

**RESOLUTION #R-94-2003**

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

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

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

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

WHEREAS, notice of the hearing before the City Council for its consideration of the Service Plan was duly published in the *Loveland Reporter-Herald* on August 26, 2003, as required by law, as evidenced by the "Affidavit of Publication" attached as Exhibit "B" and incorporated herein by reference; and

WHEREAS, notice of the hearing before the City Council was also duly mailed by first class mail, on August 26, 2003, to interested persons, defined as follows: (1) the owners of record of all property within the proposed District as such owners of record are listed on the records of the Larimer County Assessor; (2) the division of local government; (3) the governing body of any municipality or special district which has levied an ad valorem tax within the next preceding tax year, and which has boundaries within a radius of three (3) miles of the proposed district's boundaries, as evidenced by the "Certificate of Mailing" attached hereto as Exhibit "C" and incorporated herein by reference; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, C.R.S., as amended, the City Council held a public hearing on the Service Plan for the proposed District on September 16, 2003; and

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

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

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

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

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

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

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

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

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

f. the facility and service standards of the proposed District are compatible with the facility and service standards of the City;

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

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

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

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

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

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

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

7. That this approval of the Service Plan is further conditioned upon the owner of the property providing to the Loveland City Attorney a mill levy disclosure statement for the District signed by the owner of the property and in a form acceptable to the City Attorney, which statement shall be recorded with the Larimer County Clerk and Recorder and further conditioned upon an agreement between the City and the Genesee Company, LLC, in a form acceptable to the City Manager and City Attorney, requiring the Genesee Company, LLC, to provide the mill levy disclosure statement to all prospective purchasers of lots in the District prior to any purchaser entering into the contract to purchase a lot from the Genesee Company, LLC, or its successors and assigns.

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

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

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

Adopted this 7 day of ~~September~~<sup>October</sup>, 2003.



Kathleen R. Gilliland  
Mayor

Donna Visconti  
City Clerk

APPROVED AS TO FORM:

[Signature]  
City Attorney

**EXHIBIT "A" TO RESOLUTION**

***SERVICE PLAN FOR THE  
WATERFRONT METROPOLITAN DISTRICT***

**SERVICE PLAN  
FOR  
WATERFRONT METROPOLITAN DISTRICT**

**Prepared by**

**WHITE AND ASSOCIATES PROFESSIONAL CORPORATION**

**1805 Shea Center Drive, Suite 100**

**Highlands Ranch, Colorado**

**September 26, 2003**

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**EXHIBIT A** – Map of the District

**EXHIBIT B** – Legal Description of the District

**EXHIBIT C** – Facilities Diagrams (C-1; C-2; C-3; C-4; C-5)

**EXHIBIT D** – Cost Estimates

**EXHIBIT E** – Financing Plan

**EXHIBIT F** – Statutory Contents of This Service Plan

**EXHIBIT G** – Market Study

**EXHIBIT H** – Draft Election Questions



## I. INTRODUCTION

### A: General Overview

1. Scope of Service Plan. This service plan ("Service Plan") for Waterfront Metropolitan District (the "District") constitutes a Service Plan for a special district proposed for organization to serve the needs of a new development to be known as "Waterfront" in the City of Loveland (the "City") in Larimer County (the "County"). The District is generally located on the east shore of Boyd Lake, south of Larimer County Road 30 and west of North Boyd Lake Avenue (Larimer County Road 9). It consists of approximately 170 total acres for residential development. Construction is scheduled over the next two to five years. Exhibit A contains a map of the District and Exhibit B contains a legal description for the District. All "Exhibits" referred to herein are attached to the end of this Service Plan.

Considerable public infrastructure will be constructed to provide the required water, wastewater, streets and other improvements needed for the area. This Service Plan addresses the improvements which will be provided by the special district and demonstrates how it will work to provide the necessary public improvements.

2. Configuration of District. It is possible that in the future additional property may be included in the District. Under Colorado law, the fee owner or owners of one hundred percent of any property proposed for inclusion may petition the board of directors for the District for inclusion, or annexation, of property into the District. Additionally, less than one hundred percent of the owners of an area may petition the District for inclusion, or the board of directors may adopt a resolution calling for an election on inclusion of the property. Boundary adjustments which add to, or subtract from, the total acreage of the District, as referenced in Exhibits A and B shall be considered a material modification of this Service Plan and shall require the approval of the City Council.

3. Long-Term District Plan. After all bonds or other debt instruments have been issued by the District and adequate provision has been made for payment of all District debt and the operation and maintenance of all District-owned facilities, the electorate of the District will have the opportunity to consider dissolution in accordance with state law. Ultimately, control of this decision will rest with the electorate in the District. At any time after the District's debt obligations have been fully discharged, the City may file an application with the District Board pursuant to § 32-1-701(3) C.R.S., and the District shall thereupon dissolve in a prompt and orderly manner. In such event, the authorized purposes and powers of the District shall automatically be curtailed and expressly limited to taking actions reasonably necessary to dissolve, the board of directors of the District will be deemed to have agreed with the City to dissolve without election pursuant to § 32-1-704(3)(b) C.R.S., and the District shall thereupon dissolve.

4. Existing Services and Districts. There are currently no other entities in existence in the development which have the ability and/or desire to undertake the design, financing, construction and operation and maintenance of the improvements designated herein which are needed for the community. It is also the developer's understanding that the City does not

consider it feasible or practicable to provide the necessary services and facilities for the development, as further described herein. Consequently, use of the new District is deemed necessary for the provision of public improvements in the development.

In order to minimize the proliferation of new governmental structures and personnel, the District intends to utilize existing entities as much as possible for the operation and maintenance of public improvements. Consequently, while the District will finance capital improvements and coordinate the provision of services, it is expected to utilize existing entities and personnel as much as possible. Double taxation will be avoided by the District undertaking the necessary capital financing with debt levies, and existing service providers furnishing day-to-day operations and maintenance with service charges and operating levies. Improvements, including storm drainage, street and traffic safety and associated landscaping improvements, will be conveyed to the City by the District and subsequent operations and maintenance of these improvements shall rest with the City. Park and recreation improvements will be owned, operated and maintained by the District or by a property owner association as described below. The District is located within the boundaries of the Fort Collins-Loveland Water District (the "Water District") and the South Fort Collins Sanitation District (the "Sanitation District"). All water and wastewater improvements constructed by the District will be conveyed to the appropriate water or sanitation provider for operation and maintenance. Water and wastewater services will be provided to the District by the appropriate service provider. The timing for conveyance of the improvements will be developed by mutual agreement between the District and the appropriate party as generally described above and in Section V hereof.

5. Property Owner Associations. Certain services may be provided within the District by one or more property owner associations which may be organized as Colorado non-profit, private membership organizations comprised of all property owners in the District. The associations are expected to provide architectural control services, community organizations, common area maintenance and other programs which may be beyond the scope of the District.

In addition, the District may contract with the associations for the provision of certain maintenance services for facilities within the boundaries of the District for which the District has assumed long-term operations and maintenance responsibility.

B. General Financial Information and Assumptions

The estimated assessed valuation within the District at build-out is expected to be approximately \$13,335,000.

The anticipated cost of the improvements necessary to provide access to and appropriate services within the District are provided in Exhibit D. Costs are shown for each category of improvements and the time at which they are anticipated to be constructed by the District. The District may obtain financing for the capital improvements needed for the development through the issuance of general obligation bonds or other debt instruments and from revenue bonds or other instruments. General obligation debt will be payable from revenues derived from ad valorem property taxes and from other sources. The preliminary financial forecasts ("Financing Plan") for the District are contained in Exhibit E to this Service Plan. The Financing Plan demonstrates one

method which might be used by the District to finance the cost of infrastructure. At the time bonds or other debt instruments are proposed to be issued, alternative financing plans may be employed and be utilized by the District as long as such an alternative financing plan does not result in any material economic deviation or a change in the risk to property owners.

The Financing Plan demonstrates that the cost of infrastructure described herein can be provided with reasonable mill levies. The figures contained herein depicting costs of infrastructure and operations shall not constitute legal limits on the financial powers of the District; provided, however, that the District shall not be permitted to issue bonds which are not in compliance with the bond registration and issuance requirements of Colorado law.

C. Contents of Service Plan

This Service Plan consists of a preliminary financial analysis and preliminary engineering plan showing how the facilities and services for the District can be provided and financed by the District. Numerous items are included in this Service Plan in order to satisfy the requirements of law for formation of special districts. Those items are listed in Exhibit F attached hereto. Each of the requirements of law are satisfied by this Service Plan.

The assumptions contained within this Service Plan were derived from a variety of sources. Information regarding the present status of property within the District, as well as the current status and projected future level of similar services, was obtained from the developer. Construction cost estimates were assembled by TST, Inc., which has experience in the costing and construction of similar facilities. Legal advice in the preparation of this Service Plan was provided by the law firm of White and Associates Professional Corporation which represents numerous special districts. Financial recommendations and legal advice in the preparation of the Financing Plan in this Service Plan were provided by J. W. Simmons and Associates which has experience in the preparation of financial plans for numerous special districts. The Owners of the real property comprising the District are R.S. Investments/Waterfront, LLC and The Genesee Company, LLC. The developer of the real property in the District is The Genesee Company, LLC (the "Developer"), a subsidiary of The Lennar Corporation, which has experience in residential and commercial development. The Genesee Company, LLC has developed many communities in the Denver and Fort Collins markets. Recent communities include:

- Genesee – Jefferson County
- Westwoods Ranch – Arvada
- Tablerock – Jefferson County
- Pine Ridge – Douglas County
- Horseshoe Lake – Loveland
- The Waterfront at Boyd Lake – Loveland
- Stonebridge - Golden

D. Modification of Service Plan

This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. While the assumptions upon which this Service Plan are generally based are reflective of current zoning for the property within the District, the cost estimates and Financing Plan are sufficiently flexible to enable the District to provide necessary services and facilities without the need to amend this Service Plan as zoning changes. Modification of the general types of services and facilities, and changes in proposed configurations, locations, or dimensions of various facilities and improvements shall be permitted to accommodate development needs consistent with then-current zoning for the property. Boundary changes which do not add or subtract from the property originally comprising the District shall not be considered a material modification of this Service Plan, nor shall such boundary changes require the approval of the City.

II. NEED FOR NEW DISTRICT AND GENERAL POWERS

A. Need for Metropolitan District

The property in the District is currently undeveloped. No other public entities exist which will finance the construction of the facilities needed for the District. The intergovernmental agreements referred to in Section V hereof will address and define the activities to be undertaken by various entities with regard to public improvements. In order to make the most efficient utilization of existing governmental entities, the District may enter into cost share agreements for the financing and construction of certain improvements and for operations and maintenance of certain improvements.

B. General Powers of the District

The District will have power and authority to provide the services and facilities described in this Section both within and outside their boundaries in accordance with the law.

The District shall have authority to provide the services and facilities listed below, all of which shall be in conformance with City standards and specifications or those of other entities which may operate and maintain the completed improvements. The District will obtain all City - required approval of civil engineering plans and any required permits from the City for construction and installation of all improvements, as well as any approvals and permits required by the Water District and the Sanitation District. The District shall pay the City's fees associated with any and all such review and permit approval.

1. Sanitation. The design, acquisition, installation and construction of storm or sanitary sewers, or both, flood and surface drainage improvements including but not limited to, culverts, dams, retaining walls, access ways inlets, detention ponds and paving, roadside swales and curb and gutter, wastewater lift stations, force mains and wetwell storage facilities, and all necessary or proper equipment and appurtenances incident thereto, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions

of and improvements to said facilities or systems. The District shall not design, acquire, install, construct, operate or maintain any sewer treatment or disposal works or facilities.

2. Water. The design, acquisition, installation and construction of a complete water and irrigation water system, including but not limited to, water rights, water supply, transmission and distribution systems for domestic and other public or private purposes, together with all necessary and proper water rights, equipment and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, land and easements, together with extensions of and improvements to said systems. The District shall not design, acquire, install, construct, operate or maintain any water well or water treatment or storage works or facilities.

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

4. Traffic and Safety Controls. The design, acquisition, installation, construction, operation, and maintenance of traffic and safety protection facilities and services through traffic and safety controls and devices on arterial streets and highways, as well as other facilities and improvements including but not limited to, signalization at intersections, traffic signs, area identification signs, directional assistance, and driver information signs, together with all necessary, incidental, and appurtenant facilities, land easements, together with extensions of and improvements to said facilities.

5. Parks and Recreation. The design, acquisition, installation, construction, operation and maintenance of public park and recreation facilities or programs including, but not limited to, grading, soil preparation, sprinkler systems, playgrounds, playfields, bike and hiking trails, pedestrian trails, pedestrian bridges, picnic areas, gazebos, boat docks and ramps, common area landscaping and weed control, outdoor lighting of all types, community events, and other facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

6. Transportation. The design, acquisition, installation, construction, operation and maintenance of public transportation system improvements, including transportation equipment, park and ride facilities and parking lots, parking structures, roofs, covers, and facilities, including structures for repair, operations and maintenance of such facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

7. Television Relay and Translator. The acquisition, construction, completion, installation and/or operation and maintenance of television relay and translator facilities, including but not limited to cable television and communication facilities, together

with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities.

8. Legal Powers. The powers of the District will be exercised by its board 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. However, the District may not exercise its power of eminent domain outside the boundaries of the District without the approval of the City Council.

9. Other. In addition to the powers enumerated above, the board of directors of the District shall also have the following authority:

a. To amend this Service Plan as needed, subject to the appropriate statutory notice and procedures, provided that any material modification of this Service Plan shall be made only with the approval of the City Council in accordance with § 32-1-207, C.R.S. The District shall have the right to amend this Service Plan independent of the participation of other districts; provided, that the District shall not be permitted to amend those portions of this Service Plan which affect, impair, or impinge upon the rights or powers of another district without such other district's consent; and

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

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

d. To exercise all necessary and implied powers under Title 32, C.R.S. in the reasonable discretion of the board of directors of the District.

10. City's Laws and Regulations. Notwithstanding anything contained herein to the contrary, the District shall be subject to and comply with all applicable provisions of the City's Charter, Code, rules, regulations, standards and policies. In addition, the District shall timely provide to the City Clerk a copy of all notices of all District board meetings.

### III. DESCRIPTION OF FACILITIES AND IMPROVEMENTS

The District will be permitted to exercise its statutory powers and its respective authority as set forth herein to finance, construct, acquire, operate and maintain the public facilities and improvements described in Section II of this Service Plan either directly or by contract. Where appropriate, the District will contract with various public and/or private entities to undertake such functions. The District may also petition existing governmental entities for inclusion of part or all

of the property within the District into an existing service area. Improvements which are to be dedicated to the City shall be designed and constructed in accordance with City and applicable State and Federal laws, regulations and standards. There are currently no other entities in the vicinity of the proposed District providing the following services, nor shall the services provided by the District duplicate or interfere with those services provided by the City.

The diagrams contained in this Section show the conceptual layouts of the public facilities and improvements described in Section II hereof. Detailed information for each type of improvement needed for the District is set forth in the following pages. It is important to note that the preliminary layouts contained in this Section are conceptual in nature only, and that modifications to the type, configuration, and location of improvements will be necessary as development proceeds. The District may build the arterial roads and main water and sewer improvements necessary to serve the Project. All local and lateral improvements are expected to be handled by the Developer or individual builders, as appropriate. All facilities will be designed in such a way as to assure that the facility and service standards will be compatible with those of the City, and of other municipalities and special districts which may be affected thereby. The District shall not be required to issue letters of credit to the City or to provide other security for public improvements to be constructed by the District except as required by City ordinances, regulations and standards.

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

A. General

Construction of all planned facilities and improvements will be scheduled to allow for proper sizing and phasing to keep pace with the need for service. All descriptions of the specific facilities and improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, requirements of the City, and construction design or scheduling may require. As depicted herein, the majority of capital improvements to be constructed by the District are necessary in the initial years of development.

B. General Design Standards

Improvements within the District, including, without limitation, those specifically listed herein, will be designed and installed District in conformance with current standards adopted by the District, the City and the appropriate service providers including, without limitation, the Water District and the Sanitation District. Designs and contract documents prepared for improvements must be reviewed and approved by the District and the City with payment by the District of the City's associated costs of review and must be in accordance with the applicable standards and specifications as set forth herein.

1. Wastewater System. The sanitary sewer lines will be designed and installed to conform to the current standards and recommendations of the Colorado Department of Health, the City, the Sanitation District, the Rules and Regulations adopted by the District and sound engineering judgment.

All major elements of the sanitary sewer lines required for proper operation will be designed and installed by the District. Operations and maintenance of all wastewater facilities will be provided by the Sanitation District. The development plan for the proposed sanitary sewer lines is described in Exhibit C-1.

2. Storm Drainage.

a. Generally. The District plans to install the necessary storm drainage system to serve the development. The proposed elements of the storm drainage system will provide a network of culverts, roadside swales, pipes, detention and water quality ponds, inlet and outlet structures, and curbs and gutters designed and installed in accordance with applicable regulatory standards and sound engineering judgement. The District will design and install all storm drainage improvements except for specific improvements within individual development parcels which will be designed and installed by individual developers.

All major storm drainage facilities will be designed to conform to the standards and recommendations for drainage improvements pursuant to City design criteria, the Rules and Regulations of the District and standards of other affected governmental entities. The development plan for the proposed storm drainage system within the project is more specifically described in Exhibit C-2.

b. Culverts. Culverts will be installed under all roadways that intersect storm drainage channels. Culverts will be designed to pass flows as required and may include headwalls, wing walls, inlet and outlet structures, and riprap protection to enhance their hydraulic capacity and reduce bank or channel erosion. Low water crossing shall be allowed in place of culverts at the discretion of the District and with the approval of the City.

An overall drainage plan will be developed that will identify the major facilities necessary to convey the storm runoff from the District. This plan will include all infrastructure required to convey the flows generated within the District. This plan must maintain the flexibility to modify the major drainage facilities as more detailed information is generated during the design of the individual phases. The overall drainage plan will include the utilization of storm sewers, drainage channels, streets, gutters, culverts and ponds.

3. Water System.

a. Overall Plan. The water system will be comprised of a water distribution system consisting of buried water mains, fire hydrants, and related appurtenances located predominately within the District's boundaries. 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. All major elements of the water facilities will be designed, and installed by the District. Operations and maintenance of all water facilities will be provided by the Water District in accordance with Section III.C of this Service Plan.



b. 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 all entities with jurisdiction over the District. The proposed water system shall be constructed in compliance with any applicable City standards and any applicable standards set forth by the Water District. The water system will also be designed based on applicable fire protection requirements. The development plan for the proposed water system is more specifically described in Exhibit C-3.

4. Street System and Traffic Safety.

a. General. The District proposes to construct a collector street system to serve the development. The existing and proposed elements of the street system will provide a network of rural collector or local streets to serve the flow of traffic within the District. All facilities will be designed and installed in accordance with applicable regulatory standards and sound engineering judgement. The development plan for the proposed street system is more specifically described in Exhibit C-4.

b. Streets. Public streets shall be designed and installed to conform to the standards and recommendations of Colorado Department of Highways (where applicable), City standards and specifications and the Rules and Regulations adopted by the District.

Traffic controls and signage shall be provided along streets to enhance the flow of traffic within the project in accordance with the City's standards. Street lights shall be installed by the District along collector roadways in accordance with the City's standards. Lighting of local roadways will be the responsibility of the individual developers of the residential parcels.

c. Landscaping. Landscaping shall be installed by the District along the roadway rights-of-way and trail easements in accordance with City standards. The District shall also install and maintain landscaped highlights along the internal streets and entry features at major entrances. Additional features may be installed and maintained by the developers of the individual parcels.

d. Signals and Signage. Signals and signage shall be installed by the District as required by traffic studies, the District's Rules and Regulations, the City and the Colorado Department of Transportation. Additional signage may be installed as needed to accommodate development.

5. Parks and Recreation. Any park and recreational facilities and/or services that the District determines to undertake shall be constructed in accordance with plans and specifications approved by the City. All park and recreational facilities will be constructed in accordance with engineering and design requirements appropriate for the surrounding terrain, and shall be compatible with the City's standards or the standards of other local public entities, as appropriate. The development plan for the proposed park and recreation system is more specifically described in Exhibit C-5.

C. Dedication of Improvements.

The District shall dedicate the following public improvements to the City upon completion of their construction and installation: all public streets and those 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. The District shall dedicate public water improvements to the Water District and all sanitary sewer improvements to the Sanitation District. The District shall, at its sole cost and expense, acquire all property required by the City or other special districts for the construction of public improvements to be provided by the District pursuant to this Service Plan. All land and easements customarily dedicated by a developer to public entities such as the City, the County, school districts or other public entities will be dedicated by the Developer directly to such entities and will not be purchased by the District for dedication to such entities.

An initial acceptance letter shall be issued by the City specifying that the public improvements dedicated to the City shall be warranted for a period of two calendar years from the date of such dedication. Should the public improvements conform to the City's specifications and standards, the City shall issue a "Final Acceptance" form letter to the District at the completion of the warranty period. At the City's discretion, dedication may take place after the expiration of the two-year warranty period.

Failure of the District to comply with these dedication requirements shall be deemed to be a material departure from this Service Plan. Such dedication requirements shall not be amended without prior approval of the City Council.

D. Services of the District.

The District will require operating funds to plan and cause the facilities contemplated herein to be completed. 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 \$30,000. An overall Financing Plan showing the anticipated operating costs for the first budget year and thereafter, phasing of bond issues, and related matters is attached as Exhibit E. Notwithstanding the projections set forth in the Financing Plan such amounts are therefore subject to increase and may be paid from any legally available revenues including, but not limited to, fees or charges legally imposed by the District. Organizational costs and capital costs expended for public infrastructure prior to the date of organization, if any, will be reimbursed to the Developer by the District out of their initial revenue sources including bond issue proceeds. The District may acquire completed improvements from the Developer with bond proceeds. Certain of those improvements will then be conveyed by the District to the appropriate service provider, or to the City.

E. Estimated Cost of Facilities

The estimated cost of the facilities to be constructed, installed and/or acquired by the District are shown in Exhibit D and include contingencies, supervision for the administrative oversight

process including necessary approvals, and construction management for onsite management of ongoing capital construction. The estimated costs do not include the costs of acquisition of any land or easements needed by the District for the Improvements; however, the District shall have the ability to finance such acquisitions.

#### IV. DEVELOPMENT PROJECTIONS

The Genesee Company is under contract to purchase 150 of the 200 lots in the District and will build several different single-family detached series of homes on these lots. The remaining 50 lots are custom lots and will be sold to individuals and custom builders. There is currently a list of over 100 potential purchasers who have expressed an interest in custom lots at the District. While it is impossible to be certain, the Developer is confident that the pace of development will match its expectations of the growth potential in this particular community. Attached as Exhibit G is a Market Study prepared by a local analyst which shows that the absorption rates proposed by the Developer are reasonable.

#### V. PROPOSED AND EXISTING AGREEMENTS

##### A. Agreements/Authority

To the extent practicable, the District may enter into intergovernmental and private agreements to better ensure long-term provision of the improvements and services and effective management. Agreements may be also be executed with property owner associations and other service providers. All such agreements are authorized to be provided by the District, pursuant to Colorado Constitution, Article XIV, Section 18 (2)(a) and Sections 29-1-201, *et seq.*, C.R.S.

#### VI. OPERATION AND MAINTENANCE COSTS

Estimated costs for operation and maintenance functions are presented in the Financing Plan, attached hereto as Exhibit E.

#### VII. FINANCIAL PLAN

##### A. Debt Issuance Limitation.

The District shall be responsible for construction of the facilities described herein to the extent it has borrowed funds from private entities as previously discussed or to the extent the District has the financial resources to provide funding for the construction of such facilities. The total estimated costs of the facilities is approximately \$9,000,000, in 2003 dollars, that are exclusive of costs of issuance, organizational costs, inflation and other similar costs, but inclusive of contingencies, engineering and construction management. The total amount of bonds or other evidence of borrowing which may be issued by the District shall be \$7,000,000, inclusive of costs of issuance, organizational costs, inflation, and other similar costs ("Debt Issuance Limit"). Debt may be restructured to accomplish a refunding or reissuance, provided the principal amount of debt does not exceed the Debt Issuance Limit set forth above. The Debt Limit shall not be increased unless approved by the City and as permitted by statute. Any

change in Debt Issuance Limit shall be considered a material modification of the Service Plan requiring City Council approval.

B. Approval of Debt Issuance.

It is currently anticipated that the District will issue general obligation bonds in amounts sufficient to permit it to construct all or a portion of the needed facilities. The District anticipates it will issue debt in the approximate amount of \$6,200,000. The timing of issuance of bonds may be adjusted from time to time to meet development requirements, however the District may not issue any bonds after 2014, except with prior approval of the City Council as evidenced by a resolution after a public hearing thereon, and any attempted issuance in violation of this provision shall be deemed to be a material departure from the Service Plan. All bonds or other financial obligations shall provide that the District's obligations shall be discharged thirty (30) years after the date of issuance regardless of whether such obligations are paid in full. The District will be seeking initial voter approval for general obligation debt issuance in the approximate amount of \$16,300,000. Despite the amount of voted authorization, the above Service Plan Debt Issuance Limit serves as the ultimate cap for the bonds or other financial obligations the District shall incur. The general form of questions authorizing the issuance of debt and the levying of taxes proposed to be submitted by the District to their voters are attached hereto as Exhibit H which may be modified as deemed reasonably necessary by the District's bond counsel. A copy of any such changes shall be sent to the City's legal department for its files. Prior to the issuance of any bonds or the incurrence of any other financial obligations evidencing a borrowing, the District must provide the City Attorney with an opinion prepared by nationally recognized bond counsel or District counsel evidencing that the District has complied with all Service Plan requirements relating to such bonds or such other financial obligations.

C. Identification of District Revenue.

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

1. So long as the state residential assessment ratio is set at 7.96% the maximum mill levy the District may impose for the payment of general obligation debt and for operations and maintenance shall be 46 mills ("the "Mill Levy Cap"). The Mill Levy Cap may be eliminated when the total assessed valuation of the District reaches \$15 million. The Mill Levy Cap shall be subject to adjustment if, at any time after the date of approval of the Service Plan, the laws of the State change with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation changes, or other similar changes occur. In any of these events, the Mill Levy Cap 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. The District shall not impose or attempt to impose a mill levy on any of the property conveyed or dedicated to the City as provided in this Service Plan.

2. Any debt issued by the District must be issued in compliance with the requirements of § 32-1-1101(6) C.R.S., as amended, and must be exempt from registration under §11-59-110 C.R.S., as amended. The District anticipates issuing debt that is exempt from registration by virtue of being credit enhanced or issued exclusively to "accredited investors" as such term is defined under Sections 3(b) and (4)(2) of the Federal Securities Act of 1933. This will ensure that appropriate development risk associated with current and future development within Waterfront remains with the Developer until such time as the assessed valuation therein is sufficient to support the debt service requirements of the District with the imposition of the maximum allowable Mill Levy Cap. It is anticipated that the initial funding for both capital and ongoing administrative requirements of the District will be provided by the Developer in the form of advances in exchange for bonds or for promissory notes, short-term reimbursement agreements or other acceptable agreements, which will provide for repayment to the Developer from general obligation bond proceeds or other legally available sources of revenue, and refinancing of the same shall not require prior City approval, except that prior to the issuance of any such bonds, the City Attorney shall receive the opinion of nationally recognized bond counsel or of District counsel as required by Section VII.B hereof. Interest shall not be allowed on such repayment obligation to the Developer unless the assessed valuation in the District generates sufficient cash flow to pay all such interest annually. Such interest may not compound.

The District shall not issue bonds with a provision that allows as a remedy upon default acceleration of payment of the principal of any bonds or other financial obligations of the District, except the District is authorized to accelerate payment of credit enhanced bonds or obligations, provided that the credit-enhancer shall be responsible for payment on such accelerated bonds or obligations.

In addition to revenues from the District's mill levy, the District may receive revenue from specific ownership taxes, Developer advances, interest income, oversizing and reimbursement agreements with the City, Developer fees and other sources. The District shall have the authority to use all available revenues in any legally permissible manner.

D. Security for Debt.

The District shall not pledge any revenue or property or other assets of the City as security for the indebtedness set forth in the Financial Plan of the proposed District.

E. Refinancing of District Debt.

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

F. Filings with City and Quinquennial Review.

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

- (a) Audited financial statements of the District;
- (b) Annual Budgets of the District;
- (c) Construction Contracts;
- (d) Intergovernmental Agreements;
- (e) Resolutions regarding issuance of bonds or other financial obligations, including relevant financing documents, credit agreements and official statements.

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

The Financing Plan demonstrates one method that might be used by the District to finance the cost of infrastructure. Due to the support expected to be received from the Developer, the Financing Plan demonstrates that the cost of infrastructure described herein can be provided with reasonable mill levies assuming reasonable increases in assessed valuation and assuming the rate of build-out estimated in the Financing Plan.

#### G. Other Financial Information

The balance of the information contained in this Article VII is preliminary in nature. Upon approval of this Service Plan, the District will continue to develop and refine cost estimates contained herein and prepare for bond issues. 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.

In addition to ad valorem property taxes, and in order to offset the expenses of the anticipated construction as well as operations and maintenance, the District will rely upon various other revenue sources authorized by law. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in § 32-1-1001(1), C.R.S., as amended, from time to time. It is anticipated that a system of user charges may also be established for any recreational improvements and other improvements not owned and operated by the City.

The Financing Plan does not project any significant accumulation of fund balances which might represent receipt of revenues in excess of expenditures under the TABOR Amendment. To the extent annual District revenues exceed expenditures in this manner, the District will comply with the provisions of TABOR and either refund the excess or obtain voter approval to retain such amounts. Initial spending and revenue limits of the District, as well as mill levies, will be established by elections which satisfy TABOR requirements. In the discretion of the board of

directors, the District may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of its board of directors.

The estimated costs of the facilities and improvements to be constructed and installed by the District, including the costs of engineering services, legal services, administrative services, initial proposed indebtedness, and other major expenses related to the facilities and improvements to be constructed and installed, are set forth in Exhibit D of this Service Plan. The maximum net effective interest rate on bonds shall be 12 percent (12%). The proposed maximum underwriting discount shall be five percent (5%). The general obligation bonds, when issued, shall mature not more than thirty (30) years from date of issuance, and the first maturity shall be not later than three (3) years from the date of its issuance, as required by statute. The estimated costs of the organization and initial operation of the District through December 31, 2003 including legal, engineering, administrative and financial services, are expected to be approximately \$100,000. Organizational costs will be reimbursed to the Developer by the District out of their initial revenue sources including bond issue proceeds. The timing of issuance of bonds, as set forth in Exhibit E hereto, may be adjusted from time to time except that the District may not issue any bonds after 2014 without prior approval of the City Council as evidenced by a resolution after a public hearing thereon, and any attempted issuance in violation of this provision shall be deemed a material departure from the Service Plan.

#### H. Enterprises.

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

#### I. Conservation Trust Fund.

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

#### J. Elections; Other Requirements

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

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

Ballot issues may be consolidated as approved in Court orders. The City should be assured that the District intends to follow both the letter and the spirit of the Special District Act, the Uniform Election Code of 1992, and the TABOR Amendment and any City requirements. Future elections to comply with the TABOR Amendment are anticipated, and may be held as determined by the elected board of directors of the District.

#### VIII. CONCLUSIONS

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

1. There is sufficient existing and projected need for organized service in the area to be served by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its boundaries;
4. The area included in the District will have the financial ability to discharge the proposed indebtedness on a reasonable basis;
5. 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;
6. The facility and service standards of the District are compatible with the facility and service standards of the City within which the District is to be located;
7. The proposal is in substantial compliance with a master plan adopted by the City pursuant to § 31-23-206, C.R.S.;



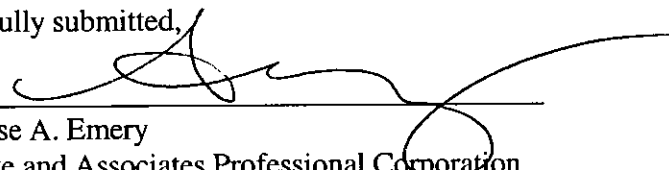
8. The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area; and

9. The ongoing existence of the District is in the best interests of the area proposed to be served.

Therefore, it is requested that the City Council of the City, which has jurisdiction to approve this Service Plan by virtue of § 32-1-204.5, et seq., C.R.S., as amended, adopt a resolution which approves this Service Plan for Waterfront Metropolitan District as submitted.

Respectfully submitted,

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

  
Alysse A. Emery  
White and Associates Professional Corporation  
Counsel to Proponents of the District

**EXHIBIT A**  
**Map of the District**

COUNTY ROAD 30  
UNINCORPORATED LARIMER COUNTY  
E. 71st STREET  
UNINCORPORATED LARIMER COUNTY  
COUNTY ROAD 30

UNINCORPORATED LARIMER COUNTY

UNINCORPORATED LARIMER COUNTY

DISTRICT

DISTRICT NO. 1

MATCH LINE  
SEE LOWER RIGHT

Tract c

CLEMENS DRIVE

Tract A

Tract B

Tract C

Tract D

Tract E

Tract F

Tract G

Tract H

Tract I

Tract J

Tract K

Tract L

Tract M

Tract N

Tract O

Tract P

Tract Q

Tract R

Tract S

TRACT H  
BOYD LAKE NORTH  
FIRST ADDITION

BOYD LAKE

BOYD LAKE INDUSTRIAL PARK  
SECOND ADDITION

BOYD LAKE NORTH  
SIXTH SUBDIVISION

BOYD LAKE NORTH  
SIXTH SUBDIVISION

WATERFRONT METROPOLITAN DISTRICT

MAP OF DISTRICT

SCALE: 1"=500'



TST, INC.  
Consulting Engineers

MATCH LINE  
SEE LEFT

**EXHIBIT B**  
**Legal Description of the District**

Legal Description  
Waterfront Metropolitan District

Waterfront First Subdivision as recorded June 26, 2002 at Reception No. 2002068407 in the office of the Larimer County Clerk and Recorder, less and except Tracts A & B. Said parcel contains 174.09 Acres (758,3425 s.f.) more or less.

**EXHIBIT C-1**  
**Sanitary Sewer Improvements**

UNINCORPORATED  
LARIMER COUNTY

UNINCORPORATED  
LARIMER COUNTY

COUNTY ROAD 30

E. 71st STREET

COUNTY ROAD 30

POINT OF  
BEGINNING

Tract AA

Tract Z

UNINCORPORATED  
LARIMER COUNTY

UNINCORPORATED  
LARIMER COUNTY

BOYD LAKE

UNION PACIFIC  
RAILROAD R.O.W.

MATCH LINE  
SEE LOWER RIGHT

TRACT H  
BOYD LAKE NORTH  
FIRST ADDITION

BOYD LAKE

BOYD LAKE  
INDUSTRIAL PARK  
SECOND ADDITION

TRACT 10  
BOYD LAKE NORTH  
FIRST ADDITION

BOYD LAKE NORTH  
SIXTH SUBDIVISION



TST, INC.  
Consulting Engineers

### WATERFRONT METROPOLITAN DISTRICT

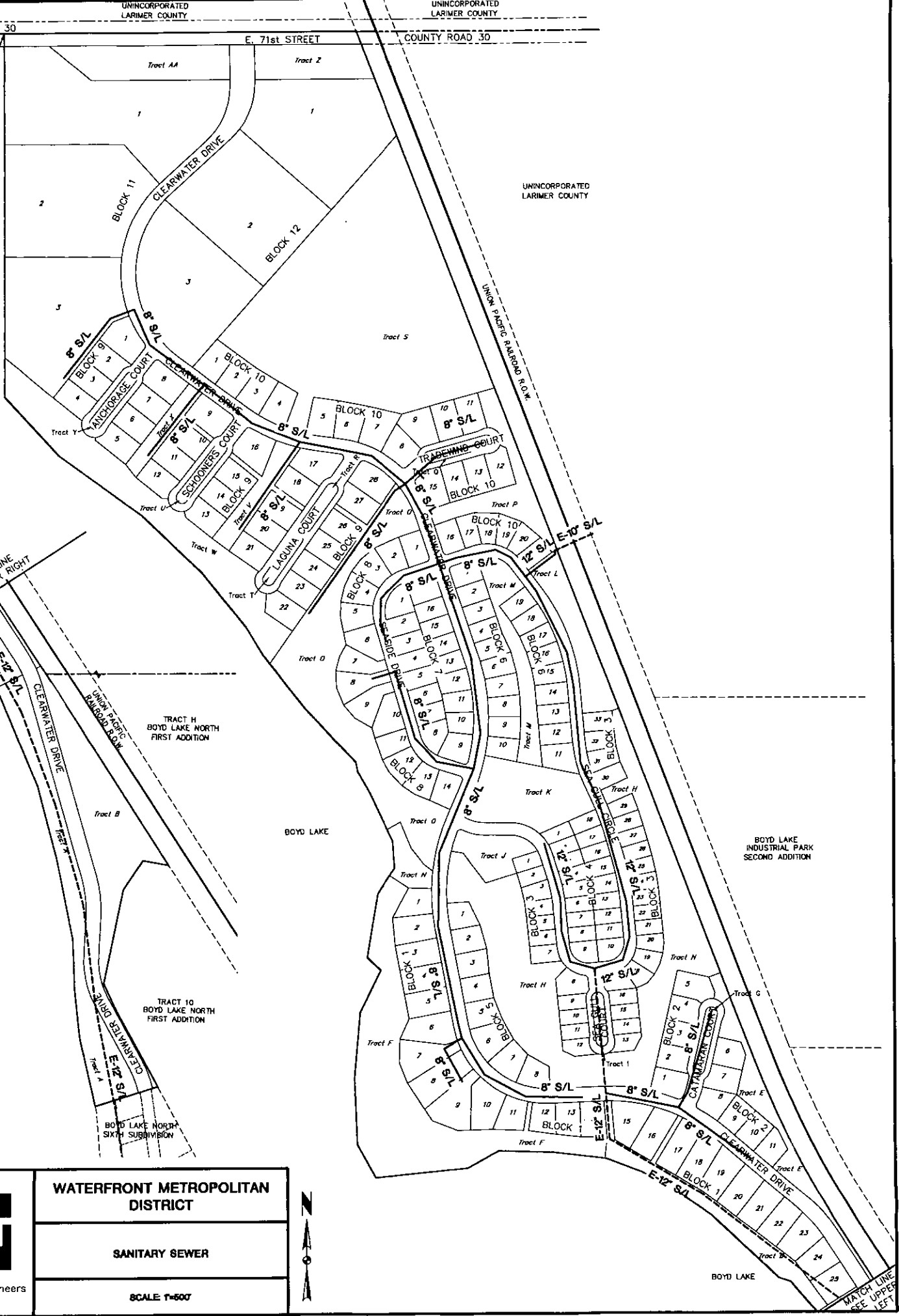
SANITARY SEWER

SCALE: 1"=500'



BOYD LAKE

MATCH LINE  
SEE UPPER  
LEFT



**EXHIBIT C-2**  
**Storm Drainage Improvements**



UNINCORPORATED LARIMER COUNTY

UNINCORPORATED LARIMER COUNTY

COUNTY ROAD 30

E. 71st STREET

COUNTY ROAD 30

POINT OF BEGINNING

Tract AA

Tract Z POND

UNINCORPORATED LARIMER COUNTY

UNINCORPORATED LARIMER COUNTY

BOYD LAKE

BOYD LAKE

BOYD LAKE INDUSTRIAL PARK SECOND ADDITION

BOYD LAKE

MATCH LINE SEE LOWER RIGHT

MATCH LINE SEE UPPER LEFT

TRACT H BOYD LAKE NORTH FIRST ADDITION

TRACT IO BOYD LAKE NORTH FIRST ADDITION

BOYD LAKE NORTH SIXTH SUBDIVISION

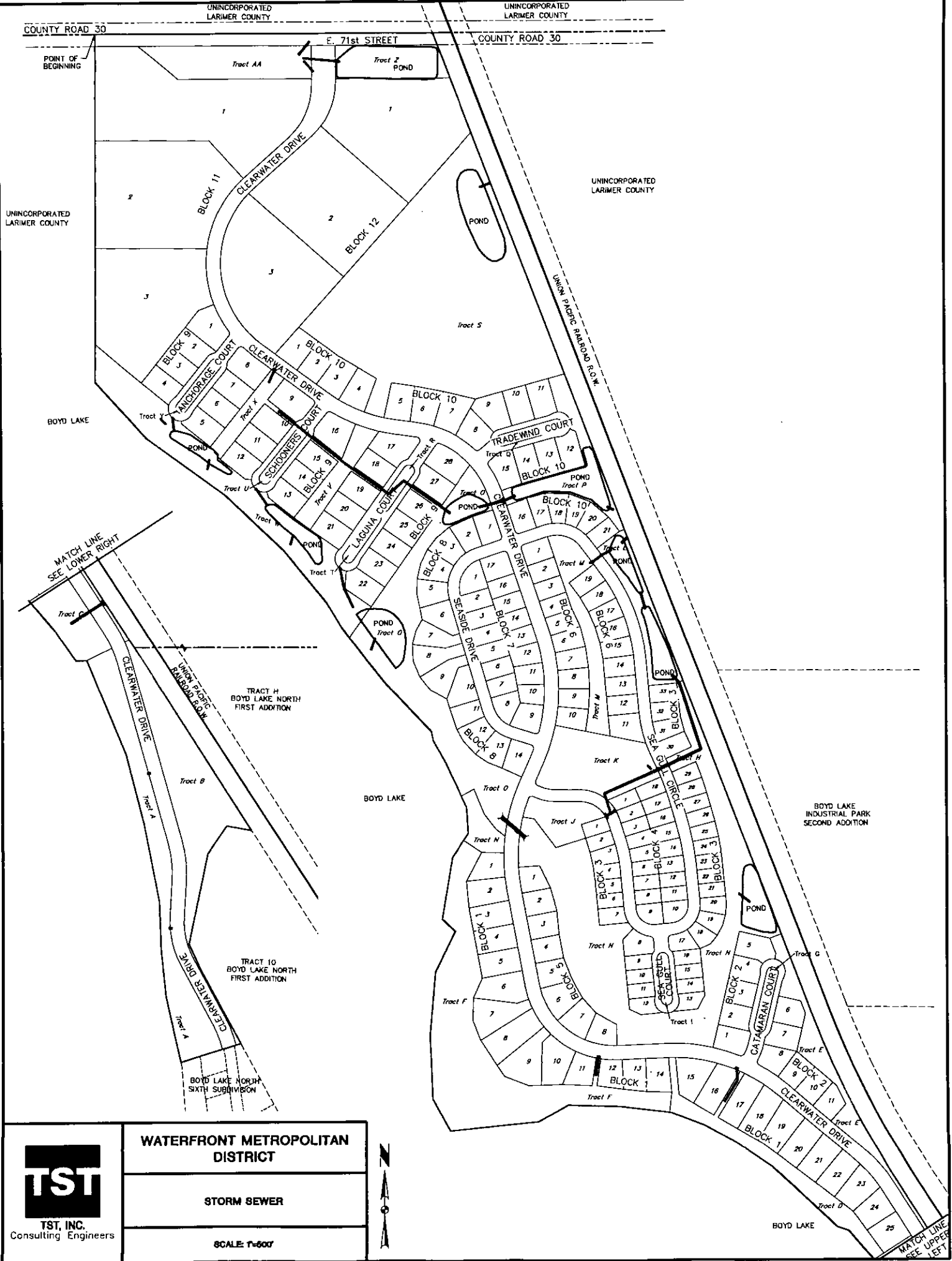


TST, INC. Consulting Engineers

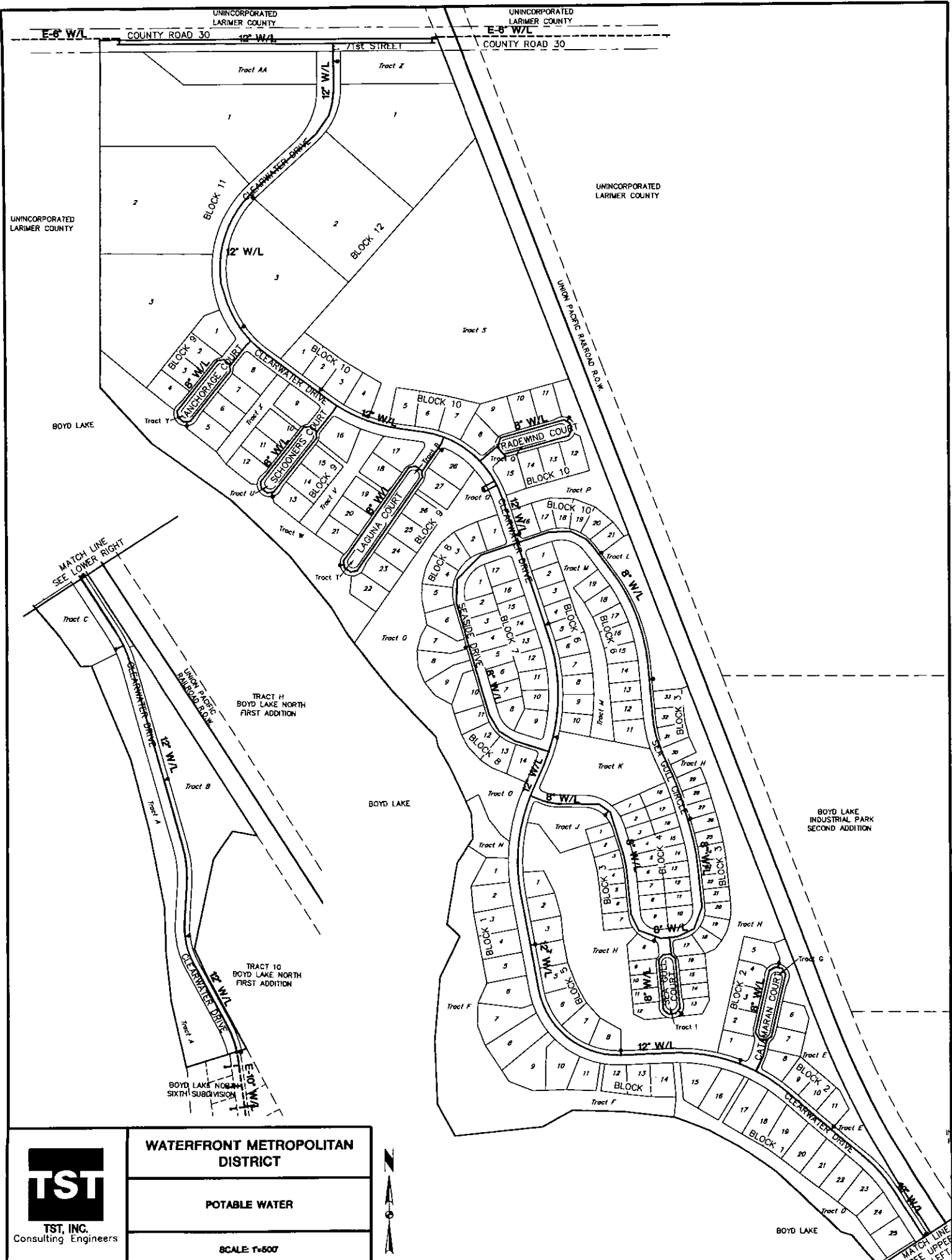
### WATERFRONT METROPOLITAN DISTRICT

STORM SEWER

SCALE: 1"=600'



**EXHIBIT C-3**  
**Water Improvements**



**TST**  
**TST, INC.**  
 Consulting Engineers

**WATERFRONT METROPOLITAN DISTRICT**

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**POTABLE WATER**

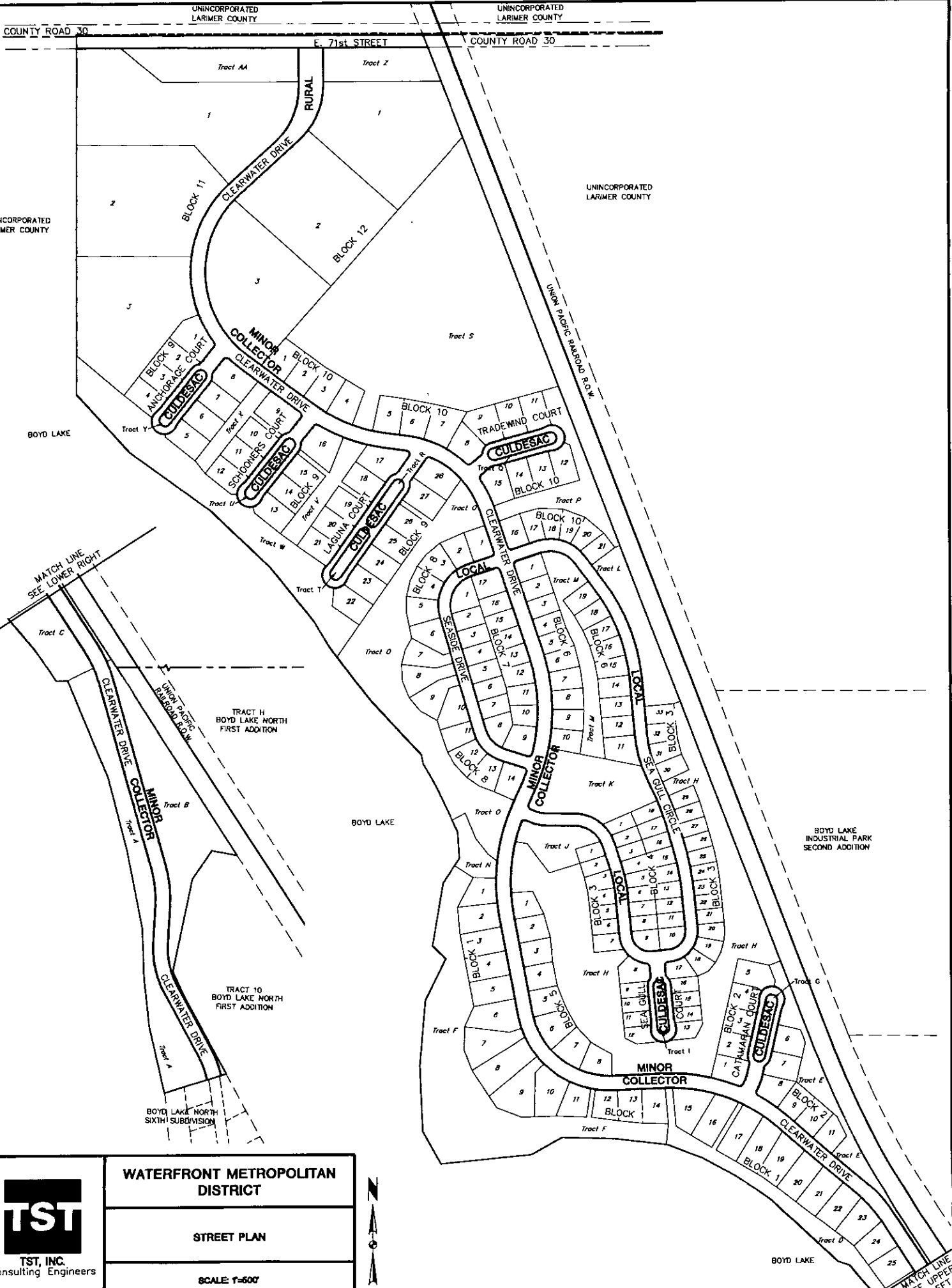
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SCALE: 1"=500'



BOYD LAKE  
 MATCH LINE  
 SEE UPPER LEFT

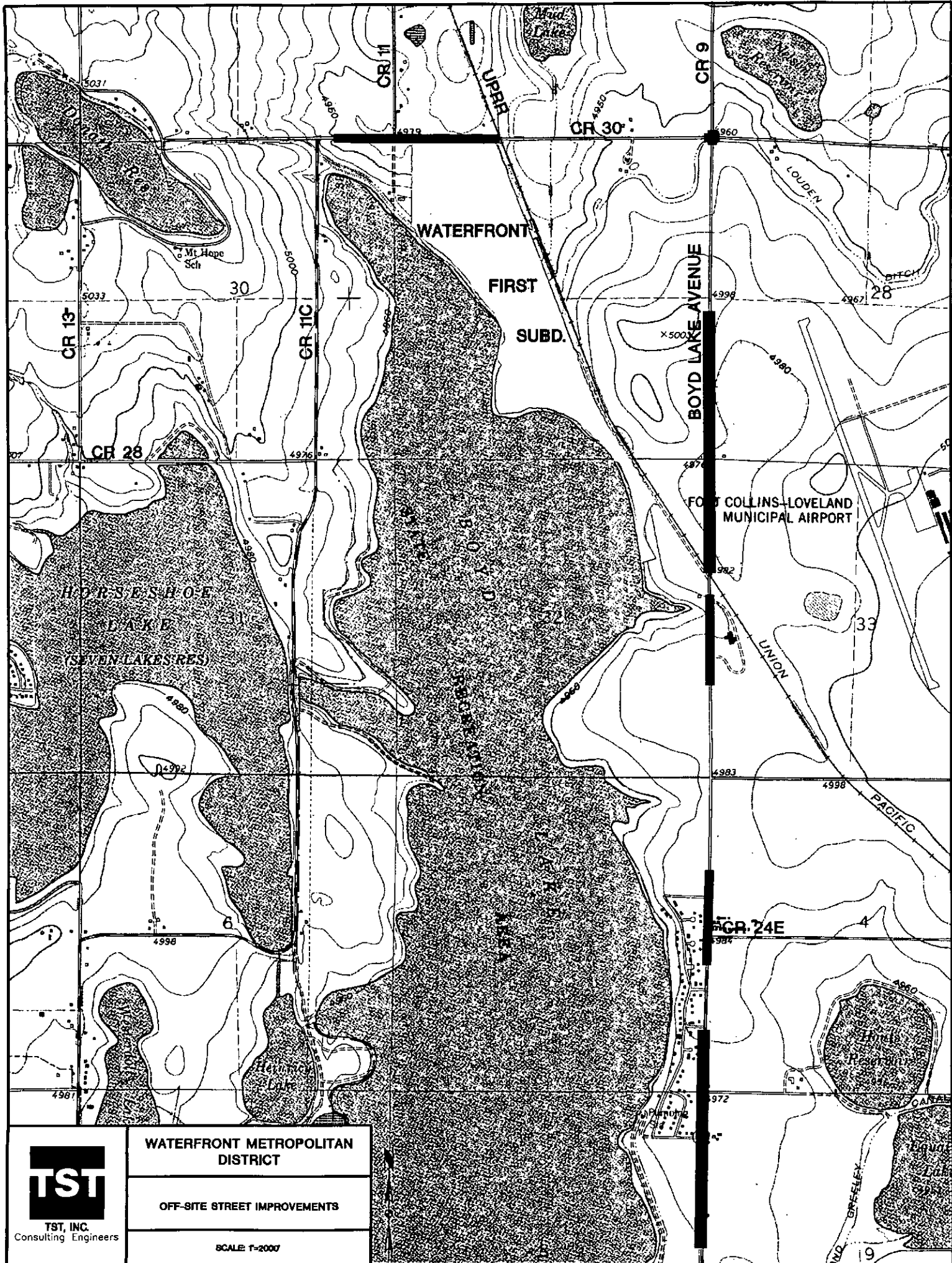
**EXHIBIT C-4**  
**Street and Roadway Improvements**



|   |   |
|---|---|
| <br><b>TST, INC.</b><br>Consulting Engineers | <b>WATERFRONT METROPOLITAN DISTRICT</b> |
|   | <b>STREET PLAN</b>                      |
|   | <b>SCALE 1"=500'</b>                    |



MATCH LINE SEE UPPER LEFT



**TST**  
 TST, INC.  
 Consulting Engineers

**WATERFRONT METROPOLITAN DISTRICT**

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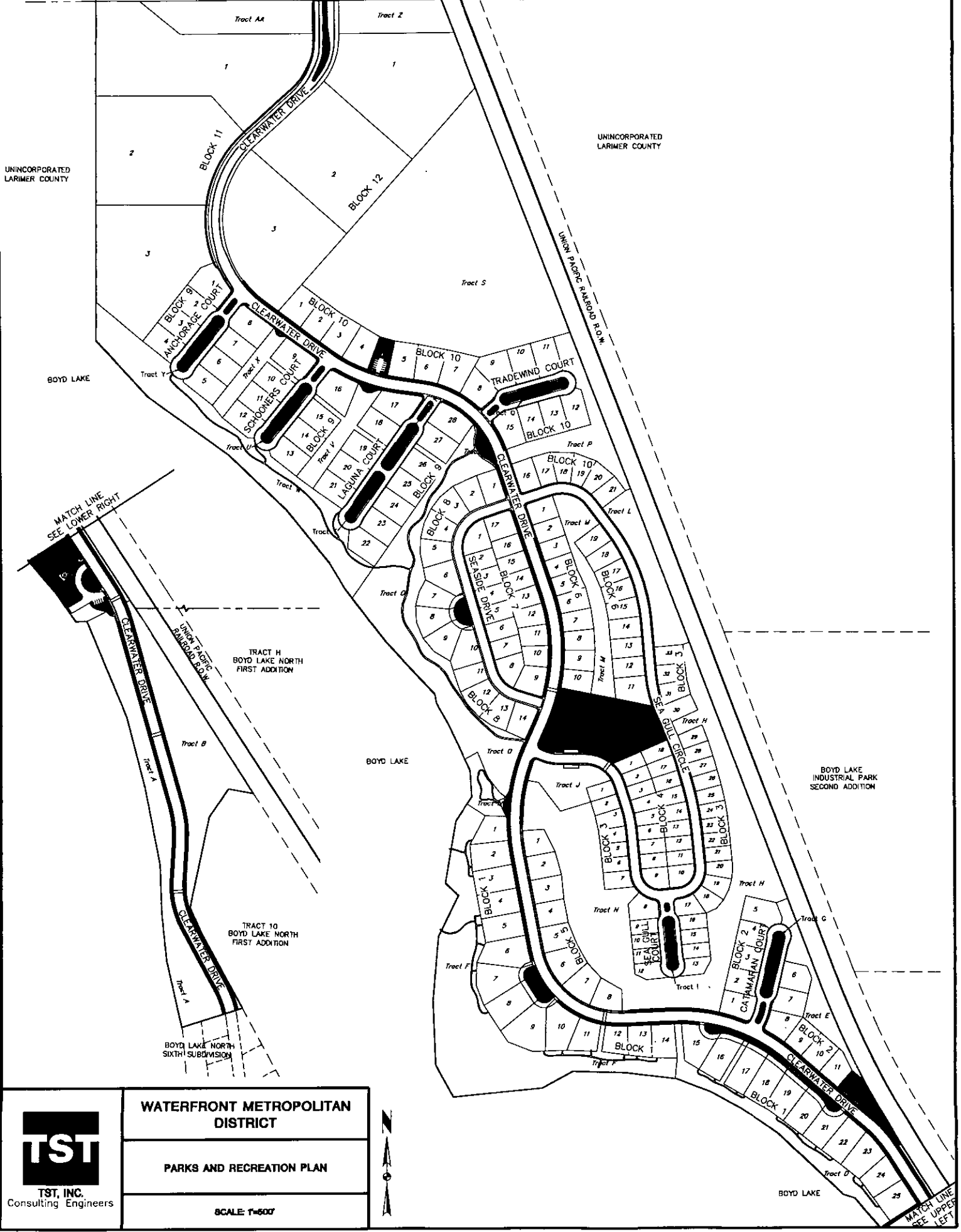
**OFF-SITE STREET IMPROVEMENTS**


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SCALE: T=2000'

**EXHIBIT C-5**  
**Parks and Recreational Improvements**

COUNTY ROAD 30  
 UNINCORPORATED LARIMER COUNTY  
 E. 71st STREET  
 UNINCORPORATED LARIMER COUNTY  
 COUNTY ROAD 30



|   |   |
|---|---|
| <br><b>TST, INC.</b><br>Consulting Engineers | <b>WATERFRONT METROPOLITAN DISTRICT</b> |
|   | <b>PARKS AND RECREATION PLAN</b>        |
|   | SCALE: 1"=500'                          |



MATCH LINE  
 SEE UPPER LEFT



**EXHIBIT D**  
**Cost Estimates**

# CONCEPTUAL OPINION OF COST

Client: The Genesee Company  
 Project: Waterfront Metropolitan District  
 Job No. 0738039

Date: 5/14/03  
 By: N.M.D.

| No.                      | Item  | Quantity | Units | Unit Cost  | Total            |
|--------------------------|---|----------|-------|------------|------------------|
| <b>1. SANITARY SEWER</b> |   |          |       |            |                  |
|                          | 8" PVC SEWER (UNDER 15')                        | 5,895    | LF    | \$28.60    | \$168,597        |
|                          | 12" PVC SEWER (UNDER 15')                       | 1,695    | LF    | \$31.90    | \$54,071         |
|                          | 8" PVC SEWER (OVER 15')                         | 3,533    | LF    | \$36.30    | \$128,248        |
|                          | 12" PVC SEWER (OVER 15')                        | 795      | LF    | \$40.70    | \$32,357         |
|                          | 4' DIAMETER MANHOLE                             | 61       | EA    | \$1,633.50 | \$99,644         |
|                          | 6" SERVICES                                     | 1        | EA    | \$1,529.00 | \$1,529          |
|                          | 4" SERVICES                                     | 177      | EA    | \$935.00   | \$165,495        |
|                          | 4" SERVICE ON EXISTING                          | 19       | EA    | \$889.90   | \$16,908         |
|                          | ABANDON EXISTING MHS                            | 4        | EA    | \$231.00   | \$924            |
|                          | TIE TO EXISTING                                 | 3        | EA    | \$1,617.00 | \$4,851          |
|                          | ADJUST MANHOLES                                 | 62       | EA    | \$408.10   | \$25,302         |
|                          | 60" PLATFORM MANHOLE                            | 1        | EA    | \$3,657.50 | \$3,658          |
|                          | 16" STEEL CASING                                | 24       | LF    | \$96.80    | \$2,323          |
|                          | ADD FOR DROP MANHOLES                           | 3        | EA    | \$737.00   | \$2,211          |
|                          | <b>UNDERDRAIN</b>                               |          |       |            |                  |
|                          | 4" PERFORATED PVC                               | 750      | LF    | \$22.00    | \$16,500         |
|                          | 4" NON-PERFORATED PVC                           | 847      | LF    | \$22.00    | \$18,634         |
|                          | 4" PVC 90 BEND                                  | 3        | EA    | \$9.90     | \$30             |
|                          | 4" PVC 45 BEND                                  | 2        | EA    | \$7.70     | \$15             |
|                          | 4" PVC 22 BEND                                  | 2        | EA    | \$7.70     | \$15             |
|                          | 4" PVC 11 BEND                                  | 3        | EA    | \$7.70     | \$23             |
|                          | 4" CLEANOUT                                     | 8        | EA    | \$96.80    | \$774            |
|                          | WEEPHOLE  | 5        | EA    | \$119.90   | \$600            |
|                          | LAMPHOLE COVERS                                 | 13       | EA    | \$168.30   | \$2,188          |
|                          | ADJUST LAMPHOLE COVERS                          | 13       | EA    | \$192.50   | \$2,503          |
|                          | <i>Sanitary Sewer &amp; Underdrain Subtotal</i> |          |       |            | <b>\$747,398</b> |
| <b>2. STORM SEWER</b>    |   |          |       |            |                  |
|                          | 12" HDPE  | 45       | LF    | \$28.60    | \$1,287          |
|                          | 18" HDPE  | 992      | LF    | \$30.80    | \$30,554         |
|                          | 24" HDPE  | 70       | LF    | \$39.60    | \$2,772          |
|                          | 30" HDPE  | 217      | LF    | \$44.00    | \$9,548          |
|                          | 36" HDPE  | 91       | LF    | \$52.80    | \$4,805          |
|                          | 42" HDPE  | 491      | LF    | \$72.60    | \$35,647         |
|                          | 18" HDPE FES                                    | 16       | EA    | \$170.50   | \$2,728          |
|                          | 24" HDPE FES                                    | 1        | EA    | \$232.10   | \$232            |
|                          | 30" HDPE FES                                    | 1        | EA    | \$585.20   | \$585            |
|                          | 36" HDPE FES                                    | 2        | EA    | \$634.70   | \$1,269          |
|                          | 42" HDPE FES                                    | 1        | EA    | \$936.10   | \$936            |

## CONCEPTUAL OPINION OF COST

Client: The Genesee Company  
 Project: Waterfront Metropolitan District  
 Job No. 0738039

Date: 5/14/03  
 By: N.M.D.

|                                 |     |    |          |          |
|---------------------------------|-----|----|----------|----------|
| 38 X 60 RCP FES                 | 1   | EA | \$674.30 | \$674    |
| 4' X 6' RC BOX CULVERT          | 127 | LF | \$374.00 | \$47,498 |
| 38 X 60" RCP                    | 30  | LF | \$148.50 | \$4,455  |
| 34 x 53" RCP                    | 45  | LF | \$123.20 | \$5,544  |
| 30" RCP                         | 51  | LF | \$56.10  | \$2,861  |
| 27" RCP                         | 375 | LF | \$53.90  | \$20,213 |
| 24" RCP                         | 893 | LF | \$48.40  | \$43,221 |
| 18" RCP                         | 210 | LF | \$40.70  | \$8,547  |
| 30" RCP FES                     | 1   | EA | \$672.10 | \$672    |
| 24" RCP FES                     | 2   | EA | \$531.30 | \$1,063  |
| 18" RCP FES                     | 1   | EA | \$460.90 | \$461    |
| CONCRETE ENCASE 18" JOINTS      | 3   | EA | \$383.90 | \$1,152  |
| CONCRETE ENCASE 34 x 53" JOINTS | 3   | EA | \$573.10 | \$1,719  |
| CONCRETE ENCASE 27" JOINTS      | 3   | EA | \$459.80 | \$1,379  |
| 18" ADS CLAY BARRIERS           | 4   | EA | \$326.70 | \$1,307  |

# CONCEPTUAL OPINION OF COST

Client: The Genesee Company  
 Project: Waterfront Metropolitan District  
 Job No. 0738039

Date: 5/14/03  
 By: N.M.D.

|                                    |        |    |              |                  |
|------------------------------------|--------|----|--------------|------------------|
| HEADWALL FOR 18"                   | 7      | EA | \$1,565.30   | \$10,957         |
| HEADWALL FOR 18" W / FLAPPER GATE  | 4      | EA | \$2,486.00   | \$9,944          |
| HEADWALL FOR 27"                   | 2      | EA | \$3,853.30   | \$7,707          |
| HEADWALL FOR 27" W / FLAPPER GATE  | 1      | EA | \$3,895.10   | \$3,895          |
| HEADWALL FOR 36"                   | 1      | EA | \$1,612.60   | \$1,613          |
| HEADWALL FOR 38 X 60"              | 1      | EA | \$2,109.80   | \$2,110          |
| HEADWALL FOR 4 X 6' RC BOX CULVERT | 2      | EA | \$8,886.90   | \$17,774         |
| 5' TYPE R INLET                    | 5      | EA | \$3,059.10   | \$15,296         |
| 10' TYPE R INLET                   | 6      | EA | \$3,480.40   | \$20,882         |
| 20' TYPE R INLET                   | 2      | EA | \$6,927.80   | \$13,856         |
| TYPE C INLET                       | 2      | EA | \$2,082.30   | \$4,165          |
| TRIPLE TYPE C INLETS               | 1      | EA | \$3,833.50   | \$3,834          |
| 4' DIAMETER MANHOLE                | 3      | EA | \$1,357.40   | \$4,072          |
| 5' DIAMETER MANHOLE                | 7      | EA | \$1,881.00   | \$13,167         |
| TYPE L RIPRAP 1.25' DEPTH          | 1,072  | SF | \$5.50       | \$5,896          |
| BURIED CL 9 RIPRAP                 | 10,410 | SF | \$4.40       | \$45,804         |
| CLASS 9 GROUTED RIPRAP             | 1,150  | SF | \$12.10      | \$13,915         |
| ADJUST MANHOLES                    | 10     | EA | \$331.10     | \$3,311          |
| OVERLOT GRADING                    | 1      | LS | \$301,744.30 | \$301,744        |
| EROSION CONTROL                    | 1      | LS | \$222,420.00 | \$222,420        |
| RETAINING WALL (BLOCK)             | 352    | LF | \$126.50     | \$44,528         |
| WETLANDS MITIGATION                | 1      | LS | \$84,213.80  | \$84,214         |
| SWALE STABILIZATION                | 1      | LS | \$48,629.90  | \$48,630         |
| <b>Storm Sewer Subtotal</b>        |        |    |              | <b>\$429,325</b> |
| <b>3. WATER</b>                    |        |    |              |                  |
| 12" PVC                            | 9,590  | LF | \$27.50      | \$263,725        |
| 8" PVC                             | 5,705  | LF | \$20.90      | \$119,235        |
| 6" PVC                             | 4,850  | LF | \$19.80      | \$96,030         |
| 20" STEEL CASING                   | 22     | LF | \$104.17     | \$2,292          |
| TIE TO EXISTING                    | 2      | EA | \$1,475.10   | \$2,950          |
| 12 X 10 REDUCER                    | 1      | EA | \$239.80     | \$240            |
| 12" VALVE / BOX                    | 8      | EA | \$1,479.50   | \$11,836         |
| 12" 1 1/4 BEND                     | 3      | EA | \$346.50     | \$1,040          |
| 12" LOWERING                       | 3      | EA | \$2,087.80   | \$6,263          |
| 12" RESTRAINED JOINTS              | 270    | LF | \$13.20      | \$3,564          |
| PIPE DEFLECTION                    | 370    | LF | \$5.94       | \$2,198          |
| 12 X 8 TEE                         | 3      | EA | \$482.90     | \$1,449          |
| 12 X 6 TEE                         | 19     | EA | \$412.50     | \$7,838          |

# CONCEPTUAL OPINION OF COST

Client: The Genesee Company  
Project: Waterfront Metropolitan District  
Job No. 0738039

Date: 5/14/03  
By: N.M.D.

|                |   |    |          |         |
|----------------|---|----|----------|---------|
| 12 X 8 CROSS   | 1 | EA | \$541.20 | \$541   |
| 8" VALVE / BOX | 8 | EA | \$834.90 | \$6,679 |
| 8 X 8 TEE      | 1 | EA | \$310.20 | \$310   |
| 8 X 6 TEE      | 9 | EA | \$298.10 | \$2,683 |
| 8 X 6 REDUCER  | 5 | EA | \$180.40 | \$902   |

## CONCEPTUAL OPINION OF COST

Client: The Genesee Company  
 Project: Waterfront Metropolitan District I  
 Job No. 0738039

Date: 5/14/03  
 By: N.M.D.

|                                  |        |    |              |                  |
|----------------------------------|--------|----|--------------|------------------|
| TEMPORARY FIRE HYDRANT           | 8      | EA | \$1,651.10   | \$13,209         |
| 8" 45 BEND                       | 11     | EA | \$237.60     | \$2,614          |
| 8" 22 1/2 BEND                   | 11     | EA | \$238.70     | \$2,626          |
| 8" 11 1/4 BEND                   | 7      | EA | \$242.00     | \$1,694          |
| FIRE HYDRANT                     | 28     | EA | \$1,651.10   | \$46,231         |
| 6" VALVE / BOX                   | 43     | EA | \$589.60     | \$25,353         |
| 6 X 6 TEE                        | 10     | EA | \$233.20     | \$2,332          |
| 6" 90 BEND                       | 1      | EA | \$210.10     | \$210            |
| 6" 45 BEND                       | 37     | EA | \$196.90     | \$7,285          |
| 6" 22 1/2 BEND                   | 1      | EA | \$201.30     | \$201            |
| 6" 11 1/4 BEND                   | 5      | EA | \$213.40     | \$1,067          |
| 1" AIR RELEASE ASS.              | 3      | EA | \$2,082.30   | \$6,247          |
| 1" SERVICE                       | 1      | EA | \$889.90     | \$890            |
| 3/4" SERVICE                     | 200    | EA | \$733.70     | \$146,740        |
| ADJUST VALVE BOXES               | 59     | EA | \$255.20     | \$15,057         |
| ASPHALT PATCHING                 | 30     | SY | \$41.58      | \$1,247          |
| TRAFFIC CONTROL                  | 1      | LS | \$2,506.90   | \$2,507          |
| 8" PRESSURE REDUCING VALVE/VAULT | 1      | EA | \$32,629.30  | \$32,629         |
| <i>Water Subtotal</i>            |        |    |              | <b>\$837,912</b> |
| <b>4. STREETS (ON-SITE)</b>      |        |    |              |                  |
| OVERLOT GRADING                  | 1      | LS | \$301,744.30 | \$301,744        |
| CURB GRADING                     | 19,600 | LF | \$1.10       | \$21,560         |
| DETACHED WALK GRADING            | 14,860 | LF | \$2.20       | \$32,692         |
| SIDEWALK GRADING                 | 985    | LF | \$2.20       | \$2,167          |
| TRICKLE PAN GRADING              | 6,295  | LF | \$2.20       | \$13,849         |
| PATH GRADING (CONCRETE)          | 1,535  | LF | \$2.20       | \$3,377          |
| PATH GRADING (GRAVEL)            | 5,950  | LF | \$2.20       | \$13,090         |
| 30" VERTICAL CURB AND GUTTER     | 14,900 | LF | \$8.25       | \$122,925        |
| 18" MEDIAN CURB AND GUTTER       | 2,664  | LF | \$7.70       | \$20,513         |
| 30" DRIVE OVER CURB AND GUTTER   | 9,277  | LF | \$9.02       | \$83,679         |
| 4" THICK WALK 4' WIDE            | 4,514  | LF | \$7.48       | \$33,765         |
| 4" THICK WALK 5' WIDE            | 14,295 | LF | \$9.35       | \$133,658        |
| 4" THICK WALK 6' WIDE            | 3,332  | LF | \$11.22      | \$37,385         |
| MID BLOCK RAMPS                  | 30     | EA | \$422.40     | \$12,672         |
| CONCRETE MISC.                   | 1      | LS | \$325,497.70 | \$325,498        |
| 3.5" HBP                         | 32,465 | SY | \$7.70       | \$249,981        |

## CONCEPTUAL OPINION OF COST

Client: The Genesee Company  
 Project: Waterfront Metropolitan District  
 Job No. 0738039

Date: 5/14/03  
 By: N.M.D.

|  |        |    |              |                    |
|--|--------|----|--------------|--------------------|
| 6" ABC                                   | 45,075 | SY | \$4.40       | \$198,330          |
| 8" ABC                                   | 29,175 | SY | \$5.50       | \$160,463          |
| 4" HMA                                   | 41,785 | SY | \$8.80       | \$367,708          |
| SUBGRADE PREP                            | 74,250 | SY | \$1.10       | \$81,675           |
| 12" FLYASH TREATED SUBGRADE (12%)        | 45,075 | SY | \$5.50       | \$247,913          |
| 12" FLYASH TREATED SUBGRADE @ CURB (12%) | 8,710  | SY | \$6.60       | \$57,486           |
| SUBGRADE PREP (CONC. DR.)                | 2,880  | SY | \$2.20       | \$6,336            |
| SIGNING & STRIPING (CLEARWATER)          | 1      | LS | \$44,047.30  | \$44,047           |
| RETAINING WALL W/FORM LINER              | 1      | LS | \$197,219.00 | \$197,219          |
| STREET LIGHTING                          | 1      | LS | \$150,000.00 | \$150,000          |
| <i>Street (On-site) Subtotal</i>         |        |    |              | <b>\$2,919,730</b> |

# CONCEPTUAL OPINION OF COST

Client: The Genesee Company  
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 Job No. 0738039

Date: 5/14/03  
 By: N.M.D.

| 5. OFF-SITE IMPROVEMENTS            |          |     |             |          |
|-------------------------------------|----------|-----|-------------|----------|
| LARAMER COUNTY RD 30                |          |     |             |          |
| WATER                               |          |     |             |          |
| 12" PVC                             | 1,350.00 | LF  | \$35.20     | \$47,520 |
| 6" PVC                              | 80.00    | LF  | \$19.80     | \$1,584  |
| 12 X 12 TEE                         | 1.00     | EA  | \$510.40    | \$510    |
| 12 X 6 TEE                          | 2.00     | EA  | \$429.00    | \$858    |
| 12" VALVE / BOX                     | 4.00     | EA  | \$1,521.30  | \$6,085  |
| 12" MJ PLUG                         | 2.00     | EA  | \$154.00    | \$308    |
| 6" TIE TO EXISTING                  | 2.00     | EA  | \$660.00    | \$1,320  |
| 6" 90 BEND                          | 2.00     | EA  | \$203.50    | \$407    |
| 6" VALVE / BOX                      | 2.00     | EA  | \$566.50    | \$1,133  |
| ASPHALT PATCHING                    | 100.00   | SY  | \$56.10     | \$5,610  |
| TRAFFIC CONTROL                     | 1.00     | LS  | \$2,277.00  | \$2,277  |
| STORM SEWER                         |          |     |             |          |
| REMOVE CULVERT                      | 75.00    | LF  | \$18.70     | \$1,403  |
| 29 X 45" RCP                        | 95.00    | LF  | \$25.30     | \$2,404  |
| 29 X 45" FES                        | 2.00     | EA  | \$246.40    | \$493    |
| 24" HDPE                            | 45.00    | LF  | \$36.30     | \$1,634  |
| 24" HDPE FES                        | 1.00     | EA  | \$260.70    | \$261    |
| 4" DIAMETER MANHOLE                 | 1.00     | EA  | \$1,137.40  | \$1,137  |
| 12" RIPRAP                          | 60.00    | SF  | \$5.50      | \$330    |
| ASPHALT PATCHING                    | 100.00   | SY  | \$56.10     | \$5,610  |
| TRAFFIC CONTROL                     | 1.00     | LS  | \$1,519.10  | \$1,519  |
| GRADING & PAVING                    |          |     |             |          |
| STRIPPING                           | 3,590    | CY  | \$4.40      | \$15,796 |
| UNCLASSIFIED EXCAVATION             | 13,312   | CY  | \$3.30      | \$43,930 |
| EMBANKMENT                          | 13,312   | CY  | \$3.30      | \$43,930 |
| REPLACE TOPSOIL                     | 3,590    | CY  | \$4.40      | \$15,796 |
| SAWCUT ASPHALT                      | 3,368    | LF  | \$1.10      | \$3,705  |
| REMOVE ASPHALT                      | 375      | SY  | \$7.70      | \$2,888  |
| TRAFFIC CONTROL                     | 1        | LS  | \$7,596.60  | \$7,597  |
| 4" HBP                              | 5,677    | SY  | \$8.80      | \$49,958 |
| 4" ABC                              | 5,677    | SY  | \$3.30      | \$18,734 |
| 12" FLYASH TREATED SUBGRADE         | 7,173    | SY  | \$6.60      | \$47,342 |
| 8" ABC SHOULDER                     | 735      | TON | \$13.20     | \$9,702  |
| SIGNING & STRIPING                  | 1        | LS  | \$14,152.60 | \$14,153 |
| TRAFFIC CONTROL                     | 1        | LS  | \$1,772.10  | \$1,772  |
| NORTH BOYD LAKE AVENUE & VALLEY OAK |          |     |             |          |
| STORM SEWER                         |          |     |             |          |
| REMOVE & RELOCATE 18" RCP           | 110.00   | LF  | \$30.80     | \$3,388  |



## CONCEPTUAL OPINION OF COST

Client: The Genesee Company  
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 By: N.M.D.

|   |       |     |             |          |
|---|-------|-----|-------------|----------|
| REMOVE & RELOCATE 18" FES               | 2.00  | EA  | \$245.30    | \$491    |
| REMOVE & REPLACE 60" FES                | 2.00  | EA  | \$446.60    | \$893    |
| 60" RCP                                 | 16.00 | LF  | \$162.80    | \$2,605  |
| ASPHALT PATCHING                        | 22.00 | TON | \$88.00     | \$1,936  |
| TRAFFIC CONTROL                         | 1.00  | LS  | \$632.50    | \$633    |
| <b>GRADING &amp; PAVING</b>             |       |     |             |          |
| STRIPPING                               | 962   | CY  | \$5.50      | \$5,291  |
| UNCLASSIFIED EXCAVATION                 | 943   | CY  | \$7.70      | \$7,261  |
| IMPORT                                  | 437   | CY  | \$6.60      | \$2,884  |
| EMBANKMENT                              | 1,380 | CY  | \$6.60      | \$9,108  |
| REPLACE TOPSOIL                         | 962   | CY  | \$6.60      | \$6,349  |
| SAWCUT ASPHALT                          | 2,756 | LF  | \$1.10      | \$3,032  |
| REMOVE ASPHALT                          | 306   | SY  | \$8.80      | \$2,693  |
| TRAFFIC CONTROL                         | 1     | LS  | \$2,279.20  | \$2,279  |
| 2" HBP / 8.5" PMBB                      | 2,505 | SY  | \$22.00     | \$55,110 |
| 6" ABC SHOULDER                         | 450   | TON | \$13.20     | \$5,940  |
| SUBGRADE PREP                           | 3,721 | SY  | \$2.20      | \$8,186  |
| SIGNING & STRIPING                      | 1     | LS  | \$11,150.70 | \$11,151 |
| TRAFFIC CONTROL                         | 1     | LS  | \$1,772.10  | \$1,772  |
| <b>NORTH BOYD LAKE AVENUE &amp; 24E</b> |       |     |             |          |
| <b>STORM SEWER</b>                      |       |     |             |          |
| REMOVE 18" CULVERT                      | 55.00 | LF  | \$9.90      | \$545    |
| 18" CMP                                 | 55.00 | LF  | \$28.60     | \$1,573  |
| 18" CMP FES                             | 2.00  | EA  | \$159.50    | \$319    |
| 12" CMP W/ FES                          | 24.00 | LF  | \$30.80     | \$739    |
| RIPRAP                                  | 60.00 | SF  | \$5.50      | \$330    |
| ASPHALT PATCHING                        | 45.00 | SY  | \$41.80     | \$1,881  |
| TRAFFIC CONTROL                         | 1.00  | LS  | \$2,506.90  | \$2,507  |
| <b>GRADING &amp; PAVING</b>             |       |     |             |          |
| STRIPPING                               | 443   | CY  | \$3.30      | \$1,462  |
| UNCLASSIFIED EXCAVATION                 | 775   | CY  | \$11.00     | \$8,525  |
| EMBANKMENT                              | 775   | CY  | \$4.40      | \$3,410  |
| REPLACE TOPSOIL                         | 443   | CY  | \$3.30      | \$1,462  |
| SAWCUT ASPHALT                          | 3,166 | LF  | \$1.10      | \$3,483  |
| REMOVE ASPHALT                          | 352   | SY  | \$5.50      | \$1,936  |
| SILT FENCE                              | 1,410 | LF  | \$2.20      | \$3,102  |
| TRAFFIC CONTROL                         | 1     | LS  | \$1,911.80  | \$1,912  |
| 2" HBP / 8.5" PMBB                      | 2,650 | SY  | \$23.10     | \$61,215 |
| 6" ABC SHOULDER                         | 1,385 | SY  | \$5.50      | \$7,618  |
| SUBGRADE PREP                           | 4,035 | SY  | \$3.30      | \$13,316 |
| SIGNING & STRIPING                      | 1     | LS  | \$12,709.40 | \$12,709 |

## CONCEPTUAL OPINION OF COST

Client: The Genesee Company  
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Date: 5/14/03  
 By: N.M.D.

|  |       |    |              |                  |
|--|-------|----|--------------|------------------|
| TRAFFIC CONTROL                                | 1     | LS | \$2,279.20   | \$2,279          |
| <b>NORTH BOYD LAKE AVENUE &amp; FRANK ROAD</b> |       |    |              |                  |
| STRIPPING                                      | 730   | CY | \$3.30       | \$2,409          |
| UNCLASSIFIED EXCAVATION                        | 995   | CY | \$8.80       | \$8,756          |
| EMBANKMENT                                     | 995   | CY | \$4.40       | \$4,378          |
| REPLACE TOPSOIL                                | 730   | CY | \$4.40       | \$3,212          |
| SAWCUT ASPHALT                                 | 8,214 | LF | \$1.10       | \$9,035          |
| REMOVE ASPHALT                                 | 912   | SY | \$6.60       | \$6,019          |
| TRAFFIC CONTROL                                | 1     | LS | \$2,279.20   | \$2,279          |
| 2" HBP / 8.5" PMBB                             | 3,395 | SY | \$26.40      | \$89,628         |
| 6" ABC SHOULDER                                | 3,242 | SY | \$5.50       | \$17,831         |
| SUBGRADE PREP                                  | 6,637 | SY | \$2.20       | \$14,601         |
| STRIPING                                       | 1     | LS | \$1,645.60   | \$1,646          |
| TRAFFIC CONTROL                                | 1     | LS | \$2,785.20   | \$2,785          |
| <b>NORTH BOYD LAKE AVENUE</b>                  |       |    |              |                  |
| PAVING   | 1     | LS | \$100,000.00 | \$100,000        |
| <i>Off-Site Improvements Subtotal</i>          |       |    |              | <b>\$881,605</b> |
| <b>6. PARKS AND RECREATION</b>                 |       |    |              |                  |
| LANDSCAPING                                    | 1     | LS | \$888,024.50 | \$888,025        |
| BOAT RAMP                                      | 1     | LS | \$88,000.00  | \$88,000         |
| FENCING  | 1     | LS | \$12,100.00  | \$12,100         |
| PLAY STRUCTURE                                 | 1     | LS | \$27,500.00  | \$27,500         |
| ENTRY STRUCTURE                                | 1     | LS | \$27,500.00  | \$27,500         |
| <i>Parks and Recreation Subtotal</i>           |       |    |              | <b>\$888,025</b> |

# CONCEPTUAL OPINION OF COST

Client: The Genesee Company  
Project: Waterfront Metropolitan District  
Job No. 0738039

Date: 5/14/03  
By: N.M.D.

|  |             |
|--|-------------|
| SUBTOTAL RECAP                                 |             |
| 1. SANITARY SEWER & UNDERDRAIN                 | \$747,398   |
| 2. STORM SEWER                                 | \$429,325   |
| 3. WATER                                       | \$837,912   |
| 4. STREETS (ON-SITE)                           | \$2,919,730 |
| 5. OFF-SITE IMPROVEMENTS                       | \$881,605   |
| 6. PARKS AND RECREATION                        | \$888,025   |
| CONSTRUCTION COST SUBTOTAL                     | \$6,703,995 |
| CONTINGENCY, ADMINISTRATION, ENGINEERING (30%) | \$2,011,198 |
| CONSTRUCTION COST TOTAL                        | \$8,715,193 |

This is an Opinion of Cost and supplied only as a guide.  
TST is not responsible for fluctuation in costs of material, labor or unforeseen contingencies.

**EXHIBIT E**  
**Financing Plan**

**Waterfront Metropolitan District  
Forecasted Statement of Sources  
and Uses of Cash**

**For the Years Ending  
December 31, 2003 through 2037**



To the Petitioners of the Proposed  
Waterfront Metropolitan District  
City of Loveland, Colorado

We have compiled the accompanying forecasted statements of sources and uses of cash of the proposed Waterfront Metropolitan District (Exhibit I), the related projected debt service schedules (Exhibit II to IV) and the analysis of absorption and assessed values (Exhibit V) for the years ending December 31, 2003 through 2037, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**PRELIMINARY DRAFT....SUBJECT TO CHANGE**

September 9, 2003

## Waterfront Metropolitan District

### Summary of Significant Assumptions and Accounting Policies December 31, 2003 through 2037

The foregoing forecast presents, to the best of the Petitioner's knowledge and belief, the expected cash receipts and disbursements for the forecast period. Accordingly, the forecast reflects its judgement as of September 9, 2003. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The purpose of this forecast is to show the amount of funds available for the future construction of infrastructure within the District by the issuance of general obligation bonds and subordinate developer advances and the anticipated funds available for repayment of the bonds and advances.

#### Note 1: Ad Valorem Taxes

The primary source of revenue for the District will be the collection of ad valorem taxes. Residential property is forecasted to be assessed at 7.96% of market values. Market values for 200 residential homes are estimated to range from value from \$300,000 to \$1,000,000 as of 2003. Market values are forecasted to inflate at 2% per year. All property is assumed to inflate at 3% biennially thereafter. Exhibit V details the forecasted absorption, market values and related assessed values.

Property is assumed to be assessed annually as of January 1st. Property included in this forecast is assumed to be assessed on the January 1<sup>st</sup> subsequent to completion. The forecast recognizes the related property taxes as revenue in the subsequent year.

The County Treasurer currently charges a 1.5% fee for the collection of property taxes. These charges are reflected in the accompanying forecast as tax collection fees.

The forecast assumes that Specific Ownership Taxes collected on motor vehicle registrations will be 8% of property taxes collected.

The mill levy imposed by the District is proposed to equal 5.747 mills for operations and 40.232 mills for debt service for a total mill levy of 45.979 mills.

#### Note 2: Interest Income

Interest income is assumed to be earned at 3.0% per annum. Interest income is based on the year's beginning cash balance and an estimate of the timing of the receipt of revenues and the outflow of disbursements during the course of the year.

## Waterfront Metropolitan District

### Summary of Significant Assumptions and Accounting Policies December 31, 2003 through 2037

#### Note 3: Bond Assumptions

The District proposes the issuance of general obligation bonds totaling \$4,800,000 in 2004 and 2008. The bonds will have a maturity of 30 years from the date of issuance. The Series 2004 bonds are proposed to carry a coupon rate of 7.25% and the Series 2008 bonds are estimated to have a coupon of 6.25%. It is estimated that \$192,000 of the bond proceeds will be available for issuance costs.. Exhibits II and III reflect the proposed repayment schedule of these bonds. The Bonds are anticipated to be secured by a limited mill levy not to exceed 45.000 mills (adjusted for changes in the ratio of assessed values to market values). The following table reflects the proposed sources and uses of funds for each bond issue.

|                            | <u>Series 2004</u> | <u>Series 2008</u> |
|----------------------------|--------------------|--------------------|
| Sources:                   |                    |                    |
| Bond Proceeds              | <u>\$3,000,000</u> | <u>\$1,800,000</u> |
| Uses:                      |                    |                    |
| Issuance costs             | 120,000            | 72,000             |
| Available for improvements | 2,880,000          | -                  |
| Repay developer advances   | -                  | <u>1,728,000</u>   |
|                            | <u>\$3,000,000</u> | <u>\$1,800,000</u> |

The District also intends to issue \$1,373,505 of subordinate developer owned bonds or loans in 2004 and 2005. The bonds will be available to fund District improvements. The bonds carry an estimated coupon rate of 7.5% for 30 years and it is forecasted that the District will be repay the bonds or loans from the proceeds of the above described Series 2008 bonds and other available revenues not required for the Series 2005 and Series 2008 bonds. Exhibit IV reflects the forecasted repayment of the principal and interest on the subordinate bonds or loans.

#### Note 4: Construction Costs

Construction costs are forecasted to total \$8,715,193 and are forecasted to be paid from 2004 through 2006. A portion of the construction costs totaling \$4,461,688 are forecasted not to be supported by bonds or developer owned bonds or loans. It is forecasted that these amounts will be contributed to the District by the developer.

#### Note 5: Operating and Administrative Expenses

Administrative expenses for legal, accounting, audit, management and insurance are forecasted at \$30,000 per year. Inflation is provided for operating and administrative expenses at 2% per year commencing in 2005.

Operating expenses incurred prior to the collection of ad-valorem taxes are expected to be funded by developer advances totaling \$72,700. The forecast reflects that developer advances can be repaid commencing in 2007 through 2013 with no interest.



**Waterfront Metropolitan District**

**Summary of Significant Assumptions and Accounting Policies  
December 31, 2003 through 2037**

**Note 6: Development Fees**

The forecast assumes that a development fee in the amount of \$4,000 will be collected on each equivalent residential unit upon the issuance of a building permit. It is anticipated that the primary developer will enter into a prepaid development fee agreement with the District as a condition of the issuance of the Series 2004 Bonds. The development fees are pledged solely for the repayment of principal and interest on the Series 2004 Bonds. Exhibit V reflects the anticipated collection of development fees per the agreement.

**Waterfront Metropolitan District  
Forecasted Sources and Uses of Cash  
For the Years Ended December 31, 2003 through 2037**

|                              | Totals            | 2003         | 2004             | 2005             | 2006             | 2007          | 2008             | 2009          | 2010          | 2011          | 2012          | 2013          |
|------------------------------|-------------------|--------------|------------------|------------------|------------------|---------------|------------------|---------------|---------------|---------------|---------------|---------------|
| <b>General Fund</b>          |                   |              |                  |                  |                  |               |                  |               |               |               |               |               |
| Beginning cash available     | 0                 | 0            | 0                | (0)              | (0)              | (0)           | (0)              | 0             | (0)           | (0)           | 0             | (0)           |
| <b>Revenues</b>              |                   |              |                  |                  |                  |               |                  |               |               |               |               |               |
| Property taxes               | 1,382,110         | 0            | 144              | 144              | 17,914           | 32,661        | 42,379           | 44,095        | 45,418        | 45,418        | 46,781        | 46,781        |
| Specific ownership taxes     | 110,569           | 0            | 11               | 11               | 1,433            | 2,613         | 3,390            | 3,528         | 3,633         | 3,633         | 3,742         | 3,742         |
| Facility fees                | 0                 | 0            | 0                | 0                | 0                | 0             | 0                | 0             | 0             | 0             | 0             | 0             |
| Developer advances           | 72,700            | 0            | 29,849           | 30,449           | 12,402           |               |                  |               |               |               |               |               |
|                              | <u>1,565,378</u>  | <u>0</u>     | <u>30,004</u>    | <u>30,604</u>    | <u>31,749</u>    | <u>35,274</u> | <u>45,770</u>    | <u>47,623</u> | <u>49,051</u> | <u>49,051</u> | <u>50,523</u> | <u>50,523</u> |
| <b>Expenditures</b>          |                   |              |                  |                  |                  |               |                  |               |               |               |               |               |
| County treasurer fees        | 41,463            | 0            | 4                | 4                | 537              | 980           | 1,271            | 1,323         | 1,363         | 1,363         | 1,403         | 1,403         |
| Repay developer advances     | 72,700            |              |                  |                  |                  | 2,458         | 12,025           | 13,178        | 13,904        | 13,228        | 13,970        | 3,937         |
| Operating expenses           | 1,441,014         | 0            | 30,000           | 30,600           | 31,212           | 31,836        | 32,473           | 33,122        | 33,785        | 34,461        | 35,150        | 35,853        |
|                              | <u>1,555,177</u>  | <u>0</u>     | <u>30,004</u>    | <u>30,604</u>    | <u>31,749</u>    | <u>35,274</u> | <u>45,769</u>    | <u>47,623</u> | <u>49,051</u> | <u>49,051</u> | <u>50,523</u> | <u>41,193</u> |
| Ending cash available        | <u>10,201</u>     | <u>0</u>     | <u>(0)</u>       | <u>(0)</u>       | <u>(0)</u>       | <u>(0)</u>    | <u>0</u>         | <u>(0)</u>    | <u>(0)</u>    | <u>0</u>      | <u>(0)</u>    | <u>9,330</u>  |
| Mill levy                    |                   | <u>0.000</u> | <u>5.747</u>     | <u>5.747</u>     | <u>5.747</u>     | <u>5.747</u>  | <u>5.747</u>     | <u>5.747</u>  | <u>5.747</u>  | <u>5.747</u>  | <u>5.747</u>  | <u>5.747</u>  |
| <b>Capital Projects Fund</b> |                   |              |                  |                  |                  |               |                  |               |               |               |               |               |
| Beginning cash available     | 0                 | 0            | 0                | (0)              | (0)              | (0)           | (0)              | 0             | 0             | 0             | 0             | 0             |
| <b>Revenues</b>              |                   |              |                  |                  |                  |               |                  |               |               |               |               |               |
| Bond proceeds                | 4,800,000         |              | 3,000,000        |                  |                  |               | 1,800,000        |               |               |               |               | 0             |
| Developer advances           | 1,373,505         |              | 606,077          | 767,428          |                  |               |                  |               |               |               |               |               |
| Developer Contributions      | 4,461,688         |              |                  | 1,847,130        | 2,614,558        |               |                  |               |               |               |               |               |
| Interest Income              | 0                 | 0            |                  |                  |                  |               |                  |               |               |               |               |               |
|                              | <u>10,635,193</u> | <u>0</u>     | <u>3,606,077</u> | <u>2,614,558</u> | <u>2,614,558</u> | <u>0</u>      | <u>1,800,000</u> | <u>0</u>      | <u>0</u>      | <u>0</u>      | <u>0</u>      | <u>0</u>      |
| <b>Expenditures</b>          |                   |              |                  |                  |                  |               |                  |               |               |               |               |               |
| Issuance costs               | 192,000           | 0            | 120,000          | 0                | 0                | 0             | 72,000           | 0             |               |               |               | 0             |
| Repay developer advances     | 1,728,000         |              |                  |                  |                  |               | 1,728,000        |               |               |               |               | 0             |
| District improvements        | 8,715,193         | 0            | 3,486,077        | 2,614,558        | 2,614,558        |               |                  |               | 0             | 0             | 0             | 0             |
|                              | <u>10,635,193</u> | <u>0</u>     | <u>3,606,077</u> | <u>2,614,558</u> | <u>2,614,558</u> | <u>0</u>      | <u>1,800,000</u> | <u>0</u>      | <u>0</u>      | <u>0</u>      | <u>0</u>      | <u>0</u>      |
| Ending cash available        | <u>0</u>          | <u>0</u>     | <u>(0)</u>       | <u>(0)</u>       | <u>(0)</u>       | <u>(0)</u>    | <u>0</u>         | <u>0</u>      | <u>0</u>      | <u>0</u>      | <u>0</u>      | <u>0</u>      |

**Waterfront Metropolitan District  
Forecasted Sources and Uses of Cash  
For the Years Ended December 31, 2003 through 2037**

|                                    | Totals                   | 2003  | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    |
|------------------------------------|--------------------------|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                    | <b>Debt Service Fund</b> |       |         |         |         |         |         |         |         |         |         |         |
| Beginning cash available           | 0                        | 0     | 0       | 153,972 | 190,356 | 275,487 | 273,068 | 236,982 | 206,767 | 163,678 | 119,447 | 89,812  |
| <b>Revenues</b>                    |                          |       |         |         |         |         |         |         |         |         |         |         |
| Property taxes                     | 10,398,821               | 0     | 1,006   | 1,006   | 125,409 | 228,646 | 296,678 | 308,689 | 317,950 | 317,950 | 327,488 | 327,488 |
| Specific ownership taxes           | 831,906                  | 0     | 80      | 80      | 10,033  | 18,292  | 23,734  | 24,695  | 25,436  | 25,436  | 26,199  | 26,199  |
| Development fees                   | 800,000                  | 0     | 350,000 | 250,000 | 200,000 | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Interest income                    | 70,582                   |       | 2,275   | 2,813   | 4,071   | 4,035   | 3,502   | 3,056   | 2,419   | 1,765   | 1,327   | 806     |
|                                    | 12,101,309               | 0     | 353,362 | 253,899 | 339,513 | 250,973 | 323,914 | 336,440 | 345,805 | 345,151 | 355,015 | 354,493 |
| <b>Expenditures</b>                |                          |       |         |         |         |         |         |         |         |         |         |         |
| Debt service - GO Debt Series 2004 | 7,585,625                | 0     | 199,375 | 217,500 | 252,500 | 249,963 | 252,425 | 249,525 | 251,625 | 253,363 | 249,738 | 251,113 |
| Debt service - GO Debt Series 2008 | 4,282,500                |       |         |         |         | 103,125 | 112,500 | 112,500 | 132,500 | 131,250 | 130,000 | 133,750 |
| County treasurer fees              | 155,982                  | 0     | 15      | 15      | 1,881   | 3,430   | 4,450   | 4,630   | 4,769   | 4,769   | 4,912   | 4,912   |
|                                    | 12,024,107               | 0     | 199,390 | 217,515 | 254,381 | 253,392 | 360,000 | 366,655 | 388,894 | 389,382 | 384,650 | 389,775 |
| Ending cash available              | 77,201                   | 0     | 153,972 | 190,356 | 275,487 | 273,068 | 236,982 | 206,767 | 163,678 | 119,447 | 89,812  | 54,530  |
| Mill levy                          |                          | 0.000 | 40.232  | 40.232  | 40.232  | 40.232  | 40.232  | 40.232  | 40.232  | 40.232  | 40.232  | 40.232  |
| Total Mill Levy                    |                          | 0.000 | 45.979  | 45.979  | 45.979  | 45.979  | 45.979  | 45.979  | 45.979  | 45.979  | 45.979  | 45.979  |
| <b>Assessed valuation (000's)</b>  |                          |       |         |         |         |         |         |         |         |         |         |         |
| Beginning                          | 25                       | 25    | 25      | 25      | 25      | 3,117   | 5,683   | 7,374   | 7,673   | 7,903   | 7,903   | 8,140   |
| New construction                   | 7,476                    |       |         | 0       | 3,091   | 2,566   | 1,520   | 299     | 0       | 0       | 0       | 0       |
| Inflation (1.5% per annum)         | 4,104                    |       |         |         | 1       |         | 170     |         | 230     |         | 237     |         |
| Ending                             | 11,606                   | 25    | 25      | 25      | 3,117   | 5,683   | 7,374   | 7,673   | 7,903   | 7,903   | 8,140   | 8,140   |

**Waterfront Metropolitan District**  
**Forecasted Sources and Uses of Cash**  
**For the Years Ended December 31, 2003 through 2037**

|                              | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   | 2025   |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>General Fund</b>          |        |        |        |        |        |        |        |        |        |        |        |        |
| Beginning cash available     | 9,330  | 16,777 | 23,493 | 30,783 | 37,312 | 44,426 | 50,747 | 57,662 | 63,754 | 70,448 | 76,285 | 82,734 |
| Revenues                     |        |        |        |        |        |        |        |        |        |        |        |        |
| Property taxes               | 41,921 | 41,921 | 43,179 | 43,179 | 44,474 | 44,474 | 45,808 | 45,808 | 47,182 | 47,182 | 48,598 | 48,598 |
| Specific ownership taxes     | 3,354  | 3,354  | 3,454  | 3,454  | 3,558  | 3,558  | 3,665  | 3,665  | 3,775  | 3,775  | 3,888  | 3,888  |
| Facility fees                | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| Developer advances           |        |        |        |        |        |        |        |        |        |        |        |        |
|                              | 45,275 | 45,275 | 46,633 | 46,633 | 48,032 | 48,032 | 49,473 | 49,473 | 50,957 | 50,957 | 52,486 | 52,486 |
| Expenditures                 |        |        |        |        |        |        |        |        |        |        |        |        |
| County treasurer fees        | 1,258  | 1,258  | 1,295  | 1,295  | 1,334  | 1,334  | 1,374  | 1,374  | 1,415  | 1,415  | 1,458  | 1,458  |
| Repay developer advances     |        |        |        |        |        |        |        |        |        |        |        |        |
| Operating expenses           | 36,570 | 37,301 | 38,047 | 38,808 | 39,584 | 40,376 | 41,184 | 42,007 | 42,847 | 43,704 | 44,578 | 45,470 |
|                              | 37,827 | 38,559 | 39,343 | 40,104 | 40,919 | 41,710 | 42,558 | 43,381 | 44,263 | 45,120 | 46,036 | 46,928 |
| Ending cash available        | 16,777 | 23,493 | 30,783 | 37,312 | 44,426 | 50,747 | 57,662 | 63,754 | 70,448 | 76,285 | 82,734 | 88,292 |
| Mill levy                    | 5.000  | 5.000  | 5.000  | 5.000  | 5.000  | 5.000  | 5.000  | 5.000  | 5.000  | 5.000  | 5.000  | 5.000  |
| <b>Capital Projects Fund</b> |        |        |        |        |        |        |        |        |        |        |        |        |
| Beginning cash available     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| Revenues                     |        |        |        |        |        |        |        |        |        |        |        |        |
| Bond proceeds                |        |        |        |        |        |        |        |        |        |        |        |        |
| Developer advances           |        |        |        |        |        |        |        |        |        |        |        |        |
| Developer Contributions      |        |        |        |        |        |        |        |        |        |        |        |        |
| Interest Income              |        |        |        |        |        |        |        |        |        |        |        |        |
|                              | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| Expenditures                 |        |        |        |        |        |        |        |        |        |        |        |        |
| Issuance costs               |        |        |        |        |        |        |        |        |        |        |        |        |
| Repay developer advances     |        |        |        |        |        |        |        |        |        |        |        |        |
| District improvements        |        |        |        |        |        |        |        |        |        |        |        |        |
|                              | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| Ending cash available        | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |

**Waterfront Metropolitan District  
Forecasted Sources and Uses of Cash  
For the Years Ended December 31, 2003 through 2037**

|                                    | 2014                     | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    | 2024    | 2025    |
|------------------------------------|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                    | <b>Debt Service Fund</b> |         |         |         |         |         |         |         |         |         |         |         |
| Beginning cash available           | 54,530                   | 36,668  | 19,464  | 9,363   | 1,090   | 6,516   | 9,664   | 28,080  | 40,390  | 69,880  | 94,853  | 138,983 |
| Revenues                           |                          |         |         |         |         |         |         |         |         |         |         |         |
| Property taxes                     | 343,576                  | 343,576 | 353,883 | 353,883 | 364,500 | 364,500 | 375,435 | 375,435 | 386,698 | 386,698 | 398,299 | 398,299 |
| Specific ownership taxes           | 27,486                   | 27,486  | 28,311  | 28,311  | 29,160  | 29,160  | 30,035  | 30,035  | 30,936  | 30,936  | 31,864  | 31,864  |
| Development fees                   |                          |         |         |         |         |         |         |         |         |         |         |         |
| Interest income                    | 542                      | 288     | 138     | 16      | 96      | 143     | 415     | 597     | 1,033   | 1,402   | 2,054   | 2,664   |
|                                    | 371,604                  | 371,350 | 382,332 | 382,210 | 393,756 | 393,803 | 405,885 | 406,066 | 418,666 | 419,035 | 432,217 | 432,826 |
| Expenditures                       |                          |         |         |         |         |         |         |         |         |         |         |         |
| Debt service - GO Debt Series 2004 | 252,125                  | 252,775 | 253,063 | 252,988 | 252,550 | 251,750 | 250,588 | 254,063 | 251,813 | 254,200 | 250,863 | 252,163 |
| Debt service - GO Debt Series 2008 | 132,188                  | 130,625 | 134,063 | 132,188 | 130,313 | 133,438 | 131,250 | 134,063 | 131,563 | 134,063 | 131,250 | 133,438 |
| County treasurer fees              | 5,154                    | 5,154   | 5,308   | 5,308   | 5,467   | 5,467   | 5,632   | 5,632   | 5,800   | 5,800   | 5,974   | 5,974   |
|                                    | 389,466                  | 388,554 | 392,433 | 390,483 | 388,330 | 390,655 | 387,469 | 393,757 | 389,175 | 394,063 | 388,087 | 391,574 |
| Ending cash available              | 36,668                   | 19,464  | 9,363   | 1,090   | 6,516   | 9,664   | 28,080  | 40,390  | 69,880  | 94,853  | 138,983 | 180,234 |
| Mill levy                          | 40.979                   | 40.979  | 40.979  | 40.979  | 40.979  | 40.979  | 40.979  | 40.979  | 40.979  | 40.979  | 40.979  | 40.979  |
| Total Mill Levy                    | 45.979                   | 45.979  | 45.979  | 45.979  | 45.979  | 45.979  | 45.979  | 45.979  | 45.979  | 45.979  | 45.979  | 45.979  |
| Assessed valuation (000's)         |                          |         |         |         |         |         |         |         |         |         |         |         |
| Beginning                          | 8,140                    | 8,384   | 8,384   | 8,636   | 8,636   | 8,895   | 8,895   | 9,162   | 9,162   | 9,436   | 9,436   | 9,720   |
| New construction                   | 0                        | 0       |         |         |         |         |         |         |         |         |         |         |
| Inflation (1.5% per annum)         | 244                      |         | 252     |         | 259     |         | 267     |         | 275     |         | 283     |         |
| Ending                             | 8,384                    | 8,384   | 8,636   | 8,636   | 8,895   | 8,895   | 9,162   | 9,162   | 9,436   | 9,436   | 9,720   | 9,720   |

**Waterfront Metropolitan District  
Forecasted Sources and Uses of Cash  
For the Years Ended December 31, 2003 through 2037**

|                              | 2026   | 2027   | 2028   | 2029   | 2030   | 2031   | 2032   | 2033   | 2034   | 2035   | 2036   | 2037   |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>General Fund</b>          |        |        |        |        |        |        |        |        |        |        |        |        |
| Beginning cash available     | 88,292 | 83,960 | 78,700 | 73,755 | 67,845 | 62,250 | 55,651 | 49,366 | 42,037 | 35,020 | 26,916 | 19,124 |
| Revenues                     |        |        |        |        |        |        |        |        |        |        |        |        |
| Property taxes               | 40,045 | 40,045 | 41,246 | 41,246 | 42,483 | 42,483 | 43,758 | 43,758 | 45,071 | 45,071 | 46,423 | 46,423 |
| Specific ownership taxes     | 3,204  | 3,204  | 3,300  | 3,300  | 3,399  | 3,399  | 3,501  | 3,501  | 3,606  | 3,606  | 3,714  | 3,714  |
| Facility fees                | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| Developer advances           |        |        |        |        |        |        |        |        |        |        |        |        |
|                              | 43,248 | 43,248 | 44,546 | 44,546 | 45,882 | 45,882 | 47,259 | 47,259 | 48,676 | 48,676 | 50,137 | 50,137 |
| Expenditures                 |        |        |        |        |        |        |        |        |        |        |        |        |
| County treasurer fees        | 1,201  | 1,201  | 1,237  | 1,237  | 1,275  | 1,275  | 1,313  | 1,313  | 1,352  | 1,352  | 1,393  | 1,393  |
| Repay developer advances     |        |        |        |        |        |        |        |        |        |        |        |        |
| Operating expenses           | 46,379 | 47,307 | 48,253 | 49,218 | 50,203 | 51,207 | 52,231 | 53,275 | 54,341 | 55,428 | 56,536 | 57,667 |
|                              | 47,581 | 48,508 | 49,490 | 50,456 | 51,477 | 52,481 | 53,543 | 54,588 | 55,693 | 56,780 | 57,929 | 59,060 |
| Ending cash available        | 83,960 | 78,700 | 73,755 | 67,845 | 62,250 | 55,651 | 49,366 | 42,037 | 35,020 | 26,916 | 19,124 | 10,201 |
| Mill levy                    | 4.000  | 4.000  | 4.000  | 4.000  | 4.000  | 4.000  | 4.000  | 4.000  | 4.000  | 4.000  | 4.000  | 4.000  |
| <b>Capital Projects Fund</b> |        |        |        |        |        |        |        |        |        |        |        |        |
| Beginning cash available     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| Revenues                     |        |        |        |        |        |        |        |        |        |        |        |        |
| Bond proceeds                |        |        |        |        |        |        |        |        |        |        |        |        |
| Developer advances           |        |        |        |        |        |        |        |        |        |        |        |        |
| Developer Contributions      |        |        |        |        |        |        |        |        |        |        |        |        |
| Interest Income              |        |        |        |        |        |        |        |        |        |        |        |        |
|                              | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| Expenditures                 |        |        |        |        |        |        |        |        |        |        |        |        |
| Issuance costs               |        |        |        |        |        |        |        |        |        |        |        |        |
| Repay developer advances     |        |        |        |        |        |        |        |        |        |        |        |        |
| District improvements        |        |        |        |        |        |        |        |        |        |        |        |        |
|                              | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| Ending cash available        | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |

**Waterfront Metropolitan District  
Forecasted Sources and Uses of Cash  
For the Years Ended December 31, 2003 through 2037**

|                                    | 2026                     | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    | 2034    | 2035    | 2036    | 2037    |
|------------------------------------|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                    | <b>Debt Service Fund</b> |         |         |         |         |         |         |         |         |         |         |         |
| Beginning cash available           | 180,234                  | 237,610 | 294,095 | 275,096 | 261,242 | 254,231 | 249,627 | 254,811 | 138,183 | 125,920 | 109,033 | 99,689  |
| <b>Revenues</b>                    |                          |         |         |         |         |         |         |         |         |         |         |         |
| Property taxes                     | 410,248                  | 410,248 | 340,280 | 340,280 | 350,488 | 350,488 | 361,003 | 361,003 | 191,550 | 191,550 | 197,297 | 197,297 |
| Specific ownership taxes           | 32,820                   | 32,820  | 27,222  | 27,222  | 28,039  | 28,039  | 28,880  | 28,880  | 15,324  | 15,324  | 15,784  | 15,784  |
| Development fees                   |                          |         |         |         |         |         |         |         |         |         |         |         |
| Interest income                    | 3,511                    | 4,346   | 4,065   | 3,861   | 3,757   | 3,689   | 3,766   | 2,042   | 1,861   | 1,611   | 1,473   | 1,141   |
|                                    | 446,579                  | 447,414 | 371,568 | 371,363 | 382,284 | 382,216 | 393,649 | 391,925 | 208,735 | 208,486 | 214,554 | 214,221 |
| <b>Expenditures</b>                |                          |         |         |         |         |         |         |         |         |         |         |         |
| Debt service - GO Debt Series 2004 | 252,738                  | 252,588 | 251,713 | 250,113 | 252,788 | 249,375 | 250,238 | 370,013 |         |         |         |         |
| Debt service - GO Debt Series 2008 | 130,313                  | 132,188 | 133,750 | 130,000 | 131,250 | 132,188 | 132,813 | 133,125 | 218,125 | 222,500 | 220,938 | 233,750 |
| County treasurer fees              | 6,154                    | 6,154   | 5,104   | 5,104   | 5,257   | 5,257   | 5,415   | 5,415   | 2,873   | 2,873   | 2,959   | 2,959   |
|                                    | 389,204                  | 390,929 | 390,567 | 385,217 | 389,295 | 386,820 | 388,465 | 508,553 | 220,998 | 225,373 | 223,897 | 236,709 |
| Ending cash available              | 237,610                  | 294,095 | 275,096 | 261,242 | 254,231 | 249,627 | 254,811 | 138,183 | 125,920 | 109,033 | 99,689  | 77,201  |
| Mill levy                          | 40.979                   | 40.979  | 33.000  | 33.000  | 33.000  | 33.000  | 33.000  | 33.000  | 17.000  | 17.000  | 17.000  | 17.000  |
| Total Mill Levy                    | 44.979                   | 44.979  | 37.000  | 37.000  | 37.000  | 37.000  | 37.000  | 37.000  | 21.000  | 21.000  | 21.000  | 21.000  |
| <b>Assessed valuation (000's)</b>  |                          |         |         |         |         |         |         |         |         |         |         |         |
| Beginning                          | 9,720                    | 10,011  | 10,011  | 10,312  | 10,312  | 10,621  | 10,621  | 10,939  | 10,939  | 11,268  | 11,268  | 11,606  |
| New construction                   |                          |         |         | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Inflation (1.5% per annum)         | 292                      |         | 300     |         | 309     |         | 319     |         | 328     |         | 338     |         |
| Ending                             | 10,011                   | 10,011  | 10,312  | 10,312  | 10,621  | 10,621  | 10,939  | 10,939  | 11,268  | 11,268  | 11,606  | 11,606  |

**Waterfront Metropolitan District**  
**Schedule of General Obligation Debt - Series 2004**  
**For the Years Ended December 31, 2004 to 2033**

| Year | Principal        | Coupon | Interest         | Annual Total     | Balance   |
|------|------------------|--------|------------------|------------------|-----------|
| 2004 |                  |        | 80,625           |                  | 3,000,000 |
| 2004 |                  |        | 108,750          | 199,375          | 3,000,000 |
| 2005 |                  |        | 108,750          |                  | 3,000,000 |
| 2005 |                  |        | 108,750          | 217,500          | 3,000,000 |
| 2006 |                  |        | 108,750          |                  | 3,000,000 |
| 2006 | 35,000           | 7.25%  | 108,750          | 252,500          | 2,965,000 |
| 2007 |                  |        | 107,481          |                  | 2,965,000 |
| 2007 | 35,000           | 7.25%  | 107,481          | 249,963          | 2,930,000 |
| 2008 |                  |        | 106,213          |                  | 2,930,000 |
| 2008 | 40,000           | 7.25%  | 106,213          | 252,425          | 2,890,000 |
| 2009 |                  |        | 104,763          |                  | 2,890,000 |
| 2009 | 40,000           | 7.25%  | 104,763          | 249,525          | 2,850,000 |
| 2010 |                  |        | 103,313          |                  | 2,850,000 |
| 2010 | 45,000           | 7.25%  | 103,313          | 251,625          | 2,805,000 |
| 2011 |                  |        | 101,681          |                  | 2,805,000 |
| 2011 | 50,000           | 7.25%  | 101,681          | 253,363          | 2,755,000 |
| 2012 |                  |        | 99,869           |                  | 2,755,000 |
| 2012 | 50,000           | 7.25%  | 99,869           | 249,738          | 2,705,000 |
| 2013 |                  |        | 98,056           |                  | 2,705,000 |
| 2013 | 55,000           | 7.25%  | 98,056           | 251,113          | 2,650,000 |
| 2014 |                  |        | 96,063           |                  | 2,650,000 |
| 2014 | 60,000           | 7.25%  | 96,063           | 252,125          | 2,590,000 |
| 2015 |                  |        | 93,888           |                  | 2,590,000 |
| 2015 | 65,000           | 7.25%  | 93,888           | 252,775          | 2,525,000 |
| 2016 |                  |        | 91,531           |                  | 2,525,000 |
| 2016 | 70,000           | 7.25%  | 91,531           | 253,063          | 2,455,000 |
| 2017 |                  |        | 88,994           |                  | 2,455,000 |
| 2017 | 75,000           | 7.25%  | 88,994           | 252,988          | 2,380,000 |
| 2018 |                  |        | 86,275           |                  | 2,380,000 |
| 2018 | 80,000           | 7.25%  | 86,275           | 252,550          | 2,300,000 |
| 2019 |                  |        | 83,375           |                  | 2,300,000 |
| 2019 | 85,000           | 7.25%  | 83,375           | 251,750          | 2,215,000 |
| 2020 |                  |        | 80,294           |                  | 2,215,000 |
| 2020 | 90,000           | 7.25%  | 80,294           | 250,588          | 2,125,000 |
| 2021 |                  |        | 77,031           |                  | 2,125,000 |
| 2021 | 100,000          | 7.25%  | 77,031           | 254,063          | 2,025,000 |
| 2022 |                  |        | 73,406           |                  | 2,025,000 |
| 2022 | 105,000          | 7.25%  | 73,406           | 251,813          | 1,920,000 |
| 2023 |                  |        | 69,600           |                  | 1,920,000 |
| 2023 | 115,000          | 7.25%  | 69,600           | 254,200          | 1,805,000 |
| 2024 |                  |        | 65,431           |                  | 1,805,000 |
| 2024 | 120,000          | 7.25%  | 65,431           | 250,863          | 1,685,000 |
| 2025 |                  |        | 61,081           |                  | 1,685,000 |
| 2025 | 130,000          | 7.25%  | 61,081           | 252,163          | 1,555,000 |
| 2026 |                  |        | 56,369           |                  | 1,555,000 |
| 2026 | 140,000          | 7.25%  | 56,369           | 252,738          | 1,415,000 |
| 2027 |                  |        | 51,294           |                  | 1,415,000 |
| 2027 | 150,000          | 7.25%  | 51,294           | 252,588          | 1,265,000 |
| 2028 |                  |        | 45,856           |                  | 1,265,000 |
| 2028 | 160,000          | 7.25%  | 45,856           | 251,713          | 1,105,000 |
| 2029 |                  |        | 40,056           |                  | 1,105,000 |
| 2029 | 170,000          | 7.25%  | 40,056           | 250,113          | 835,000   |
| 2030 |                  |        | 33,894           |                  | 835,000   |
| 2030 | 185,000          | 7.25%  | 33,894           | 252,788          | 750,000   |
| 2031 |                  |        | 27,188           |                  | 750,000   |
| 2031 | 195,000          | 7.25%  | 27,188           | 249,375          | 555,000   |
| 2032 |                  |        | 20,119           |                  | 555,000   |
| 2032 | 210,000          | 7.25%  | 20,119           | 250,238          | 345,000   |
| 2033 |                  |        | 12,506           |                  | 345,000   |
| 2033 | 345,000          | 7.25%  | 12,506           | 370,013          | 0         |
|      | <u>3,000,000</u> |        | <u>4,585,625</u> | <u>7,585,625</u> |           |

Sources: Bond Proceeds 3,000,000

Uses: Issuance costs 120,000  
Capital improvements 2,880,000  
3,000,000



**Waterfront Metropolitan District**  
**Schedule of General Obligation Debt - Series 2008**  
**For the Years Ended December 31, 2008 to 2037**

| Year | Principal        | Coupon | Interest         | Annual Total     | Balance   |
|------|------------------|--------|------------------|------------------|-----------|
| 2008 |                  |        | 46,875           |                  | 1,800,000 |
| 2008 |                  |        | 56,250           | 103,125          | 1,800,000 |
| 2009 |                  |        | 56,250           |                  | 1,800,000 |
| 2009 |                  | 6.25%  | 56,250           | 112,500          | 1,800,000 |
| 2010 |                  |        | 56,250           |                  | 1,800,000 |
| 2010 | 20,000           | 6.25%  | 56,250           | 132,500          | 1,780,000 |
| 2011 |                  |        | 55,625           |                  | 1,780,000 |
| 2011 | 20,000           | 6.25%  | 55,625           | 131,250          | 1,760,000 |
| 2012 |                  |        | 55,000           |                  | 1,760,000 |
| 2012 | 20,000           | 6.25%  | 55,000           | 130,000          | 1,740,000 |
| 2013 |                  |        | 54,375           |                  | 1,740,000 |
| 2013 | 25,000           | 6.25%  | 54,375           | 133,750          | 1,715,000 |
| 2014 |                  |        | 53,594           |                  | 1,715,000 |
| 2014 | 25,000           | 6.25%  | 53,594           | 132,188          | 1,690,000 |
| 2015 |                  |        | 52,813           |                  | 1,690,000 |
| 2015 | 25,000           | 6.25%  | 52,813           | 130,625          | 1,665,000 |
| 2016 |                  |        | 52,031           |                  | 1,665,000 |
| 2016 | 30,000           | 6.25%  | 52,031           | 134,063          | 1,635,000 |
| 2017 |                  |        | 51,094           |                  | 1,635,000 |
| 2017 | 30,000           | 6.25%  | 51,094           | 132,188          | 1,605,000 |
| 2018 |                  |        | 50,156           |                  | 1,605,000 |
| 2018 | 30,000           | 6.25%  | 50,156           | 130,313          | 1,575,000 |
| 2019 |                  |        | 49,219           |                  | 1,575,000 |
| 2019 | 35,000           | 6.25%  | 49,219           | 133,438          | 1,540,000 |
| 2020 |                  |        | 48,125           |                  | 1,540,000 |
| 2020 | 35,000           | 6.25%  | 48,125           | 131,250          | 1,505,000 |
| 2021 |                  |        | 47,031           |                  | 1,505,000 |
| 2021 | 40,000           | 6.25%  | 47,031           | 134,063          | 1,465,000 |
| 2022 |                  |        | 45,781           |                  | 1,465,000 |
| 2022 | 40,000           | 6.25%  | 45,781           | 131,563          | 1,425,000 |
| 2023 |                  |        | 44,531           |                  | 1,425,000 |
| 2023 | 45,000           | 6.25%  | 44,531           | 134,063          | 1,380,000 |
| 2024 |                  |        | 43,125           |                  | 1,380,000 |
| 2024 | 45,000           | 6.25%  | 43,125           | 131,250          | 1,335,000 |
| 2025 |                  |        | 41,719           |                  | 1,335,000 |
| 2025 | 50,000           | 6.25%  | 41,719           | 133,438          | 1,285,000 |
| 2026 |                  |        | 40,156           |                  | 1,285,000 |
| 2026 | 50,000           | 6.25%  | 40,156           | 130,313          | 1,235,000 |
| 2027 |                  |        | 38,594           |                  | 1,235,000 |
| 2027 | 55,000           | 6.25%  | 38,594           | 132,188          | 1,180,000 |
| 2028 |                  |        | 36,875           |                  | 1,180,000 |
| 2028 | 60,000           | 6.25%  | 36,875           | 133,750          | 1,120,000 |
| 2029 |                  |        | 35,000           |                  | 1,120,000 |
| 2029 | 60,000           | 6.25%  | 35,000           | 130,000          | 1,060,000 |
| 2030 |                  |        | 33,125           |                  | 1,060,000 |
| 2030 | 65,000           | 6.25%  | 33,125           | 131,250          | 995,000   |
| 2031 |                  |        | 31,094           |                  | 995,000   |
| 2031 | 70,000           | 6.25%  | 31,094           | 132,188          | 925,000   |
| 2032 |                  |        | 28,906           |                  | 925,000   |
| 2032 | 75,000           | 6.25%  | 28,906           | 132,813          | 850,000   |
| 2033 |                  |        | 26,563           |                  | 850,000   |
| 2033 | 80,000           | 6.25%  | 26,563           | 133,125          | 770,000   |
| 2034 |                  |        | 24,063           |                  | 770,000   |
| 2034 | 170,000          | 6.25%  | 24,063           | 218,125          | 600,000   |
| 2035 |                  |        | 18,750           |                  | 600,000   |
| 2035 | 185,000          | 6.25%  | 18,750           | 222,500          | 415,000   |
| 2036 |                  |        | 12,969           |                  | 415,000   |
| 2036 | 195,000          | 6.25%  | 12,969           | 220,938          | 220,000   |
| 2037 |                  |        | 6,875            |                  | 220,000   |
| 2037 | 220,000          | 6.25%  | 6,875            | 233,750          | 0         |
|      | <u>1,800,000</u> |        | <u>2,482,500</u> | <u>4,282,500</u> |           |

Sources: Bond Proceeds 1,800,000

Uses: issuance costs 72,000  
 Repay developer advances 1,728,000  
1,800,000

**Waterfront Metropolitan District  
Analysis of Developer Advances**

| <u>Year</u> | <u>Advance</u>   | <u>7.50%<br/>Interest</u> | <u>Principal</u> | <u>Repayments<br/>Interest</u> | <u>Total</u>     | <u>Cummulative<br/>Principal</u> | <u>Interest</u> |
|-------------|------------------|---------------------------|------------------|--------------------------------|------------------|----------------------------------|-----------------|
| 2003        |                  |                           |                  |                                |                  | 0                                | 0               |
| 2004        | 606,077          | 22,728                    |                  |                                | 0                | 606,077                          | 22,728          |
| 2005        | 767,428          | 74,234                    |                  |                                | 0                | 1,373,505                        | 96,962          |
| 2006        | 0                | 103,013                   |                  |                                | 0                | 1,373,505                        | 199,975         |
| 2007        | 0                | 103,013                   |                  |                                | 0                | 1,373,505                        | 302,988         |
| 2008        | 0                | 51,506                    | 1,373,505        | 354,494                        | 1,728,000        | (0)                              | (0)             |
| 2009        | 0                | (0)                       |                  |                                | 0                | (0)                              | (0)             |
| 2010        |                  | (0)                       |                  |                                | 0                | (0)                              | (0)             |
| 2011        |                  | (0)                       |                  |                                | 0                | (0)                              | (0)             |
| 2012        |                  | (0)                       |                  |                                | 0                | (0)                              | (0)             |
| 2013        |                  | (0)                       |                  |                                | 0                | (0)                              | (0)             |
|             | <u>1,373,505</u> | <u>354,494</u>            | <u>1,373,505</u> | <u>354,494</u>                 | <u>1,728,000</u> |                                  |                 |

**Waterfront Metropolitan District  
Forecasted Schedules of Absorption, Market Values and Assessed Values  
For the Years Ended December 31, 2003 through 2013**

**Schedule of Absorption**

| Property description | Single Family Equivalent | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Total |
|----------------------|--------------------------|------|------|------|------|------|------|------|------|------|------|------|-------|
| Rural                | 100.00%                  |      | 2    | 2    | 2    |      |      |      |      |      |      |      | 6     |
| Lake Custom          | 100.00%                  |      | 12   | 10   | 3    |      |      |      |      |      |      |      | 25    |
| Off Lake Custom      | 100.00%                  |      | 8    | 8    | 3    |      |      |      |      |      |      |      | 19    |
| Estate               | 100.00%                  |      | 15   | 13   | 20   | 9    |      |      |      |      |      |      | 57    |
| Conventional         | 100.00%                  |      | 30   | 16   |      |      |      |      |      |      |      |      | 46    |
| Patio                | 100.00%                  |      | 16   | 17   | 14   |      |      |      |      |      |      |      | 47    |

**Schedule of Absorption for Development Fees**

|                                   |       |   |         |         |         |        |   |   |   |   |   |   |         |
|-----------------------------------|-------|---|---------|---------|---------|--------|---|---|---|---|---|---|---------|
| Absorption Residential (SFE's)    |       | 0 | 83      | 66      | 42      | 9      | 0 | 0 | 0 | 0 | 0 | 0 | 200     |
| Development fees residential      | 4,000 | 0 | 332,000 | 264,000 | 168,000 | 36,000 | 0 | 0 | 0 | 0 | 0 | 0 | 800,000 |
|                                   |       |   | 0       | 0       | 0       | 0      | 0 | 0 | 0 | 0 | 0 | 0 | 0       |
|                                   |       | 0 | 332,000 | 264,000 | 168,000 | 36,000 | 0 | 0 | 0 | 0 | 0 | 0 | 800,000 |
| Actual amounts paid per agreement |       | 0 | 350,000 | 250,000 | 200,000 | 0      | 0 | 0 | 0 | 0 | 0 | 0 | 800,000 |

**Schedule of Market Values**

|                 | Market Value | 2003 | 2004       | 2005       | 2006       | 2007      | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Total      |
|-----------------|--------------|------|------------|------------|------------|-----------|------|------|------|------|------|------|------------|
| Rural           | 800,000      |      | 1,632,000  | 1,664,840  | 1,697,933  | 0         | 0    | 0    | 0    | 0    | 0    | 0    | 4,994,573  |
| Lake Custom     | 1,000,000    |      | 12,240,000 | 10,404,000 | 3,183,624  | 0         | 0    | 0    | 0    | 0    | 0    | 0    | 25,827,624 |
| Off Lake Custom | 500,000      |      | 4,080,000  | 4,161,600  | 1,591,812  | 0         | 0    | 0    | 0    | 0    | 0    | 0    | 9,833,412  |
| Estate          | 385,000      |      | 5,890,500  | 5,207,202  | 8,171,302  | 3,750,627 | 0    | 0    | 0    | 0    | 0    | 0    | 23,019,631 |
| Conventional    | 330,000      |      | 10,098,000 | 5,493,312  | 0          | 0         | 0    | 0    | 0    | 0    | 0    | 0    | 15,591,312 |
| Patio           | 300,000      |      | 4,896,000  | 5,306,040  | 4,457,074  | 0         | 0    | 0    | 0    | 0    | 0    | 0    | 14,659,114 |
|                 |              |      | 0          | 0          | 0          | 0         | 0    | 0    | 0    | 0    | 0    | 0    | 0          |
| Totals          |              | 0    | 38,836,500 | 32,236,794 | 19,101,744 | 3,750,627 | 0    | 0    | 0    | 0    | 0    | 0    | 93,925,665 |

**Schedule of Assessed Valuation**

|               | Assessment to Market Ratio | 2003 | 2004      | 2005      | 2006      | 2007      | 2008      | 2009      | 2010      | 2011      | 2012      | 2013      | Total     |
|---------------|----------------------------|------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Residential   | 7.96%                      | 0    | 3,091,385 | 2,566,049 | 1,520,499 | 298,550   | 0         | 0         | 0         | 0         | 0         | 0         | 7,476,483 |
| Commercial    | 29%                        | 0    | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| Totals        |                            | 0    | 3,091,385 | 2,566,049 | 1,520,499 | 298,550   | 0         | 0         | 0         | 0         | 0         | 0         | 7,476,483 |
| Cumulative    |                            | 0    | 3,091,385 | 5,657,434 | 7,177,933 | 7,476,483 | 7,476,483 | 7,476,483 | 7,476,483 | 7,476,483 | 7,476,483 | 7,476,483 |           |
| Collection Yr |                            | 2005 | 2006      | 2007      | 2008      | 2009      | 2010      | 2011      | 2012      | 2013      | 2014      | 2015      |           |

**EXHIBIT F**  
**Statutory Contents of This 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 the District are compatible with facility and service standards of the City and of municipalities and special districts which are interested parties pursuant to § 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 the District and such other political subdivisions;
8. Information satisfactory to establish that each of the following criteria as set forth in § 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 served 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 the District is capable of providing economical and sufficient service to the area within their boundaries;
  - (d) That the area to be included in the District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;
  - (e) That adequate service is not, or will not be available to the area through the City, other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

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

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

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

(i) That the continued existence of the District will be in the best interests of the area proposed to be served.

**EXHIBIT G**  
Market Study

**WATERFRONT METROPOLITAN DISTRICT  
MARKET RESEARCH REPORT**

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*Completed for:*  
The Genesee Company  
and  
US Home Corporation

For Review by:  
The City of Loveland, Colorado

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*Completed by:*  
King & Associates, Inc.  
730 Monaco Parkway  
Denver, Colorado 80220  
303.333.3834

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May 8, 2003

## Executive Summary

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The Genesee Company retained King & Associates, Inc. to provide an independent assessment of future development potential within the Waterfront Metropolitan District (the District). The District is comprised entirely of Waterfront at Boyd Lake – a 200-unit residential development located south of County Road 30 and west of County Road 9, along the eastern shore of Boyd Lake in Loveland, Colorado. The findings below highlight the results of this analysis.

### *The Proposed Development:*

- The District, as proposed, is comprised of 200 single-family detached residential units.
- Single-family residential product within Waterfront is focused on the middle to very high-end of the Loveland-Ft. Collins MSA residential market price range for new-detached product. Home prices in the District are expected to range from \$300,000 to \$1 million.
- Single-family detached absorption is anticipated to begin in 2003 and is expected to average 40 units per year through 2007. The highest single year of absorption proposed by the Developer is 65 units.

### *Assessment of Proposed Development:*

- Single-family detached residential development proposed for the District will require a reasonable 5.0 percent capture of forecast trade area single-family demand over the planned absorption period and no more than 11.6 percent within any one price bracket. These capture rates seem especially reasonable given that historical absorption in the trade area is much higher than what has been assumed in the analysis (as forecast by Claritas, Inc.).
- In light of the price range for the products proposed by the Developer, the strong growth and income projections for the identified trade area, and the unique ability to offer both private and community access to Boyd Lake, King & Associates, Inc. believes the Waterfront Metropolitan District can achieve the proposed average annual absorption of residential lots with complete sellout in five years.



## Introduction

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The Genesee Company (the Developer) retained King & Associates, Inc. to provide an independent assessment of future development potential within the Waterfront Metropolitan District (the District). The District will be entirely comprised of Waterfront at Boyd Lake (Waterfront), a 200-unit residential development located south of County Road 30 and west of County Road 9, along the eastern shore of Boyd Lake in Loveland, Colorado.

The District is being formed in order to provide essential infrastructure improvements to support development within the District's boundaries. This report presents a development forecast of residential demand in the greater Loveland area and an assessment of the Developer's forecast absorption in light of that forecast. The purpose of the analysis is to provide an independent assessment of the proposed development from which the District's future assessed value, and thus its financial feasibility, can be determined.

The first section of the document presents a general overview of the Ft. Collins-Loveland Metropolitan Statistical Area (MSA) economy. The second section defines a trade area for the District and reviews the housing market within that trade area through 2007. The third section presents the Developer's planned absorption for the District and an analysis of the required capture rate within the defined market area in order to accommodate the planned absorption for the proposed residential product. The fourth section analyzes the reasonableness of achieving the proposed capture rate in light of trade area demand, development trends, and other competitive projects in the market area.

It should be noted that the analysis presented herein only addresses the market feasibility of planned absorption and does not take into account the physical and logistical feasibility of what is proposed.

## Section 1: Ft. Collins-Loveland MSA Overview

### Historical Trends: 1995 to 2002

Throughout the 1990's the Ft. Collins-Loveland MSA economy experienced one of the largest expansions in its history. Area employment grew at a compounded average annual rate of 3.14 percent between 1995 and 2000, forming almost 4,100 new jobs each year. Unemployment during this period dropped from 3.9 percent in 1995 to 3.0 percent in 2000.

The economic expansion of the late 1990's ended in 2000 and by year-end 2001 the unemployment rate had risen to 3.5 percent. Driven by a slowdown in the manufacturing, construction, and service sectors, unemployment reached an all time high of 5.2 percent in 2002. Area unemployment has continued to rise during 2003 and stood at 5.5 percent in February 2003 – slightly below the state average of 5.8 percent. The Table below presents employment statistics for the MSA from 1995 to 2002.

### Ft. Collins-Loveland MSA -- Employment Trends

| Year | Labor Force | Employed | Unemployment Rate |
|------|-------------|----------|-------------------|
| 1995 | 127,256     | 122,249  | 3.90%             |
| 1996 | 131,018     | 126,000  | 3.80%             |
| 1997 | 133,508     | 129,259  | 3.20%             |
| 1998 | 140,302     | 134,944  | 3.80%             |
| 1999 | 140,739     | 136,403  | 3.10%             |
| 2000 | 147,119     | 142,719  | 3.00%             |
| 2001 | 150,998     | 145,667  | 3.50%             |
| 2002 | 156,630     | 148,558  | 5.20%             |

Source: Colorado Department of Labor and Employment

From 1995 to 2000, the Ft. Collins-Loveland MSA population grew at a compounded average rate of 2.67 percent annually. This translated into absolute population growth of approximately 6,240 residents per year and the formation of an estimated 2,476 new households annually. Since 2000, the slowed pace of job creation has led to a slowdown in population growth as well. In 2002, the area added approximately 5,500 new residents or slightly under 2,200 households. The chart below depicts the steady population growth in the area from 1995 to 2002.

### Ft. Collins-Loveland MSA -- Population Trends

| Year | Population | Annual % Increase |
|------|------------|-------------------|
| 1995 | 221,600    | 3.10%             |
| 1996 | 227,200    | 2.50%             |
| 1997 | 232,800    | 2.50%             |
| 1998 | 239,100    | 2.70%             |
| 1999 | 246,200    | 3.00%             |
| 2000 | 252,800    | 2.70%             |
| 2001 | 259,700    | 2.70%             |
| 2002 | 265,200    | 2.10%             |

Source: Colorado State Demographer

## Estimates and Forecasts: 2002 to 2007

The year 2001 marked the end of a decade-long national economic expansion and, in the aftermath of September 11, the beginning of a cycle of economic uncertainty that continues to confound forecasters. Nationally, the brunt of the slowdown was felt in 2001 when the economy grew by less than one-half of one percent. Somewhat surprisingly, by year-end 2002 the national economy seemed on its way to recovery with a reported 2.4 percent increase in GDP for the year.

The initial slowdown in the national economy was especially detrimental to Colorado, where exposure to the downturns in the telecommunications and high tech industries are more than double the National average. Because Colorado's economy typically lags the Nation's by two quarters or more, however, the slowdown here was coupled with the destabilizing events of September 11, a season of wildfires and below average snowfall. The combined effect of these events was a significant downturn in Colorado tourism. As a result, the State has seen job losses greater than the nation as a whole and a net reduction in retail sales.

At year-end 2002, non-farm employment in Colorado was down 2 percent, reflecting the loss of more than 58,000 jobs in a single year. In the Ft. Collins-Loveland MSA, unemployment averaged 5.2 percent for the year as growth in the labor force outpaced employment growth. Looking forward, most analysts predict positive economic growth (and a decline in area unemployment rates) by year-end 2003. Current forecasts are for statewide employment growth of 0.5 to 0.7 percent in 2003 and between 2.1 and 2.3 percent for 2004.

Despite the uncertainty surrounding the Ft. Collins-Loveland economy in the near-term, in the long-term, the area will continue to benefit from its diversified economy and high quality of living and should continue to match or outperform the state economy on the whole. That said, local uncertainties – surrounding issues like water capacity, growth control measures, impact fees, and housing costs – could pose danger to the long-term prospects for the area's growth. The table below presents historical and forecast population figures for the MSA from 1990 to 2007.

### Ft. Collins-Loveland MSA – Demographic Forecasts

|                                       | 1990    | 2000    | CAAGR | 2002    | 2007    | CAAGR |
|---------------------------------------|---------|---------|-------|---------|---------|-------|
| Population                            | 186,136 | 251,494 | 3.1%  | 263,931 | 295,292 | 2.3%  |
| Households                            | 70,472  | 97,164  | 3.3%  | 102,310 | 115,374 | 2.4%  |
| MSA Forecast Annual Population Growth |         |         |       |         | 6,272   |       |
| MSA Forecast Annual Household Growth  |         |         |       |         | 2,613   |       |

Source: US Census; Claritas, Inc.; and King & Associates, Inc.

CAAGR: Compound Average Annual Growth Rate

The table shows increasing population and household growth throughout the next five years as the national and local economies improve. The forecast calls for an average annual increase of approximately 2,613 new households between 2002 and 2007. It should be noted that the number presented is a five year average and that demand in the near term is likely to fall below that average while demand in 2004 and beyond is likely to surpass it.

As with the state as a whole, even after the economy has fully recovered, demographic forecasts are substantially lower than what the MSA experienced during the recent expansion of the late 1990's. Yet while the growth rate is expected to lower, the larger population base results in a slightly larger forecast

of new households forming in the area through 2007. As a result, historical construction and absorption data remain a good measure of future demand for new housing stock.

### The Housing Market

Like the job market, the area's housing market entered the 1990's at near record low levels but grew steadily throughout the decade. By 2001, the housing market reached an all time high with new home construction reaching levels more 35 percent higher than in 1995. The table below presents MSA home building trends from 1995 to 2002.

#### Ft. Collins-Loveland MSA -- Building Permit Trends

| Year | Single Family | Percent of total | Multi-family | Percent of total | Total |
|------|---------------|------------------|--------------|------------------|-------|
| 2002 | 2,733         | 80.2%            | 673          | 19.8%            | 3,406 |
| 2001 | 2,822         | 73.4%            | 1,024        | 26.6%            | 3,846 |
| 2000 | 2,792         | 77.7%            | 800          | 22.3%            | 3,592 |
| 1999 | 2,788         | 73.4%            | 1,008        | 26.6%            | 3,796 |
| 1998 | 2,894         | 83.4%            | 575          | 16.6%            | 3,469 |
| 1997 | 2,312         | 82.7%            | 484          | 17.3%            | 2,796 |
| 1996 | 2,434         | 69.6%            | 1,065        | 30.4%            | 3,499 |
| 1995 | 2,223         | 78.4%            | 611          | 21.6%            | 2,834 |

Source: US Census (Construction Reports); Town of Wellington; Town of Estes Park; Larimer County Building Department; and King & Associates, Inc.

Not surprisingly, home sales also increased steadily throughout the economic expansion of the late 1990's. During the seven-year period from 1995 to 2002, home sales in the area increased 47.5 percent and the average price rose more than 57 percent. The table below presents home sales statistics for the area.

#### Ft. Collins-Loveland MSA -- Home Sales

| Year | Fort Collins/Wellington |                     | Loveland/Berthoud    |                     |
|------|-------------------------|---------------------|----------------------|---------------------|
|      | Number of Homes Sold    | Average Sales Price | Number of Homes Sold | Average Sales Price |
| 1995 | 2,833                   | \$143,245           | 1,384                | \$133,938           |
| 1996 | 3,109                   | \$147,503           | 1,513                | \$144,679           |
| 1997 | 3,165                   | \$153,725           | 1,624                | \$150,177           |
| 1998 | 3,834                   | \$159,686           | 1,816                | \$159,080           |
| 1999 | 3,855                   | \$175,036           | 1,751                | \$175,533           |
| 2000 | 3,674                   | \$194,042           | 1,965                | \$193,089           |
| 2001 | 4,059                   | \$213,042           | 1,866                | \$210,327           |
| 2002 | 4,175                   | \$217,314           | 2,045                | \$218,034           |

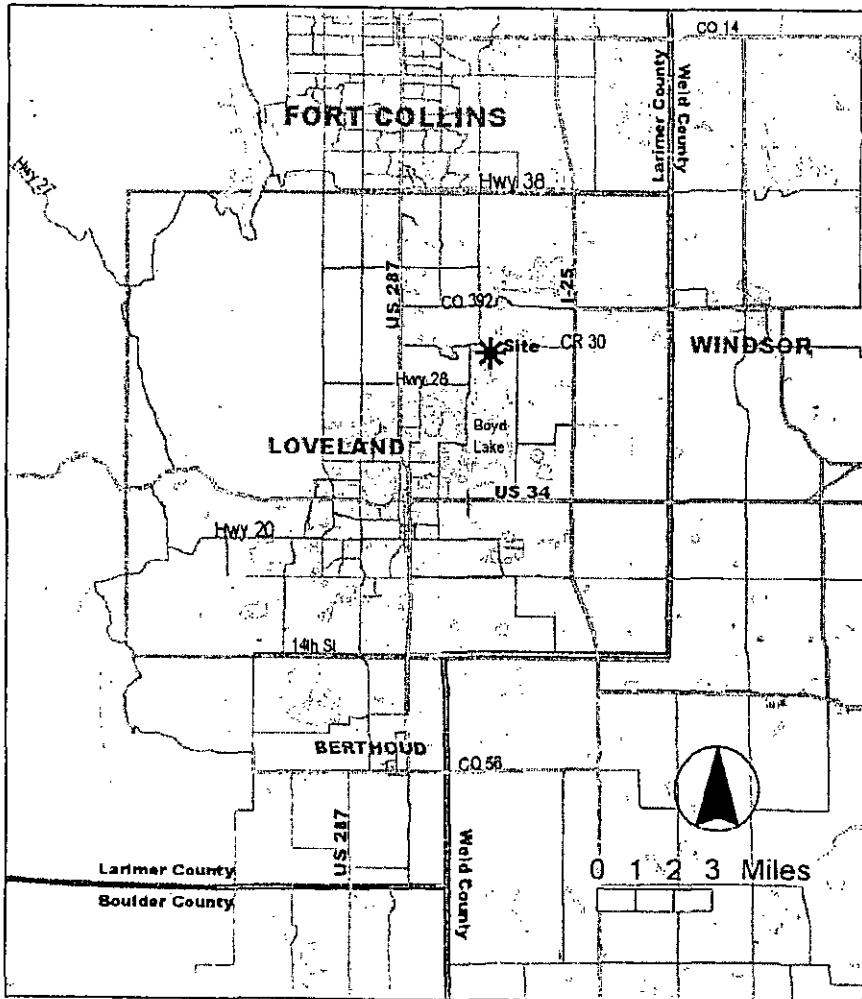
Source: The Group, Inc. and King & Associates, Inc.

## Section 2: Trade Area Housing Market

### Definition of Residential Market Area for Subject Property

A market area for the District is utilized to help assess projected absorption. The map below depicts the residential market area for the District, as defined by King and Associates, Inc. The market area map is meant to depict the area of potential residential growth, from which the District is most likely to attract homebuyers, as well as the area in which other developments are competing for the same potential homebuyers. The defined primary market area is shown in yellow.

### Waterfront Metropolitan District Residential Market Area:



Source: King & Associates, Inc.

## Market Area Characteristics

### *Employment Centers*

The market area is characterized as one of the fastest growing markets in the nation. In addition to numerous employment centers in the immediate vicinity of Loveland; proximity to I-25 and HY 287 provide ready access to employment centers in surrounding communities in Larimer, Weld, and Boulder counties. Employment projections from the Colorado Department of Local Affairs (DOLA) indicate that Larimer County employment is forecast to grow at a compounded average annual rate of more than 2.6 percent a year through 2015 – one of the highest rates in the state. Combined annual employment growth in Larimer and Weld counties is anticipated to add more than 79,000 jobs in the region by 2015. In the opinion of King & Associates, Inc., the proximity to current and forecast employment opportunities is a positive attribute that will contribute to the project's marketability.

### *Neighborhood and Regional Shopping*

With a five-minute drive to Eisenhower Road (US 34) providing ready access to central Loveland and new developments along the road to I-25, Waterfront's access to neighborhood and regional shopping is very good.

### *School District*

Waterfront lies within the Thompson R-2J Public School District. The nearest elementary schools are Cottonwood Plains and Werner, which received scores of high and excellent on the most recent state school accountability report. The nearest upper schools are Conrad Ball Middle School and Loveland High School, which received scores of average and high on the most recent state school accountability report. Because elementary schools typically have the greatest impact on homebuyer preferences, the local public school options are likely to have a positive impact on project absorption, given the high end nature of the housing proposed for the District.

### *Recreational Opportunities*

Offering both private and community access to Boyd Lake, Waterfront is unique among its competitors in its ability to offer a high level of recreational opportunities without ever getting into a car. In addition to its access to nearby recreational opportunities, the project's location in Loveland and its proximity to US 34 provide it with ready access to numerous Rocky Mountain recreational opportunities as well. Beyond outdoor activities, the Cities of Loveland and Ft. Collins provide numerous cultural attractions. In the opinion of King & Associates, Inc., the recreational opportunities, both near and far, associated with the District is one of its strongest attributes and will provide it with a strong competitive advantage.

It should be noted that the unique nature of the Waterfront development is primarily a function of proximity to Boyd Lake and, at this time, the water level in the lake is at an historical low. The analysis presented here assumes that the drought conditions leading to the current situation will be resolved by the time the project comes to market. In the opinion of King & Associates, Inc., if water levels remain low through the forecast period of absorption, the project's greatest strength could not be utilized.

### *Conclusion*

In the opinion of King & Associates, Inc., the proximity of neighborhood and regional shopping, large employment centers, recreational opportunities, and good schools will allow the Waterfront project to compete favorably with other projects in Loveland-Ft. Collins sub-markets.

## Market Area Demographics and Demand

### Forecast Trade Area Growth

Within the market area defined by King & Associates, Inc., demand for new housing is strong. The table below gives projections for the market area defined in the map on page 7. The projections are based on data provided by the US Census and Claritas, Inc.

### Waterfront Metro District Market Area Demographics

| Population Estimates and Projections                |         |         |       |         |         |       |
|---|---------|---------|-------|---------|---------|-------|
|   | 1990    | 2000    | CAAGR | 2002    | 2007    | CAAGR |
| Primary Trade Area                                  | 56,805  | 86,960  | 4.4%  | 91,601  | 103,267 | 2.4%  |
| Larimer County                                      | 186,136 | 251,494 | 3.1%  | 263,931 | 295,292 | 2.3%  |
| Household Estimates and Projections                 |         |         |       |         |         |       |
|   | 1990    | 2000    | CAAGR | 2002    | 2007    | CAAGR |
| Primary Trade Area                                  | 20,885  | 32,582  | 4.5%  | 34,442  | 39,118  | 2.6%  |
| Larimer County                                      | 70,472  | 97,164  | 3.3%  | 102,310 | 115,374 | 2.4%  |
| Primary Trade Area Forecast Annual Household Growth |         |         |       |         | 935     |       |
| Larimer County Forecast Annual Household Growth     |         |         |       |         | 2,613   |       |

Source: US Census; Claritas, Inc.; and King & Associates, Inc.  
CAAGR: Compound Average Annual Growth Rate

The primary trade area population is forecast to grow at rate of 2.4 percent annually through 2007. According to Claritas, Inc., annual primary trade area household growth is expected to average 935 households per year and account for approximately 35.8 percent of projected countywide household growth. For Larimer County as a whole, this figure is expected to be slightly over 2,613 new households each year.

It should be noted that growth rates during the forecast period are averages and that those averages are negatively affected by the current economic downturn. As a result, it is likely that near-term demand for new housing will be lower than this average, while demand in 2004 and beyond will be substantially higher.

### Household Incomes and Demand by Price Point

In addition to strong household growth projections, the trade area is also notably wealthier than Larimer County as whole. Within the primary trade area, the median annual household income is currently estimated by Claritas, Inc. to be \$58,358. This compares favorably with Larimer County at \$52,465.

### Waterfront Metro District Market Area Median Household Income

|                    | 1990     | 2002     | CAAGR | 2007     | CAAGR |
|--------------------|----------|----------|-------|----------|-------|
| Primary Trade Area | \$32,204 | \$58,358 | 5.1%  | \$72,521 | 4.4%  |
| Larimer County     | \$29,696 | \$52,465 | 4.9%  | \$65,383 | 4.5%  |

Source: US Census; Claritas, Inc.; and King & Associates, Inc.  
CAAGR: Compound Average Annual Growth Rate

Applying year 2007 estimates of household income distribution within the market area to forecast annual household growth, (see table of demographic projections above), King & Associates, Inc. is able to forecast annual demand for housing within the market area by the price points associated with the products the Developer intends to offer within the District. These findings are presented in the tables below.

### Forecast Residential Demand in Primary Market Area – Waterfront

| Annual Income Range | Approx. Home Price Range | Percent of HHs in Income Bracket (2007) | Annual Demand from New Households (2002-07) |                 |                       |
|---------------------|--------------------------|---|---|-----------------|-----------------------|
|                     |                          |   | Total Units*                                | Percent Renters | Total Ownership Units |
| up to \$25K         | up to \$85K              | 10.4%                                   | 102   | 50%             | 51                    |
| \$25-35K            | \$85 to \$120K           | 8.7%                                    | 85  | 40%             | 51                    |
| \$35-50K            | \$120 to \$175K          | 12.6%                                   | 124   | 30%             | 87                    |
| \$50-75K            | \$175 to \$250K          | 20.2%                                   | 198   | 20%             | 159                   |
| \$75-100K           | \$250 to \$350K          | 15.7%                                   | 154   | 10%             | 139                   |
| \$100-150K          | \$350 to \$500K          | 17.7%                                   | 174   | 5%              | 165                   |
| \$150-250K          | \$500K and \$850K        | 10.2%                                   | 100   | 0%              | 100                   |
| \$250 and up        | \$850 and up             | 4.4%                                    | 43  | 0%              | 43                    |
| <b>Totals</b>       |                          | <b>100%</b>                             | <b>982</b>                                  | <b>19%</b>      | <b>795</b>            |

Source: Claritas, Inc. and King & Associates, Inc.

Assumptions:

- Total market area annual new demand for housing = 935
- Annual vacancy rate of 5%
- Overall trade area single/multi-family ratio of 81:19

As shown in the previous table, the primary trade area is expected to require an estimated 795 new for sales housing units per year over the next five years. Within the Larimer County as a whole, overall growth is expected to be 2,189 new houses annually. As a result, it is expected that fully 36 percent of all homebuyers within Larimer County will locate within the primary trade area identified for the District by King & Associates, Inc. The table below presents forecast demand for new homes by price point within Larimer County

### Forecast Residential Demand in Larimer County

| Annual Income Range | Approx. Home Price Range | Percent of HHs in Income Bracket (2007) | Annual Demand from New Households (2002-07) |                 |                       |
|---------------------|--------------------------|---|---|-----------------|-----------------------|
|                     |                          |   | Total Units                                 | Percent Renters | Total Ownership Units |
| up to \$25K         | up to \$85K              | 14.6%                                   | 401   | 45%             | 220                   |
| \$25-35K            | \$85 to \$120K           | 10.0%                                   | 274   | 35%             | 178                   |
| \$35-50K            | \$120 to \$175K          | 13.2%                                   | 362   | 30%             | 253                   |
| \$50-75K            | \$175 to \$250K          | 18.9%                                   | 519   | 20%             | 415                   |
| \$75-100K           | \$250 to \$350K          | 14.1%                                   | 387   | 10%             | 348                   |
| \$100-150K          | \$350 to \$500K          | 16.1%                                   | 442   | 5%              | 420                   |
| \$150K and up       | \$500K and up            | 9.0%                                    | 247   | 0%              | 247                   |
| \$250 and up        | \$850 and up             | 4.1%                                    | 112   | 0%              | 108                   |
| <b>Totals</b>       |                          | <b>100%</b>                             | <b>2,743</b>                                | <b>20%</b>      | <b>2,189</b>          |

Source: Claritas, Inc. and King & Associates, Inc.

Assumptions:

- Total market area annual new demand for housing = 2,613
- Annual vacancy rate of 5%
- Overall trade area single/multi-family ratio of 80:20



Within the primary trade area, it is estimated that 48 percent of future demand will be for housing units priced at or above \$250,000 and that more than 32 percent of new area residents will be able to afford a home price at or above \$500,000.

### Historical Absorption and Competitive Supply

In a review of primary trade area new home sales, as tracked by the Meyers Group, King & Associates, Inc. found 33 active communities with combined average annual sales of 1,331 units in 2001 and 2002. Average absorption in the trade area is approximately 40 units per year, with the largest project, Marianna Butte, averaging over 100 units per year. King & Associates, Inc. estimates the current number of homes "in the pipeline" among these active projects to be approximately 2,785 or slightly more than a two-year supply of product.

The table below presents a partial list of the residential supply of for-sale detached product with a track record in and around the market area:

### Selection of Market Area SFD Residential Developments – Waterfront Metro District

| Project Name              | Location     | Low Base Price | High Base Price | Project Overall Sales Rate | Average Annual Sales (01-02) | Estimated Units Remaining | Estimated Build-out |
|---------------------------|--------------|----------------|-----------------|----------------------------|------------------------------|---------------------------|---------------------|
| TALON'S REACH             | Loveland     | \$141,500      | \$223,900       | 2.07                       | 25                           | 89                        | 2007                |
| SHENANDOAH                | Fort Collins | \$152,950      | \$308,000       | 2.61                       | 31                           | 0                         | 2002                |
| GREENBRIAR                | Loveland     | \$158,000      | \$224,995       | 4.78                       | 57                           | 0                         | 2002                |
| PROVINCETOWNE             | Fort Collins | \$160,495      | \$260,995       | 3.22                       | 39                           | 154                       | 2007                |
| STANTON CREEK             | Fort Collins | \$172,000      | \$307,500       | 6.38                       | 77                           | 56                        | 2004                |
| LINDEN PARK               | Fort Collins | \$172,300      | \$224,300       | 5.32                       | 64                           | 112                       | 2005                |
| NAMAQUA VALLEY            | Loveland     | \$179,990      | \$219,990       | 1.44                       | 17                           | 49                        | 2006                |
| REGISTRY RIDGE            | Fort Collins | \$182,950      | \$365,950       | 7.25                       | 87                           | 324                       | 2007                |
| WESTCHASE                 | Fort Collins | \$183,950      | \$360,950       | 7.48                       | 90                           | 159                       | 2005                |
| RIVER RIDGE               | Windsor      | \$185,000      | \$447,829       | 4.86                       | 58                           | 2                         | 2003                |
| MARIANNA BUTTE            | Loveland     | \$187,950      | \$394,950       | 8.71                       | 105                          | 12                        | 2003                |
| HUNTINGTON HILLS          | Fort Collins | \$188,950      | \$398,259       | 5.38                       | 65                           | 0                         | 2002                |
| BLACKBIRD KNOLLS          | Loveland     | \$190,200      | \$224,700       | 4.63                       | 56                           | 125                       | 2005                |
| RIDGEWOOD HILLS           | Fort Collins | \$192,450      | \$303,450       | 7.2                        | 86                           | 239                       | 2006                |
| SAGE CREEK                | Fort Collins | \$198,100      | \$267,900       | 2.24                       | 27                           | 67                        | 2005                |
| CENTERRA                  | Loveland     | \$199,900      | \$299,900       | 2.49                       | 30                           | 152                       | 2008                |
| FOSSIL LAKE RANCH         | Fort Collins | \$203,450      | \$399,000       | 4.67                       | 56                           | 39                        | 2004                |
| HARVEST                   | Fort Collins | \$207,000      | \$302,000       | 3.8                        | 46                           | 246                       | 2008                |
| OBSERVATORY VILLAGE       | Fort Collins | \$212,500      | \$310,000       | 1.64                       | 20                           | 368                       | 2009                |
| HIGHLAND MEADOWS          | Windsor      | \$218,990      | \$373,990       | 5.11                       | 61                           | 102                       | 2005                |
| HUNTERS RUN               | Loveland     | \$219,000      | \$353,950       | 3.88                       | 47                           | 250                       | 2008                |
| COVE AT HORESHORE LAKE    | Loveland     | \$224,990      | \$261,990       | 0.79                       | 9                            | 7                         | 2004                |
| GATES AT WOODRIDGE        | Fort Collins | \$244,500      | \$320,140       | 1.76                       | 21                           | 28                        | 2004                |
| WATERFRONT @ BOYD LAKE    | Loveland     | \$244,990      | \$319,990       | 1.87                       | 22                           | 0                         | 2002                |
| COUNTRY FARMS             | Fort Collins | \$265,500      | \$372,990       | 2.38                       | 29                           | 0                         | 2002                |
| SOUTHRIDGE                | Fort Collins | \$286,000      | \$407,000       | 0.5                        | 6                            | 0                         | 2002                |
| MIRAMONT VALLEY           | Fort Collins | \$303,000      | \$501,094       | 1.5                        | 18                           | 0                         | 2002                |
| PENINSULA @ HORSESHOE LK. | Loveland     | \$321,990      | \$378,990       | 1                          | 12                           | 0                         | 2003                |
| STEEPLECHASE              | Windsor      | \$344,990      | \$458,990       | 1.58                       | 19                           | 205                       | 2008                |
| <b>Detached Totals:</b>   |              |                |                 | <b>111</b>                 | <b>1,331</b>                 | <b>2,785</b>              | <b>2005</b>         |

Source: Meyers Group and King & Associates, Inc.

In addition to the single family detached projects listed above, King & Associates, Inc. found 10 single-family attached developments whose combined average annual absorption was 447 units in 2001 and 2002. Combined with single-family detached sales in the area, it is estimated that the trade area absorbed more than 1,700 new single-family units a year in 2001 and 2002 – substantially higher than the forecast annual demand. While this discrepancy is partially explained by the recent increased demand for for-sale housing created by historically low interest rates; in the opinion of King & Associates, Inc., it also suggests that forecasters have underestimated the percentage of northern Front Range residential demand locating in the trade area. As a result, it is likely that future trade area demand will be higher than what has been forecast here as well.

### Section 3: Planned Absorption and Capture Rate

#### Development Description (Product Summary and Planned Absorption)

The District, as proposed, is comprised of 200 single-family detached residential units. Proposed single-family residential development within Waterfront is focused on the high-end of the price range for new product in the area.

The development schedule calls for an average of 40 new single-family detached homes to be sold annually over a five-year absorption period. There are six primary product types being offered: Patio Homes with an average price of \$300,000, Conventional with an average price of \$330,000, Estate with an average price of \$385,000, Off-Lake Custom with an average price of 500,000, Rural with an average price of \$800,000, and Lake Custom with an average price of \$1 million. It should be noted that the Developer will be the builder of most, but not all, of the homes in Waterfront. As a result, the prices listed here are estimates based on previous sales in an adjoining development and the base price of the lots. The following table summarizes the Developer's planned residential absorption between 2004 and 2018.

#### Waterfront Metro District – Proposed Residential Absorption Schedule

| Product:       |             |              |           |                 |             |           | Total:      |
|----------------|-------------|--------------|-----------|-----------------|-------------|-----------|-------------|
|                | Patio Homes | Conventional | Estate    | Off-Lake Custom | Lake Custom | Rural     | Total Units |
| Average Price: | \$300,000   | \$330,000    | \$385,000 | \$500,000       | \$1 million | \$800,000 |             |
| Year:          |             |              |           |                 |             |           |             |
| 2003           | 3           | 6            | 3         |                 |             |           | 12          |
| 2004           | 14          | 20           | 12        | 8               | 8           | 2         | 64          |
| 2005           | 14          | 20           | 13        | 8               | 8           | 2         | 65          |
| 2006           | 16          |              | 14        | 3               | 9           | 2         | 44          |
| 2007           |             |              | 15        |                 |             |           | 15          |
| Total          | 47          | 46           | 57        | 19              | 25          | 6         | 200         |

Source: US Home Corporation and King & Associates, Inc.

## Market Area Capture Rate for the Proposed Residential Absorption Schedule

By comparing the planned number of new units for the District with forecast demand for residential units in the market area as a whole, King & Associates, Inc. is able to forecast the percentage of demand the District will be required to capture in order to meet the Developer's proposed absorption schedule. The table below presents the total capture rate for the District over the five-year build-out period under consideration here, as well the capture rate during the most aggressive year planned by the Developer. Overall demand for the project trade area is equal to 100 percent of forecast primary trade area demand and does not take into account additional demand from the remainder of Larimer County.

Because historical new home absorption within the trade area is substantially higher than the forecast used here, King & Associates, Inc. considers the analysis that follows to be a conservative estimate of the District's potential capture requirement.

### Waterfront Residential Market Area Capture Rates

|                 | Average price point (2003 dollars) | Total absorption | Highest single year | Overall market                                |                                |                             | Within price bracket                          |                                |                             |
|-----------------|------------------------------------|------------------|---------------------|---|--------------------------------|-----------------------------|---|--------------------------------|-----------------------------|
|                 |                                    |                  |                     | Forecast market area demand over project life | Capture rate over project life | Highest 1-year capture rate | Forecast market area demand over project life | Capture rate over project life | Highest 1-year capture rate |
| Patio Homes     | \$300,000                          | 47               | 16                  | 3,974   | 1.2%                           | 2.0%                        | 1,563   | 3.0%                           | 7.2%                        |
| Conventional    | \$330,000                          | 46               | 20                  | 3,974   | 1.2%                           | 2.5%                        | 1,563   | 2.9%                           | 9.0%                        |
| Estate          | \$385,000                          | 57               | 15                  | 3,974   | 1.4%                           | 1.9%                        | 1,563   | 3.6%                           | 6.7%                        |
| Off-Lake Custom | \$500,000                          | 19               | 8                   | 3,974   | 0.5%                           | 1.0%                        | 914   | 2.1%                           | 6.1%                        |
| Rural           | \$800,000                          | 6                | 2                   | 3,974   | 0.2%                           | 0.3%                        | 466   | 1.3%                           | 3.0%                        |
| Lake Custom     | \$1 million                        | 25               | 9                   | 3,974   | 0.6%                           | 1.1%                        | 216   | 11.6%                          | 29.2%                       |
| <b>Total</b>    |                                    | <b>200</b>       | <b>70</b>           | <b>3,974</b>                                  | <b>5.0%</b>                    | <b>8.7%</b>                 | <b>2,236</b>                                  | <b>8.9%</b>                    | <b>21.6%</b>                |

**Notes:**

- 1) The assumed project life is 5 years.
- 2) Source: Claritas, Inc.; Meyers Group, Inc.; 2000 US Census US; Homes; and King & Associates, Inc.

As proposed, the District will be required to capture approximately 5.0 percent of total market area demand for new single family housing over the life of the project and 8.7 percent in the most aggressive year proposed by the Developer. Within any one-price bracket, capture rates for single-family detached range from a low of 1.3 percent to an estimated 11.6 percent for the highest priced Lake Custom homes.

## Section 4: Feasibility of Planned Absorption

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### Assessment of Absorption Proposed for the District

Having reviewed market area development activity, King & Associates, Inc. believes current and forecast market conditions are favorable for absorption of the District in the timeframe laid out by the Developer. It should be noted that the analysis presented herein only addresses the *market* feasibility of planned absorption and does not take into account the physical and logistical feasibility of what is proposed (e.g., lot delivery, construction timing, water restrictions, permitting, etc.).

Numerous active projects in the trade area currently achieve high rates of annual absorption targeting homebuyers in the under \$500,000 market. With 150 of the District's 200 lots priced below \$400,000 and a unique array of project amenities, such as access to Boyd Lake, the project is well suited to successfully compete for demand in this price bracket. While the Metro economy remains sluggish, the housing market remains in check, largely due to low interest rates and pent up demand for affordable units. Given that most analysts predict that strong job growth will return to Colorado by the time the homes in the District will come to market, forecast market conditions seem favorable.

In the near-term, a review of fourth quarter 2002 area home sales listed on IRES (the area's multiple listing service) suggests that demand for existing homes in the \$500,000 and above price bracket has slowed. In the opinion of King & Associates, Inc., this is likely a function of the recent economic downturn. Given the strong projection for income growth within the trade area, when job growth returns to the trade area, demand for homes in this price range will return as well.

A review of the competitive projects within the trade area did not reveal any projects currently targeting the \$500,000 and above market for new homes. In large measure this is due to the relatively small size of the overall market rather than to a lack of area demand. Conversations with area realtors suggest that high-priced lakeside lots in the first phase of Waterfront at Boyd Lake absorbed quickly and that there is already a waiting list for lots in the District. Given the limited supply of lake front lots in the MSA, the District is well positioned to capture demand for new high-end homes within the trade area and beyond.

King & Associates, Inc. estimates that a reasonable capture rate for a project of the size and scope of Waterfront will typically fall between 5 and 10 percent of the overall market area demand and approximately 20 percent or less of any one price bracket over the life of the project.

The Developer's planned absorption schedule anticipates capturing 5.0 percent of the overall market and approximately 8.9 percent of homes priced above \$250,000 and thus is considered reasonable by this measure. As a result, King & Associates, Inc. believes there is market support for the Developer's proposed absorption schedule.

Finally, it should be restated that planned price points for the higher-end homes in Waterfront are primarily a function of proximity to Boyd Lake and, at this time, the water level in the lake is at an historical low. The analysis presented here assumes that the drought conditions leading to the current situation will be resolved by the time the project comes to market. If water levels remain low through the forecast period of absorption, project absorption will likely be lower than the forecast presented here, especially among higher-end units.



**EXHIBIT H**  
Draft Election Questions

NO. 01

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**OFFICIAL BALLOT FOR WATERFRONT METROPOLITAN DISTRICT, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO**

November 4, 2003

Date of Election

/s/ K. Sean Allen

Facsimile of Signature of the Designated Election Official of the District

**WARNING**

Any person who, by use of force or other means, unduly influences an eligible elector to vote in any particular manner or to refrain from voting, or who falsely makes, alters, forges, or counterfeits any mail ballot before or after it has been cast, or who destroys, defaces, mutilates, or tampers with a ballot is subject, upon conviction, to imprisonment, or to a fine, or both.

1-7.5-107(3)(b), C.R.S.

This may not be your only ballot. Other elections may be held by other political subdivision by mail or by polling place. Refer to the ballot instructions for complete information on voting. Review your ballot. Be sure you have voted on every office and issue.

To vote, place crossmark (X) at the right of the name of each candidate and ballot issue and ballot question.

1-5-407(2), C.R.S.

**BALLOT QUESTION A:**

**FOR THE DIRECTORS OF WATERFRONT METROPOLITAN DISTRICT**

(VOTE FOR TWO DIRECTORS TO ACT UNTIL THEY OR THEIR SUCCESSORS ARE ELECTED AND QUALIFIED AT THE NEXT REGULAR SPECIAL DISTRICT ELECTION IN 2004, IF WATERFRONT METROPOLITAN DISTRICT IS ORGANIZED. PLACE AN (X) OPPOSITE TWO OF THE NAMES BELOW).

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**BALLOT QUESTION B:**

**FOR THE DIRECTORS OF WATERFRONT METROPOLITAN DISTRICT**

(VOTE FOR THREE DIRECTORS TO ACT UNTIL THEY OR THEIR SUCCESSORS ARE ELECTED AND QUALIFIED AT THE NEXT REGULAR SPECIAL DISTRICT ELECTION IN 2006, IF WATERFRONT METROPOLITAN DISTRICT IS ORGANIZED. PLACE AN (X) OPPOSITE THREE OF THE NAMES BELOW).



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BALLOT ISSUE C:

SHALL WATERFRONT METROPOLITAN DISTRICT DEBT BE INCREASED \$7,300,000, WITH A REPAYMENT COST OF NOT MORE THAN \$59,860,000 AND SHALL WATERFRONT METROPOLITAN DISTRICT TAXES BE INCREASED AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF UP TO \$8,614,000, ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STREET IMPROVEMENTS INCLUDING CURBS, GUTTERS, CULVERTS, OTHER DRAINAGE FACILITIES, SIDEWALKS, BRIDGES, PARKING FACILITIES, PAVING, LIGHTING, POWER LINE RELOCATION, GRADING, LANDSCAPING, AND OTHER STREET IMPROVEMENTS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: \_\_\_\_\_  
 NO: \_\_\_\_\_

BALLOT ISSUE D:

SHALL WATERFRONT METROPOLITAN DISTRICT DEBT BE INCREASED \$1,000,000, WITH A REPAYMENT COST OF NOT MORE THAN \$8,200,000; AND SHALL WATERFRONT METROPOLITAN DISTRICT TAXES BE INCREASED AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF UP TO \$1,180,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM OF TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING TRAFFIC SIGNALS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

BALLOT ISSUE E:

SHALL WATERFRONT METROPOLITAN DISTRICT DEBT BE INCREASED \$1,800,000 WITH A REPAYMENT COST OF NOT MORE THAN \$14,760,000; AND SHALL WATERFRONT METROPOLITAN DISTRICT TAXES BE INCREASED AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF UP TO \$2,124,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE

BOUNDARIES OF THE DISTRICT, A COMPLETE POTABLE AND NON-POTABLE WATER SUPPLY, STORAGE, TRANSMISSION, AND DISTRIBUTION SYSTEM, INCLUDING TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, IRRIGATION FACILITIES, AND STORAGE FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: \_\_\_\_\_  
NO: \_\_\_\_\_

BALLOT ISSUE F:

SHALL WATERFRONT METROPOLITAN DISTRICT DEBT BE INCREASED \$1,900,000, WITH A REPAYMENT COST OF NOT MORE THAN \$15,580,000; AND SHALL WATERFRONT METROPOLITAN DISTRICT TAXES BE INCREASED AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF UP TO \$2,242,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE LOCAL SANITARY SEWAGE COLLECTION AND TRANSMISSION SYSTEM, INCLUDING COLLECTION MAINS AND LATERALS, TRANSMISSION LINES, TREATMENT FACILITIES, STORM SEWER, FLOOD, AND SURFACE DRAINAGE FACILITIES AND SYSTEMS, AND DETENTION AND RETENTION PONDS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL

LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

BALLOT ISSUE G:

SHALL WATERFRONT METROPOLITAN DISTRICT DEBT BE INCREASED \$1,800,000 WITH A REPAYMENT COST OF NOT MORE THAN \$14,760,000; AND SHALL WATERFRONT METROPOLITAN DISTRICT TAXES BE INCREASED AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF UP TO \$2,124,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, PARKS AND RECREATIONAL FACILITIES, IMPROVEMENTS, AND PROGRAMS, INCLUDING PARKS, BIKE PATHS AND PEDESTRIAN WAYS, OPEN SPACE, LANDSCAPING, CULTURAL ACTIVITIES, COMMUNITY RECREATION CENTERS, WATER BODIES, IRRIGATION FACILITIES AND OTHER ACTIVE AND PASSIVE RECREATION FACILITIES AND PROGRAMS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED; TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME

THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

BALLOT ISSUE H:

SHALL WATERFRONT METROPOLITAN DISTRICT DEBT BE INCREASED \$500,000, WITH A REPAYMENT COST OF NOT MORE THAN \$4,100,000; AND SHALL WATERFRONT METROPOLITAN DISTRICT TAXES BE INCREASED AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF UP TO \$590,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL, OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, INCLUDING PUBLIC TRANSPORTATION SYSTEM IMPROVEMENTS, TRANSPORTATION EQUIPMENT, PARK AND RIDE FACILITIES, PUBLIC PARKING LOTS, STRUCTURES, ROOFS, COVERS, AND FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

BALLOT ISSUE I:

SHALL WATERFRONT METROPOLITAN DISTRICT DEBT BE INCREASED \$500,000, WITH A REPAYMENT COST OF NOT MORE THAN \$4,100,000; AND SHALL WATERFRONT METROPOLITAN DISTRICT TAXES BE INCREASED AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF UP TO \$590,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, TELEVISION RELAY AND TRANSLATION SYSTEM IMPROVEMENTS, INCLUDING EQUIPMENT, FACILITIES, AND STRUCTURES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

BALLOT ISSUE J:

SHALL WATERFRONT METROPOLITAN DISTRICT DEBT BE INCREASED \$1,500,000, WITH A REPAYMENT COST OF NOT MORE THAN \$12,300,000; AND SHALL WATERFRONT METROPOLITAN DISTRICT TAXES BE INCREASED AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF UP TO \$1,770,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF OPERATING AND MAINTAINING OR OTHERWISE PROVIDING THE DISTRICT'S SYSTEMS, OPERATIONS, ADMINISTRATION, FACILITIES,

AND IMPROVEMENTS FOR THE PURPOSE OF CARRYING OUT THE OBJECTS AND PURPOSES FOR WHICH THE DISTRICT WAS ORGANIZED, TOGETHER WITH ALL NECESSARY INCIDENTAL AND APPURTENANT PROPERTIES, FACILITIES, EQUIPMENT, PERSONNEL, CONTRACTORS, CONSULTANTS, AND COSTS AND ALL LAND EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: \_\_\_\_\_  
NO: \_\_\_\_\_

BALLOT ISSUE K:

SHALL WATERFRONT METROPOLITAN DISTRICT DEBT BE INCREASED \$14,800,000, WITH A REPAYMENT COST OF NOT MORE THAN \$121,360,000; AND SHALL WATERFRONT METROPOLITAN DISTRICT TAXES BE INCREASED AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF UP TO \$17,464,000 ANNUALLY AFTER TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER FINANCIAL OBLIGATIONS, ISSUED FOR THE PURPOSE OF REFUNDING, PAYING, OR DEFEASING, IN WHOLE OR IN PART, BONDS, NOTES OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT; SUCH DEBT TO BEAR INTEREST AT A RATE TO BE DETERMINED BY THE DISTRICT, WHICH INTEREST RATE MAY BE HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED; SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY, SEMIANNUALLY, OR MORE OFTEN AS MAY BE DETERMINED BY THE DISTRICT TO BE ISSUED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE OR BECOME PAYABLE IN NOT MORE THAN 40 YEARS AFTER ISSUANCE, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY

PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES: \_\_\_\_\_  
NO: \_\_\_\_\_

BALLOT ISSUE L:

SHALL WATERFRONT METROPOLITAN DISTRICT TAXES BE INCREASED \$100,000 ANNUALLY AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF UP TO \$100,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES: SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNTS AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS MAY BE AMENDED, TO BE USED FOR THE PURPOSE OF PAYING THE DISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES; AND SHALL THE PROCEEDS OF SUCH TAXES AND INVESTMENTS INCOME THEREON CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT IN 2003 AND IN EACH YEAR THEREAFTER WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR SECTION 29-1-301, COLORADO REVISED STATUTES?

YES: \_\_\_\_\_  
NO: \_\_\_\_\_

BALLOT ISSUE M:

SHALL WATERFRONT METROPOLITAN DISTRICT DEBT BE INCREASED \$16,300,000 WITH A REPAYMENT COST OF NOT TO EXCEED \$13,360,000; AND SHALL WATERFRONT METROPOLITAN DISTRICT TAXES BE INCREASED AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF UP TO \$19,234,000 ANNUALLY TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS AMENDED, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF A CONTRACT WITH ONE OR MORE OTHER POLITICAL SUBDIVISIONS OF THE STATE, WHICH CONTRACT WILL CONSTITUTE A MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION AND WHICH WILL OBLIGATE THE DISTRICT TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING, AND THE COSTS OF OPERATING AND MAINTAINING, CERTAIN WATER, STREET, TRAFFIC SAFETY, TELEVISION RELAY AND TRANSLATION, TRANSPORTATION, PARK AND RECREATION, MOSQUITO AND PEST CONTROL AND SANITATION FACILITIES AND IMPROVEMENTS, ALL AS MAY BE PROVIDED IN SUCH CONTRACT; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET



FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE FINANCIAL OBLIGATIONS INCURRED PURSUANT TO THE CONTRACT; AND SHALL ANY PROCEEDS OF SUCH CONTRACT AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

BALLOT ISSUE N:

SHALL WATERFRONT METROPOLITAN DISTRICT DEBT BE INCREASED \$16,300,000 WITH A REPAYMENT COST OF NOT TO EXCEED \$13,360,000; AND SHALL WATERFRONT METROPOLITAN DISTRICT TAXES BE INCREASED AS IS NECESSARY SO AS TO RESULT IN NET REVENUE OF UP TO \$19,234,000 ANNUALLY, AFTER TAKING INTO ACCOUNT ANY PROPERTY TAX CUT OR LIMIT SPECIFIED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PROVIDE FOR THE PAYMENT OF SUCH DISTRICT DEBT: SUCH DEBT TO CONSIST OF A REIMBURSEMENT AGREEMENT WITH ONE OR MORE PRIVATE ENTITIES, WHICH CONTRACT WILL CONSTITUTE A MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION AND WHICH WILL OBLIGATE THE DISTRICT TO PAY THE COSTS OF REIMBURSEMENT TO SUCH ENTITY OR ENTITIES FOR ADVANCES MADE TO THE DISTRICT FOR THE PURPOSES OF ACQUIRING, CONSTRUCTING, OR OTHERWISE PROVIDING, AND THE COSTS OF OPERATING AND MAINTAINING, CERTAIN WATER, STREET, TRAFFIC SAFETY, PARK AND RECREATION, AND SANITATION FACILITIES AND IMPROVEMENTS, ALL AS MAY BE PROVIDED IN SUCH CONTRACT; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OR TO BE IMPOSED WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED (I) TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATION IS CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, AND (II) TO OFFSET ANY PROPERTY TAX CUT OR LIMIT WHICH IS MANDATED BY ARTICLE X, SECTION 20 OR OTHER PROVISIONS OF THE COLORADO CONSTITUTION, AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE FINANCIAL OBLIGATIONS INCURRED PURSUANT TO THE CONTRACT; AND SHALL ANY PROCEEDS OF SUCH CONTRACT AND THE PROCEEDS OF SUCH TAXES, AND INVESTMENT INCOME THEREON, CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

BALLOT ISSUE O:

SHALL WATERFRONT METROPOLITAN DISTRICT BE AUTHORIZED TO ISSUE, CREATE, EXECUTE, AND DELIVER MORTGAGES, LIENS, AND OTHER ENCUMBRANCES ON DISTRICT REAL AND PERSONAL PROPERTY, WHETHER NOW OWNED OR HEREAFTER ACQUIRED, AND INCLUDING WATER AND WATER RIGHTS, SUCH ENCUMBRANCES TO BE IN THE TOTAL PRINCIPAL AMOUNT OF NOT MORE THAN \$500,000, PLUS INTEREST THEREON AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS TO BE NECESSARY OR APPROPRIATE IN CONNECTION WITH THE ISSUANCE OF BONDS, NOTES, CONTRACTS, OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT; SUCH ENCUMBRANCES TO BE CREATED FOR THE PURPOSE OF PROVIDING ADDITIONAL SECURITY FOR DISTRICT FINANCIAL OBLIGATIONS, AND TO BE

CREATED AT ONE TIME OR FROM TIME TO TIME; SUCH MORTGAGES, LIENS, OR OTHER ENCUMBRANCES TO ENTITLE THE OWNER OR BENEFICIARY THEREOF TO FORECLOSE UPON AND TAKE TITLE TO AND POSSESSION OF THE DISTRICT PROPERTY SO ENCUMBERED, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE SUCH COVENANTS REGARDING THE USE OF THE ENCUMBERED PROPERTY AND OTHER MATTERS ARISING UNDER THE ENCUMBRANCES, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

BALLOT ISSUE P:

SHALL WATERFRONT METROPOLITAN DISTRICT BE AUTHORIZED TO COLLECT, RETAIN, AND SPEND THE AMOUNT OF ALL TAXES, TAP FEES, SYSTEM DEVELOPMENT FEES, RENTAL INCOME, SERVICE CHARGES, INSPECTION CHARGES, ADMINISTRATIVE CHARGES, GRANTS OR ANY OTHER FEE, RATE, TOLL, PENALTY, OR CHARGE AUTHORIZED BY LAW TO BE IMPOSED OR COLLECTED BY THE DISTRICT AND ANY OTHER REVENUES, INCOME, OR PAYMENTS RECEIVED BY THE DISTRICT (INCLUDING, WITHOUT LIMITATION, REVENUES RECEIVED BY THE DISTRICT FROM THE STATE, ANY POLITICAL SUBDIVISION OF THE STATE, OR ANY OTHER GOVERNMENTAL ENTITY) DURING FISCAL YEAR 2003 AND EACH YEAR THEREAFTER FOR AS LONG AS THE DISTRICT CONTINUES IN EXISTENCE WITHOUT LIMITATION BY THE REVENUE AND SPENDING LIMITS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, AS THEY CURRENTLY EXIST OR AS THEY MAY BE AMENDED IN THE FUTURE?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

BALLOT QUESTION Q:

SHALL WATERFRONT METROPOLITAN DISTRICT BE AUTHORIZED TO EXERCISE THE POWER TO ESTABLISH, MAINTAIN, AND OPERATE A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL, OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, AND MAY THE DISTRICT CONTRACT TO UNDERTAKE SUCH ACTIVITIES?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

BALLOT QUESTION R:

SHALL WATERFRONT METROPOLITAN DISTRICT BE ORGANIZED AS A SPECIAL DISTRICT PURSUANT TO ARTICLE 1 OF TITLE 32, C.R.S., AND, PURSUANT TO ITS SERVICE PLAN?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

BALLOT QUESTION S:

SHALL MEMBERS OF THE BOARD OF DIRECTORS OF WATERFRONT METROPOLITAN DISTRICT BE AUTHORIZED TO SERVE WITHOUT LIMITATION ON THEIR TERMS OF OFFICE PURSUANT TO THE RIGHT GRANTED TO THE VOTERS OF THE DISTRICT IN ARTICLE XVIII, SECTION 11 OF THE COLORADO CONSTITUTION TO LENGTHEN, SHORTEN, OR ELIMINATE THE LIMITATIONS ON THE TERMS OF OFFICE IMPOSED BY SUCH SECTION?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

**EXHIBIT "B" TO RESOLUTION**

***AFFIDAVIT OF PUBLICATION***

# AFFIDAVIT OF PUBLICATION

## REPORTER-HERALD

State of Colorado  
County of Larimer

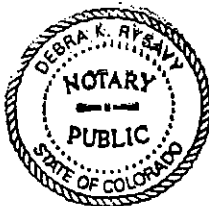
I, the undersigned agent, do solemnly swear that the DAILY REPORTER-HERALD is a daily newspaper published in the City of Loveland, County of Larimer, State of Colorado, and which has general circulation therein and in parts of Larimer and Weld Counties; that said newspaper has been continuously and uninterruptedly published for a period of more than six months next prior to the first publication of the annexed legal notice of advertisement, that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a daily newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado; that a copy of each number of said newspaper, in which said notice of advertisement was published, was transmitted by mail or carrier to each of the subscribers of said newspaper, according to the accustomed mode of business in this office.

That the annexed legal notice or advertisement was published in the regular and entire edition of said daily newspaper once; and that one publication of said notice was in the issue of said newspaper dated **August 26, 2003**

*Linbey M. Weed*  
\_\_\_\_\_  
Agent

Subscribed and sworn to before me this  
day of **August 26, 2003**

*Debra K. Rydary*  
\_\_\_\_\_  
Notary Public



FEE \$ 45.24

MY COMMISSION EXPIRES  
APRIL 20, 2005  
201 E. 5TH ST.  
LOVELAND,  
COLORADO 80537

COUNTY OF LARIMER  
CITY OF LOVELAND  
STATE OF COLORADO

**NOTICE OF  
PUBLIC HEARING**

IN RE THE ORGANIZATION OF WATERFRONT METROPOLITAN DISTRICT NOS. 1-2

PUBLIC NOTICE IS HEREBY GIVEN that there has been filed with the City of Loveland, Larimer County, Colorado, a Consolidated Service Plan and related documents for Waterfront Metropolitan District Nos. 1-2. The Service Plan proposes organization of special districts to be named Waterfront Metropolitan District Nos. 1-2. A map of the proposed Districts and the Service Plan are on file in the offices of the Loveland City Clerk, 500 East Third Street, Loveland, Colorado, 80537, and are available for public inspection. The Districts are generally located on the east shore of Boyd Lake, south of Larimer County Road 10 and west of North Boyd Lake Avenue, Larimer County Road 39.

NOTICE IS HEREBY FURTHER GIVEN that the Loveland City Council will hold a public hearing at 6:30 p.m. on Tuesday, September 16, 2002, at 500 East Third Street, Loveland, Colorado, for the purpose of considering the Consolidated Service Plan and to form a basis for adopting a Resolution approving, disapproving or conditionally approving the Consolidated Service Plan for Waterfront Metropolitan District Nos. 1-2.

NOTICE IS FURTHER GIVEN that pursuant to Section 32-1-203(3.5), Colorado Revised Statutes, as amended, any owner of real property within the Districts may file a petition with the Loveland City Council requesting that such real property be excluded from the Districts. Any person owning property in the special districts who requests that his property be excluded from the Districts prior to approval of the Consolidated Service Plan shall submit such request to the City Clerk no later than ten (10) days prior to the public hearing; but the City Council shall not be limited in its action with respect to exclusion of territory based upon such request. Any request for exclusion shall be acted upon before final action of the City Council under Section 32-1-205, C.R.S. Publish: Loveland Daily Reporter-Herald, August 26, 2003

**EXHIBIT "C" TO RESOLUTION**

***CERTIFICATE OF MAILING NOTICE  
OF HEARING AND PUBLICATION***

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CERTIFICATION OF MAILING NOTICE OF HEARING AND PUBLICATION

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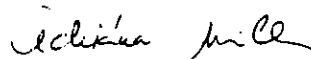
IN RE THE ORGANIZATION OF WATERFRONT METROPOLITAN DISTRICT NOS. 1-2,  
COUNTY OF LARIMER, STATE OF COLORADO

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IT IS HEREBY CERTIFIED by the undersigned, as follows:

1. That the City of Loveland, Larimer County, State of Colorado, did set a public hearing for Tuesday, the 16<sup>th</sup> day of September, 2003, at 6:30 p.m., at 500 East Third Street, Loveland, CO 80537, concerning the Consolidated Service Plan and related documents for the proposed Waterfront Metropolitan District Nos. 1-2.
2. That, as a part of said action, directions were given that copies of the Notice of Public Hearing be mailed, by first class mail, not more than thirty days nor less than twenty days prior to said hearing, to interested persons, defined as follows: (1) the owners of record of all property within the proposed title 32 districts as such owners of record are listed in the Larimer County Assessor's records; (2) the Division of Local Government; (3) the governing body of any municipality or special district which has levied an ad valorem tax within the next preceding tax year, and which has boundaries within a radius of three (3) miles of the proposed districts' boundaries.
3. That in compliance with said directions, a copy of the Notice, attached as Exhibit A, was deposited in the United States first class mail on August 26, 2003, to owners of record of all property within the proposed Title 32 district; the Division of Local Government; and the governing body of any municipalities and special district which has levied an ad valorem tax within the next preceding tax year and which has boundaries within a three (3) mile radius of the proposed district's boundaries, as per the listings attached as Exhibit B.
4. That, as a part of said action, directions were given that the Notice of Public Hearing be published one time in a newspaper of general circulation within the proposed District.
5. That in compliance with said directions, a copy of the Notice, attached as Exhibit A, was published on August 26<sup>th</sup>, 2003 in *Reporter Herald*.

IN WITNESS WHEREOF, I have hereunto set my hand this 30<sup>th</sup> day of August 2003.



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Adriana Miller, Paralegal

**EXHIBIT A**  
Notice

COUNTY OF LARIMER, CITY OF LOVELAND, STATE OF COLORADO

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NOTICE OF PUBLIC HEARING

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IN RE THE ORGANIZATION OF WATERFRONT METROPOLITAN DISTRICT NOS. 1-2

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PUBLIC NOTICE IS HEREBY GIVEN that there has been filed with the City of Loveland, Larimer County, Colorado, a Consolidated Service Plan and related documents for Waterfront Metropolitan District Nos. 1-2. The Service Plan proposes organization of special districts to be named Waterfront Metropolitan District Nos. 1-2. A map of the proposed Districts and the Service Plan are on file in the offices of the Loveland City Clerk, 500 East Third Street, Loveland, Colorado, 80537, and are available for public inspection. The Districts are generally located on the east shore of Boyd Lake, south of Larimer County Road 30 and west of North Boyd Lake Avenue (Larimer County Road 9).

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NOTICE IS HEREBY FURTHER GIVEN that the Loveland City Council, will hold a public hearing at 6:30 p.m. on Tuesday, September 16, 2003, at 500 East Third Street, Loveland, Colorado, for the purpose of considering the Consolidated Service Plan and to form a basis for adopting a Resolution approving, disapproving or conditionally approving the Consolidated Service Plan for Waterfront Metropolitan District Nos. 1-2.

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NOTICE IS FURTHER GIVEN that pursuant to Section 32-1-203(3.5), Colorado Revised Statutes, as amended, any owner of real property within the Districts may file a petition with the Loveland City Council requesting that such real property be excluded from the Districts. Any person owning property in the special districts who requests that his property be excluded from the Districts prior to approval of the Consolidated Service Plan shall submit such request to the City Clerk no later than ten (10) days prior to the public hearing, but the City Council shall not be limited in its action with respect to exclusion of territory based upon such request. Any request for exclusion shall be acted upon before final action of the City Council under Section 32-1-205, C.R.S.



**EXHIBIT B**

Property Owners within the Boundaries of the District(s)

Division of Local Government

Taxing Entities within the Boundaries of the District(s)

Taxing Entities within a 3-mile radius of the Boundaries of the District(s)

WATERFRONT METROPOLITAN DISTRICT NOS. 1 AND 2

**Division of Local Government:**

Division of Local Government  
Department of Local Affairs  
313 Sherman Street, Room 521  
Denver, CO 80203

**Property Owners:**

RS Investments/Waterfront, LLC.  
9990 Park Meadows Drive  
Littleton, CO 80124

Genesee Co/Waterfront, LLC.  
9990 Park Meadows Dr.  
Lone Tree, CO 80124

**Taxing Entities Within a 3-mile Radius of proposed District:**

Poudre R-1 School District  
2407 Laporte Ave.  
Fort Collins, CO 80521

Larimer County  
P. O. Box 1190  
Fort Collins, CO 80522

Poudre Valley Fire Protection District  
Attn: Mr. Boyd  
102 Remington Street  
Fort Collins, CO 80524

Health Services District of Northern Larimer County  
120 Bristlecone Drive  
Fort Collins, CO 80524

Larimer County Pest Control  
C/O Larimer County  
P. O. Box 1190  
Fort Collins, CO 80521

Northern Colorado Water Cons. District  
Attn: Mr. Wilkinson

P.O. Box 679  
Loveland, CO 80539

East Larimer County Water District  
Attn: H. Webster Jones  
232 South Link Lane  
P. O. Box 2044  
Fort Collins, CO 80522

Fort Collins – Loveland Water District  
Attn: Mr. DiTullio  
5150 Snead Drive  
Fort Collins, CO 80525

South Fort Collins Sanitation District  
Attn: Mr. DiTullio  
4700 S. College Avenue  
Fort Collins, CO 80525

Loveland Rural Fire Protection District  
Attn: Mr. White  
1423 West 29<sup>th</sup> Street  
Loveland, CO 80538

Thompson Valley Health Services District  
Attn: Mr. Ball  
P. O. Box 657  
Loveland, CO 80539

Windsor – Severance Fire Protection District  
728 Main Street  
P. O. Box 308  
Windsor, CO 80550

Wellington Fire Protection District  
8130 Third Street  
P. O. Box 10  
Wellington, CO 80549

City of Fort Collins  
P. O. Box 580  
Fort Collins, CO 80522

Town of Windsor  
301 Walnut Street  
Windsor, CO 80550

Larimer County G.I.D. No. 17 Country Me  
P. O. Box 1190  
Fort Collins, CO 80522

Larimer County P.I.D. No. 20  
P.O. Box 1190  
Fort Collins, CO 80522

Thompson R2-J School District  
535 North Douglas Ave.  
Loveland, CO 80537

Little Thompson Water District  
Drawer G  
835 E. Highway 56  
Berthoud, CO 80513

City of Loveland  
500 E. Third Street  
Loveland, CO 80537

Van De Water Metropolitan District No. 2  
2725 Rocky Mountain Avenue, Suite 200  
Loveland, CO 80538

Van De Water Metropolitan District No. 3  
2725 Rocky Mountain Avenue, Suite 200  
Loveland, CO 80538