or the achievability of the results as set forth in the Service Plan.

9. That the City Council's findings in this Resolution and its approval of the Service Plan are conditioned upon the proponents of the Service Plan having reimbursed the City for all the charges and fees it has incurred with its bond counsel and public finance consultant relating to their review of the Service Plan and creation of the District.

10. That this Resolution shall go into effect as of the date and time of its approval by the Council.

Adopted this \_\_\_\_\_, 2007.

\_\_\_\_\_  
Mayor

ATTEST:

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

APPROVED AS TO FORM:

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

**EXHIBIT "A" TO RESOLUTION**

***SERVICE PLAN FOR THE  
CASCADE RIDGE METROPOLITAN DISTRICT***



**EXHIBIT "B" TO RESOLUTION**

***AFFIDAVIT OF PUBLICATION***

**EXHIBIT "C" TO RESOLUTION**

***CERTIFICATE OF SERVICE***

**EXHIBIT H**  
**Loveland Contribution IGA**

**INTERGOVERNMENTAL AGREEMENT CONCERNING THE CITY  
IMPROVEMENT CONTRIBUTION**

This **INTERGOVERNMENTAL AGREEMENT CONCERNING THE CITY IMPROVEMENT CONTRIBUTION** (the "Agreement") is dated as of \_\_\_\_\_, 2007, by and between **CITY OF LOVELAND, COLORADO, a home rule municipality ("City")** and **CASCADE RIDGE METROPOLITAN DISTRICT ("District")**, a quasi-municipal corporation and a political subdivision of the State of Colorado.

WHEREAS, the District has obligated itself pursuant to its Service Plan for Cascade Ridge Metropolitan District dated July 18, 2007 ("Service Plan") to two and a half (2.5) mills per year for thirty (30) years from the collection date following the first issuance of bonds ("Contribution") to the City; and

WHEREAS, the District and the City agree that parks and recreation programs are vital to the well being of a City and its neighborhoods, and;

WHEREAS, enhancing the City's parks and recreation programs will benefit the City and the District, and;

WHEREAS, the District and City agree that the Contribution shall be used in accordance with the terms and uses established in this Agreement; and

NOW, THEREFORE, in consideration of the promises of the parties hereto and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, it is agreed as follows:

1. Contribution. The District agrees to contribute and pay to the City two and a half (2.5) mills per year for thirty (30) years from the date of collection of tax proceeds following the first issuance of bonds. The District shall make such annual payments to the City within forty-five (45) days after its receipt of each year's tax proceeds from the Larimer County Treasurer. This Contribution is being made independent of and in addition to all other fees owed to the City under City Policy for the Development, including, without limitation, capital expansion fees.

2. Terms. The City may use the first five hundred thousand dollars (\$500,000) of the Contribution in its own discretion for parks and recreation. Once the Contribution exceeds five hundred thousand dollars (\$500,000), the City agrees that any expenditure must be for parks and recreation and the expenditure and location of the improvements shall be mutually agreed upon between the City and the District.

3. Multi-Fiscal Year Obligations. To the extent that any of the obligations of the City contained in the Agreement are or should be considered multi-fiscal year obligations, such obligations shall be subject to annual appropriation by the Loveland City Council, and shall be subject to approval of the voters. Failure of the City to make any annual appropriations

necessary to further the purposes of this Agreement and to expend the funds in accordance with this agreement shall relieve the District of any further obligations under this Agreement. However, by entering into this Agreement, the District represents and agrees that it has been authorized in a duly conducted TABOR election to enter into this Agreement as a binding, multi-fiscal year financial obligation to pay the Contribution to the City as set forth herein.

4. Force Majeure. Notwithstanding anything contained herein to the contrary, the parties agree that to the extent that fire, flood, earthquake, natural catastrophe, explosion, accident, illegality, act of God, or any cause beyond the control of the City, or strikes or labor trouble affecting the City (whether or not in the power of the City to settle the same), prevents or delays the performance by the City under this Agreement, the City shall be relieved of the consequences thereof without liability, so long as and to the extent that the City's performance is prevented by such cause; provided, however, that the City shall exercise due diligence in its efforts to resume performance within a reasonable period of time.

5. Governing Law and Enforceability. This Agreement shall be construed in accordance with the laws of the State of Colorado, and venue shall be in the District Court of the County of Larimer, State of Colorado. The parties recognize that there are legal constraints imposed upon the City by constitutions, statutes, rules, and regulations of the State of Colorado and of the United States and imposed upon it by the City Charter and the Loveland Municipal Code, and that subject to such constraints, the parties intended to carry out the terms and conditions of this Agreement.

6. Assignment. Neither party may assign this Agreement without the other party's prior written consent.

7. Waiver. No waiver by either of the parties of any term or condition of this Agreement shall be deemed to be or shall be construed as a waiver of any other term or condition of this Agreement, nor shall any waiver of a breach of any provision of this Agreement be deemed to constitute a waiver or any subsequent breach of the same provision.

8. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

9. Entire Agreement. This Agreement contains the entire agreement of the parties relating to the subject matter hereof and, except as provided herein, may not be modified or amended except by written agreement of the parties.

10. Severability. In the event a court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

11. Headings. Paragraph headings used in this Agreement are for convenience of reference and shall in no way control or affect the meaning or interpretation of any provision of this Agreement.

12. Attorney's Fees. In the event either the parties hereto should default in any of their obligations herein and the party not in default commences legal action against the defaulting party, the defaulting party expressly agrees to pay all the non-defaulting party's reasonable expenses of litigation, including a reasonable sum for attorney's fees.

13. Notices. Written notices required under this Agreement and all other correspondence between the parties shall be directed to the following and shall be deemed received when hand-delivered or three (3) days after being sent by certified mail, return receipt requested:

14. If to the City:

City Manager  
City of Loveland  
500 East Third Street  
Loveland, CO 80537

With a copy to:

City Attorney's Office  
Attn: City Attorney  
500 East Third Street  
Loveland, CO 80537

15. If to District:

Cascade Ridge Metropolitan District  
Attn: Chris Fellows  
4 Inverness Court East, #300  
Englewood, CO 80112

With a copy to:

White, Bear and Ankele.  
c/o Gary White  
1805 Shea Center Drive, Suite 100  
Highlands Ranch, CO 80129

16. Construction of Agreement. This Agreement shall be construed according to its fair meaning as if prepared by both parties and shall be deemed to be and contain the entire understanding of the parties.

**[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CITY OF LOVELAND, COLORADO,  
A municipal corporation

By: \_\_\_\_\_  
Mayor

ATTEST:

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

APPROVED AS TO FORM:

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

CASCADE RIDGE METROPOLITAN DISTRICT

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**EXHIBIT I**  
**Thompson Education Foundation Agreement**



**AGREEMENT CONCERNING THE THOMPSON EDUCATION FOUNDATION  
CONTRIBUTION**

This **AGREEMENT CONCERNING THE THOMPSON EDUCATION FOUNDATION CONTRIBUTION** (the "Agreement") is dated as of \_\_\_\_\_, 2007, by and between **THE THOMPSON EDUCATION FOUNDATION ("Foundation")** and **CASCADE RIDGE METROPOLITAN DISTRICT ("District")**, a quasi-municipal corporation and a political subdivision of the State of Colorado.

WHEREAS, the District has obligated itself pursuant to its Service Plan for Cascade Ridge Metropolitan District dated July 18, 2007 ("Service Plan") to two and a half (2.5) mills per year for thirty (30) years from the collection date following the first certification of a mill levy ("Contribution") to the Foundation; and

WHEREAS, the Foundation and the District agree that good schools and educational facilities/programs are vital to the well being of a community, and;

WHEREAS, all residents in a community benefit from quality educational programming and services for the children of the community, and;

WHEREAS, the park and recreation components of educational programming are vital to the success of the schools, and;

WHEREAS, it is in the best interest of the Foundation and the District to assist schools in the community with their parks and recreational programs and facilities, and;

WHEREAS, the District and Foundation agree that the Contribution shall be used in accordance with the terms and uses established in this Agreement; and

NOW, THEREFORE, in consideration of the promises of the parties hereto and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, it is agreed as follows:

1. Contribution. The District agrees to contribute and pay to the Foundation two and a half (2.5) mills per year for thirty (30) years from the date of collection of tax proceeds following the first certification of a mill levy. The District shall make such annual payments to the Foundation within forty-five (45) days after its receipt of each year's tax proceeds from the Larimer County Treasurer.

2. Terms. The Foundation may use the Contribution in its own discretion for park and recreation improvements and services. The Foundation shall disperse the funds to any of these participating schools: B.F. Kitchen Elementary, Centennial Elementary and/or Laurene Edmundson Elementary. The Foundation may divide the funds to the named schools each year in its own discretion, including giving 100% to one school. The schools must use the

Contribution for public improvements within the above specified uses. It is the position of the Foundation and the District that parks and recreation includes without limitation: park improvements, ballfields, playground equipment, athletic equipment, athletic and sports programming, outdoor recreational activities and programming, and the facilities associated with and required to provide the various parks and recreational programs.

In the event that the Foundation breaches this agreement, or ceases to exist, or a court of competent jurisdiction finds that this agreement is inappropriate/improper in whole, then the District may terminate this agreement, provided however, that in such event, the District will attempt to fulfill the spirit of this agreement by making the payments outlined above directly to the schools identified.

3. Multi-Fiscal Year Obligations. To the extent that any of the obligations of the District contained in the Agreement are or should be considered multi-fiscal year obligations, shall be subject to approval of District voters. However, by entering into this Agreement, the District represents and agrees that it has been authorized in a duly conducted TABOR election to enter into this Agreement as a binding, multi-fiscal year financial obligation to pay the Contribution to the Foundation as set forth herein.

4. Governing Law and Enforceability. This Agreement shall be construed in accordance with the laws of the State of Colorado, and venue shall be in the District Court of the County of Larimer, State of Colorado. The parties recognize that there are legal constraints imposed upon the City by constitutions, statutes, rules, and regulations of the State of Colorado and of the United States and that subject to such constraints, the parties intended to carry out the terms and conditions of this Agreement.

5. Assignment. Neither party may assign this Agreement without the other party's prior written consent.

6. Waiver. No waiver by either of the parties of any term or condition of this Agreement shall be deemed to be or shall be construed as a waiver of any other term or condition of this Agreement, nor shall any waiver of a breach of any provision of this Agreement be deemed to constitute a waiver or any subsequent breach of the same provision.

7. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

8. Entire Agreement. This Agreement contains the entire agreement of the parties relating to the subject matter hereof and, except as provided herein, may not be modified or amended except by written agreement of the parties.

9. Severability. In the event a court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

10. Headings. Paragraph headings used in this Agreement are for convenience of reference and shall in no way control or affect the meaning or interpretation of any provision of this Agreement.

11. Attorney's Fees. In the event either the parties hereto should default in any of their obligations herein and the party not in default commences legal action against the defaulting party, the defaulting party expressly agrees to pay all the non-defaulting party's reasonable expenses of litigation, including a reasonable sum for attorney's fees.

12. Notices. Written notices required under this Agreement and all other correspondence between the parties shall be directed to the following and shall be deemed received when hand-delivered or three (3) days after being sent by certified mail, return receipt requested:

If to the Foundation:

Thompson Education Foundation  
Attn: Lori Schearer  
800 S. Taft Avenue  
Loveland, CO 80537

If to District:

Cascade Ridge Metropolitan District  
Attn: Chris Fellows  
4 Inverness Court East, #300  
Englewood, CO 80112

With a copy to:

White, Bear and Ankele.  
c/o Gary White  
1805 Shea Center Drive, Suite 100  
Highlands Ranch, CO 80129

13. Construction of Agreement. This Agreement shall be construed according to its fair meaning as if prepared by both parties and shall be deemed to be and contain the entire understanding of the parties.

**[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**THE THOMPSON EDUCATION FOUNDATION**

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

**CASCADE RIDGE METROPOLITAN DISTRICT**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date