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Dave
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CONSOLIDATED SERVICE PLAN
FOR
STETSON RIDGE METROPOLITAN DISTRICT NOS. 1 and 2
CITY OF COLORADO SPRINGS, COLORADO

Prepared

by

White and Associates Professional Corporation

September 12, 2000

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I. INTRODUCTION

A. General Overview. This consolidated service plan ("Service Plan") for Stetson Ridge Metropolitan Districts Nos. 1 and 2 (hereinafter collectively known as "Districts") constitutes a combined service plan for two special districts proposed to be organized to serve the needs of a new community to be known as "Stetson Ridge." Stetson Ridge Metropolitan District No. 1 shall hereinafter be known as "the Operating District," and Stetson Ridge Metropolitan District No. 2 shall hereinafter be known as "the Taxing District." The primary purpose of the proposed Districts is to provide public improvements to be dedicated to the City of Colorado Springs, ("City"), to the City of Colorado Springs on behalf of Colorado Springs Utilities ("Colorado Springs Utilities") or to the Operating District for the use and benefit of the Districts' inhabitants and taxpayers. The proposed Districts are generally located north of Stetson Hills Boulevard and south of Dublin Boulevard, bounded on the east by Marksheffel Boulevard.

In general, the Taxing District will serve to provide funding to the Operating District for construction, operation and maintenance of the facilities and improvements described herein. The Operating District will manage the financing, construction, operation and maintenance of such facilities and improvements. Agreements between the Districts will identify the timing, purposes and scope of issuance of bonds by the Taxing District to fund those activities. The "Financing Plan" discussed in Section V contains a consolidated financial plan for the two Districts as a result of the inherent financial ties which the Districts will have to each other for the provision of public improvements for the project and for the payment of debt.

The use of a consolidated Service Plan for the proposed Districts will help ensure proper coordination of the powers and authorities of each respective District, and will help avoid confusion regarding the separate but coordinated purposes of the Districts which could arise if separate service plans were used. Unless otherwise specifically noted herein, the general provisions of this Service Plan apply to the Districts collectively. Where necessary, however, specific reference is made to an individual District to help distinguish the powers and authorities of each District.

Improvements to be provided by the Districts shall include the types of facilities and improvements generally described in Section II.C. below, consisting largely of water, wastewater, streets, park and recreation facilities and other improvements needed for the area. This Service Plan addresses the improvements which are expected to be provided by the Districts and demonstrates how the Districts will work together to provide the necessary public improvements. The Districts may, with City's agreement, engage in other activities.

The assumptions contained within this Service Plan were derived from a variety of sources. Information regarding the present status of property within the Districts, as well as the current status and projected future level of similar services, was obtained from the Developer. Construction cost estimates were assembled by the Developer, who has experience in the costing and construction of similar facilities. Financial recommendations and advice in the preparation of the Service Plan were provided by Clifton Gunderson L.L.C., CPA who has experience as a financial consultant to numerous special districts.

This Service Plan was prepared by White and Associates Professional Corporation, 8005 S. Chester Street, Suite 125, Englewood, Colorado 80112; telephone (303) 858-1800.

B. Contents of Service Plan. This Service Plan consists of a financial analysis and engineering information showing how the facilities and services of the Districts can be provided and financed. Numerous items are addressed in this Service Plan in order to satisfy the requirements of law relative to formation of special districts, as further specifically identified in Exhibit E attached hereto. It is believed that each of the requirements of law and of the City Code are satisfied by this Service Plan.

C. Modification of Service Plan. This Service Plan has been prepared with sufficient flexibility to enable the Districts to provide required services and facilities to meet the needs of the community under evolving circumstances. While the assumptions upon which this Service Plan are generally based are reflective of current zoning for the property within the proposed Districts, the cost estimates and Financing Plan are sufficiently flexible to enable the Districts to provide the necessary services and facilities without the need for repeated amendments to the Service Plan. Modification of the proposed configuration of improvements, scheduling of construction of such improvements, and the locations and dimensions of various facilities and improvements shall be permitted to accommodate development needs consistent with zoning for the property.

D. Multiple District Structure. This Service Plan defines the powers and authorities of, as well as the limitations and restrictions on, the proposed Districts. The Operating District will be responsible for managing the construction of all facilities and improvements, and for operation and maintenance of all improvements which are not conveyed to the City. The Taxing District will be responsible for providing the funding and tax base need to support the Financing Plan for capital improvements and to fund ongoing operations.

Various agreements are expected to be executed by the Districts clarifying the nature of the functions and services to be provided by each District. A description of such agreements shall be included in the annual report to be provided by the Districts to the City, as described in Section VII. The agreements will be designed to help assure the orderly development of essential services and facilities resulting in a community which will be both an aesthetic and economic asset to the City. Such agreements shall be subject to administrative review by the City and approval by City Council if deemed necessary by the City.

Establishment of the proposed Districts will create several benefits for the inhabitants of the community and the City. In general, those benefits are: (a) coordinated administration of construction and operation of public improvements and delivery of those improvements in a timely manner; (b) maintenance of a reasonably uniform mill levy and reasonable tax burden on all residential and commercial areas through controlled management of the financing and operation of public improvements; and (c) assured compliance with state laws regarding taxation which permits the issuance of bonds at the most favorable interest rates possible.

II. PURPOSE OF AND NEED FOR THE PROPOSED DISTRICTS

A. Purpose and Intent. It is intended that the Districts will provide certain essential public-purpose facilities for the use and benefit of all anticipated inhabitants and taxpayers of real property within the boundaries of the Districts, which are wholly located within the City. The primary purpose of the Districts will be to finance the construction of these facilities. It is not the intent of the Districts to provide ongoing services other than as specifically set forth in Section IV.H. hereof and approved by the City. The Districts acknowledge the need and their intent to cooperate with the City to serve and promote the health, safety, prosperity, security and general welfare of its inhabitants. As evidence of such cooperation and need to coordinate activities with the City, the proposed Districts shall obtain a resolution approving this Service Plan from the City which shall be attached hereto as Exhibit A. Should the purposes of the Districts change from what is stated herein, it shall be considered to be a material modification of this Service Plan.

B. Need for Districts. There are currently no other entities in existence located in the surrounding area of the Districts which have the ability and/or desire to undertake the design, financing and construction of improvements needed for the project. It is the petitioners' understanding that the City does not consider it feasible or practicable for it to provide the necessary services and facilities for the project depicted in Exhibit F hereof and described herein. Formation of the Districts is necessary for the provision of public improvements required for the project in the most economic manner possible.

C. General Powers. The proposed Districts will have power and authority to provide the services and facilities generally described in this Service Plan; however, the powers and authorities of each District will be allocated and further refined in a Master Intergovernmental Agreement ("Master IGA"), as referred to in Section I.D above, which may be voted upon and approved by the Districts' voters. For purposes of applicable state laws and City requirements, the Master IGA shall not constitute an amendment of this Service Plan, but shall constitute an integral element of the plan for the Districts and shall be considered a binding agreement between the Districts regarding implementation of the powers contained in this consolidated Service Plan.

1. Powers Regarding Services and Facilities. The Operating District shall have authority to finance and construct facilities generally described below, all as more specifically defined in Exhibit F hereto. The Taxing District will provide the funding to the Operating District necessary for activities to be undertaken by the Operating District. Funding will be provided by the issuance of bonds by the Taxing District at times required pursuant to the Master IGA. The following activities shall be permitted:

a. Water. The design, acquisition, installation and construction of a complete water system, including but not limited to transmission and distribution systems for domestic and other public or private purposes, together with all necessary and proper facilities, equipment and appurtenances incident thereto which may include, but shall not be limited to,

transmission lines, distribution mains and laterals, together with extensions of and improvements to said systems.

b. Streets. The design, acquisition, installation construction, operation and maintenance of street and roadway improvements, including but not limited to curbs, and entry monumentation, as well as sidewalks, bridges, underpasses, emergency access streets, paving, lighting, sleeving, grading, landscaping and other street improvements, together with all necessary, incidental, and appurtenant facilities, together with extensions of and improvements to said facilities.

c. Traffic and Safety Controls. The design, acquisition, installation and construction of traffic and safety protection facilities and services through traffic and safety controls and devices on streets and highways, environmental monitoring, as well as other facilities and improvements including but not limited to, main entry buildings, access gates, signalization at intersections, traffic signs, area identification signs, directional assistance, and driver information signs, together with all necessary, incidental, and appurtenant facilities, together with extensions of and improvements to said facilities.

d. Parks and Recreation. The design, acquisition, installation, construction of public park and recreation facilities including, but not limited to, bike paths, hiking trails, pedestrian trails, pedestrian bridges, pedestrian malls, public fountains and sculpture, art, and botanical gardens, picnic areas, common area and right-of-way landscaping and irrigation (including operation and maintenance thereof), weed control, outdoor lighting of all types, together with all necessary, incidental and appurtenant facilities, and all necessary extensions of and improvements to said facilities or systems.

e. Drainage. The design, acquisition, installation and construction of storm sewers, flood and surface drainage, gutters, culverts, storm sewers and other drainage facilities, detention ponds, retaining walls and appurtenances, and all necessary or proper equipment and appurtenances incident thereto, together with all necessary, incidental and appurtenant facilities, and all necessary extensions of and improvements to said facilities or systems.

f. Sanitary Sewer (Wastewater) Facilities. The design, acquisition, installation and construction of wastewater, mains and wastewater drainage collection facilities and all necessary and all necessary or proper equipment and appurtenances incident thereto, together with all necessary, incidental and appurtenant facilities, and all necessary extensions of and improvements to said facilities or systems.

2. Miscellaneous Powers. The Districts shall have the following miscellaneous powers with respect to activities to be conducted pursuant to this Service Plan.

a. Legal Powers. The powers of the Districts will be exercised by their Boards of Directors to the extent necessary 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.

b. Other. In addition to the powers enumerated above, the boards of directors of the Districts shall also have the following authority:

i. To amend this Service Plan as needed, subject to applicable state and local laws contained in Title 32, C.R.S. and the Code of the City of Colorado Springs of 1980, as amended, or as subsequently amended (the "City Code"). Each District shall have the right to amend this Service Plan independent of participation of the other Districts on condition that none of the Districts shall be permitted to amend those portions of this service Plan which affect, impair, or impinge upon the rights or powers of the other District without such District's written consent. No District shall be permitted to depart from or attempt to amend this Service Plan in any way which materially affects the activities of the other District as contemplated herein including, but not limited to, the efforts of the Operating District inclusively to manage the payment, construction, operations and maintenance of facilities as contemplated herein; and

ii. With the written consent of the Operating District, to forego, reschedule, or restructure the payment and construction of certain improvements and facilities in order to better accommodate the pace of growth, resource availability and potential inclusions of property within the other Districts, or if the development of the improvements and facilities would best be performed by another entity; and

iii. To provide all such additional services and exercise all such powers as are expressly or impliedly granted by Colorado law, and which the Districts are required to provide or exercise or, in their discretion, choose to provide or exercise; and

iv. To exercise all necessary and implied powers under Title 32, C.R.S. in the reasonable discretion of the boards of directors of the Districts.

III. BOUNDARIES; POPULATION AND ASSESSED VALUATION ESTIMATES

A. General. The service areas of the Districts are generally described as all real property within the collective boundaries of the Districts. The boundaries of the Districts are more particularly depicted in the maps contained in Exhibit D. Legal descriptions of the boundaries of the Operating District and the Taxing District are attached as Exhibit B. The service areas of the Districts are more particularly discussed in Section III.C. which follows. Exhibit C is a City of Colorado Springs vicinity map, which generally reflects the Districts' location within City boundaries.

The developer of the Project, Case Brothers, L.L.C. (the "Developer") holds title to all real property within the Districts. Stetson Ridge will contain approximately 220 acres of real property, divided into several development phases planned for residential communities. The improvements, which are described in this Service Plan, are necessary and applicable for the

entirety of Stetson Ridge. The petitioners assure that the Districts are entirely within the current boundaries of the City.

B. Changes in Boundaries. The District shall obtain written approval from the City prior to seeking a change in its boundaries. Any changes in the boundaries of either the Operating District or the Taxing District shall be approved administratively or referred to City Council for approval on the condition that all property originally in one of the districts remains in one of the districts. Otherwise, the inclusion or exclusion of any property into or from the boundaries of the Districts shall be subject to the prior approval of the City Council following a public hearing thereon.

C. Configuration of Districts. In order to implement the multiple district structure contemplated herein, the boundaries and individual service areas of the Operating District and the Taxing District need to be carefully configured. The service area (the area legally permitted to be served) of the Operating District will consist of the entire Stetson Ridge community, including the property within the Taxing District's boundaries. The service area of the Taxing District will be the Taxing District's legal boundaries, as amended from time to time. The Operating District will have power to impose taxes only within its legal boundaries, but will be permitted to provide public services to its entire service area and will be permitted to impose fees and charges for such services in the areas served. The Taxing District will have power to assess taxes and other charges permitted by law only within its service area to fund the Taxing District's obligations to the Operating District. It is currently anticipated that no residential units will be located within the Operating District. The Taxing District is expected to contain residential properties, comprised of single and multi-family homes.

D. Population and Assessed Valuation Estimates. An estimate of projected assessed valuations within the Districts is set forth in Exhibit G which contains the financing plan for the Districts. The 1999 assessed valuation for all property within the boundaries of the Districts was approximately \$200,000.

1. Stetson Ridge Metropolitan District No. 1. The Operating District shall consist of open space and undeveloped property. There will be no residential component within the boundaries of the Operating District; therefore there is no projected population.

2. Stetson Ridge Metropolitan District No. 2. The Taxing District shall consist of residential development comprised of single and multi-family homes. At build-out, the population of the Taxing District is estimated to be approximately 2,000 persons.

IV. DESCRIPTION OF PROPOSED FACILITIES

The following section describes the facilities and improvements expected to be provided by the Districts both within and without their boundaries. This description is preliminary only and will be subject to modification and revision as engineering plans, financial factors, and construction scheduling and costs may require. The improvements shall be subject to the limitations on the powers of the Districts as set forth in this Service Plan. Improvements not specifically described herein shall be permitted as long as they are generally contemplated in the

Service Plan and are within the Districts' financial ability to provide such improvements. As noted herein, the Taxing District will provide funding to the Operating District for construction, operation, and maintenance of such facilities and improvements. The Operating District will be permitted to exercise its statutory powers and authority set forth herein to finance and construct the public facilities and their improvements as further described in this Service Plan, either directly or by contract. Where appropriate, the Operating District will contract with various public and/or private entities to undertake such functions, including a Master IGA with the Taxing District.

The Facilities Plan attached hereto as Exhibit F generally identifies the facilities and improvements to be designed, financed, and constructed by the Districts. The Facilities Plan also includes a schedule of estimated costs (in current dollars) and the anticipated timetable for the construction of such facilities and improvements, as well as an explanation of the methods, basis, and/or assumptions used to prepare such Plan.

The combined total estimated cost of the facilities and improvements that the District shall be permitted to construct is approximately \$2,000,000 inclusive of contingencies, engineering, and construction management. Diagrams showing the general layout of the proposed facilities and improvements are attached hereto as Exhibit F. Any material change in the type or cost of, or the construction timetable for, such facilities and improvements from that which has been stated in this section shall be considered to be a material modification of this Service Plan.

Upon approval of this Service Plan, the Districts will continue to develop and refine cost estimates contained herein and prepare for bond issues. Updated information if any, shall be provided to the City in the annual report referred to herein. All cost estimates will be inflated to then-current dollars at the time of bond issuance and construction. All construction cost estimates assume construction to applicable local, state or federal requirements.

All public improvements financed through the Districts will be designed and constructed solely in accordance with the standards and specifications set forth by the City and in accordance with all provisions of the City Code. The Districts shall dedicate, at no cost to the City, all public improvements accepted by the City upon completion of construction and installation. The District shall obtain all necessary local, state and federal permits for the construction and installation of the public improvements authorized herein.

A. Water System.

1. Overall Plan. The water system will consist of a water distribution system consisting of buried water mains, fire hydrants, and related appurtenances located predominately within the District boundaries but also includes relocation, removal, upsizing and replacement of existing water mains and infrastructure required to provide service within the District. The District shall transfer ownership of all water system improvements to Colorado Springs Utilities after construction, inspection and acceptance by the Water Resources Department. The final configuration of the internal water system is yet to be designed. When design and construction

are finalized, the system will serve each development tract from adjacent streets and roads. Upon construction and acceptance of water facilities in accordance with the Water Resources Department's Standards and Specifications, operations and maintenance of all public water facilities will be provided by Colorado Springs Utilities. Colorado Springs Utilities will charge system users for its services in accordance with applicable tariffs.

2. Design Criteria. The proposed domestic potable water distribution system is expected to include pressurized water mains with multiple pressure zones. Water system components will be installed in accordance with the applicable standards of Colorado Springs Utilities and all entities with jurisdiction over the District including the City. The water system will also be designed based on the City fire protection requirements.

3. Water Demand. The individual water system components will be sized based upon the projected potable and fire flow requirements of Stetson Ridge and other criteria specified by Colorado Springs Utilities and the Water Resources Department's "Water Distribution Master Plan."

4. Water Distribution System. The water distribution system will be owned by the Colorado Springs Utilities. The system is expected to include main distribution and transmission lines and related appurtenances. Additionally, for distribution system facilities located outside City streets or public rights of way, Developer shall convey easements to Colorado Springs Utilities as required by the Water Resources Department's Standards and Specification and as approved by Colorado Springs Utilities.

5. Cost Estimates. The estimated construction costs for the development of the domestic water system for Stetson Ridge are presented in Exhibit F.

B. Street Improvements. After conveyance by the Developer of the street rights-of-way or appropriate easements to the Operating District, the Operating District is expected to construct curbs, gutters, culverts, drainage ditches, sidewalks, box culverts, tunnels, paving, lighting, landscaping and other road, street and drainage facility improvements which the project will require, as well as necessary traffic and safety protection devices and controls.

1. Roadway Infrastructure. All public streets within the Districts will be maintained by the City, upon the City's acceptance of the same. This will include all roadway infrastructure as it is completed and accepted by the City. The maintenance of any private roads within the boundaries of the Districts will not be the responsibility of the City nor the Districts.

2. Drainage Facilities. The storm drainage facilities will be owned, operated and maintained by the City after dedication and acceptance by the City.

3. Cost Estimates. The estimated construction costs for the development of the roadway system for the project are shown on Exhibit F.

C. Park and Recreation Improvements: Landscaping.

1. Parks. The park improvements expected to be constructed and maintained within the District include common area landscaping, an irrigation system, monumentation and trail improvements. Landscaping improvements may consist of irrigated turf, hardscape, walkways, shrubs, mulch beds, and various amenity features. Some common area landscaping and park improvements may be retained by the District for continued operations and maintenance pursuant to the terms and conditions herein.

2. Recreation. Recreation improvements are proposed to be distributed throughout the development.

3. Street Landscaping. The major streets are anticipated to have landscaping along curbing/sidewalk areas and along any medians. This landscaping may consist of required fencing, identification markers, landscape buffers, shrub and flower beds, mulch beds, irrigated and non-irrigated turf and native grasses, subdivision identification markers, trees, and other landscape features commonly associated with streetscape design.

4. Cost Estimates. The estimated construction costs for the development of the park and recreation improvements are shown on Exhibit F.

D. Sanitary Sewer (Wastewater) Collection System.

1. Overall Plan. The sanitary sewer collection system is expected to include buried sewer mains, manholes and related appurtenances located predominately within the District's boundary but may include relocation, removal, upsizing or replacement of existing wastewater collection facilities required to provide service within the District. Upon construction, inspection, and acceptance by Colorado Springs Utilities in accordance with the Water Resources Department's Standards and Specifications, all wastewater facilities will be owned, operated and maintained by Colorado Springs Utilities. Colorado Springs Utilities will charge system users for its services in accordance with applicable tariffs. The exact configuration of the sanitary sewer collection system is currently being designed.

2. Design Criteria. The proposed sanitary sewer collection system is expected to include sewer mains designed to collect sewage from the development areas within and adjacent to Stetson Ridge. The sewer system components will be designed and installed in accordance with the applicable standards of Colorado Springs Utilities and of all entities with jurisdiction over the District. A sanitary sewer system analysis may be prepared to determine appropriate line sizes and slopes.

3. Wastewater Treatment. Wastewater will be collected and transported to the Colorado Springs Utilities wastewater treatment facilities.

4. Sanitary Sewer (Wastewater) Collection. The sanitary sewer collection system will be owned by Colorado Springs Utilities. For collection facilities located outside City

streets or public rights of way, Developer shall convey easements to Colorado Springs Utilities as required by the Water Resources Department's Standards and specifications and as approved by Colorado Springs Utilities.

5. Cost Estimates. The estimated construction costs for redevelopment of the sanitary sewer collection system and storm drainage improvements for Stetson Ridge are shown in Exhibit F.

E. Description of Cost Estimates. The cost estimates for all improvements summarized in Exhibit F are based on quantities taken from preliminary development plans and preliminary utility and drainage plans. The unit prices, based on recent bids or contracts, were multiplied by the individual quantities.

F. Construction Standards. The District shall ensure that any proposed improvements set forth in this Section IV will be designed and constructed solely in accordance with the standards and specifications set forth by the City or Colorado Springs Utilities, as applicable. The District will obtain approval of civil engineering plans for public works improvements and a permit for construction and installation of improvements from the City Engineer as required by Sections 19-5-102 and 19-6-102 of the City Code.

G. Dedication of Improvements to the City. Other than as set forth within this Service Plan, the District shall dedicate or cause all of the public water and wastewater improvements, all public streets and streets dedicated by plat, all public drainage facilities, and all public sidewalks as well as all rights-of-way and easements necessary for access to facilities to be conveyed to the City or Colorado Springs Utilities, as appropriate, upon completion of construction, installation and inspection without charge to the City or Colorado Springs Utilities. Failure to comply with the dedication of improvements set forth in this Section shall be deemed to be a material modification of this Service Plan.

H. Ownership/Operation of Facilities by Districts. With the exception of common area landscaping and common park improvements, the Districts shall not be authorized to own or operate facilities to be provided pursuant to this Service Plan on a perpetual basis. All such public improvements constructed by the Districts will be dedicated to the City or Colorado Springs Utilities as appropriate for operation and maintenance in accordance with applicable City or Colorado Springs Utilities' requirements and specifications.

The District may operate and maintain common area landscaping and common park improvements and may do so by contract with, and eventual dedication to homeowner associations or other appropriate entities. Revenue to pay the expenses of operations may be obtained from fees legally imposed by homeowner associations or through the District's mill levy, subject to the overall mill levy limitation set forth herein, but not to exceed five (5) mills.

I. Services of Districts. The Districts will require operating funds to plan and cause the facilities contemplated herein to be constructed and for administrative costs of running the District. Such costs are expected to include reimbursement of organizational costs, legal,

engineering, accounting, bond issuance costs and compliance with state reporting and other administrative requirements. The first year's operating budget is estimated to be approximately \$50,000. An overall financing plan showing the anticipated operating costs, phasing of bond issues, and related matters is attached as Exhibit G.

V. FINANCING PLAN

A. General Plan of Finance. Pursuant to the Master IGA contemplated herein, the Operating District shall be responsible for construction of the facilities described herein to the extent the Taxing District has the financial resources to provide funding to the Operating District for construction of such facilities. The total limited tax general obligation bond debt limit for the Districts will be \$2,000,000, inclusive of costs of issuance, organizational costs, inflation, and other similar costs. Increases in debt necessary to accomplish a refunding or restructuring of debt shall not count against the debt limit. Obligations of the Districts in the IGAs discussed herein will not count against the debt limitation. The debt limit shall not be increased unless approved by the City and as permitted by statute. Any change in debt limit shall be considered a material modification of the Service Plan.

B. Approval of Debt Issuance. It is currently anticipated that the Taxing District will issue general obligation bonds and pay the proceeds to the Operating District under the Master IGA in amounts sufficient to permit the Operating District to construct needed facilities. The timing of issuance of the District's limited tax general obligation bonds will be adjusted from time to time at the District's discretion to meet development requirements and as necessary to coincide with financial market considerations. No bonds shall be issued prior to approval of City Council. All district limited tax general obligation bonds, if not rated as investment grade, must be issued in minimum denominations of \$100,000 and sold only to either accredited investors as defined in rule 501(a) promulgated under the Securities Act of 1933 or to the developer(s) of property within the District.

C. Identification of District Revenue. All bonds issued by the Districts may be payable from any and all legally available revenues of the Districts, including general *ad valorem* taxes to be imposed upon all taxable property within the Taxing District; subject to the following limitations:

1. The maximum mill levy the Taxing District can promise to impose for the payment of such debt shall be 20 mills or 20 percent of the total combined mill levy of all governmental entities overlapping property within the Districts at the time of issuance of any District debt, subject to adjustment if the laws of the State change with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation changes, Constitutional or other changes in the law that would result in automatic decreases in ad valorem taxes, 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 maintaining a constant level of tax receipts of the District and overall tax payments from property owners. Any such mill levy adjustments shall be disclosed to the City by the District in the annual report required in section VII herein.

Except as otherwise specifically permitted herein, the debt limit and the mill levy limitation shall not be increased unless approved by the City and as permitted by statute. Except as otherwise specifically permitted herein, any change in debt limit shall be considered a material modification of the Service Plan.

2. The Districts bonds will be limited tax general obligation bonds to be purchased by the Developer. Such bonds cannot default as long as the Districts are imposing the required maximum allowed mill levy.

D. Security for Debt. The Districts shall not pledge any revenue or property of the City as security for the indebtedness set forth in the Financial Plan of the proposed Districts.

E. Refinancing of District Debt. Notwithstanding any provision of state statute to the contrary, the Districts shall not extend the final maturity or increase the total debt service of any District debt through refinancing or any other method without the prior approval of the City Council, following a public hearing thereon.

F. Authorized and Unissued Debt. Any authorized but unissued debt of the Districts shall be eliminated upon the fifth calendar year after the calendar year in which the eligible electors of the District approved such debt.

G. Quinquennial Review. Pursuant to Section 32-1-1101.5, the District shall submit application for a quinquennial finding of reasonable diligence in every fifth calendar year after the calendar year in which the District's ballot issue to incur general obligation indebtedness was approved by its electors. Upon such application, the City shall conduct an administrative review to ensure that the District's conduct is in conformance with the City requirements. At the City's sole discretion, the District shall pay an administrative fee for any review required by the City under this Section.

H. Description of Existing Conditions. There is currently no ongoing re-development of property within the District.

I. Financial Analysis. The proposed Financing Plan of the Districts is attached hereto as Exhibit G. Such Exhibit includes a complete forecasted statement of sources and uses of District revenue, extending through the discharge of all proposed indebtedness. Separate amortization schedules showing annual principal and interest payments are provided for each proposed debt issue and for all debt combined. Insofar as different classes of debt are proposed, the total debt service for each class of debt is shown.

The Financing Plan demonstrates one method that may be used by the District to finance the cost of facilities. Any material economic deviation of the Financing Plan from the scope of this Service Plan shall be deemed a material modification hereof and shall be subject to the requirements of the City governing the approval of such modifications. The District shall reimburse the City for all costs associated with review of proposals to organize the District

and/or to issue debt instruments, including but not limited to costs of: review/analysis by the City's financial advisor; review by the City's bond counsel; review /analysis by the City Attorney; and City staff time and materials incurred in review, analysis and implementation.

J. Risk Disclosure. The ability of the Districts to meet the projections upon which the financial plan is premised is subject to various risks and uncertainties, including but not necessarily limited to, actual development that occurs within the Districts' boundaries and the sale of lots/construction of homes as might occur within the area and actual market valuation of property within the Districts' boundaries. Development in the Districts will be impacted by many factors including governmental policies regarding land development, the availability of utilities, construction costs, interest rates, competition from other developments and other political, legal and economic conditions.

VI. GENERAL MATTERS

Elections. Following approval of this Service Plan by the City, and after acceptance of the organizational petition and issuance of orders from the district court, elections on the questions of organizing the Districts and approving bonded indebtedness and various agreements described herein will be scheduled. All elections will be conducted as provided in the Court orders, the Uniform Election Code of 1992 (as substantially amended by House Bill 93-1255), and the TABOR Amendment, and are currently planned for November 7, 2000, but may be held on any legally permitted date. The election questions are expected to include whether to organize the Operating District and the Taxing District, election of initial directors, and TABOR Amendment ballot issues and questions. Thus, the ballot may deal with the following topics (in several questions, but not necessarily using the exact divisions shown here):

1. Whether to organize the Districts,
2. Membership and terms of the initial board members,
3. Approval of new taxes,
4. Approval of maximum operational mill levies,
5. Approval of bond and other indebtedness limits,
6. Approval of an initial property tax revenue limit,
7. Approval of an initial total revenue limit,
8. Approval of an initial fiscal year spending limit, and
9. Approval of a four-year delay in voting on ballot issues.

Ballot issues may be consolidated as approved in Court orders. The petitioners intend to follow both the letter and the spirit of the Special District Act, the Uniform Election Code, and the TABOR Amendment during organization of the Districts. Future elections to comply with the TABOR Amendment are anticipated and may be held as determined by the elected Boards of Directors of the Districts.

VII. ANNUAL REPORT.

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

- a. Boundary changes made or proposed.
- b. Intergovernmental Agreements with other governmental entities entered into or proposed.
- c. Changes or proposed changes in the Districts' policies.
- d. Changes or proposed changes in the Districts' operations.
- e. Any changes in the financial status of the Districts including revenue projections, or operating costs.
- f. A summary of any litigation which involves the Districts.
- g. Proposed plans for the year immediately following the year summarized in the annual report.
- h. Status of Districts' Public Improvement Construction Schedule.
- i. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City.
- j. Summary of current assessed valuation in the Districts.
- k. Budget of the District for the reporting year.
- l. Audited financial statements for the District, provided however, that in the event that such audited financial statements have not been completed or accepted by the District prior to the date upon which the annual report is due, such audited financial statements shall be provided to the City as an addendum to the annual report as soon thereafter as reasonably possible.

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

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

Such information shall be presented in the following format: Projected; Year-End Actual; Variance. For purposes of this section, "projected" means as originally projected in the Districts' financial plan and exhibits, as the same may from time to time be amended. If the comparison between projected and year-end actual numbers is based upon a projection contained in an amendment to the Service Plan, the amendment should be clearly identified and the date of the City's approval referenced.

VIII. CONSERVATION TRUST FUND

The Districts shall claim no entitlement to funds from the Conservation Trust Fund which is derived from lottery proceeds. The Districts shall remit to the City any and all conservation trust funds, which they receive.

IX. CONSOLIDATION

The Districts shall not file a request with the district court to consolidate with another district without the prior written approval of the City.

X. MODIFICATION OF SERVICE PLAN

The District shall obtain the prior approval of the City Staff, and Colorado Springs Utilities with respect to water and wastewater facilities, before making any material modifications to this Service Plan as noted herein. Material modifications shall include modifications of a basic or essential nature including any additions to the types of facilities or services provided by the District, boundary adjustments, change in debt or mill levy limit, change in revenue type, or change in maximum mill levy. All material modifications shall be subject to the City Council's approval in accordance with Section 32-1-207(2), C.R.S. The examples above are only examples and are not an inclusive list of all actions which may be identified as a material modification. The City or Colorado Springs Utilities approval shall not be required for non-material modifications to this Service Plan necessary for the execution of the Financing Plan for public improvements previously outlined herein.

XI. FAILURE TO COMPLY WITH SERVICE PLAN

In the event that the District takes any action which constitutes a material modification from the Service Plan without approval from the City, or fails to comply with the Service Plan, in addition to other remedies available to the City or Colorado Springs Utilities, the City or Colorado Springs Utilities may utilize the remedies set forth in the statutes to seek to enjoin the actions of the District.

XII. RESOLUTION OF APPROVAL

The proposed District agrees to incorporate the City Council's Resolution of Approval, including any conditions on such approval, into the Service Plan presented to the appropriate District Court. Such Resolution shall be attached as Exhibit A.

XIII. DISCLOSURE

The petitioners and the District will use best efforts to assure that all developers of the property located within the District provide written notice in a form acceptable to the City to all purchasers of property in the District regarding the existence of, and the additional taxes, charges, or assessments that may be imposed by, the District. The form of disclosure shall be

submitted to the City within ninety (90) days following the organization of the District and prior to the issuance of any debt by the District. Such disclosure shall include, but not necessarily be limited to the following matters:

- a. The authorized debt of the District, anticipated issuance schedule, and terms thereof;
- b. The facilities to be operated and maintained by the District;
- c. The maximum mill levy of the District and the procedure for any adjustment thereto;
- d. An estimate of the annual *ad valorem* property tax to be paid by a representative property within the District; and
- e. Any applicable District fees and a statement that such fees are separate from any applicable homeowners' association fees.

Subsequent to the District's organization, the disclosure shall be provided to all potential purchasers at the point of contracting for purchase of the property and shall additionally be recorded in the real property records of the County of El Paso, State of Colorado.

XIV. INTERGOVERNMENTAL AGREEMENTS

Prior to obtaining an order for organization of the District, a form of intergovernmental agreement shall be submitted to the City for approval of the City Council. Such intergovernmental agreement shall be satisfactory in its form and content to the City and upon City Council approval, shall thereafter be appended to this Service Plan as Exhibit H. The District shall be required to approve and execute the intergovernmental agreement prior to undertaking any financing activities contemplated herein.

XV. DISSOLUTION

The District shall be subject to dissolution in the event that limited tax general obligation debt has not been issued within three years of organization of the District, or if the District has no debt outstanding and is deemed to be inactive as defined Section 32-1-710, C.R.S. In such event the authorized purposes and powers of the Districts shall be automatically curtailed and expressly limited to taking actions reasonably necessary to dissolve, the board of the District will be deemed to have agreed with the City to dissolve without an election pursuant to Section 32-1-704(3)(b), C.R.S., and the District shall thereupon dissolve.

XVI. CONCLUSION

It is submitted that this Service Plan for the Districts, as required by Section 32-1-203(2), C.R.S., has established that:

a. There is sufficient existing and projected need for organized service in the area to be serviced by the Districts;

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

c. The Districts are capable of providing economical and sufficient service to the area within their proposed boundaries,

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

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

f. The facility and service standards of the Districts are compatible with the facility and service standards of the City within which the Districts are to be located and each municipality which is an interested party under Section 32-1-204(l), C.R.S.;

g. The proposal is in substantial compliance with a master plan adopted pursuant to Section 30-28-108, C.R.S.;

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

i. The creation of the Districts is in the best interests of the area proposed to be served.

Therefore, it is requested that the City Council, which has jurisdiction to approve this Service Plan by virtue of Section 32-1-201, C.R.S., et seq., as amended, adopt a resolution, which approves this Service Plan for the Districts as submitted.

Respectfully submitted,

WHITE AND ASSOCIATES

By: 

Gary R. White, #13522

Todd W. Wallace, #031477

Counsel to Proponents of Districts

EXHIBIT A
City Council Resolution of Approval

RESOLUTION NO. 137-00

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLORADO
SPRINGS, COLORADO APPROVING THE CONSOLIDATED SERVICE PLAN FOR
STETSON RIDGE METROPOLITAN DISTRICT NOS. 1 AND 2

WHEREAS, Section 32-1-204.5, C.R.S., provides that no special district shall be organized within a municipality except upon adoption of a resolution approving or conditionally approving the service plan of a proposed special district; and

WHEREAS, pursuant to the provisions of part 2 of article 1 of title 32, Colorado Revised States, the City Council held a public hearing on September 12, 2000, regarding the approval of the Service Plan for Stetson Ridge Metropolitan District Nos. 1 and 2; and

WHEREAS, notice of the hearing was published in the The Gazette, a newspaper of general circulation with in the City of Colorado Springs, on August 13, 2000, as required by law, and notice was sent to the property owners within the proposed District on September 1, 2000, to the petitioners, the Colorado Division of Local Government, the governing body of each municipality within a radius of three miles of the proposed District's boundaries and special districts that have levied an ad valorem tax within the next preceding tax year and which boundaries are within a three mile radius of the proposed District's boundaries; and

WHEREAS, the City Council of the City of Colorado Springs, Colorado (the "City") has adopted a Policy Regarding the Use of Districts, as set forth in Resolution Number 122-00 (the "Policy"), providing for certain financial and other limitations in the use of special districts as an available method in financing public infrastructure; and

WHEREAS, the City Council has considered the Service Plan for the proposed Districts and all other testimony and evidence presented at the hearing; and

WHEREAS, it appears that the Consolidated Service Plan should be approved without condition or modification;

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

Section 1. The City Council hereby determines that all of the requirements of part 2, article 1, title 32, Colorado Revised Statutes, relating to the filing of the Service Plan for the District have been fulfilled and that notice of hearing was given in the time and manner as required by the City.

Section 2. The City Council hereby finds and determines as follows:

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

(b) The existing service in the area to be served by the proposed Districts is not adequate for present and projected needs;

(c) The proposed Districts is capable of providing economic and sufficient service to the area within their proposed boundaries; and

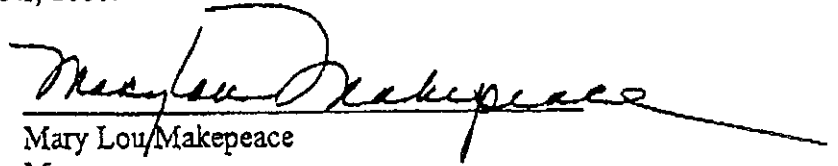
(d) The area to be included in the proposed Districts has and will have the financial ability to discharge the proposed indebtedness on a reasonable basis.

Section 3. A certified copy of this Resolution shall be filed in the records of the City and submitted to the petitioners for the purpose of filing in the District Court of El Paso County.

Section 4. All resolutions or parts thereof in conflict with the provisions of this Resolution shall be repealed.

Section 5. This resolution shall be effective upon its approval by City Council.

ADOPTED this 12th day of September, 2000.


Mary Lou Makepeace
Mayor

ATTEST:

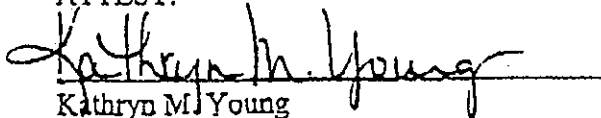

Kathryn M. Young
City Clerk

EXHIBIT B
Legal Descriptions



LDC, Inc.
3520 AUSTIN BLUFFS PARKWAY
COLORADO SPRINGS, CO 80918
(719) 528-6133
FAX (719) 528-6848
www ldc-inc.com

STETSON RIDGE
Project No. 99040
Revised September 01, 2000
Sheet 1 of 1

LEGAL DESCRIPTION: STETSON HILLS METROPOLITAN DISTRICT NO. 1

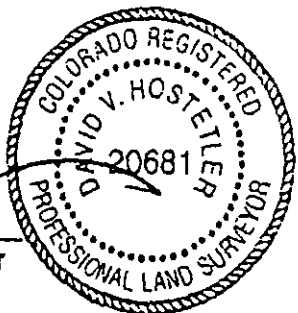
A tract of land being a portion of the Southeast One-Quarter of Section 17, Township 13 South, Range 65 West of the 6th P.M., situate in El Paso County, Colorado, described as follows:

Commencing at the Southeast corner of said Section 17's Southeast One-Quarter (all bearings in this description are relative to the South line of said Southeast One-Quarter, which bears N89°21'12"W "assumed"); thence N89°21'12"W along said Southeast One-Quarter's South line, 115.39 feet; thence N00°38'48"E, 60.00 feet to a point on the Northerly right-of-way line of Stetson Hills Boulevard (r.o.w. width varies), said point also being the Point of Beginning of the tract herein described; thence N89°21'12"W along said Stetson Hills Boulevard's Northerly right-of-way line, 170.28 feet; thence N29°39'08"E, 458.30 feet to a point on the Westerly right-of-way line of Marksheffel Road (r.o.w. width varies); thence S00°57'54"W along said Marksheffel Road's Westerly right-of-way line, 351.10 feet; thence on a curve to the right and along said Westerly right-of-way line, said curve having a central angle of 89°40'54", a radius of 50.00 feet, an arc length of 78.26 feet to the Point of Beginning;

Containing 1.000 acres, more or less.

SURVEYOR'S STATEMENT:

I, David V. Hostetler, a registered Professional Land Surveyor in the State of Colorado, do hereby state that the attached LEGAL DESCRIPTION was prepared under my direct responsibility, supervision, and checking, and on the basis of my knowledge, information and belief, is correct.



David V. Hostetler, Professional Land Surveyor
Colorado P.L.S. No. 20681
For and on behalf of LDC, Inc.

09-01-00
Date



LDC, Inc.

3520 AUSTIN BLUFFS PARKWAY
 COLORADO SPRINGS, CO 80918
 (719) 528-6133
 FAX (719) 528-6848
 www ldc-inc.com

STETSON RIDGE
 Project No. 99040
 Revised September 8, 2000
 Sheet 1 of 2

LEGAL DESCRIPTION: STETSON RIDGE METROPOLITAN DISTRICT NO. 2

A tract of land being portions of the East One-Half of Section 17 and the Northeast One-Quarter of Section 20, all in Township 13 South, Range 65 West of the 6th P.M., El Paso County, Colorado, described as follows:

Commencing at the East One-Quarter corner of Section 8, said Township 13 South, Range 65 West of the 6th P.M.; thence N89°30'57"W along the South line of the Southeast One-Quarter of the Northeast One-Quarter (SE1/4NE1/4) of said Section 8 ("bearing basis"), 60.00 feet (the following three (3) courses are along a line sixty (60) feet West of and parallel to the East lines of the Southeast One-Quarter of said Section 8 and said Section 17's East One-Half respectively, also known as the Westerly right-of-way line of Marksheffel Road (r.o.w. width varies)); 1) S01°01'18"W, 2654.27 feet; 2) S00°57'50"W, 2655.58 feet to the Point of Beginning of the tract herein described; 3) S00°57'55"W, 2656.60 feet to a point on the South line of said Section 17's East One-Half; thence N89°21'12"W along said South line, 1274.38 feet to the Northeast corner of the Northwest One-Quarter of the Northeast One-Quarter of said Section 20; thence S00°31'21"W along the East line of the West One-Half of said Section 20's Northeast One-Quarter, 1908.82 feet to a point on the centerline of a proposed sixty (60) foot wide Road Right-of-Way (the following five (5) courses are along said Road Right-of-Way's centerline); 1) N89°28'39"W, 544.32 feet; 2) on a curve to the left, said curve having a central angle of 36°49'24", a radius of 500.00 feet, an arc length of 321.34 feet; 3) S53°41'57"W, 32.32 feet; 4) on a curve to the right, said curve having a central angle of 36°54'13", a radius of 500.00 feet, an arc length of 322.04 feet; 5) N89°23'50"W, 156.39 feet to a point on the North-South centerline of said Section 20; thence N00°18'52"E along said North-South centerline, 2130.39 feet to the North One-Quarter corner of said Section 20; thence N01°11'30"E along the North-South centerline of said Section 17, 2640.15 feet to the Center Section corner of said Section 17; thence S89°42'09"E along the East-West centerline of said Section 17, 2600.06 feet to the Point of Beginning;

... EXCEPT the following described tract of land ...

A tract of land being a portion of the Southeast One-Quarter of Section 17, Township 13 South, Range 65 West of the 6th P.M., situate in El Paso County, Colorado, described as follows:

Commencing at the Southeast corner of said Section 17's Southeast One-Quarter (all bearings in this description are relative to the South line of said Southeast One-Quarter, which bears N89°21'12"W "assumed"); thence N89°21'12"W along said Southeast One-Quarter's South line, 115.39 feet; thence N00°38'48"E, 60.00 feet to a point on the Northerly right-of-way line of Stetson Hills Boulevard (r.o.w. width varies), said point also being the Point of Beginning of the tract herein described; thence N89°21'12"W along said Stetson Hills Boulevard's Northerly right-of-way line, 170.28 feet; thence N29°39'08"E, 458.30 feet to a point on the Westerly right-of-way line of Marksheffel Road (r.o.w. width varies); thence S00°57'54"W along said Marksheffel Road's Westerly right-of-way line, 351.10 feet;

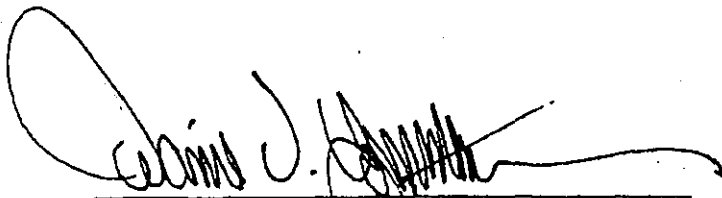
STETSON RIDGE
Project No. 99040
Revised September 9, 2000
Sheet 2 of 2

thence on a curve to the right and along said Westerly right-of-way line, said curve having a central angle of 89°40'54", a radius of 50.00 feet, an arc length of 78.26 feet to the Point of Beginning;

Containing 218.090 acres, more or less.

SURVEYOR'S STATEMENT:

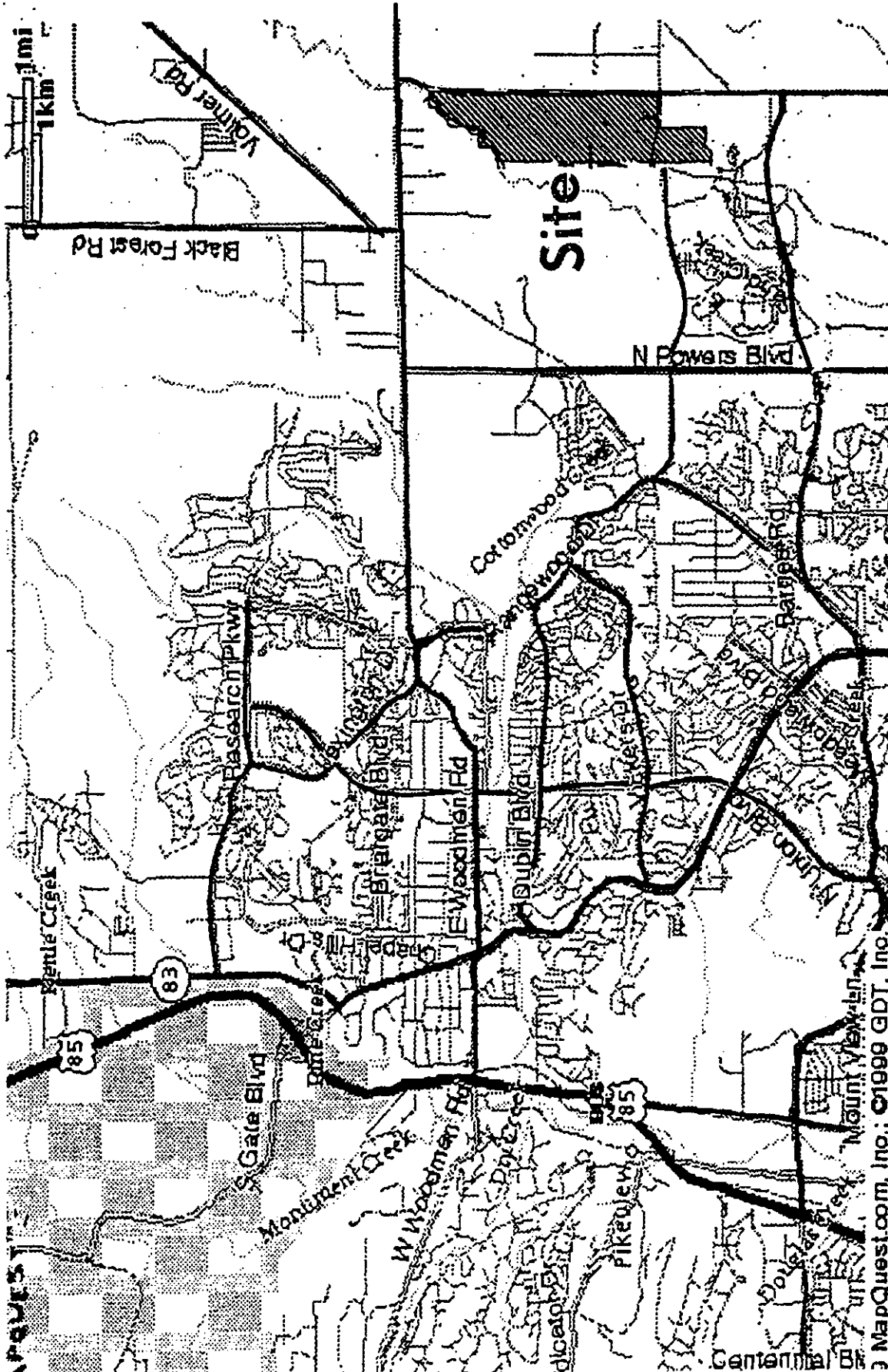
I, David V. Hostetler, a registered Professional Land Surveyor in the State of Colorado, do hereby state that the attached LEGAL DESCRIPTION was prepared under my direct responsibility, supervision, and checking, and on the basis of my knowledge, information and belief, is correct.



David V. Hostetler, Professional Land Surveyor
Colorado P.L.S. No. 20681
For and on behalf of LDC, Inc.

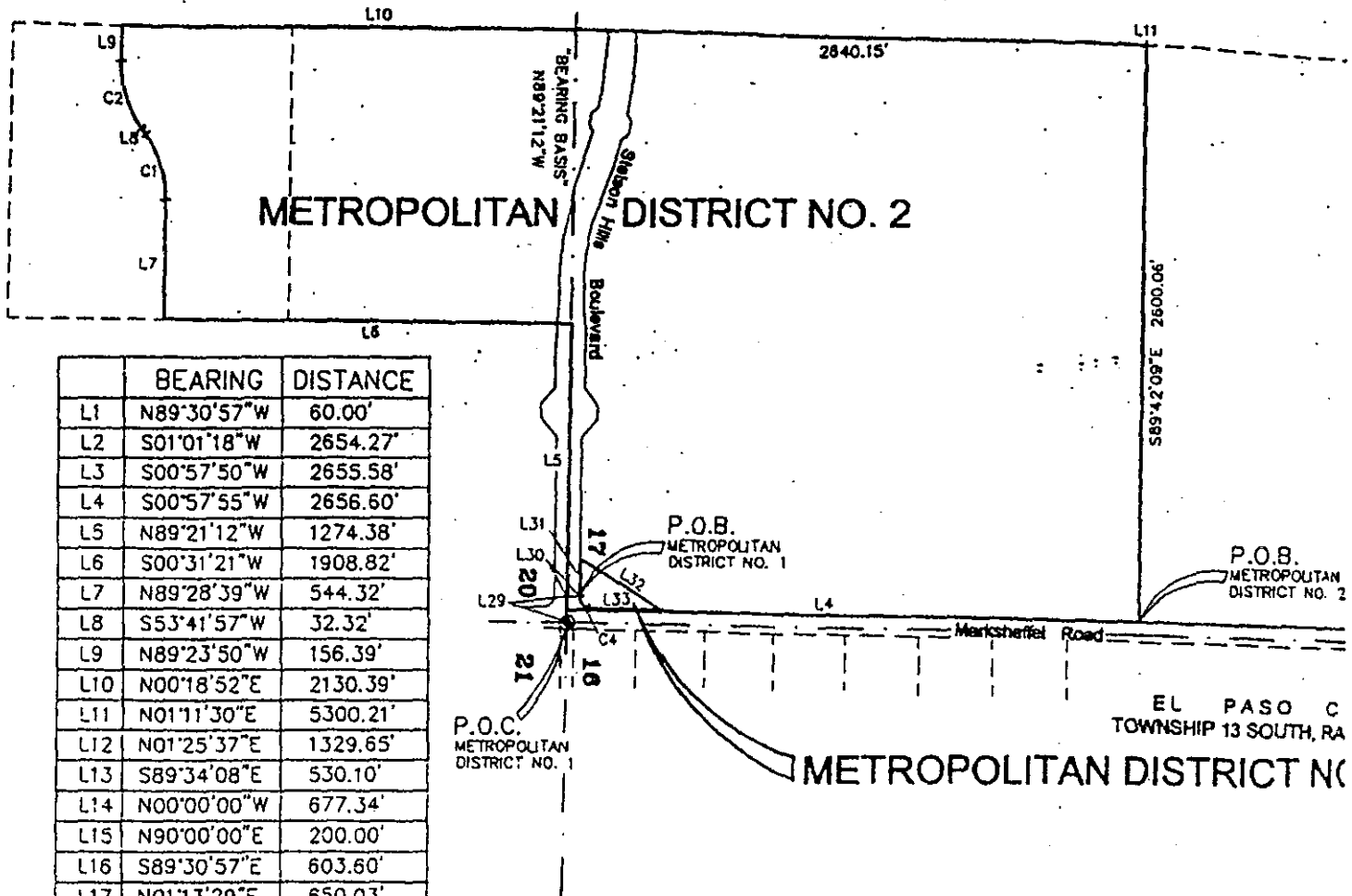


09-08-00
Date



MapQuest.com, Inc. ©1999 GDT, Inc.

"STETSON RIDGE"



	BEARING	DISTANCE
L1	N89°30'57"W	60.00'
L2	S01°01'18"W	2654.27'
L3	S00°57'50"W	2655.58'
L4	S00°57'55"W	2656.60'
L5	N89°21'12"W	1274.38'
L6	S00°31'21"W	1908.82'
L7	N89°28'39"W	544.32'
L8	S53°41'57"W	32.32'
L9	N89°23'50"W	156.39'
L10	N00°18'52"E	2130.39'
L11	N01°11'30"E	5300.21'
L12	N01°25'37"E	1329.65'
L13	S89°34'08"E	530.10'
L14	N00°00'00"W	677.34'
L15	N90°00'00"E	200.00'
L16	S89°30'57"E	603.60'
L17	N01°13'29"E	650.03'
L18	S89°30'57"E	78.59'
L19	N04°42'32"E	192.51'
L20	N39°01'53"E	204.08'
L21	N30°00'42"E	200.62'
L22	N46°23'06"E	329.40'
L23	N04°07'39"E	133.57'
L24	N57°48'30"E	208.10'
L25	N01°01'51"E	328.06'
L26	S89°23'40"E	585.00'
L27	S01°01'51"W	609.72'
L28	S01°01'51"W	271.51'

	BEARING	DISTANCE
L29	N89°21'12"W	115.39'
L30	N00°38'48"E	60.00'
L31	N89°21'12"W	170.28'
L32	N29°39'08"E	458.30'
L33	S00°57'54"W	351.10'

	CENTRAL ANGLE	RADIUS	LENGTH
C1	36°49'24"	500.00'	321.34'
C2	36°54'13"	500.00'	322.04'
C3	15°16'51"	1697.02'	452.60'
C4	89°40'54"	50.00'	78.26'

SHEET 1 OF 1

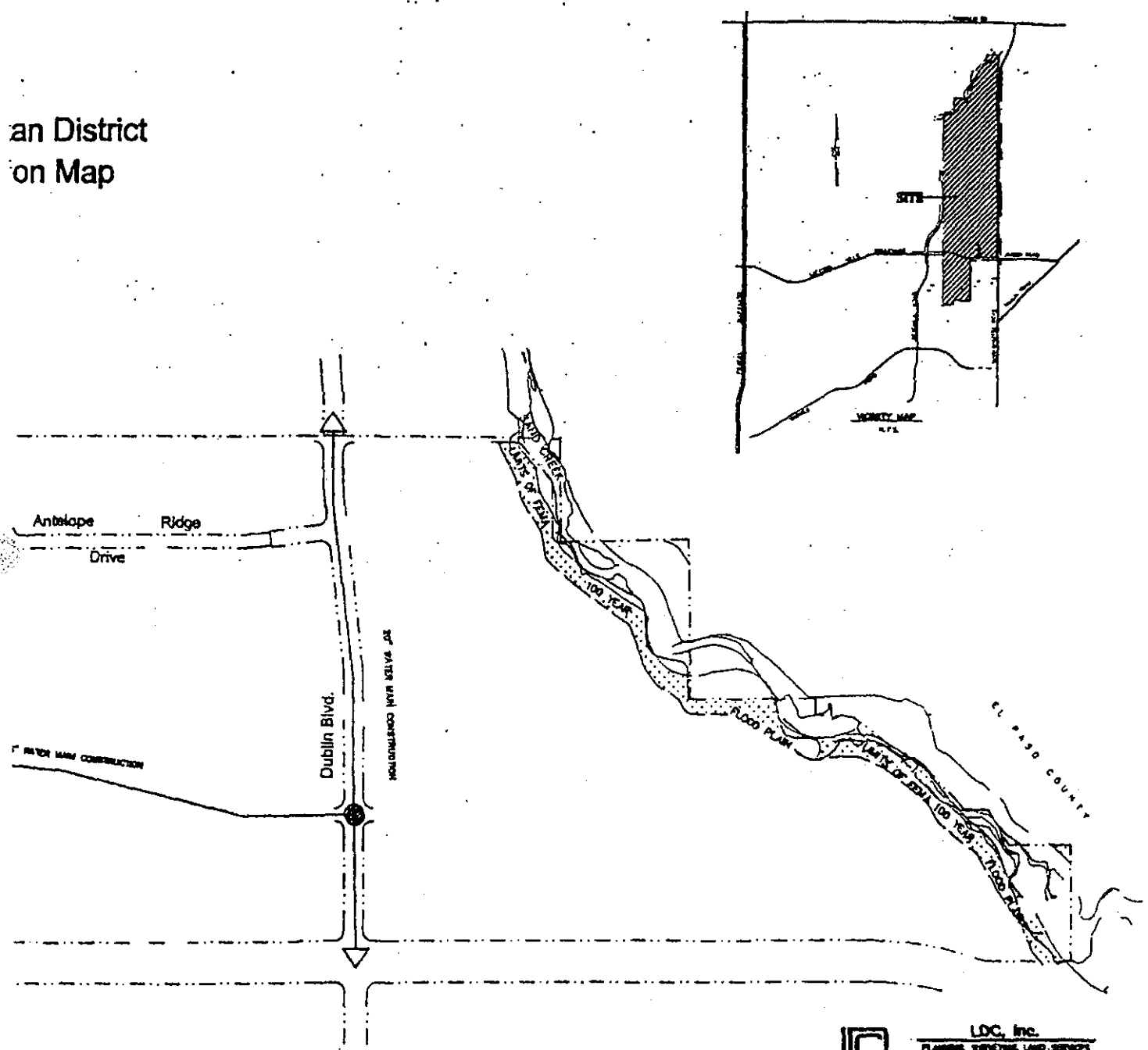


LDC, Inc.

PLANNING, SURVEYING, LAND SERVICES
 3520 AUSTIN BLUFFS PARKWAY
 COLORADO SPRINGS, CO. 80918
 (719) 528-6133
 FAX (719) 528-6848

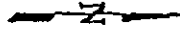
EXHIBIT C
Colorado Springs Vicinity Map

an District on Map

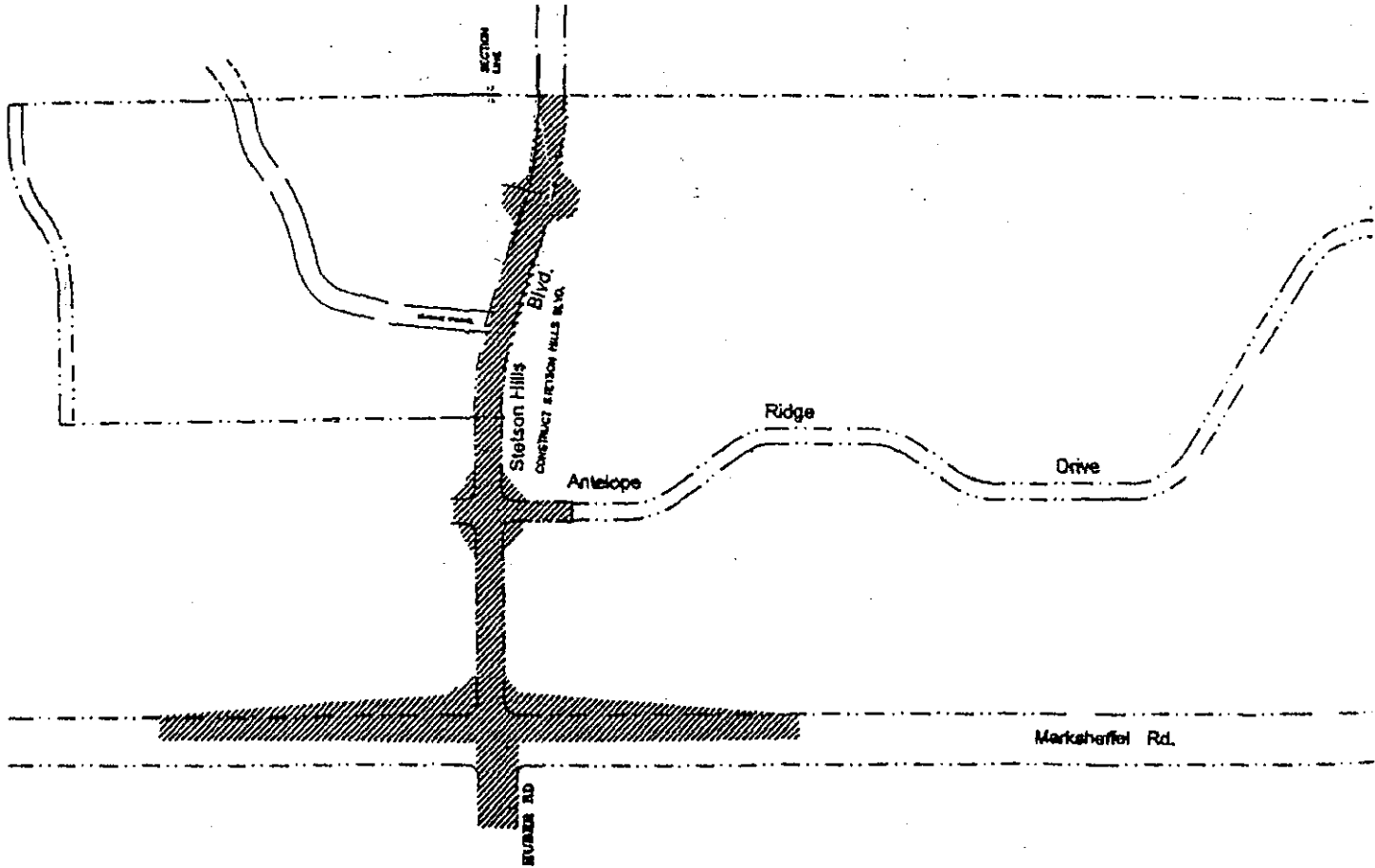


LDC, Inc.
 PLANNING, SURVEYING, AND SERVICES
 3900 Avenida Santa Fe Parkway
 Colorado Springs, CO 80908
 (719) 528-6133 FAX (719) 528-4848

Stetson Ridge Metropolitan Street Construction Map

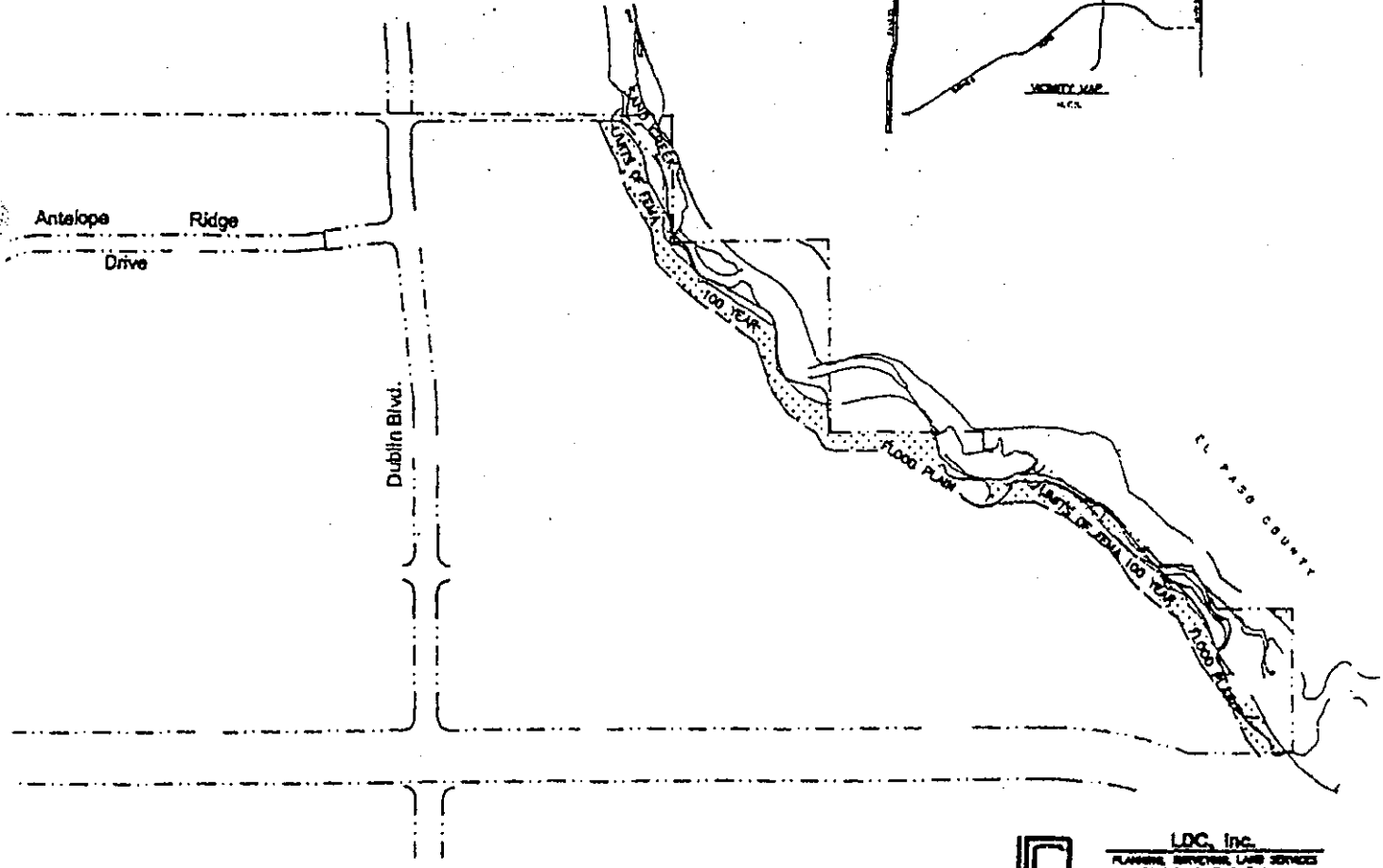
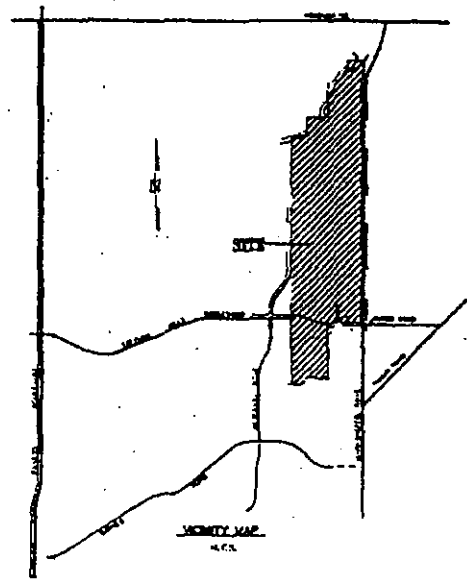


Stetson Hills Blvd. Improvements (2,600 ft. ± and in



1 District
lap

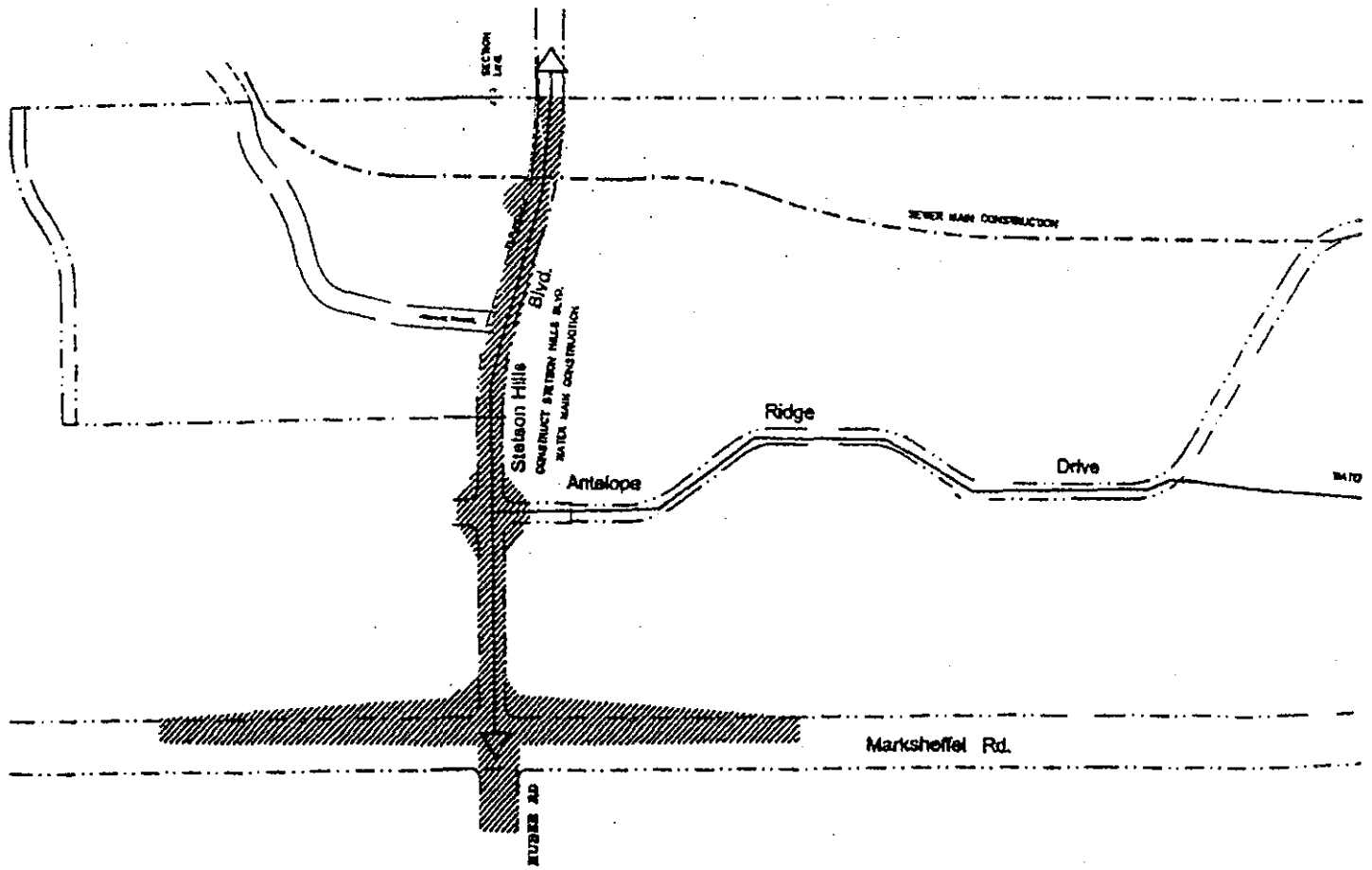
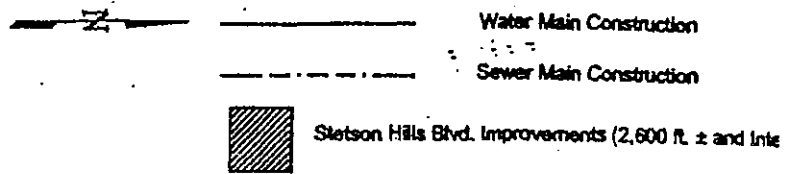
1d Intersection Improvements)



LDC, Inc.
 PLANNING, SERVICES, LAND SERVICES
 2528 Avenida Santa Fe Parkway
 Colorado Springs, CO 80906
 (719) 528-6153 FAX (719) 528-6886

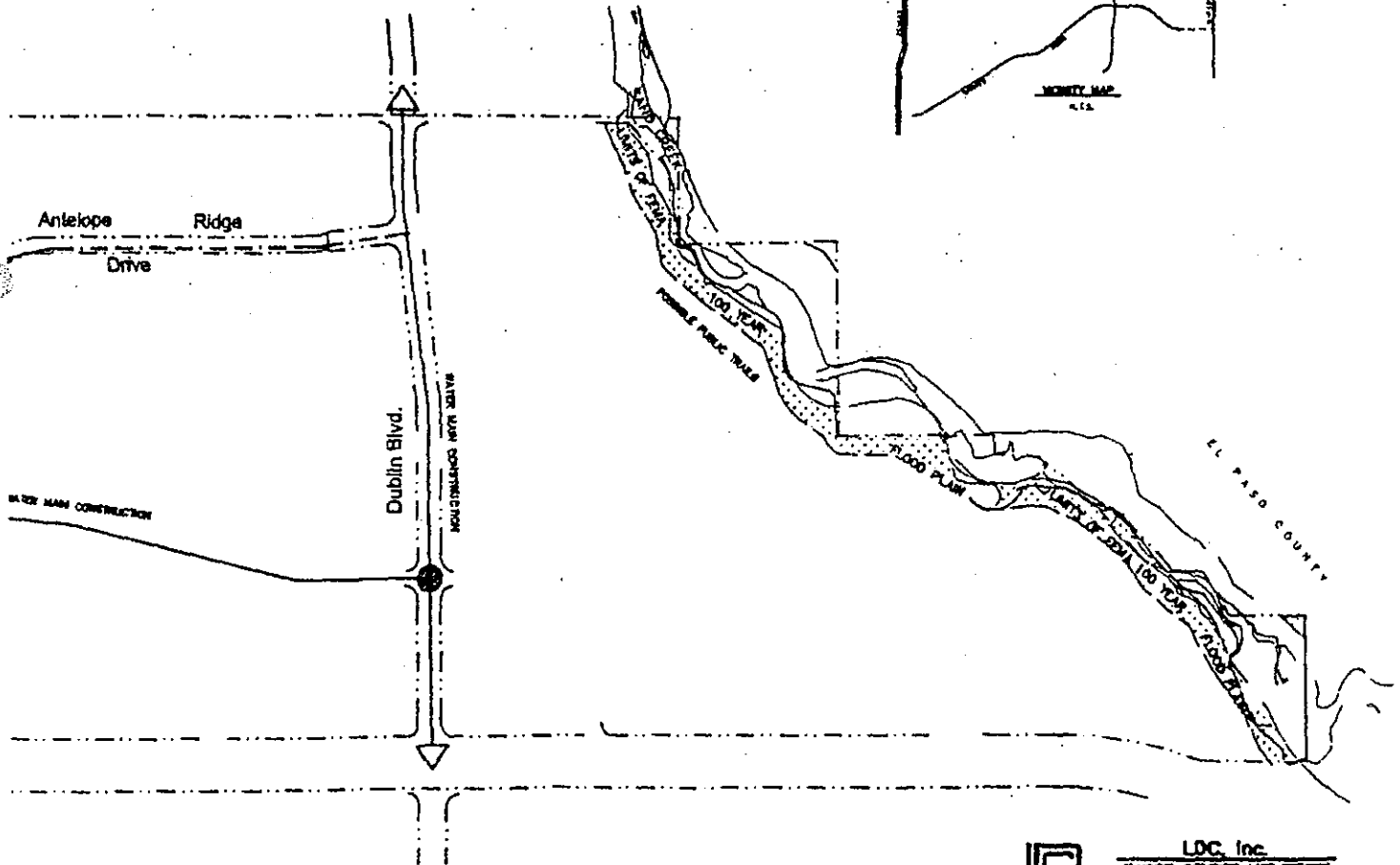
EXHIBIT D
Boundary and Phasing Map

Stetson Ridge Metropolitan [Composite Facilities Construct



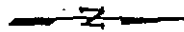
District Location Map

(Intersection Improvements)

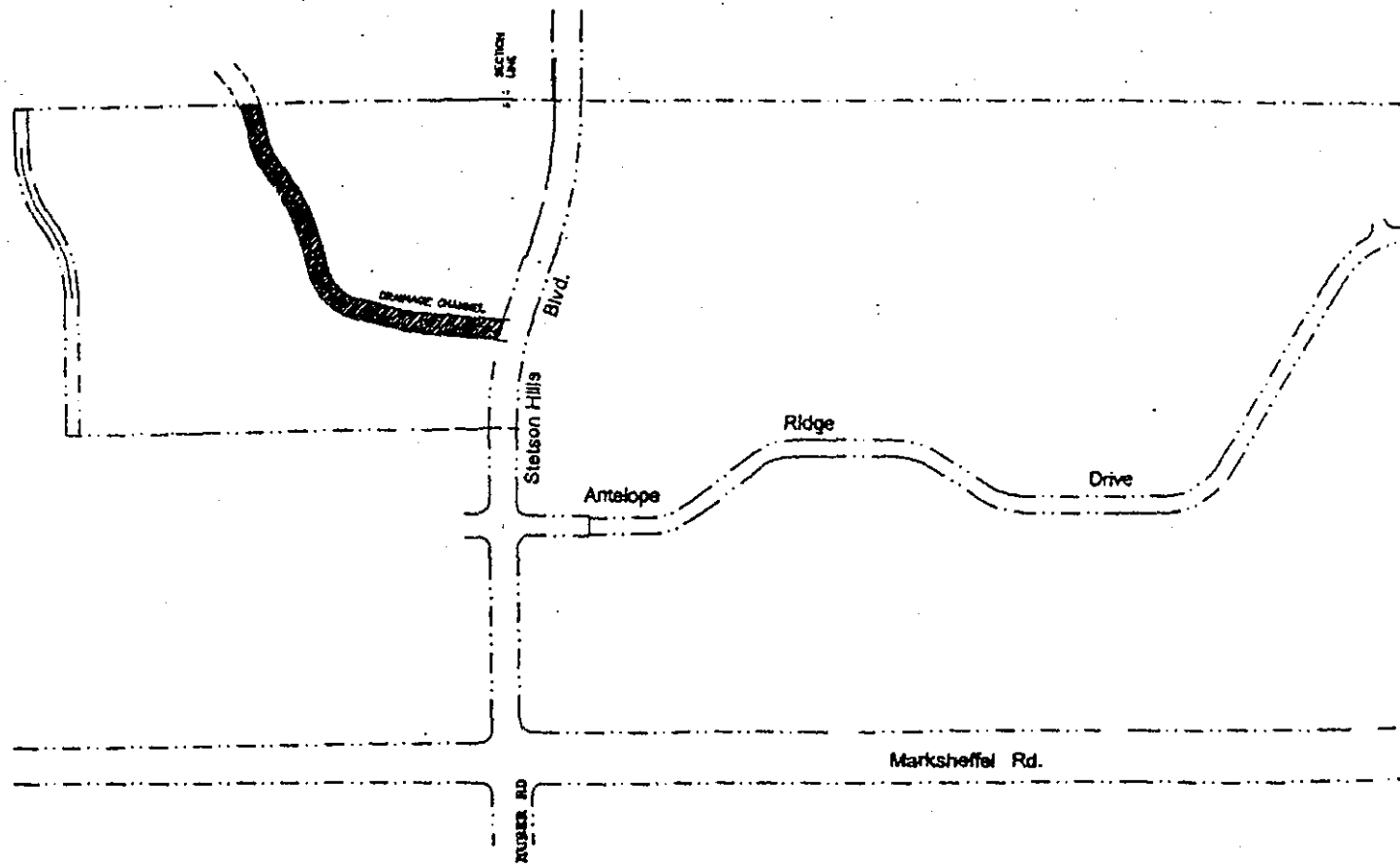


LDC, Inc.
 PLANNING, SURVEYING, LAND SERVICES
 2550 Avenue of the Parkway
 Colorado Springs, CO 80906
 (719) 528-6133 FAX (719) 528-6848

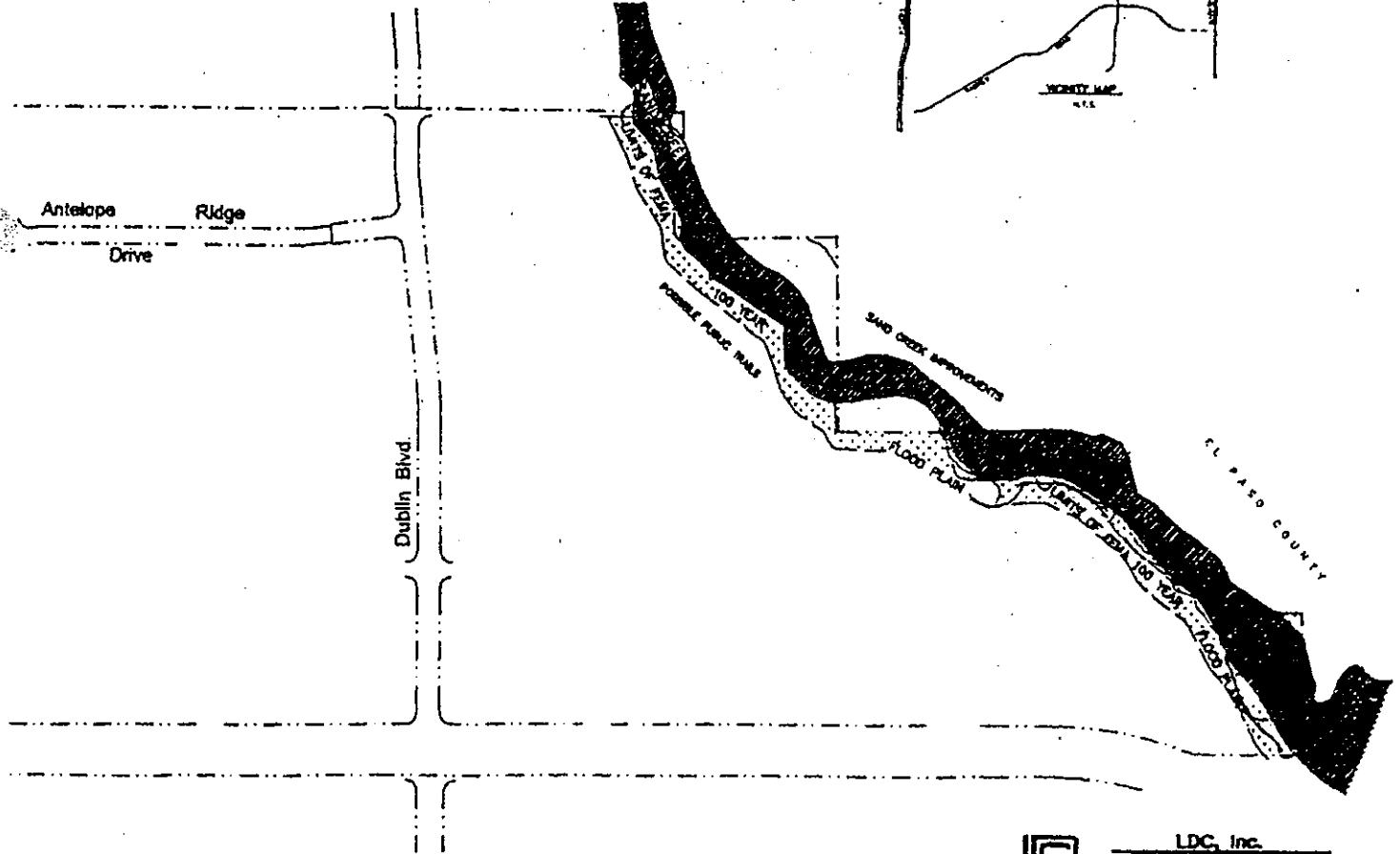
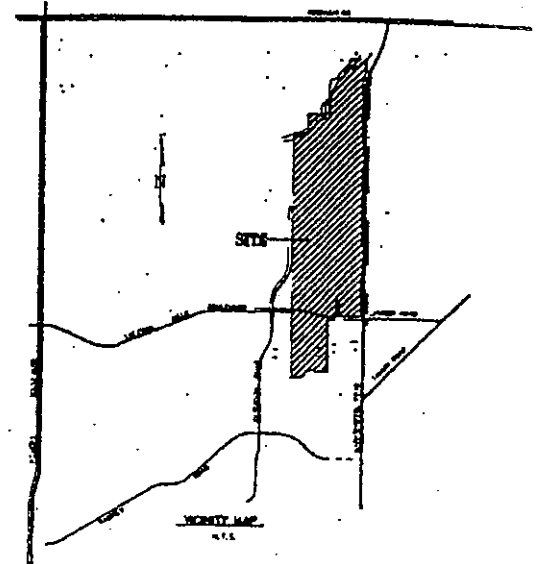
Stetson Ridge Metropolitan Drainage Facilities Map



 Drainage Improvements

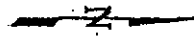


District
3p

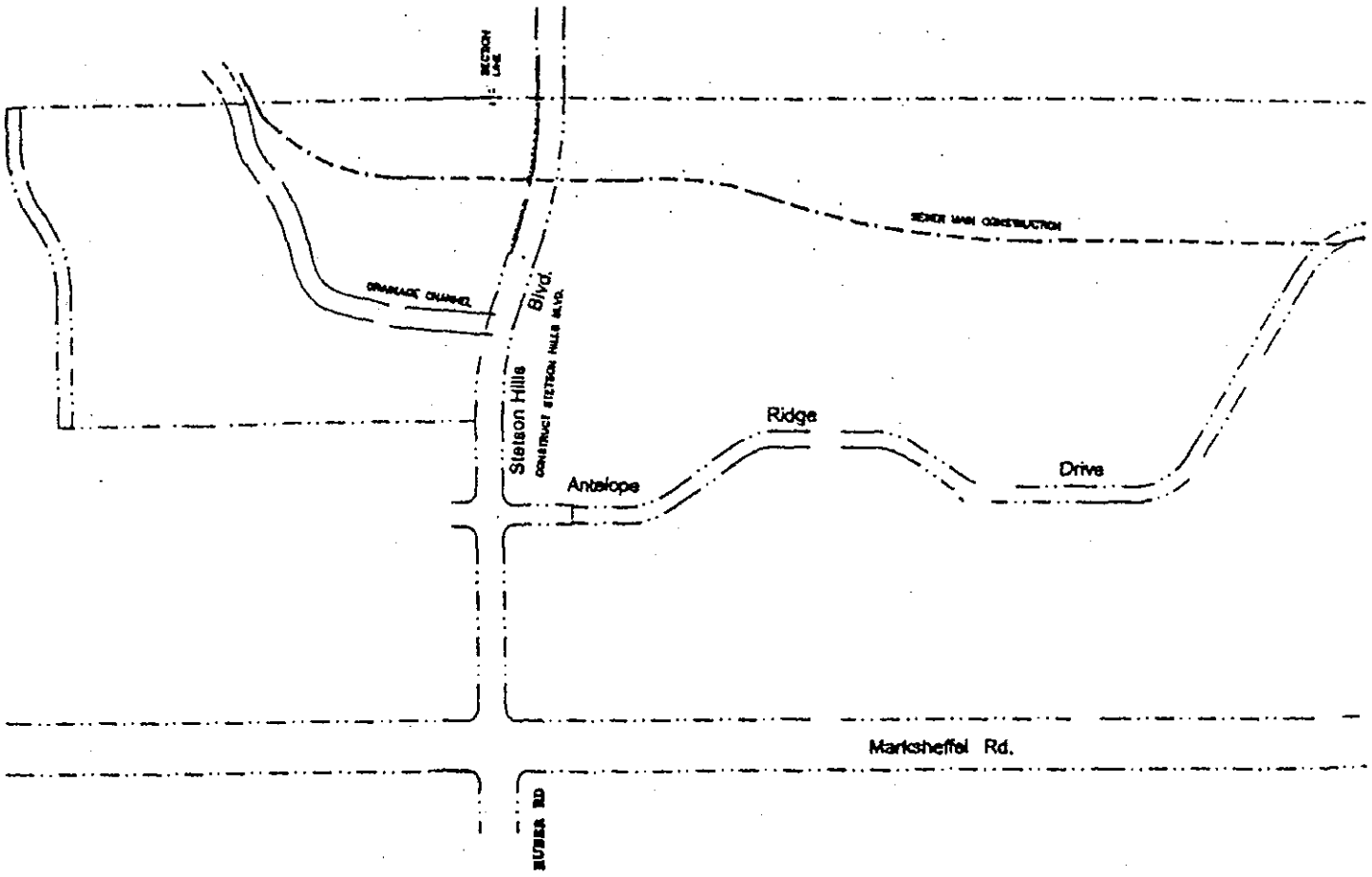


LDC, Inc.
 PLANNING, SURVEYING, LAND SERVICES
 3228 Antelope Shells Parkway
 Clatsop Springs, OR 97018
 (719) 528-6133 FAX (719) 528-6946

Stetson Ridge Metropolitan I Sewer Main Construction I

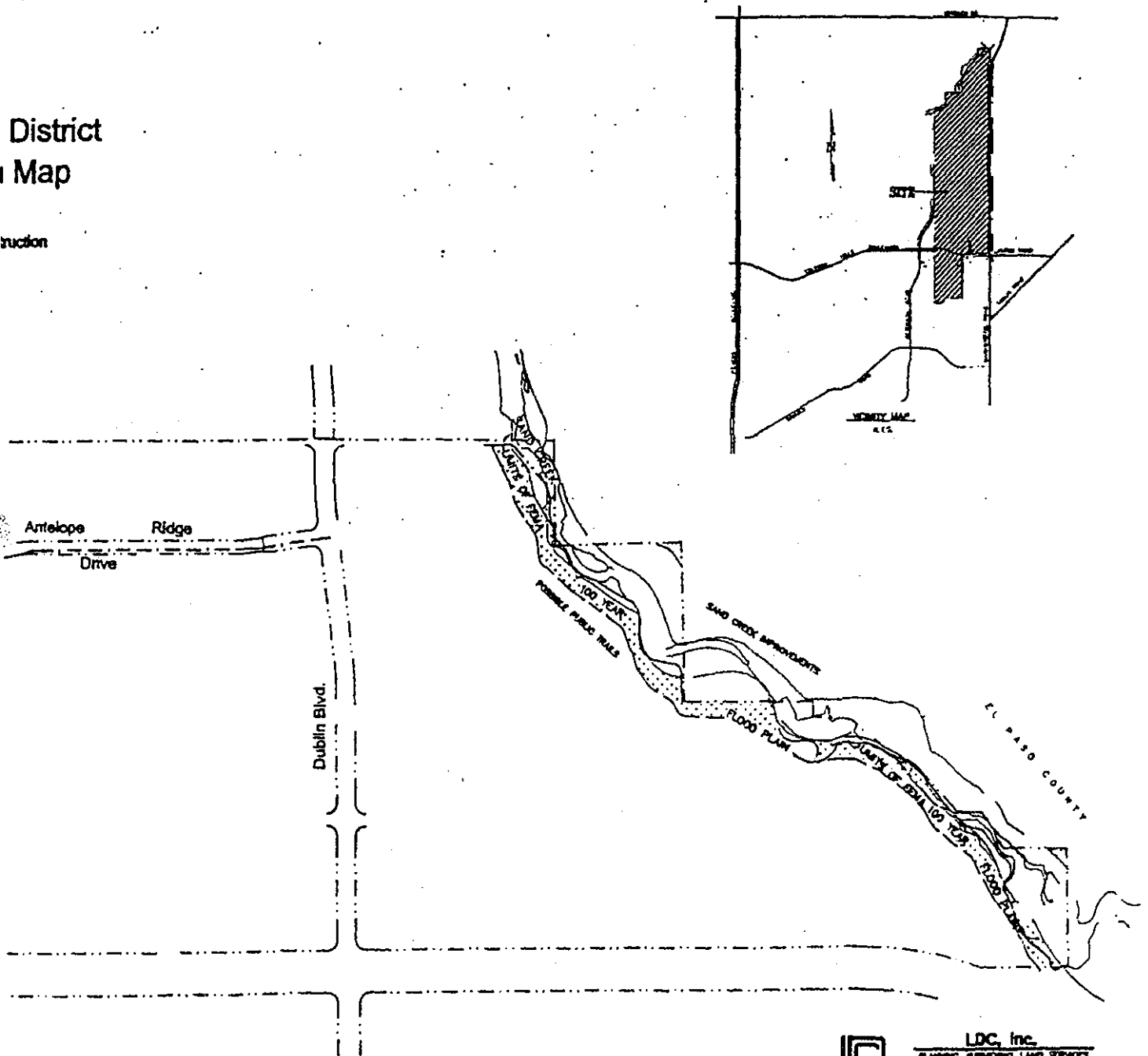


----- Sewer Main Constru



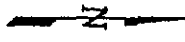
District Map

struction



LDC, Inc.
 PLANNING SURVEYING LAND SERVICES
 2800 Avenida Encinas Parkway
 Carlsbad, California, CA 92008
 (714) 528-4133 FAX (714) 528-0648

Stetson Ridge Metropolitan Water Main Construction



Water Main Construction

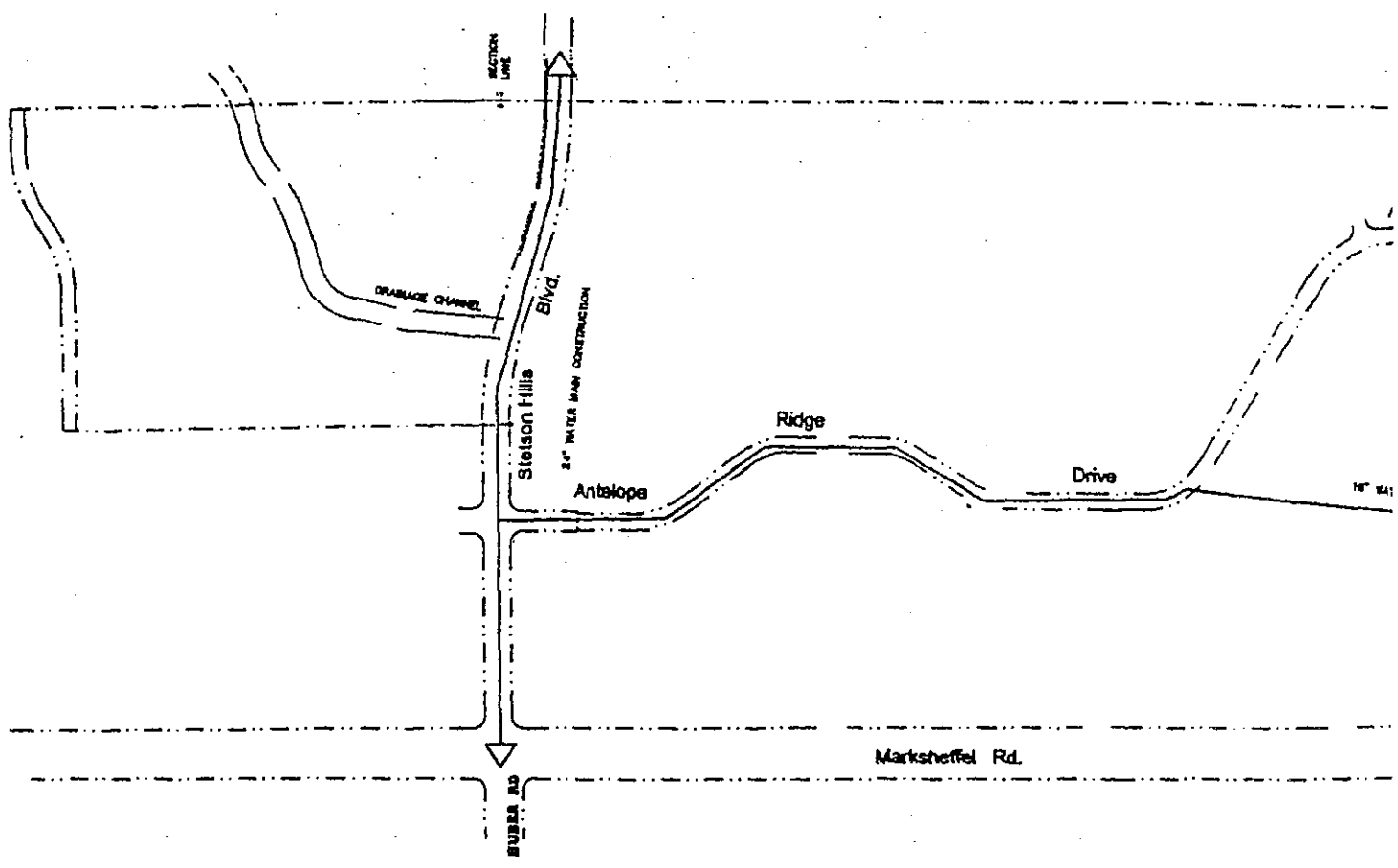


EXHIBIT E
Statutory Contents of Service Plan

1. A description of the proposed services;
2. A financial plan showing how the proposed services are to be financed;
3. A preliminary engineering or architectural survey showing how the proposed services are to be provided;
4. A map of the District's boundaries and an estimate of the population and valuation for assessment of the District;
5. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of District are compatible with facility and service standards of the City and of municipalities and special districts which are interested parties pursuant to Section 32-1-204(1), C.R.S.;
6. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the District;
7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between District and such other political subdivision;
8. Information satisfactory to establish that each of the following criteria as set forth in Section 32-1-203, C.R.S., has been met:
 - (a) That there is sufficient existing and projected need for organized service in the area to be serviced by the District;
 - (b) That the existing service in the area to be served by the District is inadequate for the present and projected needs;
 - (c) That District is capable of providing economical and sufficient service to the area within their proposed boundaries;
 - (d) That the area included in the District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

RESOLUTION NO. 137-00

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLORADO
SPRINGS, COLORADO APPROVING THE CONSOLIDATED SERVICE PLAN FOR
STETSON RIDGE METROPOLITAN DISTRICT NOS. 1 AND 2

WHEREAS, Section 32-1-204.5, C.R.S., provides that no special district shall be organized within a municipality except upon adoption of a resolution approving or conditionally approving the service plan of a proposed special district; and

WHEREAS, pursuant to the provisions of part 2 of article 1 of title 32, Colorado Revised States, the City Council held a public hearing on September 12, 2000, regarding the approval of the Service Plan for Stetson Ridge Metropolitan District Nos. 1 and 2; and

WHEREAS, notice of the hearing was published in the The Gazette, a newspaper of general circulation with in the City of Colorado Springs, on August 18, 2000, as required by law, and notice was sent to the property owners within the proposed District on September 1, 2000, to the petitioners, the Colorado Division of Local Government, the governing body of each municipality within a radius of three miles of the proposed District's boundaries and special districts that have levied an ad valorem tax within the next preceding tax year and which boundaries are within a three mile radius of the proposed District's boundaries; and

WHEREAS, the City Council of the City of Colorado Springs, Colorado (the "City") has adopted a Policy Regarding the Use of Districts, as set forth in Resolution Number 122-00 (the "Policy"), providing for certain financial and other limitations in the use of special districts as an available method in financing public infrastructure; and

WHEREAS, the City Council has considered the Service Plan for the proposed Districts and all other testimony and evidence presented at the hearing; and

WHEREAS, it appears that the Consolidated Service Plan should be approved without condition or modification;

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

Section 1. The City Council hereby determines that all of the requirements of part 2, article 1, title 32, Colorado Revised Statutes, relating to the filing of the Service Plan for the District have been fulfilled and that notice of hearing was given in the time and manner as required by the City.

Section 2. The City Council hereby finds and determines as follows:

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

(b) The existing service in the area to be served by the proposed Districts is not adequate for present and projected needs;

(c) The proposed Districts is capable of providing economic and sufficient service to the area within their proposed boundaries; and

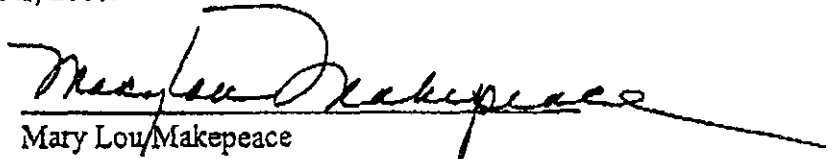
(d) The area to be included in the proposed Districts has and will have the financial ability to discharge the proposed indebtedness on a reasonable basis.

Section 3. A certified copy of this Resolution shall be filed in the records of the City and submitted to the petitioners for the purpose of filing in the District Court of El Paso County.

Section 4. All resolutions or parts thereof in conflict with the provisions of this Resolution shall be repealed.

Section 5. This resolution shall be effective upon its approval by City Council.

ADOPTED this 12th day of September, 2000.


Mary Lou Makepeace
Mayor

ATTEST:

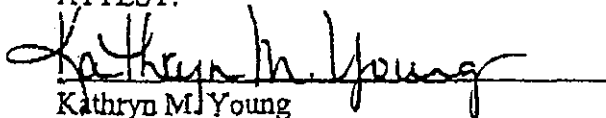

Kathryn M. Young
City Clerk

EXHIBIT F
Facilities Plan and Estimated Capital Costs

EXHIBIT F

STETSON RIDGE METROPOLITIAN DISTRICT
Estimated Costs of Facilities Plans

Stetson Hills Phs I		1,000,000			
Offsite Water Line				400,000	
Stetson Hills Phs II				600,000	
Dublin Blvd Phs I					
Dublin Blvd Phs II					
Totals	0	1,000,000	0	1,000,000	2,000,000

USE OF FUNDS

Year 2001 Issue

Stetson Hills Phs I 1,000,000

2640' of partial 6 lane Major Arterial, includes drainage pipes and culverts, curbing, full width grading, half width asphalt, north sidewalk, 24" water line, 15" and 8" sanitary sewer and Intetrsection Improvements on Marksheffel Road that include 1400' acceleration and deceleration lanes

Year 2003 Issue

Offsite Water Line 400,000

5280' of 16" Water Line source located west offsite to provide water pressure for phases above the 6770' elevation - the northern 300 acres

Stetson Hills Phs II 600,000

2640' of remaining 6 lane Major Arterial includes drainage on south half, traffic routing, remaining width asphalt, south sidewalk, sound wall, landscape

EXHIBIT G
Financing Plan

**STETSON RIDGE METROPOLITAN DISTRICT
BOND ACCOUNT AND RESERVE ACCOUNT ONLY
FORECASTED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
DEBT SERVICE SCHEDULE**

09/05/2000

**Not to be Reproduced
for Discussion Purposes Only**

General Obligation Bonds Series 2001
Dated November 1, 2001
\$1,000,000

General Obligation Bonds Series 2003
Dated January 1, 2003
\$1,000,000

Year	Interest Payment Dates June & Dec.		Interest Payment Dates June & Dec.		O/S Pctn.	Pctn.	Payment		Interest Rate	Interest Rate	Total Payment		Year	
	O/S Pctn.	Principal	Principal	Interest			Principal	Interest			P & I			
2000	-	-	-	-	-	-	-	-	-	-	-	-	2000	
2001	1,000,000	-	-	11,667	-	-	-	-	7.00%	11,667	11,667	11,667	2001	
2002	1,000,000	-	-	70,000	-	-	-	-	7.00%	70,000	70,000	70,000	2002	
2003	1,000,000	-	-	75,000	-	-	70,000	-	7.00%	145,000	145,000	145,000	2003	
2004	1,000,000	-	-	80,000	-	-	75,000	-	7.50%	155,000	145,000	145,000	2004	
2005	1,000,000	-	-	80,000	-	-	75,000	-	7.50%	155,000	155,000	155,000	2005	
2006	885,000	5,000	-	80,000	-	-	75,000	-	7.50%	155,000	160,000	160,000	2006	
2007	980,000	5,000	-	84,575	-	-	80,000	5,000	8.00%	169,575	169,575	169,575	2007	
2008	985,000	5,000	-	84,150	-	-	80,000	5,000	8.00%	164,150	174,150	174,150	2008	
2009	980,000	5,000	-	88,550	-	-	84,575	5,000	8.50%	173,225	183,225	183,225	2009	
2010	970,000	10,000	-	88,200	-	-	84,150	5,000	8.50%	172,350	187,350	187,350	2010	
2011	980,000	10,000	-	92,150	-	-	88,650	5,000	9.00%	190,800	195,800	195,800	2011	
2012	950,000	10,000	-	91,200	-	-	88,200	10,000	9.00%	179,400	189,400	189,400	2012	
2013	930,000	20,000	-	85,000	-	-	88,200	10,000	9.50%	187,150	197,150	197,150	2013	
2014	890,000	20,000	-	83,000	-	-	81,200	10,000	9.50%	184,200	194,200	194,200	2014	
2015	850,000	20,000	-	81,000	-	-	85,000	20,000	10.00%	186,000	196,000	196,000	2015	
2016	810,000	40,000	-	89,000	-	-	93,000	20,000	10.00%	182,000	192,000	192,000	2016	
2017	760,000	50,000	-	81,000	-	-	89,000	20,000	10.00%	170,000	180,000	180,000	2017	
2018	710,000	50,000	-	78,000	-	-	85,000	40,000	10.00%	161,000	171,000	171,000	2018	
2019	635,000	75,000	-	71,000	-	-	81,000	50,000	10.00%	152,000	162,000	162,000	2019	
2020	560,000	75,000	-	63,500	-	-	78,000	50,000	10.00%	138,500	148,500	148,500	2020	
2021	485,000	75,000	-	58,000	-	-	71,000	75,000	10.00%	127,000	137,000	137,000	2021	
2022	385,000	100,000	-	48,500	-	-	63,500	75,000	10.00%	112,000	122,000	122,000	2022	
2023	285,000	100,000	-	38,500	-	-	58,000	75,000	10.00%	94,500	104,500	104,500	2023	
2024	160,000	125,000	-	28,500	-	-	48,500	100,000	10.00%	77,000	87,000	87,000	2024	
2025	-	160,000	-	16,000	-	-	38,500	100,000	10.00%	64,500	74,500	74,500	2025	
2026	-	-	-	-	-	-	28,500	125,000	10.00%	28,500	57,000	57,000	2026	
2027	-	-	-	-	-	-	16,000	160,000	10.00%	18,000	34,000	34,000	2027	
2028	-	-	-	-	-	-	-	-	10.00%	-	-	-	2028	
2029	-	-	-	-	-	-	-	-	10.00%	-	-	-	2029	
2030	-	-	-	-	-	-	-	-	10.00%	-	-	-	2030	
											<u>2,000,000</u>	<u>3,763,517</u>	<u>5,763,517</u>	
											<u>1,000,000</u>	<u>1,010,925</u>		
											<u>1,000,000</u>	<u>1,852,592</u>		

