

**AMENDED and RESTATED**  
**SERVICE PLAN**  
**FOR**  
**CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT**  
**EL PASO COUNTY, COLORADO**

Prepared for  
Central Marksheffel Metropolitan District

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## LIST OF EXHIBITS

- EXHIBIT A** Board of County Commissioners Resolution of Approval 2004
- EXHIBIT B** District Legal Description
- EXHIBIT C** Statutory Contents of Service Plan
- EXHIBIT D** Traffic Impact Influence/Service Area Map
- EXHIBIT E** District Boundary Map
- EXHIBIT F** Cost Estimates
- EXHIBIT G** Phasing-Facility Map
- EXHIBIT H** Financing Plan
- EXHIBIT H-1** Sensitivity Analysis
- EXHIBIT H-2** Development and Approval Status Report
- EXHIBIT I** Market Study
- EXHIBIT J** Underwriter Commitment Letter

*On October 3, 2002, the Board of County Commissioners of El Paso County, Colorado, adopted Resolution No. 02-354 approving a "skeletal" Service Plan for Central Marksheffel with certain conditions including the requirement to complete an amended Service Plan to be approved by the Board of County Commissioners. The following text and exhibits shall constitute the Amended and Restated Service Plan, and shall supersede and restate the information as set forth in the Original Service Plan dated October 3, 2002.*

## I. INTRODUCTION

A. General Overview. This amended service plan ("Service Plan") is for the Central Marksheffel Metropolitan District (hereinafter the "District"), which was organized to serve the needs of a development project known as Central Marksheffel. The District is generally located adjacent to Marksheffel Road between Highway 24 and Constitution Avenue, in El Paso County, Colorado (the "County").

The main purpose of the District is to provide the funding and tax base needed to finance and otherwise provide public improvements including, but not limited to, approximately one (1) mile of Marksheffel Road between Constitution Avenue and Highway 24 to accommodate additional traffic created by the planned development in the immediate area. The anticipated improvements include a 200-foot span bridge with approximately six (6) lanes, as well as other improvements that may be provided by the District, such as those generally described in Section II.C. below consisting mainly of street, landscaping, sanitary sewer, storm sewer, water systems, park and recreation, channel and other drainage improvements needed for the area. The District may, with the County's consent, engage in other activities. The public improvements are to be constructed and otherwise financed by the District, which will then dedicate improvements to the County and Cherokee Metropolitan District, as appropriate, while some improvements may be retained by the District for the use and benefit of the District's inhabitants and taxpayers as provided for in this Service Plan.

B. General Financial Information and Assumptions. The anticipated costs of all contemplated improvements necessary to provide access to and appropriate services within the District are shown in Exhibit F attached hereto.

The District may obtain financing for the improvements contemplated herein through developer loans, the issuance of general obligation bonds, revenue bonds and through other legal revenue sources available to the District. The District's contractual and other indebtedness obligations may be paid from *ad valorem* property taxes and from other legal sources made available to the District such as from the receipt of different impact fees pursuant to an intergovernmental agreement(s) with the County, and other revenue streams received from the County that are generated within a County approved Service Area as discussed herein.

The financial forecast ("Financing Plan") for the District is contained in Exhibit H attached hereto. A Sensitivity Analysis is attached hereto as Exhibit H-1. A Development and Approval Status Report is also attached as Exhibit H-2. The Financing Plan demonstrates one method that might be used by the District to finance the cost of infrastructure. At the time bonds

are proposed to be issued, alternative-financing plans may be employed and be utilized by the District without additional approval from the County so long as they do not represent a material modification to the Service Plan.

The financial structure contemplated in the Financing Plan demonstrates that the risks associated with development will be borne initially by the developers of the project. The risks of development will rest with the developers until such time as the District develops sufficient assessed valuation to support the debt service requirements of the bonds issued. Additionally, the County can be assured that there are now legal and financial controls on special district indebtedness, which operate to limit indebtedness that residents can expect to pay. Generally, under current state law provisions, a special district cannot sell valid indebtedness payable from property tax revenues in excess of fifty percent (50%) of its valuation for assessment unless a statutory exception applies to such indebtedness. Excepted from this limitation is indebtedness which is rated or insured, issued in minimum denominations of five hundred thousand dollars, issued to financial institutions or institutional investors, payable from a limited debt service mill levy not to exceed 50 mills, or unless such indebtedness is secured as to the payment of principal and interest by a letter of credit, line of credit or other credit enhancement. In addition, state securities laws do not provide exemption from registration for special district indebtedness not meeting such minimum requirements.

C. Contents of Service Plan. This Service Plan consists of a description of the public infrastructure, financial analysis and engineering plans showing how the facilities and services for Central Marksheffel can be provided and financed by the District. Numerous items are included in this Service Plan in order to satisfy the requirements of law as identified in Exhibit C attached hereto.

D. Modification of Service Plan. This Service Plan has been prepared with sufficient flexibility to enable the District to provide required services and facilities to meet the needs of the project under evolving circumstances. 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 the necessary services and facilities without the need for repeated amendments to the Service Plan. Modification of the proposed configuration of improvements, scheduling of construction of such improvements, and the locations and dimensions of various facilities and improvements shall be permitted to accommodate redevelopment needs consistent with zoning for the property. Any and all material modifications, as defined herein or pursuant to Colorado law, shall be submitted to the County for approval at a public hearing thereon. A substantial change in the District's purpose as stated herein, or increases in the Debt Limit and Mill Levy Cap (as each term is defined herein) shall constitute a material modification requiring County approval at a public hearing.

E. Population and Assessed Valuation Estimates. An estimate of projected assessed valuations within the District is set forth in the financing plan for the District. The residential population of the District at buildout is estimated to be approximately 2,700 (625 single-family and 454 multi-family residential units times 2.5 persons per).

## II. PURPOSE OF AND NEED FOR THE PROPOSED DISTRICT

A. Purpose and Intent. It is intended that the District will finance, construct, acquire, install and otherwise provide the various regional public improvements described and referenced herein for the use and benefit of neighboring areas and the inhabitants and taxpayers of real property within the boundaries of the District. It is not the intent of the District to provide ongoing services other than as specifically set forth in Section IV.F. hereof or as approved by the County. The District acknowledges the need and its intent to cooperate with the County to serve and promote the health, safety, prosperity, security and general welfare of its inhabitants. As evidence of such cooperation and need to coordinate activities with the County, the District shall obtain a resolution approving this Service Plan from the County which shall be attached hereto as Exhibit A. Should the purposes of the District substantially change from what is stated herein, it shall be considered to be a material modification of this Service Plan.

B. Need for District. The District is needed to provide necessary public improvements to accommodate a planned development as well as the additional traffic created by such development in the immediate area and to perfect the needed right-of-way. There are currently no other entities located in the surrounding area of the District that have the ability and desire to undertake the design, financing and construction of all the improvements needed for the project. It is the District's understanding that the County does not consider it feasible or practicable for it to provide the regional improvements.

C. General Powers. The District will have power and authority to provide the services and facilities generally described in this Service Plan.

1. Powers Regarding Services and Facilities. The District shall have authority to finance, acquire, install and construct public improvements generally described below. The following activities shall be permitted:

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

b. 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 streets and highways, environmental monitoring, as well as other facilities and improvements including but not limited to, main entry buildings, access gates, signalization at intersections, traffic signs, area identification signs, directional assistance, and driver information signs, together with all necessary, incidental, and appurtenant facilities, land easements, together with extensions of and improvements to said facilities.

c. Sanitation/Storm Sewer. The design, acquisition, installation, construction of storm or sanitary sewers, or both, flood and surface drainage improvements including but not limited to, culverts, channels, tributary outfalls, dams, retaining walls, access ways inlets, detention ponds, other water quality facilities and paving, roadside swales and curbs and gutters, treatment and disposal works and 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.

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

e. Parks and Recreation. The design, acquisition, installation, construction, operation and maintenance of local park and recreation facilities or programs including, but not limited to, grading, soil preparation, sprinkler systems, community center, pool, playgrounds, playfields, bike and pedestrian trails, pedestrian bridges, picnic areas, 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.

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

a. Legal Powers. The powers of the 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.

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



i. To amend this Service Plan as needed, subject to applicable state and local laws contained in Title 32, C.R.S. and the applicable laws of the County, including, by written notice pursuant to Section 32-1-207, C.R.S., of actions which the District believes are permitted by this Service Plan, but which may be unclear. In the event the County elects not to seek to enjoin any such activities under said statute, such election shall constitute agreement by the County that such activities are within the scope of this Service Plan; and

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

iii. To provide all such additional services and exercise all such powers as are expressly or impliedly granted by Colorado law, and which the District is required to provide or exercise or, in its discretion, choose to provide or exercise. County approval shall be required prior to the District exercising any such additional express or implied services and powers granted by Colorado law but not described herein, unless such exercise is required by the County, State of Colorado, or other governmental entity; and

iv. 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.

### III. BOUNDARIES

A. General. The boundaries of the District are more particularly depicted in the map contained in Exhibit E. A legal description of the boundaries of the District is attached as Exhibit B.

B. County Approved Traffic Impact Influence/Service Area. A Traffic Impact Influence/Service Area ("Service Area") will be established pursuant to an intergovernmental agreement with the County as further noted in Section VII. A map of the approved Service Area is attached as Exhibit D. This area, which also includes the boundaries and proposed future boundaries of the District and defined areas beyond the District's boundaries, will receive significant benefit as a result of the District's completion of the improvements permitted herein, and the County will impose, collect and pay over to the District certain traffic impact fees generated from within the Service Area.

C. Changes in District Boundaries. Exhibit E also depicts certain potential and intended real property inclusions to the District. Upon approval of this Service Plan, the District shall be permitted to, without any further County approval, include such potential areas into the boundaries of the District. County approval of other inclusions shall be required unless such property is within the Service Area, as may be amended, or otherwise within a five (5) mile radius from the District as it exists upon the County's approval hereof.

#### IV. DESCRIPTION OF PROPOSED FACILITIES

The following section describes the improvements expected to be financed, acquired, installed and constructed or caused to be constructed by the District. The District may contract with public and/or private entities to undertake such functions.

The following is a general description of the improvements and may be subject to modification and revision as engineering plans, financial factors and construction scheduling and costs may require. The improvements shall be subject to the overall limitations on the powers of the District set forth in Section II hereof. Improvements and services not specifically described in this section shall be permitted as long as they are generally contemplated in Section II hereof and/or expressly or impliedly granted by Colorado law, and are within the District's financial ability to provide such improvements. Should the types of improvements materially change from what is stated in Section II of this Service Plan, it shall be considered to be a material modification of this Service Plan.

The total estimated cost of the improvements that the District intends to finance is approximately \$23,000,000, inclusive of contingencies, but exclusive of other soft costs and all costs of issuance, including but not limited to such bond issuance expenses and costs like debt service reserves, capitalized interest, underwriter's discount, legal fees, as well as organizational costs. Notwithstanding the cost estimate allocations, the District shall be permitted to reallocate such costs between categories of improvements as it deems necessary in its discretion. All materials and supplies acquired for provision of facilities will be exempt from all state, local and other sales, use and other taxes. All facilities described herein will be designed in such a way as to assure that the facility and service standards will be compatible with the County and of other municipalities which may be affected thereby. 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, the County's requirements, and constructing scheduling may require.

A. Street Improvements. After conveyance by the developer of the street rights-of-way or appropriate easements to the District, the District is expected to construct or cause the construction of approximately one (1) mile of improvement to Marksheffel Road, including a six (6) lane, 200 foot span bridge, and any necessary curbs, gutters, culverts, drainage ditches, sidewalks, box culverts, tunnels, paving, lighting, landscaping and other road, street and drainage facility improvements which the project will require, as well as necessary traffic and safety protection devices and controls.

1. Storm Drainage Facilities. The District is expected to construct or cause the construction of culverts, drainage ditches, box culverts, channels, tributary outfalls, tunnels and drainage facility improvements, including but not limited to detention ponds and water quality ponds as necessary. Only those regional storm drainage facilities dedicated to and accepted by the County will be operated and maintained by the County.

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

3. Signals and Signage. Traffic and safety signals and signage may be installed by the District as required by the County and other regulatory entities as applicable. Traffic controls and signage will be provided as necessary to enhance the flow of traffic within the project.

B. Water System

1. Overall Plan. The water system will consist of a water distribution system consisting of buried water mains, fire hydrants, pump houses and related appurtenances located within and without the District's boundaries as necessary. The District shall dedicate and convey to Cherokee Metropolitan District all public water improvements constructed and financed by the District for operations and maintenance. The District is not a water provider.

2. Design Criteria. The water system components will be installed in accordance with the applicable standards of the County and Cherokee Metropolitan District as appropriate.

3. Water Distribution System. The water distribution system will be owned by Cherokee Metropolitan District. The system is expected to include main distribution and transmission lines and related appurtenances. At completion, the water distribution system will provide domestic potable water to all platted lots within the District. The mains will provide for normal and peak water demands of the project water.

C. Sanitary Sewer Collection Systems

1. Overall Plan for Sanitary Sewer. The sanitary sewer collection system is expected to include buried sewer mains, manholes and related appurtenances located outside and within the District's boundary. The District shall dedicate to Cherokee Metropolitan District all public wastewater facilities constructed and funded by the District. The District is not to be a wastewater treatment provider.

2. Design Criteria for Sanitary Sewer. The proposed sanitary sewer collection system is expected to include sewer mains designed to collect sewage from the development areas within the District. The sewer system components will be designed and installed in accordance with the applicable standards of the County and Cherokee Metropolitan District as appropriate.

D. Park and Recreation Improvements; Landscaping

The open space and park improvements that may be constructed by the District may include open space, neighborhood parks, common area landscaping, an irrigation system, monumentation and trail improvements. Landscaping improvements may consist of irrigated turf, hardscape, walkways, shrubs, planting beds, amenity features such as picnic tables, and playgrounds, signage, and other uses consistent with neighborhood parks. The District may, pursuant to an agreement or understanding with Cherokee Metropolitan District, dedicate certain park improvements to Cherokee Metropolitan District, but retain the operation and maintenance responsibility.

E. Local Improvement Restriction. The District's power to provide improvements as described herein shall be restricted. The District shall not fund and construct "Local Improvements" as defined below; provided, however, that nothing shall prevent the District from obtaining confirmation relative to the classification of improvements from the Planning Director, or his or her designee. The District is authorized to construct and fund any other improvements not within the definition of "Local Improvement" below.

The term "Local Improvement" shall mean:

- (i) any streets determined by the District to be "residential," "urban minor residential," "rural minor residential," "urban hillside residential," or "rural hillside residential," based upon the "Design Capacity (ADT)" set forth in El Paso County's Geometric Design Standards for Highway Construction (collectively "Local Streets"), even if there is any future change in such standards; and
- (ii) any improvement located within the right-of-way of a Local Street, including but not limited to: sidewalks, curb, gutter, traffic safety controls and devices, water or sewer lines, and storm drainage facilities; and
- (iii) notwithstanding the foregoing, all of the improvements depicted in the cost estimates (Exhibit F), phasing map (Exhibit G) and financing plan (Exhibit H) attached to this Service Plan, and any water and sewer lines of 10 inches in diameter or greater, whether or not located within a Local Street, shall not be considered a Local Improvement, and may be funded, constructed and otherwise provided by the District.

F. County Construction Standards. To the extent design and construction responsibilities are within its control, the District shall ensure that any proposed improvements set forth in this Section IV. will be designed and constructed solely in accordance with the standards and specifications set forth by the County, and will obtain approval of civil engineering plans and construction permits as required. Pursuant to the County's Special District Guidelines and Requirements, the County's Department of Public Works is allowed on-going involvement in the construction, including inspections to ensure that construction is done in accordance with County specifications.

G. Improvement Dedication - Ownership and Operation - Operation and Maintenance Mill Levy. The District shall dedicate or cause park and recreation, traffic and safety, all public streets and streets dedicated by plat, all public drainage facilities, and all public sidewalks, as well as all rights-of-way and easements necessary for access to facilities to be conveyed to the County upon completion and as appropriate. Improvements including the all tract-landscaping improvements, landscaping along major streets, entry features, and drainage tracts may be retained by the District for operations and maintenance if the same is not otherwise dedicated to and accepted by the County.

All water and wastewater improvements that are constructed and otherwise financed by the District are to be conveyed to the Cherokee Metropolitan District for continued operation and maintenance. The District further anticipates construction of wells and irrigation systems that will be dedicated to the Cherokee Metropolitan District. Additionally, the District anticipates constructing and otherwise financing open space landscaped improvements along certain sections of the Sand Creek Channel, with ownership thereof anticipated to be conveyed to the Cherokee Metropolitan District, but the operation and maintenance may be provided by the District as noted above.

The District is expected to undertake all ownership, operations and maintenance responsibilities for the improvements that are not conveyed to and accepted by the County or Cherokee Metropolitan District or until such time as the improvements are conveyed to and accepted by the County and Cherokee Metropolitan District as contemplated herein. The District anticipates that it will undertake such responsibility either by itself or by contract with a property owners' association or other private entities, and revenue to pay the expenses of such operations may be obtained from available revenues of the District including, but not limited to the imposition of an operations and maintenance mill levy, which is not to exceed five (5) mills, but subject to the mill levy cap Gallagher Amendment adjustment discussed below in Section V. This operation and maintenance mill levy is separate and distinct from the debt service mill levy discussed below. Whether the facilities are operated directly by the District, or are operated through a contract with a property owners' association or private entities, user fees, rates, tolls and charges may be collected to offset such expenses. Approval of this Service Plan constitutes the County's agreement that the District may perform these functions.

H. Services of 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.

## V. FINANCIAL PLAN

Attached to this Service Plan as Exhibit H is a Financing Plan that shows how the proposed services and improvements may be financed and operated by the District. The Financing Plan demonstrates one method that might be used, however, alternative financing plans may be employed and utilized by the District without additional County approval so long as such plans are

within the parameters and limits contained herein, and do not constitute a material modification. Also attached hereto as Exhibit I, is a Market Study relative to the planned development to take place within the District.

The Financing Plan includes the proposed operating revenue derived from ad valorem property taxes and various County imposed fees. The District expects to be able to generate sufficient revenues from ad valorem mill levies and from other legally permissible revenue sources made available to it (such as County imposed fees), to make debt service payments on its limited tax general obligation bonds and operational costs. Bond proceeds are anticipated to be used for, but are not limited to, paying back funds borrowed from developers, to finance the acquisition, construction and completion of improvements and to finance all of the costs of issuance of the bonds.

The Financing Plan identifies the proposed debt issuances. The District shall be permitted to impose a debt service mill levy not to exceed thirty-five (35) mills (the "Mill Levy Cap"). The foregoing debt service Mill Levy Cap shall be subject to the so-called "Gallagher Amendment" (Article X, Sec. 3(1)(b), Colo. Const., codified at Section 39-1-104.2(5)(a), C.R.S.) adjustment if the laws of the State of Colorado change with respect to: (i) the assessment of property for taxation purposes; (ii) the residential property to non-residential property ratio for determining assessed valuation changes; or (iii) other similar changes after approval of this Service Plan. In 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 Districts and overall tax payments from property owners.

Upon approval of this Service Plan, the District will continue to develop and refine cost estimates contained herein and prepare for bond issuances. All cost estimates will be inflated to current dollars at the time of bond issuance and construction. Engineering and other contingencies, as well as capitalized interest and other costs of financing may be added. All construction cost estimates assume construction to applicable local, state or federal requirements.

The initial estimated construction costs of improvements are approximately \$23,000,000 (in 2003 dollars) as set forth in Exhibit F, but are exclusive of organizational costs, interest on amounts borrowed from developers and other similar soft costs, as well as exclusive of costs of bond issuance, including but not limited to debt service reserves, capitalized interest, underwriter's discount and legal fees. The District has voted capital debt authorization in the amount of \$31,250,000, and is permitted to seek additional debt authorization from its electorates if deemed necessary. The general obligation debt limit ("Debt Limit") for the District is \$31,250,000, inclusive of organizational costs, but exclusive of the costs of issuance, including but not limited to debt service reserves, capitalized interest, underwriter's discount and legal fees so that the District is ensured the ability and authority to issue general obligation debt in a net amount sufficient to fully finance and construct all facilities contemplated herein and fully implement the Service Plan without the need to seek approval of any modification of this Service Plan. Increases in debt necessary to accomplish a refunding or restructuring of debt shall not count against the Debt Limit. If the Financing Plan assumptions are more conservative than what actually

develops, the District, upon the County's approval, shall have the ability to utilize excess debt capacity, which may develop within the District. Reasonable modifications of public facilities and cost estimates shall be permitted. Final determination of the amount of debt for which approval will be sought from the District's electorate from time to time will be made by the District's Board of Directors based on then current estimates of construction costs, issuance costs, and contingencies. Authorization to issue bonds and enter into various agreements described herein has been approved by the District's electorate pursuant to the terms of the Special District Act, and the Colorado Constitution, as amended from time to time.

In addition to ad valorem property taxes, the District may also rely upon various other revenue sources authorized by law and made available by the County through its imposition of certain traffic, bridge and drainage fees. The District also has the power to assess its own fees, rates, tolls, penalties, or charges as provided in § 32-1-1001(1), C.R.S., as amended. The Financing Plan assumes various sources of revenue, including ad valorem property taxes, specific ownership taxes, and County imposed fees.

The maximum voted interest rate for bonds will be 18%. The proposed maximum underwriting discount will be 5%. The maximum term of general obligation bonds issued by the District shall be forty (40) years.

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 the Board of Directors.

The Financing Plan demonstrates that the District will have the financial capability to discharge the proposed indebtedness with reasonable mill levies assuming reasonable increases in assessed valuation and assuming the rate of build-out estimated in the Financing Plan.

## VI. MODIFICATION OF SERVICE PLAN

Material modifications of this Service Plan, except as contemplated herein, shall be subject to approval by the County in accordance with the provisions of Section 32-1-207, C.R.S. The District shall obtain the prior approval of the County before making any material modifications to this Service Plan as noted herein. Material modifications shall include modifications of a basic or essential nature. A substantial change in the District's purpose as stated herein, and increases in the Debt Limit and Mill Levy Cap (as each term is defined herein) shall constitute a material modification requiring County approval at a public hearing.

Approval by the County shall not be required for mechanical modifications to this Service Plan necessary for the execution of the Financing Plan for public improvements previously outlined herein. Specifically, County approval shall not be required for minor language changes, adjustments or revisions to the Service Plan or any of its Exhibits that do not rise to the level of a material modification as defined herein.

## VII. INTERGOVERNMENTAL AGREEMENT AND OTHER AGREEMENTS

A. Intergovernmental Agreement on Traffic Impact Fees and Public Improvements.

The District and County shall execute an intergovernmental agreement with the County relative to the County's imposition, collection and payment to the District of certain traffic impact fee generated from the Service Area, and the conveyance of certain public improvements to the County. The IGA will define the Service Area from which new impact fees will be collected by the County and allocated to the District for the District's construction of the contemplated improvements. The IGA will, among other things, require the County to require the properties in the defined Service Area to participate in the funding of regional public improvements in a fair and equitable manner through the payment of traffic impact fees imposed by the County and allocated to the District.

B. Other Agreements. The District may enter into additional intergovernmental and private agreements when it is in the best interest of the District to better ensure long-term provision of improvements, services and effective management.

VIII. ANNUAL REPORT

The District shall be responsible for submitting an annual report to the County by April 1<sup>st</sup> for the District's preceding fiscal year. The District's fiscal year shall end on December 31<sup>st</sup>. The content of the annual report shall be in the form prescribed by the County.

IX. DISSOLUTION

The District may be subject to dissolution in the event that the anticipated public improvement development within the District ceases and/or the District fails to provide any services and the District is deemed to be inactive as defined in §32-1-710, C.R.S., and if the District has no financial obligations. In such events the authorized purposes and powers of the District may be curtailed and expressly limited to taking actions reasonably necessary to dissolve and the board of the District will be deemed to have agreed with the County to dissolve if reasonable measures are not promptly taken to avoid dissolution.

X. CONCLUSION

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

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

(b) The existing service in the area to be served by the District is inadequate for present and projected needs;

(c) The District is capable of providing economical and sufficient service to the area within its proposed boundaries,



(d) The areas included and to be included in the District have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

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

(f) The facility and service standards of the District are compatible with the facility and service standards of the County and other jurisdictions which are an interested party under Section 32-1-204(l), C.R.S.;

(g) The proposal is in substantial compliance with a comprehensive plan adopted pursuant to County requirements; and

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

Therefore, it is requested that the Board of County Commissioners of El Paso County, Colorado, which has jurisdiction to approve this Amended and Restated Service Plan by virtue of Section 32-1-207, C.R.S., et seq., as amended, adopt a resolution approving this Service Plan for Central Marksheffel Metropolitan District as submitted.

Respectfully submitted by

WHITE AND ASSOCIATES  
Professional Corporation



K. Sean Allen, Esq.

For the Central Marksheffel Metropolitan District