

**BENT GRASS METROPOLITAN DISTRICT**

**SERVICE PLAN**

**EL PASO COUNTY, COLORADO**

**AS APPROVED BY THE BOARD OF COUNTY COMMISSIONERS  
SEPTEMBER 24, 2007**

**SERVICE PLAN**

**BENT GRASS METROPOLITAN DISTRICT**

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## **EXHIBITS**

- A. Maps and Legal Descriptions
  - 1. Vicinity Map
  - 2. Initially Included Property Map
  - 3. Additional Included Property Map -none
  - 4. Extraterritorial Service Area Map-none
  - 5. Legal Descriptions of Initially Included Properties
- B. Development Summary-Included in Exhibit D
- C. Infrastructure Capital Costs
- D. Financial Plan
- E. Annual Report and Disclosure Form

## SUMMARY

The following is a summary of general information regarding the proposed District provided for the convenience of the reviewers of this Service Plan. Please note that the following information is subject in all respects to the more complete descriptions contained elsewhere in this Service Plan.

Proposed District:	Bent Grass Metropolitan District (“District”).
Property Owners:	R.W. Case II L.J. Case Randy DeYoung Cynthia DeYoung Ronald Waldthauson Marksheffel-Woodmen Investments, LLC Case International Company R.W. Case Woodmen Three, LLC Vernie Houtchens Gary L. Nanninga Bahr Holdings, LLC Raymond L. Reilly, Jr. Tanya T. Riley
Developer	Woodmen Three, LLC Case International Company
Description of Development:	Approximately 202 acres in eastern El Paso County to consist of 537 residential units with an average value of \$325,000 and approximately 500,000 square feet of commercial/industrial space.
Proposed Improvements to be Financed:	Water lines, waste water lines, roads, traffic control, and park and recreation amenities with the estimated costs of \$8,448,000.
Proposed Ongoing Services:	Maintenance of open spaces, parks, and drainage facilities; funding for covenant enforcement.
Infrastructure Capital Costs:	Approximately \$16,498,000.

Maximum Debt Authorization:	\$30,000,000
Proposed Debt Mill Levy:	35 Mills.
Proposed O & M Mill Levy:	5 Mills.
Proposed Special Purpose Mill Levy	0 Mills
Proposed Maximum Combined Mill Levy	40 mills
Proposed Fees:	Developer Facility Fee at \$2,000 per SFE.



## **II. DEFINITIONS**

**The following terms are specifically defined for use in this Service Plan, For specific definitions of terms not listed below please also refer to the El Paso County Special District Policies, the El Paso County Land Development Code and Colorado Revised Statutes, as may be applicable.**

Additional Inclusion Areas: means the property described in Section 5 and depicted on the map found at Exhibit A.3 that is anticipated for future inclusion into the boundaries of the District.

Annual Report and Disclosure Statement: means the statement of the same name required to be filed annually with the Board of County Commissioners pursuant to Resolution 07272 as may be amended.

Board: means the board of directors of the District.

Board of County Commissioners: means the Board of County Commissioners of El Paso County.

Conventional Representative District: A Title 32 district in which all property owners and residents may participate in district elections.

County: means El Paso County, Colorado

Debt: means bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy without such promise being subject to annual appropriation.

Developer Funding Agreement: An agreement of any kind executed between a special district and a Developer as this term is specifically defined below, including but not limited to advance funding agreements, reimbursement agreements or loans to the special district from a Developer, where such an agreement creates an obligation of any kind which may require the special district to re-pay the Developer. The term “Developer” means any person or entity (including but not limited to corporations, venture partners, proprietorships, estates and trusts) that owns or has a contract to purchase undeveloped taxable real property greater than or equal to ten percent (10%) of all real property located within the boundaries of the special district. The term “Developer Funding Agreement” shall not extend to any such obligation listed above if such obligation has been converted to Debt issued by the special district to evidence the obligation to repay such Developer Funding Agreement, including the purchase of such Debt by a Developer.

Development Services Department The department of the County formally charged with administering the development regulations of the County.

District: means the Bent Grass Metropolitan District as described in this Service Plan.

External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Gallagher Adjustment: means an allowed adjustment to the Maximum Debt Service Mill Levy, Maximum Operational Mill Levy, or Maximum Special Mill Levy intended to offset the effect of adjustments to the ratio between market value and assessed value of taxable property within the District that would cause a reduction in the revenue otherwise produced from such Maximums based on the ratio between market value and assessed value as of January 1 in the year in which the District's organizational election is held.

Initial District Boundaries: means the initial boundaries of the District as described in Section III depicted on the map in Exhibit A.2 and as legally described in the legal description found at Exhibit A.5.

Local Public Improvements: means facilities and other improvements which are or will be dedicated to the County or another governmental or quasi-governmental entity for substantially public use, but which do not qualify under the definition of Regional Public Improvements. Examples would include local streets and appurtenant facilities, water and sewer lines which serve individual properties and drainage facilities that do not qualify as reimbursable under adopted drainage basin planning studies.

Material Modification: has the meaning described in Section 32-1-207, C.R.S., as it may be amended from time to time.

Maximum Combined Mill Levy: The maximum combined Gallagher-adjusted ad valorem mill levy the District may certify against any property within the District for any purposes.

Maximum Debt Authorization: means the maximum principal amount of Debt that the District may have outstanding at any time, which under this Service Plan is \$30,000,000.

Maximum Debt Service Mill Levy: The maximum Gallagher-adjusted ad valorem mill levy the District may certify against any property within the District for the purpose of servicing any Debt incurred by or on behalf of the District.

Maximum Operational Mill Levy: The maximum Gallagher-adjusted ad valorem mill

levy the District may certify against any property within the District for the purposes providing revenues for ongoing operation, maintenance, administration or any other allowable services and activities other than the servicing of Debt. This Maximum Operational Mill Levy is exclusive of any Maximum Special Mill Levy which might be separately authorized.

Maximum Special Purpose Mill Levy: means maximum Gallagher-adjusted ad valorem mill levy which is allowed in addition to the allowable Maximum Debt Service Mill Levy and the Maximum Operational Mill Levy (*E.g. a special earmarked levy for fire protection or covenant enforcement etc. – identify use within definition*)

Public Improvements: Those improvements constituting Regional Public Improvements and Local Public Improvements collectively.

Public Improvement Fee: means any privately-imposed transaction-based charge on property within the boundaries of the District that is received by the District for application to authorized District purposes.

Regional Public Improvements: Facilities and other improvements which are or will be dedicated to the County or another governmental or quasi-governmental entity for substantially public use, and which serve the needs of the region.

Revenue Obligations: means bonds or other obligations not subject to annual appropriation that are payable from a pledge of revenues other than *ad valorem* property taxes.

Service Plan: means this Service Plan for the District.

Special District Act: means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

Underlying Land Use Approvals: means Board of County Commissioners approval of the applicable land use plans that form the basis for the need for the District and its proposed financing plan and/or services. Such approvals may be in the form of one or a combination of Sketch Plans, Generalized Planned Unit Development (PUD) Development Plans, site-specific PUD plans, or subdivision plans.

### **III. INTRODUCTION**

#### **A. Overall Purpose and Intent**

The Bent Grass Metropolitan District will be created pursuant to Title 32 Colorado Revised Statutes. The District is an independent unit of local government, separate and distinct

from the County, and, except as may otherwise be provided for by State or local law or this Service Plan, their activities are subject to review by the County only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the District will provide a part or all of various Public Improvements necessary and appropriate for the development of a project within the unincorporated County to be known as “Bent Grass” (the “Project”). The Public Improvements will be constructed for the use and benefit of all anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements. Additional major purposes will include ongoing service and maintenance of parks, open space, and drainage facilities. This is a Conventional Representative District.

## **B. Need for the District**

There are currently no other governmental entities, including the County, located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Formation of the District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

This District is also be included in the Woodmen Hills Metropolitan District. This District did explore the possibility of de-annexing from Woodmen Hills but the Board of Directors of Woodmen Hills Metropolitan District was not interested in doing that. The reason a second, overlapping district is needed is that Woodmen Hills Metropolitan District does not have a mill levy or developer facility fees both of which are needed to finance infrastructure in this District.

All but two parcels are also included in the Woodmen Road Metropolitan District and those two parcels are now the subject of a petition for inclusion into the Woodmen Road Metropolitan District.

## **C. County Objectives in Forming the District**

The County recognizes this District as an independent quasi-municipal entity which is duly authorized for the purposes and functions identified in the Service Plan. Future County involvement in the affairs of the District will generally be limited to functions as required by the Colorado Revised Statutes, reporting and disclosure functions, determinations as to compliance with the limits as set forth in this Service Plan or any conditions attached to its approval, as well as additional activities or relationships as may be stipulated in any intergovernmental agreements which may be entered in to between the District and the County in the future.

In approving this Service Plan the objectives of the County include an intent to allow the applicant reasonable access to public tax-exempt financing for reasonable costs associated with the generally identified Public Improvements and to allow the applicant the ability to prudently obligate future property owners for a reasonable share of the repayment costs of the Public Improvements

which will benefit the properties within this District.

It is the additional objective of the County to allow for this District to provide for the identified ongoing services which either cannot or will not be provided by the County and/ or other districts.

In approving this District as a Conventional Representative District, it is also an objective of the County to maximize opportunities for full representative participation on the part of future eligible electors. However, because many of the critical financing decisions will be made prior to the existence of resident electors, it is the further intent of the County to accommodate and allow for reasonable and constructive ongoing notice to future property owners of the probable financial impacts associated with owning property within the District.

#### **D. Specific Purposes -Facilities and Services**

The District is authorized to provide the following facilities and services, both within and without the boundaries of the District as may be necessary:

1. WATER – Design and construction of the necessary water lines to connect to the Woodmen Hills Metropolitan District together with necessary easements and appurtenant facilities. The District does not intend to join the El Paso County Water Authority following formation since this District will not be a water provider and this District is also located within Woodmen Hills Metropolitan District, which is a member of the El Paso County Water Authority. The water system will be owned, operated and maintained by Woodmen Hills Metropolitan District. This District will not own or operate a potable water system.

2. WASTEWATER – Design and construction of the necessary wastewater lines to connect to the Woodmen Hills Metropolitan District together with necessary easements and appurtenant facilities. The wastewater system will be owned, operated and maintained by Woodmen Hills Metropolitan District. This District will not own or operate a wastewater system.

3. STREET IMPROVEMENTS AND SAFETY PROTECTION - Design and construction of arterial and collector street improvements and related safety protection devices including, but not limited to, bridges, fencing, trails, lighting, landscaping, traffic and safety controls and devices. Streets are to be dedicated to El Paso County and will be maintained by the County.

4. DRAINAGE – Design and construct all necessary drainage facilities including detention ponds, culverts, pipes, channels, swales, and weirs in accordance with the County drainage plan including the Drainage Criteria Manual Volume 2, Post-construction Best Management Practices.

5. PARK AND RECREATION – Design, acquire, construct, operate and maintain recreational facilities including, but not limited to pocket parks, parks, open

spaces, trails, fencing, and landscaping. The District’s pocket parks, parks, trails, and open space shall be owned and maintained by the District. The District shall not have the authority to apply for or utilize any Conservation Trust (“Lottery”) funds without the express prior consent of the Board of County Commissioners. The District shall have the authority to apply for and receive any other grant funds, including, but not limited to Great Outdoors Colorado (GOCO) discretionary grants. Such approval, although required, is not considered to be a major modification which would require the need to revise this Service Plan. Pocket parks will be added in order to provide similar amenities consistent with the rest of Woodmen Hills but the maintenance will be provided by this District so as not to be a burden on the rate payers in Woodmen Hills Metropolitan District.

This District will own, operate and maintain park and recreation facilities so that the same are not a burden on the existing Woodmen Hills Metropolitan District. However, because of the access to the two Woodmen Hills recreational facilities, this District will also pay the Woodmen Hills Metropolitan District park and recreation fee.

6. MOSQUITO CONTROL - Provide for the eradication and control of mosquitoes, including but not limited to elimination or treatment of breeding grounds and purchase, lease, contracting or other use of equipment or supplies for mosquito control.

7. COVENANT ENFORCEMENT – Retaining the right to do covenant enforcement limited to the imposition of fees for covenant enforcement unless this power is expanded with the consent of the Board of County Commissioners.

## **E. Other Powers**

1. Amendments. The District shall have the power to amend this Service Plan as needed, subject to appropriate statutory procedures as set forth in Section 32-1-207, C.R.S.;

2. Authority to Modify Implementation of Financing Plan and Public Infrastructure. Without amending this Service Plan, the District may defer, forego, reschedule or restructure the financing and construction of certain improvements and facilities, to better accommodate the pace of growth, resources availability, and potential inclusions of property within the District.

## **F. Other Statutory Powers**

The District may exercise such powers as are expressly or impliedly granted by Colorado law, if not otherwise limited by the Service Plan or its conditions of approval.

## **G. Eminent Domain**

The District may exercise the power of eminent domain or dominant eminent domain only as necessary to further the clear public purposes of the District.

The power of eminent domain and/or dominant eminent domain shall be limited to the acquisition of property that the District intends to own, control or maintain by the District or other governmental entity and is for the material use or benefit of the general public. The term “material use or benefit for the general public” shall not include the acquisition of property for the furtherance of an economic development plan, nor shall it include as a purpose an intent to convey such property or to make such property available to a private entity for economic development purposes. The phrase “furtherance of an economic development plan” does not include condemnation of property to facilitate public infrastructure that is necessary for the development of the Project.

## **H. Sales Tax or Public Improvement Fees**

The District does not anticipate entering into arrangement with the County or a Public Improvements Company (PIC) for the purpose of accepting sales tax revenues. The District may anticipate creating a separate non-profit development corporation for the purposes of providing design, financing, and construction of municipal infrastructure, and other services and the imposition of fees on certain land sales which fees would be committed to servicing debt.

## **I. Intergovernmental Agreements (IGAs)**

The District is authorized to enter into IGAs to the extent permissible by law. As of the date of approval of this Service Plan, it is anticipated that there may be an IGA with Woodmen Hills Metropolitan District relating to water and sewer operations.

## **J. Description Of Proposed Boundaries And Service Area**

1. Initial District Boundaries. A vicinity map showing the general location of the District is included as Exhibit A.1. A map of the initially included properties is included at Exhibit A.2, with a legal description of its boundaries are found at Exhibit A.5.

2. Additional Inclusion Areas. Additional inclusion areas are not anticipated in addition to the initially included properties.

3. Extraterritorial Service Areas. The District does not anticipate providing services to areas outside of the Initial District Boundaries.

4. Analysis of Alternatives. The creation of the District will be in the best interests of the property proposed to be served. The District will have the flexibility and statutory powers to provide long-term services to the residents within its boundaries. New Districts have numerous advantages over other vehicles which could be utilized to supply

services to this area.

While a Homeowners Association might be set up to provide these services by way of covenants imposed on the real property, an Association may lack both the financing ability, the flexibility and the longevity that would be provided by the District. Additionally, an Association would not possess certain of the statutory powers that are allowed to the District.

Adequate municipal services for the development are not expected to be made available through any other county, municipality or quasi-municipal corporation. The proposed District is also included in the Woodmen Road Metropolitan District and the Woodmen Hills Metropolitan District. These two districts cannot finance the public improvements needed here because Woodmen Hills Metropolitan District does not have a mill levy and the only functions of the Woodmen Road Metropolitan District are to finance and construct Woodmen Road.

Insofar as the development consists of proposed residential densities within its boundaries, there should be an entity separate from the developer to provide services on a long-term basis. A publicly controlled district with an elected board of directors, versus a Homeowners Association or any private Utility Company, would be the most capable of providing these municipal services.

Although there is municipal debt to be authorized, the developer/owner will supply the credit enhancements needed for the initial debt or will purchase the initial bonds to be issued. Limited tax general obligation debt will be issued as is justified by the assessed valuation. In addition there will be a mill levy cap not to exceed 40 mills.

5. Material Modifications/Service Plan Amendment. Material modifications of this Service Plan shall, at a minimum, trigger the need for prior approval of the Board of County Commissioners at an advertised public hearing and may require a need for a complete re-submittal of an amended Service Plan along with a hearing before the County's planning commission. For the purpose of this Service Plan the following changes shall be considered material modifications:

- a. Any change in the basic services provided by the District, including the addition of any types of services not authorized by this Service Plan.
- b. Any other matter which is now, or may in the future, be described as a material modification by the Special District Act.
- c. Imposition of a mill levy in excess of any of the Maximum Mill Levies as authorized in this approved Service Plan.
- d. Issuance of Debt in excess of the Maximum Debt Authorization authorized in this Service Plan



- e. Issuance of any Debt with a maturity period of greater than thirty (30) years, from the date of issuance of such Debt.
- f. Creation of any sub-districts as contemplated in the Special District Act.
- g. Inclusion into the District of any property over five (5) miles from the combined area of the Initial District Boundaries and the Additional Inclusion Areas unless explicitly contemplated in this Service Plan.
- h. Receipt of a Public Improvement Fee unless authorized by this Service Plan.

#### **IV. DEVELOPMENT ANALYSIS**

##### **A. Existing Developed Conditions**

At the present time there some public improvements consisting of a portion of Bent Grass Boulevard. There are also some privately owned improvements consisting of mini-storage facilities but there is currently no population.

##### **B. Total Development At Project Buildout**

At complete project build-out, development within the District is planned to consist of 387 detached single family residential units and 150 attached single family residential units. The prices of homes in the project are expected to average \$325,000 in year 2007 dollars. In addition there will eventually be approximately 500,000 square feet of commercial/industrial space which is probably a more realistic number than the 700,000 square feet shown in Exhibit D-5..

##### **C. Development Phasing and Absorption**

Although the financial plan at Exhibit D shows a buildout of the residential properties within 4 years, depending on the local economy, this may take 6 to 8 years. The commercial development is estimated at no more than 35,000 square feet per year. Because of the uncertainty of future growth, the Developer will probably fund infrastructure subject to a Developer Reimbursement Agreement and will probably be the initial bond holder.

##### **D. Status of Underlying Land Use Approvals**

The overall residential PUD and site specific PUD have been approved and the industrial/commercial PUD is in the process of approval. The proposed District includes most of the approved Bent Grass Sketch Plan but also includes portions of property known as Latigo Business

Park which is in the process of conversion from industrial use to commercial use.

## **V. INFRASTRUCTURE SUMMARY**

Attached as Exhibit C is an analysis of the Infrastructure Capital Costs for the identified Public Improvements which are anticipated to be required within this District. A general description of the categories of Public Improvements is included in Section III.D of this Service Plan. The total costs of the Public Improvement is estimated to be approximately \$16,498,000, in year 2008 dollars. It is estimated that the District will finance approximately \$8,448,000 of this amount, but the amount ultimately financed by the District will be subject to the Maximum Authorized Debt limit.

All Public Improvements will be designed and constructed in accordance with the standards of the governmental entity to which such Public Improvements will be dedicated (including, with respect to storm sewer and drainage facilities, the applicable NPDES standards), and otherwise in accordance with applicable El Paso County standards. The composition of specific Public Improvements will be determined in connection with applicable future land use and development approvals required by El Paso County rules and regulations.

## **VI. FINANCIAL PLAN SUMMARY**

### **A. Financial Plan Assumptions and Debt Capacity Model**

Attached at Exhibit D is a summary of development assumptions, projected assessed valuation, description of revenue sources (including applicable mill levies and fees) and expenses for both operations and debt service, and an overall debt capacity model associated with projected future development of the Project. The model demonstrates that the District is capable of providing sufficient and economic service within the Project, and that the District has or will have the financial ability to discharge the District's Debt on a reasonable basis. The financial model attached as Exhibit D is an example of the manner in which the District may finance the Public Improvements. The specific structure for financing the Public Improvements shall be determined in the discretion of the Board of Directors of the District, subject to the limitations set forth in this Service Plan.

### **B. Maximum Authorized Debt**

The District is authorized to issue Debt up to \$30,000,000 in principal amount.

### **C. Maximum Mill Levies**

1. Maximum Debt Service Mill Levy. The Maximum Debt Service Mill Levy shall be determined as follows:

a. For the portion of any aggregate Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Service Mill Levy for such portion of Debt shall be forty (40) mills, subject to Gallagher Adjustment.

b. For the portion of any aggregate Debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, and with the consent of the Board of County Commissioners (at a subsequent hearing) evidenced by Resolution, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Service Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

c. For purposes of the foregoing, to the extent an amount of Debt has been determined to be within subsection b above, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, such District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in such District's Debt to assessed ratio. All Debt issued by the Districts must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

2. Maximum Operational Mill Levy. The Maximum Operational Mill Levy Cap shall be five (5) mills, subject to Gallagher Adjustment.

3. Maximum Special Purpose Mill Levy Cap. The Maximum Special Purpose Mill Levy is 0 Mills.

4. Maximum Combined Mill Levy. The Maximum Combined Mill Levy is 40 Mills, subject to Gallagher Adjustment.

#### **D. Maximum Maturity Period For Debt**

The period of maturity for issuance of any Debt (but not including Developer Funding Agreements) shall be limited to no more than thirty (30) years without express, prior approval of the Board of County Commissioners. Such approval, although required, is not considered to be a Material Modification of the Service Plan which would trigger the need to amend said Service Plan. However, the District is specifically authorized to refund or restructure existing Debt so long as the period of maturity for the refunding or restructured Debt is no greater than 30 years from the date of the issuance thereof.

#### **E. Developer Funding Agreements**

The Developer does intend to enter into Developer Funding Agreements with the District in addition to recovery of the eligible costs associated with creation of this District. It is anticipated that in the formative years the District will have shortfalls in funding its capital costs and

monthly operations and maintenance expenses. The Developer may fund these obligations for the District to promote the Project's development subject to the Developer being repaid from future District revenues.

Developer Funding Agreements may allow for the earning of simple interest thereon, but under no circumstances shall any such agreement permit the compounding of interest. The Developer Funding Agreements may permit an interest rate that does not exceed the prime interest rate plus two points thereon.

The maximum term for repayment of a Developer Funding Agreement shall be twenty (20) years from the date the District becomes obligated to repay the Developer Funding Agreement under the associated contractual obligation. For the purpose of this provision, Developer Funding Agreements are considered repaid once the obligations are fully paid in cash or when converted to bonded indebtedness of the District (including privately placed bonds). Any extension of such term is considered a Material Modification and must be approved by the Board of County Commissioners.

Required disclosure notices shall clearly identify the potential for the District to enter into obligations associated with Developer Funding Agreements and shall summarize any agreements which may be subsequently entered into in future Special District Annual Reports and Disclosure forms to be filed with the County.

## **F. Privately Placed Debt Limitation**

Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows: We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

## **G. Revenue Obligations**

The District shall also be permitted to issue Revenue Obligations in such amount as the District may determine. Amounts issued as Revenue Obligations are not subject to the Maximum Debt Authorization.

**VII. OVERLAPPING TAXING ENTITIES, NEIGHBORING JURISDICTIONS AND INTERGOVERNMENTAL AGREEMENTS**

**A. Overlapping Taxing Entities**

The directly overlapping taxing entities and their respective Year 2007 mill levies are as follows:

El Paso County	6.142 mills
El Paso County Road and Bridge	1.568 mills
Falcon School. District 49	45.547 mills
Pikes Peak Library District	3.515 mills
Falcon Fire Protection District	5.712 mills
Woodmen Hills Metropolitan District	0.000 mills
Woodmen Road Metropolitan District	10.800 mills
Upper Black Squirrel Management Dist.	7.060 mills
Total	80.344 mills

The total mill levy including the proposed levy to be certified by this District is 120.344 mills.

It is not anticipated that there will be any financial impacts to these entities.

**B. Neighboring Jurisdictions**

The following additional taxing and or service providing entities include territory within three miles of the Initial District Boundaries:

- Meridian Ranch and Meridian Service Metropolitan District
- Paint Brush Hills Metropolitan District
- Falcon Highlands Metropolitan District
- Pikes Peak Library District
- Southeast Water Conservancy District
- El Paso County Conservancy District

There will be no adverse financial impacts to these entities.

**VIII. DISSOLUTION**

**A. Dissolution** Upon an independent determination of the Board of County Commissioners that the purposes for which the District was created have been accomplished, the District agrees to file a petition in the appropriate District Court for dissolution, pursuant to the

applicable State statutes. In no event shall dissolution occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes. Insofar as this District will be providing ongoing operations and maintenance, dissolution is not anticipated.

**B. Administrative Dissolution** The District shall be subject to administrative dissolution by the Division of Local Government as set forth in Section 32-1-710, C.R.S.

## **IX. COMPLIANCE**

A. An Annual Report and Disclosure Form will be required and submitted as described in C.R.S. 32-1-207(3)(d) and as further articulated by Board of County Commissioners Resolution Number 07272.

B. Material Modifications of this Service Plan shall be subject to the provisions contained in Section 32-1-207, C.R.S., relating to approvals and notices thereof.

## **X. MISCELLANEOUS**

The following is additional information to further explain the functions of the District:

### **A. Special District Act**

The contemplated municipal services are under the jurisdiction of the Special District Act and not the Public Utilities Commission.

### **B. Disclosure to Prospective Purchasers**

After formation of the District, and in conjunction with final platting of any properties within the proposed District, the applicable Board of Directors of the District shall prepare a notice acceptable to the Development Services Department Staff informing all purchasers of property within the District of the District's existence, purpose and debt, taxing, and other revenue-raising powers and limitations. Such notice obligation shall be deemed satisfied by recording the notice with this Service Plan and each final plat associated with the Project, or by such other means as the Development Services Department approves. Such notice shall be modified to address the potential for future Debt issuance which may be required to meet the obligations associated with loans incurred by the District. In conjunction with subsequent plat recordings, Development Services Department staff is authorized to administratively approve updates of the disclosure form to reflect current information. Additionally, in accordance with El Paso County Resolution 06-472, as may be amended, the District shall provide an updated Special District Annual Report and Disclosure Form on an annual basis.

### **C. Local Improvements**

Prior to the financing of Local Public Improvements, and if required by County policy uniformly applied, agreements shall be in place to prevent a loss of sales tax revenue from sales of construction materials which would otherwise accrue to the County.

### **D. Service Plan not a Contract**

The grant of authority contained in this Service Plan does not constitute the agreement or binding commitment of the District enforceable by third parties to undertake the activities described, or to undertake such activities exactly as described.

### **E. Land Use and Development Approvals**

Approval of this Service Plan does not imply approval of the development of a specific area within the Project, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto. All such land use and development approvals shall be processed and obtained in accordance with applicable El Paso County rules, regulations and policies.

## **XI. CONCLUSION**

It is submitted that this Service Plan for the District establishes that:

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

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

E. Adequate service is not, and will not be, available to the area through the County 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 proposed District are compatible with the facility and service standards of the County;

G. The proposal is in substantial compliance with the County master plan.

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

Susemihl, McDermott & Cowan, P.C.

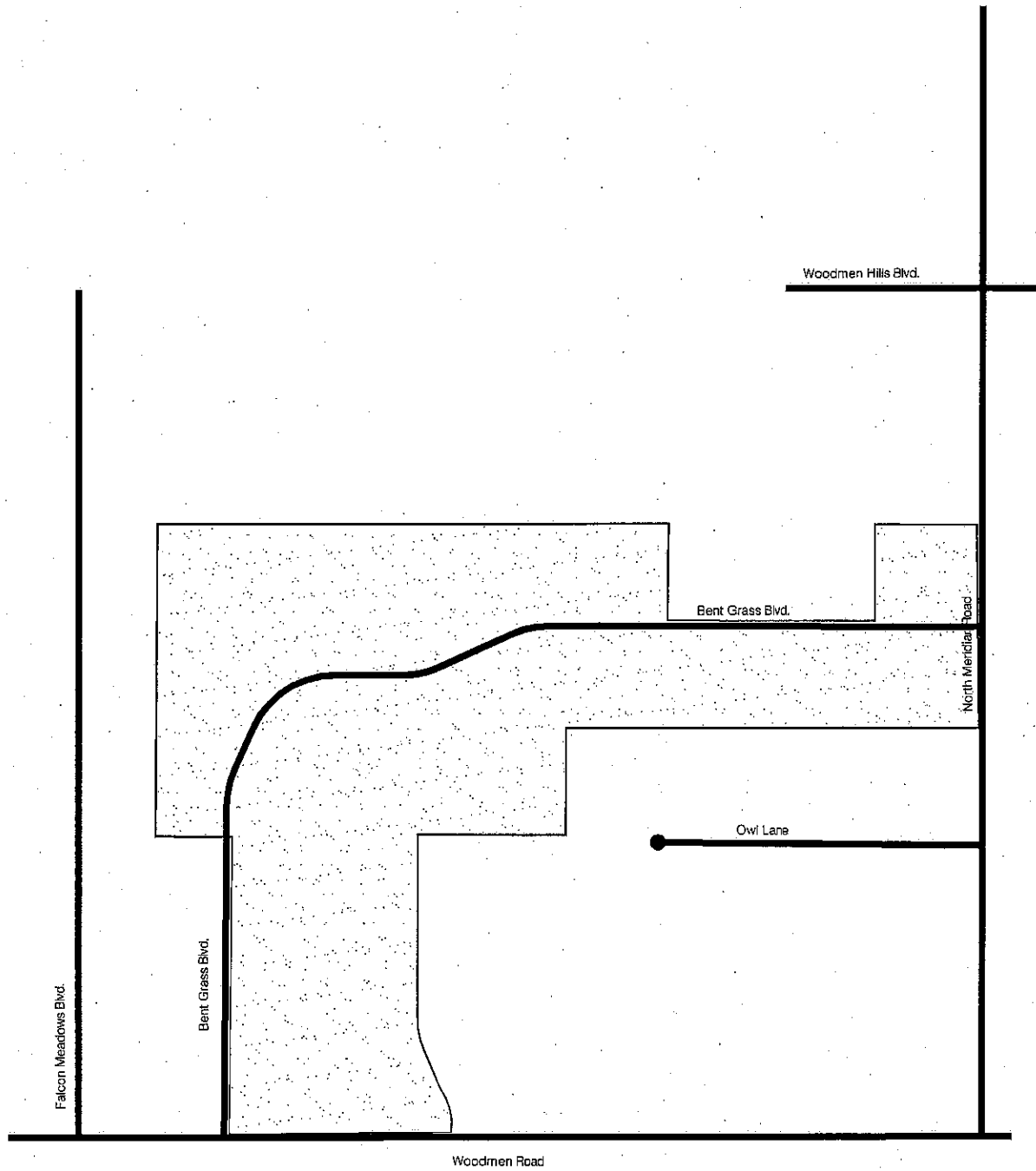


EXHIBIT A

MAPS AND LEGAL DESCRIPTIONS



Exhibit A.2-2 Pages



# Bent Grass

DATE: April 25, 2007

ISSUED FOR: Randy Case

DRAWN BY: B. Yates

DWG. REF.:

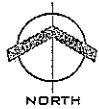
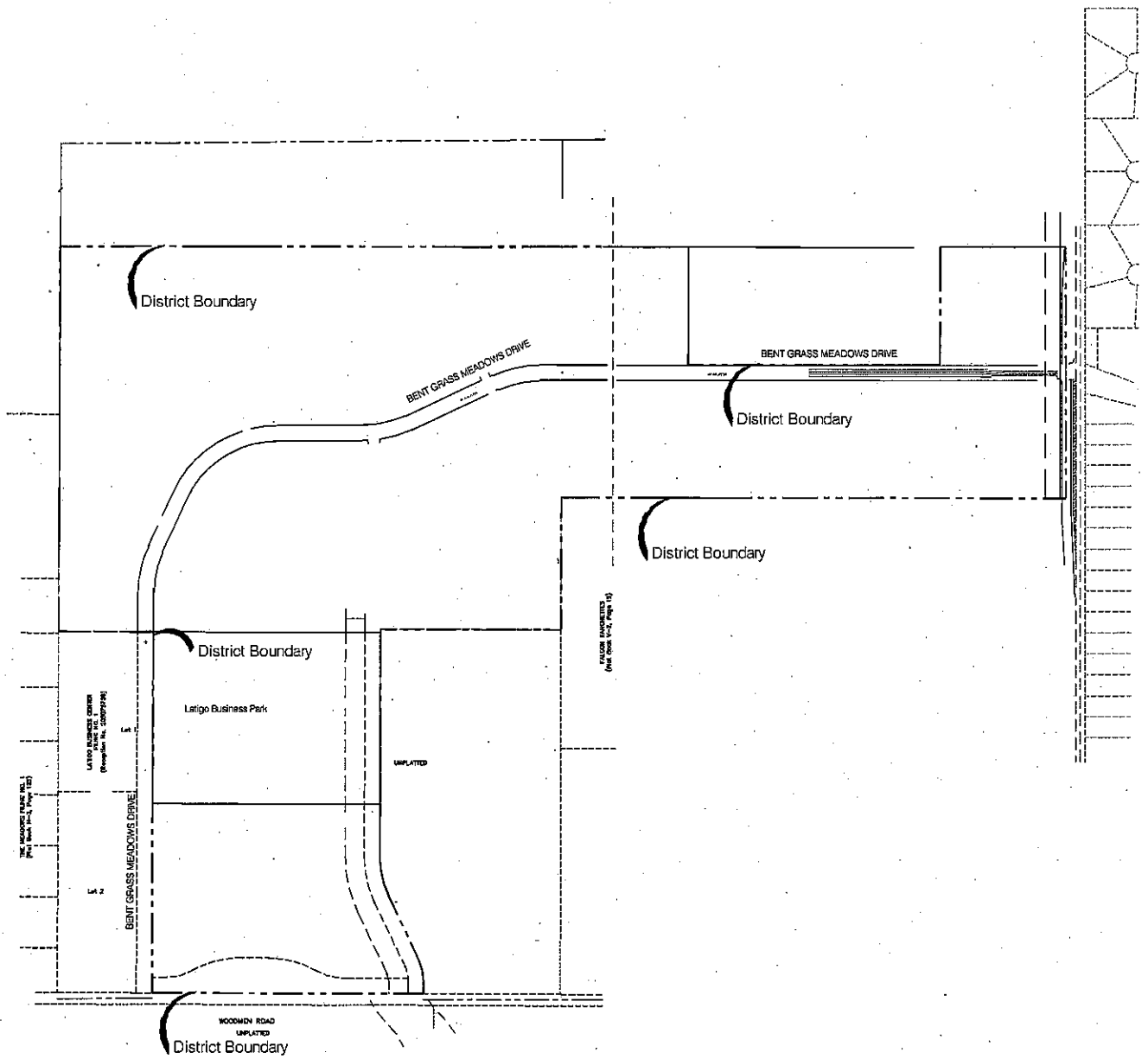
SCALE:

DWG. #:



URBAN DESIGN  
LAND PLANNING  
& LANDSCAPE  
ARCHITECTURE

508 South Tejon Street  
Colorado Springs, CO 80903  
Tel. 719-471-0013  
Fax 719-471-0267



# Bent Grass

DATE: April 25, 2007

ISSUED FOR: Nobility Homes

DRAWN BY: B. Yates

DWG. REF.: Boundary

SCALE:

DWG. #:



URBAN DESIGN  
LAND PLANNING  
& LANDSCAPE  
ARCHITECTURE

508 South Tejon Street  
Colorado Springs, CO 80903  
Tel. 719-471-0073  
Fax 719-471-0267

## Exhibit A.5

### LEGAL DESCRIPTION:

A tract of land being a portion of Section 1, Township 13 South, Range 65 West of the 6th P.M., situate in El Paso County, Colorado, described as follows:

Commencing at the Southwest corner of said Section 1 (all bearings in this description are relative to the West line of the Southwest One-Quarter of said Section 1, which bears  $N00^{\circ}16'02''E$  "assumed"); thence  $N00^{\circ}16'02''E$  along said Section 1's Southwest One-Quarter's West line (said line also being coincident with the Westerly line of LATIGO BUSINESS CENTER FILING NO. 1 (Reception No. 205075726, El Paso County, Colorado records) and the Easterly line of THE MEADOWS FILING NO. 1 (Plat Book N-3, Page 125, said El Paso County records), 1928.59 feet to the Point of Beginning of the tract herein described (the following three (3) courses are along the Easterly line of said THE MEADOWS FILING NO. 1 and THE MEADOWS FILING NO. 2 (Plat Book O-3, Page 94, said records), and the Southerly line of THE MEADOWS FILING NO. 3 (Reception No. 200135667, said records), respectively); 1) continue  $N00^{\circ}16'02''E$  along said Southwest One-Quarter's West line, 706.50 feet to the Northwest corner of said Southwest One-Quarter, said corner also being the Southwest corner of the Northwest One-Quarter of said Section 1; 2)  $N00^{\circ}15'34''E$  along the West line of the South One-Half of said Section 1's Northwest One-Quarter (S1/2 NW1/4), 1316.12 feet to the Northwest corner of said S1/2 NW1/4; 3)  $S89^{\circ}53'38''E$  along the North line of said S1/2 NW1/4, 2639.01 feet to the Southeast corner of said FILING NO. 3, said corner also being the Northwest corner of the South One-Half of the Northeast One-Quarter (S1/2 NE1/4) of said Section 1 and the Southwest corner of WOODMEN HILLS FILING NO. 3 (Reception No. 97059838, said records); thence  $S89^{\circ}54'10''E$  along the North line of said S1/2 NE1/4, said line also being coincident with the Southerly lines of said WOODMEN HILLS FILING NO. 3 and WOODMEN HILLS FILING NO. 4 (Reception No. 97150001, said records), and as extended Easterly, 2639.10 feet to the Northeast corner of said S1/2 NE1/4; thence  $S00^{\circ}00'06''W$  along the East line of said S1/2 NE1/4, 1322.46 feet to the Southeast corner of said S1/2 NE1/4, said corner also being the Northeast corner of FALCON RANCHETTES (Plat Book V-2, Page 15, said records); thence  $N89^{\circ}49'43''W$  along the South line of said S1/2 NE1/4, said line also being coincident with the Northerly line of said FALCON RANCHETTES, 2642.23 feet to the center section corner of said Section 1, said corner also being the Northwest corner of said FALCON RANCHETTES; thence  $S00^{\circ}07'58''W$  along the East line of the Southwest One-Quarter of said Section 1, said line also being coincident with the Westerly line of said FALCON RANCHETTES, 693.63 feet to the Northeast corner of that tract described by document (Book 3233, Page 824, said records); thence  $N89^{\circ}42'50''W$  along the Northerly line of said tract, 952.75 feet to the Northwest corner of said tract; thence  $S00^{\circ}07'47''W$  along the Westerly line of said tract, 18.25 feet to a point on the Easterly extension of the Northerly line of said LATIGO BUSINESS CENTER FILING NO. 1; thence  $N89^{\circ}42'50''W$  along said FILING's Northerly line's Easterly extension, 1690.74 feet to the Point of Beginning;

Containing 202.556 "gross" acres, more or less.

**EXHIBIT B  
DEVELOPMENT SUMMARY**

Included in Exhibit C

EXHIBIT C  
ESTIMATED INFRASTRUCTURE CAPITAL COSTS

**DISTRICT INFRASTRUCTURE ANALYSIS**

Drainage Ponds: All onsite and offsite detention ponds needed as it relates to the building and initial maintenance serving both the commercial and residential. This includes lining and mosquito control. \$680,000

Drainage Improvements and Erosion Control: All onsite drainage improvements, but not limited to box culverts, underdrains, channels, storm pipe, erosion blankets, check dams, overlot seeding, silt fence, inlets serving both the residential and commercial property. \$3,100,000.

Street Improvements: All onsite commercial and residential streets serving the property. Improvements such as curb, grading, sidewalks, striping and asphalt as directed by El Paso County Standards. This includes Bent Grass Meadows connecting Meridian Road to Woodmen Frontage Road. In addition, turn lanes on Meridian Road and an access road serving future improvements to the Owl Lane property. \$4,200,000

Water and Wastewater Improvements: The district will fund the installation of the the water and sewer servicing the property, which will be deeded to the Woodmen Hills Metro District for maintenance and service. \$3,600,000

Landscaping, Fencing, Monuments: The district will be responsible for installing monuments, fencing and landscaping in three pocket parks, community park and blvd landscaping on Bent Grass Blvd. Fencing will encompass residential perimeter sound wall fencing, blvd fencing and buffer fencing between commercial and residential. Monuments will be installed representing Latigo Business Park, Bent Grass Commercial and Residential properties. \$1,170,000

Engineering: The district will fund engineering related to the design and consulting of the commercial and residential designs. In addition, a letter of map revision will be required, on and offsite traffic analysis, water sufficiency studies, wet utilities, drainage and grading designs. \$680,000

Surveying: Surveying will consist of all staking required to complete this master planned community. \$568,000

Wells and Raw Water Lines: The district will design, install, and drill wells and waterlines as needed. \$770,000

Overlot Grading: The cost to overlot grade both the business park, commercial, and residential lots. \$840,000



Overhead: The district will be responsible for funding the cost of direct and indirect management overseeing the improvements. In addition, legal, financing, and initial formation cost reimbursement. \$890,000

**DISTRICT INFRASTRUCTURE CUMMULATIVE**

Drainage Ponds	\$ 680,000
Drainage Improvements	\$3,100,000
Street Improvements	\$4,200,000
Water and Wastewater	\$3,600,000
Landscaping, fencing, parks	\$1,170,000
Engineering	\$ 680,000
Surveying	\$ 568,000
Wells and Raw water lines	\$ 770,000
Overlot Grading	\$ 840,000
Overhead	<u>\$ 890,000</u>
Total	\$16,498,000

EXHIBIT D  
FINANCIAL PLAN SUMMARY

Exhibit D-5 Pages

**Bent Grass Metro District Bond Proceeds:**

<u>2007 Bonds</u>		<u>2011 Bonds</u>	
\$	5,200,000	Issuance Amount	\$ 5,400,000
\$	624,000	Capitalized Interest	\$ -
\$	208,000	Issuance Costs	\$ 216,000
\$	<u>4,368,000</u>	Net Proceeds	<u>\$ 5,184,000</u>

Terms:

Maturity 20 Years  
 Interest Rate 6%  
 Series 2  
 Rationale: One series will rely more on residential build out.  
 Second series will only be able to be funded once commercial is under way

Absorption Assumptions:

100 Single Family Houses closed per year  
 387 Total Single Family Houses  
 \$ 325,000 Assessor Market Value of SF House  
 25 Multi-Family Houses closed per year  
 100 Total Multi-Family Houses  
 \$ 200,000 Assessor Market Value of MF House  
 5% Commercial property sold/built per year  
 700,000 Total Commercial Square Footage  
 \$ 100 Assessor Market Value of Commercial Property

Projected Bent Grass Metro District Multi-Family and Commercial Assessed Valuation

Assumptions:	Date	Vacant Land	Balance of Platted Lots	Platted Lot Value	Dev. Lots Sold	Dev. Lots Value	Cumulative Multi-Family Constructed	Multi-Family Values	200,000	Lot Cumulative Market Value	Home Cumulative Market Value	Developed Commercial Sq Ft	Cumulative Commercial Mkt Value	Collection Year	Total Assessed Value	Mill Levy Income	Facilities Fee Income
100 # multi-family homes	12/1/2007													2008	\$	\$	\$
200,000 multi-family homes avg price	6/1/2008		100	\$ 1,000,000						\$ 1,000,000				2009	\$ 290,000	\$ 10,150	\$
700,000 Square foot of commercial	12/1/2009		75	\$ 750,000	25	\$ 500,000	25	\$ 8,125,000		\$ 1,250,000	\$ 8,125,000	35,000	\$ 3,500,000	2010	\$ 2,024,250	\$ 70,849	\$ 43,750
100 per sq of market price	6/1/2010		50	\$ 500,000	25	\$ 500,000	25	\$ 8,125,000		\$ 2,250,000	\$ 24,375,000	35,000	\$ 7,000,000	2011	\$ 4,622,750	\$ 161,796	\$ 68,750
Rate of Absorption:	12/1/2010		25	\$ 250,000	25	\$ 500,000	50	\$ 16,250,000		\$ 3,000,000	\$ 48,750,000	35,000	\$ 10,500,000	2012	\$ 7,795,500	\$ 272,843	\$ 93,750
25 per Year for MF	6/1/2011									\$ 3,500,000	\$ 81,250,000	35,000	\$ 14,000,000	2013	\$ 11,542,500	\$ 403,988	\$ 118,750
5% commercial	12/1/2012									\$ 3,500,000	\$ 81,250,000	35,000	\$ 17,500,000	2014	\$ 12,957,500	\$ 439,513	\$ 143,750
Mill Levy:	6/1/2013				25	\$ 500,000	75	\$ 24,375,000		\$ 3,500,000	\$ 81,250,000	35,000	\$ 21,000,000	2015	\$ 13,572,500	\$ 475,038	\$ 143,750
35 Debt Service Mill Levy	12/1/2013						100	\$ 32,500,000		\$ 3,500,000	\$ 81,250,000	35,000	\$ 24,500,000	2016	\$ 14,587,500	\$ 510,563	\$ 143,750
5 O&M Mill Levy	6/1/2014									\$ 3,500,000	\$ 81,250,000	35,000	\$ 28,000,000	2017	\$ 15,602,500	\$ 546,088	\$ 143,750
50% SFE= Multi-Family	12/1/2014									\$ 3,500,000	\$ 81,250,000	35,000	\$ 31,500,000	2018	\$ 16,617,500	\$ 581,613	\$ 143,750
\$ 1,000 Multi-Family Facilities Fee	6/1/2015									\$ 3,500,000	\$ 81,250,000	35,000	\$ 35,000,000	2019	\$ 17,632,500	\$ 617,138	\$ 143,750
\$ 1.25 per Commercial Facility Fee	12/1/2015									\$ 3,500,000	\$ 81,250,000	35,000	\$ 38,500,000	2020	\$ 17,632,500	\$ 617,138	\$ 143,750
	6/1/2016									\$ 3,500,000	\$ 81,250,000	35,000	\$ 42,000,000	2021	\$ 18,647,500	\$ 652,663	\$ 143,750
	12/1/2016									\$ 3,500,000	\$ 81,250,000	35,000	\$ 45,500,000	2022	\$ 19,662,500	\$ 688,188	\$ 143,750
	6/1/2017									\$ 3,500,000	\$ 81,250,000	35,000	\$ 49,000,000	2023	\$ 20,677,500	\$ 723,713	\$ 143,750
	12/1/2017									\$ 3,500,000	\$ 81,250,000	35,000	\$ 52,500,000	2024	\$ 21,692,500	\$ 759,238	\$ 143,750
	6/1/2018									\$ 3,500,000	\$ 81,250,000	35,000	\$ 56,000,000	2025	\$ 22,707,500	\$ 794,763	\$ 143,750
	12/1/2018									\$ 3,500,000	\$ 81,250,000	35,000	\$ 59,500,000	2026	\$ 23,722,500	\$ 830,288	\$ 143,750
	6/1/2019									\$ 3,500,000	\$ 81,250,000	35,000	\$ 63,000,000	2027	\$ 24,737,500	\$ 865,813	\$ 143,750
	12/1/2019									\$ 3,500,000	\$ 81,250,000	35,000	\$ 66,500,000	2028	\$ 25,752,500	\$ 901,338	\$ 143,750
	6/1/2020									\$ 3,500,000	\$ 81,250,000	35,000	\$ 70,000,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	12/1/2020									\$ 3,500,000	\$ 81,250,000	35,000	\$ 73,500,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	6/1/2021									\$ 3,500,000	\$ 81,250,000	35,000	\$ 77,000,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	12/1/2021									\$ 3,500,000	\$ 81,250,000	35,000	\$ 80,500,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	6/1/2022									\$ 3,500,000	\$ 81,250,000	35,000	\$ 84,000,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	12/1/2022									\$ 3,500,000	\$ 81,250,000	35,000	\$ 87,500,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	6/1/2023									\$ 3,500,000	\$ 81,250,000	35,000	\$ 91,000,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	12/1/2023									\$ 3,500,000	\$ 81,250,000	35,000	\$ 94,500,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	6/1/2024									\$ 3,500,000	\$ 81,250,000	35,000	\$ 98,000,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	12/1/2024									\$ 3,500,000	\$ 81,250,000	35,000	\$ 101,500,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	6/1/2025									\$ 3,500,000	\$ 81,250,000	35,000	\$ 105,000,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	12/1/2025									\$ 3,500,000	\$ 81,250,000	35,000	\$ 108,500,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	6/1/2026									\$ 3,500,000	\$ 81,250,000	35,000	\$ 112,000,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	12/1/2026									\$ 3,500,000	\$ 81,250,000	35,000	\$ 115,500,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	6/1/2027									\$ 3,500,000	\$ 81,250,000	35,000	\$ 119,000,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	12/1/2027									\$ 3,500,000	\$ 81,250,000	35,000	\$ 122,500,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	6/1/2028									\$ 3,500,000	\$ 81,250,000	35,000	\$ 126,000,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	12/1/2028									\$ 3,500,000	\$ 81,250,000	35,000	\$ 129,500,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	6/1/2029									\$ 3,500,000	\$ 81,250,000	35,000	\$ 133,000,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	12/1/2029									\$ 3,500,000	\$ 81,250,000	35,000	\$ 136,500,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	6/1/2030									\$ 3,500,000	\$ 81,250,000	35,000	\$ 140,000,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	12/1/2030									\$ 3,500,000	\$ 81,250,000	35,000	\$ 143,500,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	6/1/2031									\$ 3,500,000	\$ 81,250,000	35,000	\$ 147,000,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	12/1/2031									\$ 3,500,000	\$ 81,250,000	35,000	\$ 150,500,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	6/1/2032									\$ 3,500,000	\$ 81,250,000	35,000	\$ 154,000,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
	12/1/2032									\$ 3,500,000	\$ 81,250,000	35,000	\$ 157,500,000	2028	\$ 26,767,500	\$ 936,863	\$ 143,750
										\$ 2,500,000	\$ 81,250,000	700,000	\$ 157,500,000		\$ 15,607,025	\$ 1,125,000	

\* Assumes 2007 bond series has 18 months capitalized interest to be funded from proceeds.



Projected Bent Grass Metro District Debt Service Cash Flow

Year	Income		O & M Income	Facilities Fees	Total Income	Expense			Total Expense	Balance
	Single Family Mill Levy	Multi-Family & Commercial Mill Levy				2007 Debt Service	2011 Debt Service	O&M Expense		
2007	\$ 122	\$ -	\$ 17	\$ 200,000	\$ 200,140	\$ 312,000	\$ -	\$ 17	\$ 312,017	\$ 200,122
2008	\$ 98,861	\$ 10,150	\$ 14,123	\$ 243,750	\$ 366,884	\$ 312,000	\$ -	\$ 15,573	\$ 327,573	\$ 551,433
2009	\$ 189,406	\$ 70,849	\$ 27,058	\$ 268,750	\$ 566,063	\$ 312,000	\$ -	\$ 37,179	\$ 349,179	\$ 758,317
2010	\$ 279,951	\$ 161,796	\$ 39,993	\$ 267,750	\$ 749,490	\$ 312,000	\$ -	\$ 63,107	\$ 375,107	\$ 1,132,700
2011	\$ 367,857	\$ 272,843	\$ 52,551	\$ 118,750	\$ 812,001	\$ 512,000	\$ 324,000	\$ 91,529	\$ 927,529	\$ 1,017,172
2012	\$ 350,409	\$ 403,988	\$ 50,058	\$ 143,750	\$ 948,205	\$ 510,000	\$ 324,000	\$ 107,771	\$ 941,771	\$ 1,023,606
2013	\$ 350,409	\$ 439,513	\$ 50,058	\$ 43,750	\$ 883,730	\$ 512,400	\$ 324,000	\$ 112,846	\$ 949,246	\$ 958,090
2014	\$ 350,409	\$ 475,038	\$ 50,058	\$ 43,750	\$ 919,255	\$ 513,900	\$ 324,000	\$ 117,921	\$ 955,821	\$ 921,525
2015	\$ 350,409	\$ 510,563	\$ 50,058	\$ 43,750	\$ 954,780	\$ 509,500	\$ 499,000	\$ 122,996	\$ 1,131,496	\$ 744,809
2016	\$ 350,409	\$ 546,088	\$ 50,058	\$ 43,750	\$ 990,305	\$ 509,500	\$ 523,500	\$ 128,071	\$ 1,161,071	\$ 574,043
2017	\$ 350,409	\$ 581,613	\$ 50,058	\$ 43,750	\$ 1,025,830	\$ 508,600	\$ 525,900	\$ 133,146	\$ 1,167,646	\$ 432,227
2018	\$ 350,409	\$ 617,138	\$ 50,058	\$ 43,750	\$ 1,061,355	\$ 511,800	\$ 527,400	\$ 138,221	\$ 1,177,421	\$ 316,161
2019	\$ 350,409	\$ 617,138	\$ 50,058	\$ 43,750	\$ 1,061,355	\$ 513,800	\$ 528,000	\$ 138,221	\$ 1,180,021	\$ 197,495
2020	\$ 350,409	\$ 652,663	\$ 50,058	\$ 43,750	\$ 1,096,880	\$ 514,600	\$ 527,700	\$ 143,296	\$ 1,185,596	\$ 108,779
2021	\$ 350,409	\$ 688,188	\$ 50,058	\$ 43,750	\$ 1,132,405	\$ 514,200	\$ 526,500	\$ 148,371	\$ 1,189,071	\$ 52,114
2022	\$ 350,409	\$ 723,713	\$ 50,058	\$ 43,750	\$ 1,167,930	\$ 522,600	\$ 529,400	\$ 153,446	\$ 1,205,446	\$ 14,598
2023	\$ 350,409	\$ 759,238	\$ 50,058	\$ 43,750	\$ 1,203,455	\$ 519,200	\$ 526,100	\$ 158,521	\$ 1,225,096	\$ 28,116
2024	\$ 350,409	\$ 794,763	\$ 50,058	\$ 43,750	\$ 1,238,980	\$ 524,600	\$ 536,900	\$ 163,596	\$ 1,242,771	\$ 59,850
2025	\$ 350,409	\$ 830,288	\$ 50,058	\$ 43,750	\$ 1,274,505	\$ 528,200	\$ 545,900	\$ 168,671	\$ 1,261,846	\$ 108,034
2026	\$ 350,409	\$ 865,813	\$ 50,058	\$ 43,750	\$ 1,310,030	\$ 530,000	\$ 558,100	\$ 173,746	\$ 1,261,846	\$ 716,559
2027	\$ 350,409	\$ 901,338	\$ 50,058	\$ 43,750	\$ 1,345,555	\$ -	\$ 558,200	\$ 178,821	\$ 737,021	\$ 1,308,203
2028	\$ 350,409	\$ 936,863	\$ 50,058	\$ -	\$ 1,337,330	\$ -	\$ 561,800	\$ 183,896	\$ 745,696	\$ 1,888,037
2029	\$ 350,409	\$ 936,863	\$ 50,058	\$ -	\$ 1,337,330	\$ -	\$ 573,600	\$ 183,896	\$ 766,896	\$ 2,458,471
2030	\$ 350,409	\$ 936,863	\$ 50,058	\$ -	\$ 1,337,330	\$ -	\$ 583,000	\$ 183,896	\$ 183,896	\$ 3,611,905
2031	\$ 350,409	\$ 936,863	\$ 50,058	\$ -	\$ 1,337,330	\$ -	\$ -	\$ -	\$ -	\$ -
2032	\$ 7,944,380	\$ 14,670,163	\$ 1,134,911	\$ 1,899,000	\$ 25,648,454	\$ 9,502,900	\$ 9,927,000	\$ 3,230,649	\$ 22,660,549	\$ -

\* Assumes 35 mills for debt service, 5 mills for operations, and facilities fees of \$2,000 per SFE. Multi-Family is 50% of SFE and \$1.25 psf commercial.

Projected Bent Grass Metro District Debt Schedules

Debt Schedules						
	Principal	Rate	Interest	P&I	Annual P&I	Balance
12/1/2007						
6/1/2008	156,000	6.00%	156,000	156,000	312,000	5,200,000
12/1/2008	156,000	6.00%	156,000	156,000	312,000	5,200,000
6/1/2009	156,000	6.00%	156,000	156,000	312,000	5,200,000
12/1/2009	156,000	6.00%	156,000	156,000	312,000	5,200,000
6/1/2010	156,000	6.00%	156,000	156,000	312,000	5,200,000
12/1/2010	156,000	6.00%	156,000	156,000	312,000	5,200,000
6/1/2011	156,000	6.00%	156,000	156,000	312,000	5,200,000
12/1/2011	156,000	6.00%	156,000	156,000	312,000	5,200,000
6/1/2012	200,000	6.00%	156,000	356,000	512,000	5,000,000
12/1/2012	200,000	6.00%	150,000	350,000	500,000	5,000,000
6/1/2013	210,000	6.00%	150,000	360,000	510,000	4,790,000
12/1/2013	210,000	6.00%	143,700	353,700	4,790,000	4,790,000
6/1/2014	225,000	6.00%	143,700	368,700	512,400	4,565,000
12/1/2014	225,000	6.00%	136,950	362,950	4,565,000	4,565,000
6/1/2015	240,000	6.00%	136,950	376,950	513,900	4,325,000
12/1/2015	240,000	6.00%	129,750	369,750	4,325,000	4,325,000
6/1/2016	250,000	6.00%	129,750	379,750	509,500	4,075,000
12/1/2016	250,000	6.00%	122,250	372,250	4,075,000	4,075,000
6/1/2017	265,000	6.00%	122,250	387,250	509,500	3,810,000
12/1/2017	265,000	6.00%	114,300	373,300	4,825,000	3,810,000
6/1/2018	280,000	6.00%	114,300	387,300	508,600	3,530,000
12/1/2018	280,000	6.00%	105,900	372,900	4,825,000	3,530,000
6/1/2019	300,000	6.00%	105,900	405,900	511,800	3,230,000
12/1/2019	300,000	6.00%	96,900	396,900	4,825,000	3,230,000
6/1/2020	320,000	6.00%	96,900	416,900	513,800	2,910,000
12/1/2020	320,000	6.00%	87,300	404,300	4,825,000	2,910,000
6/1/2021	340,000	6.00%	87,300	427,300	514,600	2,570,000
12/1/2021	340,000	6.00%	77,100	417,100	4,825,000	2,570,000
6/1/2022	360,000	6.00%	77,100	437,100	514,200	2,210,000
12/1/2022	360,000	6.00%	66,300	426,300	4,825,000	2,210,000
6/1/2023	390,000	6.00%	66,300	456,300	522,600	1,820,000
12/1/2023	390,000	6.00%	54,600	441,600	4,825,000	1,820,000
6/1/2024	410,000	6.00%	54,600	464,600	519,200	1,410,000
12/1/2024	410,000	6.00%	42,300	452,300	4,825,000	1,410,000
6/1/2025	440,000	6.00%	42,300	482,300	524,600	970,000
12/1/2025	440,000	6.00%	29,100	459,100	4,825,000	970,000
6/1/2026	470,000	6.00%	29,100	489,100	528,200	500,000
12/1/2026	470,000	6.00%	15,000	464,000	4,825,000	500,000
6/1/2027	500,000	6.00%	15,000	515,000	530,000	-
12/1/2027	500,000	6.00%	4,302,900	9,502,900	9,502,900	-
AVERAGES	325,000		107,573		516,193	

Debt Schedules						
	Principal	Rate	Interest	P&I	Annual P&I	Balance
6/1/2011						
12/1/2011	162,000	6.00%	162,000	162,000	324,000	5,400,000
6/1/2012	162,000	6.00%	162,000	162,000	324,000	5,400,000
12/1/2012	162,000	6.00%	162,000	162,000	324,000	5,400,000
6/1/2013	162,000	6.00%	162,000	162,000	324,000	5,400,000
12/1/2013	162,000	6.00%	162,000	162,000	324,000	5,400,000
6/1/2014	162,000	6.00%	162,000	162,000	324,000	5,400,000
12/1/2014	162,000	6.00%	162,000	162,000	324,000	5,400,000
6/1/2015	162,000	6.00%	162,000	162,000	324,000	5,400,000
12/1/2015	162,000	6.00%	162,000	162,000	324,000	5,400,000
6/1/2016	175,000	6.00%	162,000	337,000	499,000	5,225,000
12/1/2016	175,000	6.00%	156,750	331,750	4,990,000	5,225,000
6/1/2017	210,000	6.00%	156,750	366,750	523,500	5,015,000
12/1/2017	210,000	6.00%	150,450	360,450	5,015,000	5,015,000
6/1/2018	225,000	6.00%	150,450	375,450	525,900	4,790,000
12/1/2018	225,000	6.00%	143,700	368,700	4,790,000	4,790,000
6/1/2019	240,000	6.00%	143,700	383,700	527,400	4,550,000
12/1/2019	240,000	6.00%	136,500	376,500	4,550,000	4,550,000
6/1/2020	255,000	6.00%	136,500	391,500	528,000	4,295,000
12/1/2020	255,000	6.00%	128,850	384,850	4,295,000	4,295,000
6/1/2021	270,000	6.00%	128,850	398,850	527,700	4,025,000
12/1/2021	270,000	6.00%	120,750	391,750	4,025,000	4,025,000
6/1/2022	285,000	6.00%	120,750	405,750	526,500	3,740,000
12/1/2022	285,000	6.00%	112,200	397,200	3,740,000	3,740,000
6/1/2023	305,000	6.00%	112,200	417,200	529,400	3,435,000
12/1/2023	305,000	6.00%	103,050	410,050	3,435,000	3,435,000
6/1/2024	320,000	6.00%	103,050	423,050	526,100	3,115,000
12/1/2024	320,000	6.00%	93,450	416,450	3,115,000	3,115,000
6/1/2025	350,000	6.00%	93,450	443,450	536,900	2,765,000
12/1/2025	350,000	6.00%	82,950	436,950	2,765,000	2,765,000
6/1/2026	380,000	6.00%	82,950	462,950	545,900	2,385,000
12/1/2026	380,000	6.00%	71,550	451,550	2,385,000	2,385,000
6/1/2027	415,000	6.00%	71,550	486,550	558,100	1,970,000
12/1/2027	415,000	6.00%	59,100	477,100	1,970,000	1,970,000
6/1/2028	440,000	6.00%	59,100	499,100	558,200	1,530,000
12/1/2028	440,000	6.00%	45,900	483,900	1,530,000	1,530,000
6/1/2029	470,000	6.00%	45,900	515,900	561,800	1,060,000
12/1/2029	470,000	6.00%	31,800	504,800	1,060,000	1,060,000
6/1/2030	510,000	6.00%	31,800	541,800	573,600	550,000
12/1/2030	510,000	6.00%	16,500	528,500	550,000	550,000
6/1/2031	550,000	6.00%	16,500	566,500	583,000	-
12/1/2031	550,000	6.00%	4,527,000	9,927,000	9,927,000	-
AVERAGES	285,833		127,891		488,427	

\*\* Assumptions as per Rusty (rate, length of bonds, mills available, valuations, unit price and number, etc.)  
 \* 2007 bonds are assumed to have 24 months capitalized interest from bond proceeds

## EXHIBIT E

### EL PASO COUNTY SPECIAL DISTRICT ANNUAL REPORT AND DISCLOSURE FORM

1. **Name of District:** Bent Grass Metropolitan District
2. **Current Year:** 2008
3. **Contact Information:** Peter M. Susemihl  
Susemihl, McDermott & Cowan, P.C.  
660 Southpointe  
Suite 210  
Colorado Springs, CO 80906  
1-719-6500  
[psusemihl@smmclaw.com](mailto:psusemihl@smmclaw.com)

This District does not have an office within the boundaries of the District)

4. **Meeting Information:** This District meets the

Information concerning meetings can be obtained from the Contact.

5. **Type of District:** This is a Title 32 conventional metropolitan district.

6. **Authorized Purposes of the District:** The Service Plan allows for all allowable purposes for Title 32 Districts.

7. **Active Purposes of the District:** The primary active purpose of the District is to design, construct and finance roads, water and wastewater lines, park and recreation features, and provide mosquito control. and management of parks and drainage facilities.

8. **Current Certified Mill Levies:** 35 mills Gallagher adjusted for debt and 5 mills Gallagher adjusted for operations..

9. **Sample Calculation of Current Mill Levy:** Assume a residential home with a value of \$280,000 x 7.96% = assessed value of \$22,288 x .040 mills = tax of \$891.52 per year due to this District.

Assume a commercial property with a value of \$350,000 x 29% = assessed value of \$101,500 x .040 mills = tax of \$4,060 per year due to the District.

10. **Maximum Authorized Mill Levy Caps (Note: these are the maximum allowable mill**



**levies which could be certified in the future unless there was a change in state statutes or Board of County Commissioners Approval): 50 mills**

**11. Current Outstanding Debt of the District:**

**12. Total Voter Authorized Debt of the District: \$30,000,000**

**13. Debt Proposed to be issued: \$8,500,000**

**14. Major facilities/infrastructure improvements initiated or completed in the prior year:**

**15. Summary of major property exclusions or inclusions completed in prior year: None.**

Reminder:

1. As per Colorado Revised Statutes, Section 32-1-306, the special district shall maintain a current, accurate map of its boundaries and shall provide for such map to be on file with the County Assessor.

2. Colorado Revised Statutes, Section 32-1-823(1) states a certificate of election results shall be filed with the County Clerk and Recorder

_____	<u>Peter M. Susemihl</u>	_____
Signature of Respondent	Print Name	Date

**RETURN COMPLETED FORM TO:**

El Paso County Board of County Commissioners  
Attention: Deputy Clerk to the Board  
200 South Cascade Avenue  
Colorado Springs, CO 80903

Note: As per Section 32-1-104(2), a copy of this page should also be submitted to:

County Assessor	County Treasurer
27 East Vermijo	27 East Vermijo
Colorado Springs, CO 80903	Colorado Springs, CO 80903