

SERVICE PLAN  
FOR  
HOMESTEAD METROPOLITAN DISTRICT

Town of Milliken, Colorado

Prepared By  
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Approved  
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## I. INTRODUCTION

**A. Overview.** This Service Plan ("Service Plan"), submitted in accordance with Part 2 of the Special District Act (§ 32-1-201, et seq., C.R.S.), sets forth a proposal for the formation of the Homestead Metropolitan District (the "District") which is intended to serve The Homestead at Ashton Subdivision (the "Development"). The Development is located entirely within the boundaries of the Town of Milliken, Colorado (the "Town"). The Homestead at Ashton will be developed by The Homestead at Ashton, Inc. (the "Developer") pursuant to such land and special use submittals approved by the Town.

The District will be formed to assist in the funding, integration and coordination of metropolitan district services and facilities within and without the boundaries of the District. Using funds provided by and through the District, it will construct, own and operate certain public services and facilities within the Development.

The District will authorize bonded and other indebtedness that will finance a portion of the infrastructure necessary to develop the property. (See the discussion below in Section VI, Financial Plan, concerning the District's limited debt issuance ability.)

**B. Service Area, Configuration and Boundaries.** The service area of the District includes approximately 315 acres ("Service Area"). A boundary map and legal description of the Service Area is attached as **Exhibit A**. The District is generally located south of Weld County Road 52/49th Street, West of 65th Avenue and north of the Big Thompson River.

At build-out, it is anticipated that the District will contain approximately 187 single family residential units consisting of patio-style homes, low-density residential and agricultural estate residential homes. The Development will also include a small commercial parcel and an equestrian center. Projections and phasing for the Service Area are more particularly set forth in **Exhibit B**, the Financial Plan attached to this Service Plan.

The District is currently completely undeveloped, and the current population of the District is zero. To date the land has been assessed for agricultural uses. At build-out of the 187 units within the Service Area (projected to be completed by 2012), the expected assessed valuation is estimated at \$8,353,201.

**C. Existing Services and Districts.** There are currently no other entities in existence in the Development which have the ability to undertake the design, financing, construction, operation and maintenance of the improvements designated herein which are needed for the Development. It is also the Developer's understanding that the Town does not consider it feasible or practicable to provide the necessary services and facilities for the Development.

**D. General Financial Information and Assumptions.** For purposes of this Service Plan, the current assessed valuation of all taxable property within the boundaries of the District is assumed to be negligible.

The anticipated costs of improvements necessary to provide access to and appropriate services within the Service Area are estimated to total \$11,618,585 as detailed in **Exhibit C**. Costs are shown for each category of improvements. As referenced in **Exhibit B**, the improvements are currently anticipated to be constructed in 2007–2012. The District may obtain financing for the capital improvements needed for the development through the issuance of general obligation bonds or other debt instruments. General obligation debt will be payable from revenues derived from ad valorem property taxes, and from other sources. The preliminary financial forecasts for the District are contained in the Financial Plan. The Financial 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 financial plans may be employed and be utilized by the District as long as such alternative financial plans do not result in any material economic deviation or a change in the risk to property owners. However, pursuant to § 32-1-202(2)(b), C.R.S., the Board of Directors of the District shall notify Board of Trustees of any alteration or revision of the proposed schedule of debt issuance set forth in the Financial Plan. The figures contained herein depicting costs of infrastructure and operations will not constitute legal limits on the financial powers of the District; provided, however, the District shall not be permitted to issue bonds which are not in compliance with the bond registration and issuance requirements of Colorado law.

**E. Consultants.** 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 services, was obtained from the Developer. Construction cost estimates were assembled by the Developer. Legal advice in the preparation of this Service Plan was provided by Grimshaw and Haring, P.C., which represents numerous special districts. Financial recommendations and advice in the preparation of the Service Plan were provided by George K. Baum & Company.

Consultant Contact Information:

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## **II. DESCRIPTION OF PROPOSED METROPOLITAN DISTRICT SERVICES**

**A. Need for Metropolitan District.** The property contained within the boundaries of the District presently consists of undeveloped land devoid of public infrastructure and services. It is anticipated that such property will see development and construction activity in the near future pursuant to the development standards set forth in The Homestead at Ashton P.U.D.

**B. General Service Authority.** The District will have the power and authority to provide the services listed below. The specific improvements identified by the District as capital construction items will depend on the financial ability of the District, but any one or a number of the improvements described below may be constructed by the District, either within or without the District in accordance with state law. It is intended, in any event, that the District will operate and maintain all facilities not dedicated to or owned by the Town or other appropriate jurisdiction or governmental entity.

1. Sanitation Sewer and Storm Drainage. The design, acquisition, installation, construction, operation and maintenance of storm or sanitary sewers, or both, flood and surface drainage improvements including but not limited to water quality ponds and other storm water facilities, culverts, dams, retaining walls, access ways, inlets, detention ponds and paving, roadside swales and curb and gutter, 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. The intent is that any sanitary sewer and storm drainage infrastructure installed or constructed by the District will be dedicated to the Town or other appropriate entity for ownership and maintenance.

2. Water. The design, acquisition, installation, construction, operation and maintenance of a complete potable water and irrigation water system including but not limited to water rights, water supply, water quality, treatment, storage, transmission and distribution systems for domestic and other public or private purposes, together with all necessary and proper reservoirs, treatment works and 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 facilities, land and easements, together with extensions of and improvements to said systems. The intent is that any water infrastructure installed or constructed by the District will be

dedicated to the Town or other appropriate entity for ownership and maintenance. The District will maintain authority to operate and maintain a potable or non-potable irrigation system.

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

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 and easements, and all necessary extensions of and improvements to said facilities. The District will dedicate all traffic and safety protection facilities to the Town or other appropriate entity for ownership and maintenance.

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, equestrian and hiking trails, pedestrian trails, pedestrian bridges, picnic areas, equestrian centers and facilities, 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. The District shall own and maintain park and recreation facilities and open space improvements. Currently, it is not expected that the Town will assume any of these duties or obligations.

6. Television Relay and Translation. The acquisition, construction, completion, installation and/or operation and maintenance of television relay and translator facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities and systems within and without the boundaries of the District.

7. Mosquito Control. The design, acquisition, installation, construction, operation and maintenance of systems and methods for the elimination and control of mosquitoes within and without the boundaries of the District.

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.

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

a) To propose amendments to this Service Plan as needed, subject to Section 32-1-207, C.R.S.; and

b) To forego, reschedule, or restructure the financing and construction of certain improvements and facilities, in order to better accommodate the pace of growth, resource availability, 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 have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted to the District in this Service Plan.

### **III. DESCRIPTION OF FACILITIES AND IMPROVEMENTS**

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

**Exhibit D** shows the conceptual layouts of the public facilities and improvements described in this Service Plan. 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 are conceptual in nature only, and that modifications to the type, configuration, and location of improvements will be necessary as development proceeds. The public facilities and improvements described in this Service Plan will be designed in conformance with applicable criteria and standards of the Town or other entity having jurisdiction.

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 Town, 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. Such improvements may be required in part by development agreements affecting the Development, and in order to provide initial water, sewer and roadway systems to support property owners and residents as they purchase property within the District's boundaries. Funding for these initial improvements is expected to occur through advances made by the Developer or through credit enhanced financings. Estimated costs of the facilities are included as **Exhibit C** to this Service Plan.

**B. General Design Standards.** For consistency, improvements within the District will be designed and installed by the District in conformance with current applicable standards of the Town. Designs and contract documents prepared for improvements must be reviewed and approved by the District 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 Town, and rules and regulations adopted by the District. This system will be connected to the existing Town system by way of force mains and transmission lines. In addition to sanitary sewer systems and facilities, the District plans to install, operate and maintain 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 curb and gutter designed and installed in accordance with applicable regulatory standards and sound engineering judgment. The District will also improve the natural channels and drainage ways to prevent erosion and channel degradation. The District will, where necessary, dedicate drainage easements to the Town giving the Town the right to enter and maintain the storm drainage system to the extent such improvements are not maintained by the District.

All major storm drainage facilities will be designed to conform to the Water Quality Standards of the Town and the applicable standards of the Urban Drainage and Flood Control District, if any.

2. Water System.

a) Overall Plan. The water system will be comprised of a water distribution system consisting of water mains, fire hydrants, booster pumps, water well pumps, reservoirs, 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 the potable water facilities will be provided by the Town.

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 the Town and any other local governmental entities having jurisdiction over the District. The proposed water system shall also be constructed in compliance with any rules, regulations or standards established by the State. The Drinking Water Design Criteria of the Colorado Department of Health will be followed where applicable. The water system will also be designed based on applicable fire protection requirements.

3. 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 local streets to serve the flow of traffic within the District. All facilities will be designed and installed in accordance with applicable standards of the Town and any other local governmental entities having jurisdiction over the District, and sound engineering judgment.

b) Streets. All street and roadway improvements will be designed and installed to conform to the Town's applicable standards and specifications and the rules and regulations adopted by the District. In the event that interior streets are not accepted by the Town, the District shall retain responsibility for operation and maintenance of such streets it funds and/or constructs.

Traffic controls and signage conforming to the then-current Town standards and specifications shall be provided along streets to aid the flow of traffic within the Development. To the extent that street lights are not installed by the Developer or others, they may be installed by the District along collector roadways. Lighting of local roadways shall be the responsibility of the individual developers of the residential parcels, if required by the Town.

c) Landscaping. The District may install and if it does shall maintain landscaping along the internal streets and entry features at major entrances in accordance with Town criteria. Additional features may be installed and maintained by the developers.

d) Signals and Signage. Signals and signage may be installed by the District or the developer as required by Town criteria. Upon installation, and acceptance by the Town, the signals and signage within the Town rights of way shall be owned and maintained by the Town.

4. Park and Recreation. Any park and recreational facilities and/or services that the District determines to undertake will be constructed in accordance with plans and specifications approved by the Town. 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 Town's standards or the standards of other local public entities having jurisdiction. The District shall retain responsibility for operation and maintenance of facilities and improvements they fund

and/or construct unless otherwise approved at the time of final platting by the Town. It is not expected that the Town will assume any of these duties or obligations.

**C. Estimated Cost of Facilities.** The estimated cost of the facilities to be constructed, installed and/or acquired by the District for purposes of serving the Development are set forth in **Exhibit C**. The figures provided are in 2006 dollars and represent a preliminary estimate of the actual capital costs associated with the planned improvements and facilities. Actual costs, as well as the timing and sequence of construction, may vary from the stated amounts and phasings to reflect fluctuations in general price levels, the pace and scope of improvements within the District, and other contingencies.

#### **IV. PROPOSED AND EXISTING AGREEMENTS**

**A. Town Agreement.** As a condition of approval of this Service Plan the District, within 90 days of organization, shall execute an agreement with the Town to implement the provisions of this Service Plan in form attached as **Exhibit E**.

**B. Other Agreements/Authority.** All such agreements must be for facilities, services and agreements lawfully 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. To the extent practicable, the District may enter into additional intergovernmental and private agreements to better ensure long-term provision of the improvements and services and effective management. Agreements may also be executed with property owner associations and other service providers.

#### **V. FINANCIAL PLAN**

The maximum voted interest rate on bonds is expected to be 15%. The proposed maximum underwriting discount will be 5%. It is estimated that the general obligation bonds, when issued, will mature as permitted by State statute. The estimated costs of the organization and initial operation of the District through December 31, 2006 including legal, engineering, administrative and financial services, are expected to be approximately \$150,000. Organizational costs may be reimbursed to the Developer by the District out of its initial revenue sources including bond proceeds.

**Exhibit C** contains cost estimates for key proposed improvements and the projected capital costs of such improvements. Notwithstanding the cost estimate allocations set forth on **Exhibit C**, the District shall be permitted to reallocate costs between categories of improvements as it deems necessary in its discretion. The combined total estimated cost of improvements which the District may construct to serve the Service Area total approximately \$11,618,585, inclusive of contingencies. These amounts may be adjusted upwards as the needs of the Development evolve, however the District will only finance those costs that can be funded taking into account the Mill Levy Cap (defined below). 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 those of the Town and of other local governmental entities 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, Town requirements, and construction scheduling may require.

It is currently anticipated that the District will issue either general obligation and/or revenue bonds in amounts sufficient to permit the District to construct a portion of the needed facilities. The total debt that the District shall be permitted to issue shall not exceed \$15,000,000 and shall be permitted to be issued on a schedule and in such year or years as the District determines shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. General obligation debt will be supported by ad valorem mill levies and other available revenues of the District. The Financial Plan for the District shows construction beginning in 2007 and ending in build out at 2012, which demonstrates how the proposed services and facilities may be financed and operated by the District, and identifies the proposed debt issuance schedule of the District.

The Financial Plan contemplates both traditional bond financings and developer advances for that portion which cannot be funded initially from bond proceeds. The latter will be reimbursed if and when the District is financially able to do so.

As used herein, the capitalized term "Debt" shall mean any bonds, notes, or other evidences of a borrowing for the payment of which the District has promised or is obligated to impose an ad valorem property tax.

For the portion of any aggregate District's debt which exceeds 50% of the District's assessed valuation, the Mill Levy Cap for such portion of debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy debt described below; provided that if, on or after January 1, 2006, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board of Directors of the District in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2006, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

For the portion of any aggregate District Debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Mill Levy Cap and, as a result, the mill levy may be such amount as is necessary to pay the debt service on such Debt, without limitation of rate.

For purposes of the foregoing, once Debt has been determined to be within the parameters described above, so that the District is entitled to pledge to its payment an

unlimited ad valorem mill levy, the District may provide that such debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the District's debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of State law.

The District shall not impose a Debt service mill levy which exceeds 40 years after the year of the initial imposition of such Debt service mill (the "Maximum Debt Mill Levy Imposition Term") nor issue obligations which would require for their payment a Debt service mill levy which exceeds such 40 year period, except upon the prior written notice to the Town pursuant to §32-1-207(3)(b), C.R.S. The District shall not issue any Debt until such time as a final plat or other comparable land use approval(s) established by the Town for identifying, among other things, the public facilities and improvements necessary for facilitating the development of property within all or any portion of the Service Area has been approved by the Town.

The Financial Plan demonstrates one method that might be used by the District to finance the cost of infrastructure, and references an estimated mill levy of forty (40) mills dedicated to payment of the general obligation Debt and a declining mill levy (from 10 to 3) dedicated to payment of operations and maintenance. Due to the support expected to be received from the Developer, the Financial 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 Financial Plan. In addition to revenues from the District's mill levy, the District anticipates revenue from specific ownership taxes, investment income, user fees, and a system development fee to be assessed against each residential unit, and other sources, as further set forth and projected in the Financial Plan.

**A. Other Financial Information.** The balance of the information contained in the Financial Plan 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 also 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. The Financial Plan assumes various sources of revenue, including ad valorem property taxes, specific ownership taxes, a system development fee, and user charges, together with investment income on retained amounts. Fees and charges may also be established for landscape maintenance and recreation improvements and/or Other improvements not owned and operated by the Town.

The Financial Plan does not project any significant accumulation of fund balances which might represent receipt of revenues in excess of expenditures under TABOR. 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 an election which satisfies 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.

**B. Elections.** The District will call an election on the questions of organizing the District, electing the initial board of directors and setting in place the proposed financial structure as required by TABOR. This election will be conducted as provided in the Uniform Election Code of 1992, the Municipal Election Code and TABOR.

**C. Operations.** The District will require operating funds to plan and cause the public improvements to be constructed. Additional costs to the capital costs indicated herein are expected to include: the operation and maintenance of improvements by the District from the time of their construction to the time of their acceptance by the Town or others; operation and maintenance of improvements, if any, which the Town or others do not accept; and expenses related to operation of the District, such as reimbursement of legal, engineering, accounting and administrative services, preparation of budgets, audits, map filings, elections, informational filings, and the like. The first year's operating budget is estimated to be \$19,000. Future operational revenues would be raised by Developer advances, user fees, and an operations and maintenance mill levy. The Developer will fund operating expenses to the extent necessary. As the District is able, it may reimburse the Developer in subsequent years. The proposed operating revenue derived from property taxes for the first budget year of the District is \$0. If necessary, however, the District may supplement these revenues with additional other revenue sources as allowed by law, such as homeowner association fees.

The Financial Plan projects ongoing operations funding requirements will be approximately \$30,000 funded by an operations mill levy ("Operations Mill Levy"). The Operations Mill Levy shall not exceed 10 mills ("Operations Cap") as adjusted to account for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement so that to the extent possible, the actual tax revenues generated by the Operations Mill Levy, as adjusted after January 1, 2006, are neither diminished or enhanced as a result of such changes. If the District's Board determines that the operations of the District require an Operations Mill Levy in excess of the Operations Cap in any single year, the Board shall submit notice to the Town Board of Trustees. If the Town does not object within 45 days after receipt of such notice, or if during such 45-day period the Town Board of Trustees gives written consent to the Operations Mill Levy in excess of the Operations Cap for the year specified in the notice, the District may proceed in certifying an Operations Mill Levy in excess of the Operations Cap for such year. Revenue generated by the Operations Mill Levy shall not be used to pay for services provided by the Town or other governmental entity within the Service Area, unless such services are provided pursuant to the terms of an intergovernmental agreement with the District and the governmental entity providing the services.

The Financial Plan does not project any significant accumulation of fund balances which might represent receipt of revenues in excess of expenditures under TABOR. 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 an election which satisfies TABOR requirements.

**D. Enterprises.** In the discretion of the Board of Directors of the District, using the procedures and criteria provided by TABOR and State law, the District may set up enterprises to manage, fund, and operate such facilities, services, and programs as may qualify for enterprise status. To the extent allowed by law, any enterprise created by the District will remain under the control of the Board of Directors of the District.

**E. Privately Placed Debt Limitation.** Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an independent financial consultant experienced in advising governmental entities on matters relating to the issuance of securities in Colorado, which independent financial consultant shall be an underwriter, investment banker or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place, and who shall not be an officer of the District ("External Financial Advisor"), substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the Districts' Service Plan.

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

For purposes of this Service plan, privately placed Debt shall mean Debt issued to the Developer or any entity or party related to the Developer, or to the successors or assigns of the Developer, or any Debt which is sold to or placed directly with an investor, without being underwritten by an underwriter or investment banker.

**F. No-Default Provisions.** Debt issued by District shall be structured so that failure to pay debt service when due on Debt secured by a limited mill levy shall not of itself constitute an event of default or result in the exercise of remedies. The foregoing shall not be construed to prohibit events of default and remedies for other occurrences including, without limitation, (1) failure to impose or collect the Mill Levy Cap or such portion thereof as may be pledged thereto, or to apply the same in accordance with the terms of the Debt, (2) failure to impose or collect other revenue sources lawfully pledged

to the payment thereof or to apply the same in accordance with the terms of the Debt, (3) failure to abide by other covenants made in connection with such Debt, or (4) filing by a District as a debtor under any bankruptcy or other applicable insolvency laws. Notwithstanding the foregoing, Debt will not be structured with a remedy which requires the District to increase the Mill Levy Cap in the District or the Maximum Debt Mill Levy Imposition Term.

**G. Disclosure To Purchasers.** The Districts will use reasonable efforts to assure that all developers of the property located within the Districts provide written notice to all purchasers of property in the Districts regarding the Mill Levy Cap, as well as a general description of the Districts' authority to impose and collect rates, fees, tolls and charges. The form of notice shall be reviewed and approved by the Town Administrator prior to the notice being recorded, as required below. Within 90 days of District formation, the District will record the approved disclosure form with the Weld County Clerk and Recorder against all property included in the District and provide a copy to the Town Clerk's Office.

## **VI. ANNUAL REPORT**

The Board of Trustees may request the District to file, not more than once a year, a special district annual report. The annual report shall be filed with the Board of Trustees no later than 120 days after the end of the District's fiscal year. The District's fiscal year shall end on December 31st. The content of the annual report shall comply with the requirements of Section 32-1-207(3)(c) and (d), C.R.S.

## **VII. DISCLOSURE**

The Developer and the District will take reasonable steps to ensure that the developers of the property located within the District provide adequate written notice at the time of closing to initial purchasers of land in the District regarding the existence of any additional taxes, charges, or assessments which may be imposed in connection with the District.

## **VIII. MATERIAL MODIFICATIONS**

Material modifications to this Service Plan may be made only in accordance with §32-1-207, C.R.S. All modifications to the written provisions of this Service Plan, whether deemed material or otherwise, must be approved by the Town prior to becoming effective, and the District shall not be permitted to unilaterally make such modifications. No modification shall be required for an action of the District which does not materially depart from the provisions of this Service Plan. Nothing herein is intended to modify or prevent the use of the provisions of §32-1-207(3)(b), C.R.S.

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 anticipated uses of the property within the District, the cost estimates and Financial Plan are sufficiently flexible to enable the District to

provide necessary services and facilities without the need to amend this Service Plan should the projected uses change. Modification of the 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 uses of the property.

## **IX. RESOLUTION OF APPROVAL**

The District agrees to incorporate the Town's Resolution of Approval, including any conditions on such approval, into the Service Plan presented to the Weld County District Court.

## **X. CONCLUSIONS**

It is submitted that this Service Plan for Homestead Metropolitan District has satisfied the required criteria of Section 32-1-202 and 32-1-203(2).

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

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

Therefore, it is requested that the Board of Trustees of Town of Milliken, Colorado, which has jurisdiction to approve this Service Plan by virtue of Section 32-1-204.5, et seq., C.R.S., as amended, adopt a resolution which approves this Service Plan for the Development as submitted.

## **XI. LIST OF EXHIBITS**

Exhibit A: Boundary Map and Legal Description of the Service Area of the District

Exhibit B: Financial Plan

Exhibit C: Construction Costs

Exhibit D: Maps Depicting Facilities

Exhibit E: Town Intergovernmental Agreement



**Exhibit A**

**Boundary Map and Legal Description of the Service Area of the District**

## LEGAL DESCRIPTION - HOMESTEAD METROPOLITAN DISTRICT

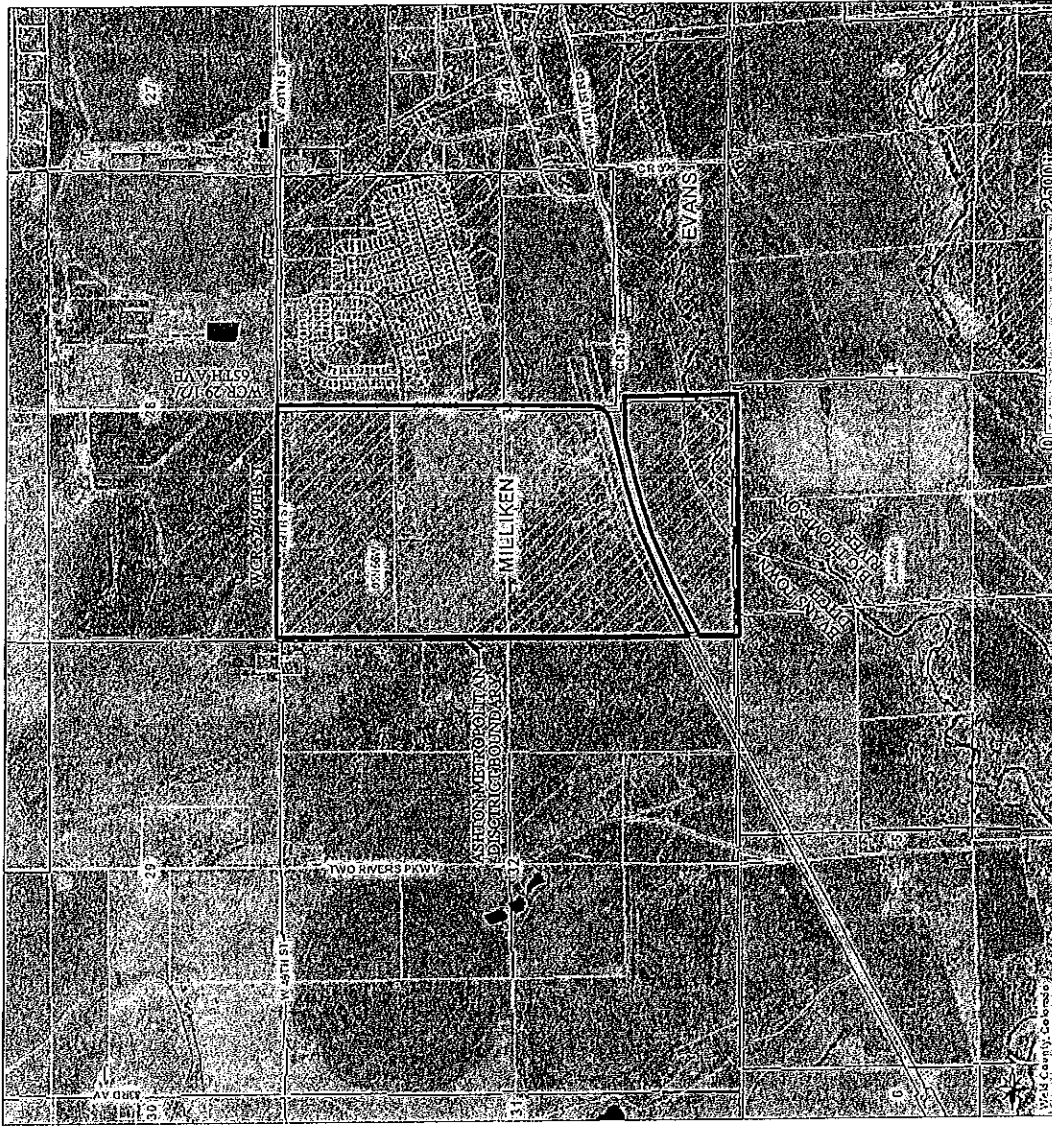
A parcel of land located in the West One-Half (W 1/2) of Section Thirty-Three (33), Township Five (5) North, Range Sixty-Six (66) West of the 6<sup>th</sup> Principal Meridian, Weld County, Colorado being more particularly described as:

Considering the west line of the North One-Half Northwest One-Quarter (N ½ NW ¼) of said Section Thirty-Three (33) to bear North 00°18'18" East, and all bearings contained herein being relative thereto:

Commencing at the Northwest (NW) Corner of said Section Thirty-Three (33); thence along the west line of the North One-Half Northwest One-Quarter (N ½ NW ¼) of said Section Thirty-Three (33), South 00°18'18" West, 30.00 feet to the Point of Beginning; thence along the west line of the North One-Half Northwest One-Quarter (N ½ NW ¼) of said Section Thirty-Three (33), South 00°18'18" West, 1271.98 feet to the North One-Sixteenth (N 1/16) Corner of said Section Thirty-Three (33) and Section Thirty-Two (32), Township Five (5) North, Range Sixty-Six (66) West; thence, South 00°33'02" West, 1306.39 feet to the West One-Quarter (W ¼) Corner of said Section Thirty-Three (33); thence, South 00°09'14" West, 2599.75 feet to the Southwest (SW) Corner of said Section Thirty-Three (33); thence, North 89°05'40" East, 2690.19 feet to the South One-Quarter (S 1/4) Corner of said Section Thirty-Three (33); thence, North 00°36'02" West, 2588.78 feet to the Center One-Quarter (C ¼) Corner of said Section Thirty-Three (33); thence, North 00°36'02" West, 1297.75 feet to the Center-North One-Sixteenth (C-N 1/16) Corner of said Section Thirty-Three (33); thence, North 00°36'52" East, 1255.03 feet to a point on the southerly rights-of-way line of Weld County Road 52; thence along the said southerly rights-of-way line of Weld County Road 52, South 89°52'31" West, 2636.28 feet to the Point of Beginning.

The surface estate only of the above-described parcel contains 314.54 acres, more or less, including rights-of-way and/or easements reserved for Weld County Road 378 and 396 along the southerly side of said parcel, 65<sup>th</sup> Avenue along the easterly side of said parcel and is subject to rights-of-way and/or easements of record or as may now exist.

# BOUNDARY MAP



MB.1  
SCALE: AS SHOWN  
DATE: APR 21, 2008

ASHTON METROPOLITAN DISTRICT  
BOUNDARY MAP  
ASSOC. AGRICULTURAL CONSULTANTS  
5520 N 10TH ST, STE 4, DRETFY, CO 80034

DATE	BY
APR 21, 2008	AS
DATE	BY
APR 21, 2008	AS
DATE	BY
APR 21, 2008	AS
DATE	BY
APR 21, 2008	AS

NO.	DATE	REVISION

**PRELIMINARY**  
NOT MEASURED  
FOR CONSTRUCTION  
PRINTED ON  
APR 21, 2008

CALL UTILITY AND LOCATION COORDINATES  
1-800-922-1987  
4000 WILSON

**PICKETT**  
ENGINEERING  
INCORPORATED  
CONSULTING ENGINEERS  
206 4TH ST, STE 111, DRETFY, CO 80034  
PHONE: 303.556.6800 FAX: 303.556.6801



**Exhibit B**  
**Financial Plan**

Homestead Metro Dist 6-7  
7-Aug-06  
3:20 PM

**Homestead Metropolitan District  
Town of Milliken, Colorado  
Limited Tax General Obligation Bonds**

**Plan A  
Fixed Rate @ 6.5%  
Schedule to 2036  
45 Mills  
\$4,875,000 Project Fund**

**Table of Schedules**

- 1 . Cover Page**
- 2 . Cashflow Schedule**
- 3 . Bulldout Schedule - Residential**
- 4 . Development Fee Schedule**
- 5 . Bulldout Schedule - Commercial**
- 6 . Schedule of Assessed Valuation**
- 7 . Bond Debt Service Schedule - Series 2006**
- 8 . Sources and Uses of Funds Statement**
- 9 . Capitalized Interest Schedule**

Homestead Metropolitan District  
Town of Milliken, Colorado  
Limited Tax General Obligation Bonds

cashflow  
Homestead Mtns Dist 67

Cashflow

Collection Year (11)	Projected Assessed Valuation (2)	Bond Fund Mill Levy (3)	For Debt Service			For Operating Expenses			Developer Contribution (10)	Revenue Available for Debt Service (11)	Operating Expenses (12)	Series 2006 Debt Service (13)	Series 2006 Capitalized Interest (14)	Total Net Debt Service (17)	Total Expenses (18)	Annual Surplus/Deficit (19)	Cumulative Fund Balance (20)
			Property Tax @ 98% (4)	Specific Ownership Tax 7% (5)	Operating Fund Mill Levy (6)	Property Tax @ 98% (7)	Specific Ownership Tax 7% (8)	Development Fees (9)									
2006	0	45.000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2007	0	45.000	0	0	337,500	337,500	19,000	19,000	356,500	19,000	375,700	375,700	0	19,000	337,500	337,500	
2008	0	45.000	0	0	337,500	337,500	19,000	19,000	356,500	19,000	375,700	375,700	0	19,000	337,500	675,000	
2009	1,910,400	35.002	66,199	4,634	9,998	19,100	1,337	428,780	428,780	19,100	375,700	375,700	0	375,700	33,980	708,980	
2010	4,168,112	37.802	155,889	10,919	7,198	30,000	2,100	544,016	544,016	30,000	640,700	640,700	0	640,700	(126,684)	582,296	
2011	6,135,824	40.111	243,651	17,046	4,869	30,000	2,100	337,811	337,811	30,000	633,475	633,475	0	633,475	(325,664)	256,633	
2012	8,353,201	41.409	342,435	23,970	3,891	30,000	2,100	398,509	398,509	30,000	420,600	420,600	0	420,600	(52,081)	204,542	
2013	6,500,780	41.471	349,010	24,431	3,529	30,000	2,100	405,544	405,544	30,000	405,400	405,400	0	405,400	(29,856)	174,686	
2014	8,755,803	41.574	360,371	25,226	3,426	30,000	2,100	417,700	417,700	30,000	380,850	380,850	0	380,850	6,850	181,536	
2015	8,755,803	41.574	360,371	25,226	3,426	30,000	2,100	417,700	417,700	30,000	382,600	382,600	0	382,600	5,100	186,636	
2016	9,018,477	41.673	372,073	26,046	3,327	30,000	2,100	430,222	430,222	30,000	389,025	389,025	0	389,025	11,197	197,833	
2017	9,018,477	41.673	372,073	26,046	3,327	30,000	2,100	430,222	430,222	30,000	394,800	394,800	0	394,800	5,432	203,265	
2018	9,289,031	41.770	384,126	26,889	3,230	30,000	2,100	443,118	443,118	30,000	404,925	404,925	0	404,925	8,193	211,448	
2019	9,289,031	41.770	384,126	26,889	3,230	30,000	2,100	443,118	443,118	30,000	404,075	404,075	0	404,075	9,043	220,491	
2020	9,557,702	41.864	395,541	27,758	3,136	30,000	2,100	456,402	456,402	30,000	417,900	417,900	0	417,900	8,502	228,994	
2021	9,557,702	41.864	395,541	27,758	3,136	30,000	2,100	456,402	456,402	30,000	415,425	415,425	0	415,425	10,977	239,971	
2022	9,854,733	41.956	409,828	28,653	3,044	30,000	2,100	470,084	470,084	30,000	432,625	432,625	0	432,625	7,459	247,430	
2023	9,854,733	41.956	409,828	28,653	3,044	30,000	2,100	470,084	470,084	30,000	433,200	433,200	0	433,200	6,884	254,315	
2024	10,150,375	42.044	422,489	29,575	2,956	30,000	2,100	484,177	484,177	30,000	446,125	446,125	0	446,125	6,052	260,367	
2025	10,150,375	42.044	422,489	29,575	2,956	30,000	2,100	484,177	484,177	30,000	446,425	446,425	0	446,425	7,752	268,119	
2026	10,454,887	42.131	436,065	30,525	2,869	30,000	2,100	498,653	498,653	30,000	459,075	459,075	0	459,075	9,618	277,736	
2027	10,454,887	42.131	436,065	30,525	2,869	30,000	2,100	498,653	498,653	30,000	460,100	460,100	0	460,100	8,593	286,329	
2028	10,768,533	42.214	450,038	31,503	2,786	30,000	2,100	513,644	513,644	30,000	475,150	475,150	0	475,150	8,494	294,823	
2029	10,768,533	42.214	450,038	31,503	2,786	30,000	2,100	513,644	513,644	30,000	478,250	478,250	0	478,250	5,394	300,216	
2030	11,091,589	42.295	464,430	32,510	2,705	30,000	2,100	528,043	528,043	30,000	485,050	485,050	0	485,050	13,993	314,209	
2031	11,091,589	42.295	464,430	32,510	2,705	30,000	2,100	528,043	528,043	30,000	485,225	485,225	0	485,225	13,818	328,028	
2032	11,424,337	42.374	479,254	33,548	2,626	30,000	2,100	544,905	544,905	30,000	504,100	504,100	0	504,100	10,805	338,832	
2033	11,424,337	42.374	479,254	33,548	2,626	30,000	2,100	544,905	544,905	30,000	505,375	505,375	0	505,375	9,630	348,462	
2034	11,767,057	42.451	494,523	34,617	2,549	30,000	2,100	561,242	561,242	30,000	515,025	515,025	0	515,025	18,217	364,679	
2035	11,767,057	42.451	494,523	34,617	2,549	30,000	2,100	561,242	561,242	30,000	517,400	517,400	0	517,400	13,842	378,421	
2036	12,120,079	42.525	510,250	35,717	2,475	30,000	2,100	578,069	578,069	30,000	537,825	537,825	0	537,825	10,244	388,665	
11,006,034																	
770,422																	
829,100																	
14,104,190																	
13,595,825																	
12,848,425																	
388,665																	

**Homestead Metropolitan District**  
**Town of Miliken, Colorado**  
**Limited Tax General Obligation Bonds**

**Residential - Expected Buildout Schedule**

Completion Year	Tax Collection Year	Patio Homes			\$500,000 Custom Homes			\$800,000 Equestrian Homes			Market Value	Assessed Value @ 7.96%
		Units Built	Unit Price	Market Value	Units Built	Unit Price	Market Value	Units Built	Unit Price	Market Value		
1	2006	0		0	0		0		0		0	0
2	2007	15	300,000	4,500,000	15	500,000	7,500,000	15	800,000	12,000,000	24,000,000	1,910,400
3	2008	15	300,000	4,500,000	15	500,000	7,500,000	15	800,000	12,000,000	24,000,000	1,910,400
4	2009	15	309,000	4,635,000	15	515,000	7,725,000	15	824,000	12,360,000	24,720,000	1,967,712
5	2010	15	309,000	4,635,000	15	515,000	7,725,000	15	824,000	13,184,000	25,544,000	2,033,302
6	2011	6	309,000	1,854,000			0			0	1,854,000	147,578
		66		20,124,000	60		30,450,000	61		49,544,000	100,118,000	7,969,393



Homestead Metropolitan District  
 Town of Milliken, Colorado  
 Limited Tax General Obligation Bonds  
 Series 2006

**Schedule of Development Fees**

Year	Total Units Completed		Development Fee		Total Units Completed		Development Fee		Total Development Fees
	Completed		\$7,500		Completed		\$7,500		
2006	0	0	0	0	0	0	0	0	0
2007	15	15	112,500	112,500	15	15	112,500	112,500	337,500
2008	15	15	112,500	112,500	15	15	112,500	112,500	337,500
2009	15	15	112,500	112,500	15	15	112,500	112,500	337,500
2010	15	15	112,500	112,500	15	15	112,500	120,000	345,000
2011	6	6	45,000	45,000	0	0	0	0	45,000
	66	66	495,000	495,000	60	61	450,000	457,500	1,402,500

Hornstead Metropolitan District  
 Town of Milliken, Colorado  
 Limited Tax General Obligation Bonds  
 Series 2006

Commercial - Expected Buildout Schedule

Completion Year	Tax Collection Year	Commercial Property			Commercial Property		Market Value	Assessed Value @ 29.00%
		Acres	Unit Price	Market Value	Units Built	Unit Price		
1	2006	0	0	0	0	0	0	
2	2007	6	0	0	0	0	0	
3	2008	0	0	0	1	1,000,000	290,000	
		6		0	1	1,000,000	290,000	

Homestead Metro Dist 8-7  
 cumay  
 8/7/2006 16:20

**Homestead Metropolitan District  
 Town of Milliken, Colorado  
 Limited Tax General Obligation Bonds**

**Schedule of Projected Assessed Valuation**

Year	Residential Assessed Value Added (Collection Yr.)	Commercial Assessed Value Added (Collection Yr.)	Total Assessed Value Added (Collection Yr.)	Market Re-valuation Rate	Re-valuation Value	Total Assessed Valuation
				3% bi-annually		
0	2006	0	0		0	0
1	2007	0	0		0	0
2	2008	0	0	3%	0	0
3	2009	1,910,400	0		0	1,910,400
4	2010	1,910,400	290,000	3%	57,312	4,168,112
5	2011	1,967,712	0		0	6,135,824
6	2012	2,033,302	0	3%	184,075	8,353,201
7	2013	147,578	0		0	8,500,780
8	2014	0	0	3%	255,023	8,755,803
9	2015	0	0		0	8,755,803
10	2016	0	0	3%	262,674	9,018,477
11	2017	0	0		0	9,018,477
12	2018	0	0	3%	270,554	9,289,031
13	2019	0	0		0	9,289,031
14	2020	0	0	3%	278,671	9,567,702
15	2021	0	0		0	9,567,702
16	2022	0	0	3%	287,031	9,854,733
17	2023	0	0		0	9,854,733
18	2024	0	0	3%	295,642	10,150,375
19	2025	0	0		0	10,150,375
20	2026	0	0	3%	304,511	10,454,887
21	2027	0	0		0	10,454,887
22	2028	0	0	3%	313,647	10,768,533
23	2029	0	0		0	10,768,533
24	2030	0	0	3%	323,056	11,091,589
25	2031	0	0		0	11,091,589
26	2032	0	0	3%	332,748	11,424,337
27	2033	0	0		0	11,424,337
28	2034	0	0	3%	342,730	11,767,067
29	2035	0	0		0	11,767,067
30	2036	0	0	3%	353,012	12,120,079
		<b>7,969,393</b>	<b>290,000</b>			<b>8,259,393</b>

46,780,000  
 Homestead Metropolitan District  
 Town of Milliken, Colorado  
 Limited Tax General Obligation Bonds  
 Series 2006

**Debt Service Schedule**

Date	Principal	Rate	Interest	P & I	Annual P & I	Capitalized Interest	Annual Payment
08/01/07			187,850.00	187,850.00		(187,850.00)	
12/01/07	0	6.500	187,850.00	187,850.00	376,700.00	(187,850.00)	0.00
06/01/08			187,850.00	187,850.00		(187,850.00)	
12/01/08	0	6.500	187,850.00	187,850.00	376,700.00	(187,850.00)	0.00
06/01/09			187,850.00	187,850.00		0.00	
12/01/09	0	6.500	187,850.00	187,850.00	376,700.00	0.00	376,700.00
06/01/10			187,850.00	187,850.00		0.00	
12/01/10	285,000	6.500	187,850.00	462,850.00	640,700.00	0.00	640,700.00
06/01/11			179,237.50	179,237.50			
12/01/11	276,000	6.500	179,237.50	454,237.50	633,475.00		633,475.00
06/01/12			170,300.00	170,300.00			
12/01/12	80,000	6.500	170,300.00	260,300.00	420,600.00		420,600.00
06/01/13			167,700.00	167,700.00			
12/01/13	70,000	6.500	167,700.00	237,700.00	406,400.00		406,400.00
06/01/14			166,426.00	166,426.00			
12/01/14	60,000	6.500	166,426.00	216,426.00	380,850.00		380,850.00
06/01/15			163,800.00	163,800.00			
12/01/15	55,000	6.500	163,800.00	218,800.00	382,600.00		382,600.00
06/01/16			162,012.50	162,012.50			
12/01/16	66,000	6.500	162,012.50	227,012.50	389,025.00		389,025.00
06/01/17			159,900.00	159,900.00			
12/01/17	76,000	6.500	159,900.00	234,900.00	394,800.00		394,800.00
06/01/18			157,462.50	157,462.50			
12/01/18	90,000	6.500	157,462.50	247,462.50	404,925.00		404,925.00
06/01/19			154,537.50	154,537.50			
12/01/19	95,000	6.500	154,537.50	249,537.50	404,075.00		404,075.00
06/01/20			151,460.00	151,460.00			
12/01/20	115,000	6.500	151,460.00	266,460.00	417,800.00		417,800.00
06/01/21			147,712.50	147,712.50			
12/01/21	120,000	6.500	147,712.50	267,712.50	416,425.00		416,425.00
06/01/22			143,812.50	143,812.50			
12/01/22	145,000	6.500	143,812.50	288,812.50	432,625.00		432,625.00
06/01/23			139,100.00	139,100.00			
12/01/23	166,000	6.500	139,100.00	284,100.00	433,200.00		433,200.00
06/01/24			134,062.50	134,062.50			
12/01/24	180,000	6.500	134,062.50	314,062.50	448,125.00		448,125.00
06/01/25			128,212.50	128,212.50			
12/01/25	190,000	6.500	128,212.50	318,212.50	446,425.00		446,425.00
06/01/26			122,037.50	122,037.50			
12/01/26	216,000	6.500	122,037.50	337,037.50	469,075.00		469,075.00
06/01/27			116,060.00	116,060.00			
12/01/27	230,000	6.500	116,060.00	346,060.00	460,100.00		460,100.00
06/01/28			107,576.00	107,576.00			
12/01/28	260,000	6.500	107,576.00	387,876.00	476,160.00		476,160.00
06/01/29			99,126.00	99,126.00			
12/01/29	280,000	6.500	99,126.00	379,126.00	478,260.00		478,260.00
06/01/30			90,026.00	90,026.00			
12/01/30	306,000	6.500	90,026.00	386,026.00	486,060.00		486,060.00
06/01/31			80,112.50	80,112.50			
12/01/31	326,000	6.500	80,112.50	406,112.50	486,226.00		486,226.00
06/01/32			69,660.00	69,660.00			
12/01/32	386,000	6.500	69,660.00	434,660.00	504,100.00		504,100.00
06/01/33			67,687.50	67,687.50			
12/01/33	390,000	6.500	67,687.50	447,687.50	506,376.00		506,376.00
06/01/34			46,012.50	46,012.50			
12/01/34	426,000	6.500	46,012.50	470,012.50	516,026.00		516,026.00
06/01/35			31,200.00	31,200.00			
12/01/35	456,000	6.500	31,200.00	488,200.00	517,400.00		517,400.00
06/01/36			16,412.50	16,412.50			
12/01/36	606,000	6.500	16,412.50	621,412.50	637,826.00		637,826.00
	6,780,000		7,919,826.00	13,699,826.00	13,699,826.00	(761,400.00)	12,848,426.00

Dated	12/01/06	Average Coupon	6.500000
		NIC	6.596099
Settlement	12/01/06	TIC	6.680144
		Arbitrage Yield	6.600000
		All In Yield	6.818888
		Bond Years	120,306.00
		Average Life	20.81
		Accrued Interest	0.00

**Homestead Metropolitan District  
Town of Milliken, Colorado  
Limited Tax General Obligation Bonds  
Series 2006**

**Sources and Uses of Funds**

<b>Sources</b>	<b>Total</b>
Principal Amount of Bond Issue	5,780,000.00
	<hr/>
	<u>5,780,000.00</u>

<b>Uses</b>	<b>Total</b>
Project Fund	4,875,000.00
Bond Discount                      \$20.00 /\$1,000	115,600.00
Capitalized Interest Fund	713,500.00
Cost of Issuance	75,000.00
Contingency	900.00
	<hr/>
	<u>5,780,000.00</u>

capint

7-Aug-06

3:20 PM

**Homestead Metropolitan District  
Town of Milliken, Colorado  
Limited Tax General Obligation Bonds  
Series 2006**

**Capitalized Interest Schedule**

<b>periods</b>	<b>Date</b>	<b>Days</b>	<b>Interest @ 4.2500%</b>	<b>Interest Draws</b>	<b>Fund Balance</b>
	12/01/06	Initial deposit			713,500
1	06/01/07	182	15,120	(187,850)	540,770
2	12/01/07	183	11,523	(187,850)	364,443
3	06/01/08	183	7,766	(187,850)	184,359
4	12/01/08	183	3,928	(187,850)	437
			<b>38,337</b>	<b>(751,400)</b>	

**Exhibit C**  
**Construction Costs**

Homestead Metropolitan District Preliminary Quantity Take-Offs

LOTS 187

Strip Topsoil and Major Cuts/Fills  
Includes subgrade prep, 4" asphalt & 6" aggregate  
Includes prep, excludes crosspans and handicap ramps  
Includes prep, excludes crosspans and handicap ramps

No.	Item	Qty.	Unit	Unit Price	Cost
1	Mobilization & Demobilization	1	Lump Sum	\$ 5,000.00	\$ 5,000.00
2	Rough Grading	230,000	CY	\$ 1.50	\$ 345,000.00
3	Roadway	58,180	SY	\$ 30.00	\$ 1,744,800.00
4	8" Gutter	1,350	LF	\$ 35.00	\$ 47,250.00
5	4" Crusher fines trail	21,750	LF	\$ 10.00	\$ 217,500.00
6	Cross Pans/Crosspans	260	SY	\$ 50.00	\$ 14,000.00
7	Concrete collar	43,500	LF	\$ 10.00	\$ 435,000.00
8	Vegetated Swales	21,750	LF	\$ 1.50	\$ 32,625.00
9	Dry utility sleeving	50	EA	\$ 150.00	\$ 7,500.00
10	Pedestrian Road Underpass	1	Lump Sum	\$ 200,000.00	\$ 200,000.00
<b>SANITARY SEWER</b>					
11	8" SDR 35 SANITARY SEWER	21,750	LF	\$ 39.35	\$ 855,900.00
11A	8" SDR 35 PVC Sewer Main	21,750	LF	\$ 22.00	\$ 478,500.00
11B	Manholes (average 1 per 300 LF)	73	EA	\$ 2,500.00	\$ 181,250.00
11C	4" Residential Service	187	EA	\$ 700.00	\$ 130,900.00
11D	Testing	21,750	LF	\$ 3.00	\$ 65,250.00
12	Underdrain system	1	Lump Sum	\$ 50,000.00	\$ 50,000.00
<b>WATER/NOTABLE DISTRIBUTION</b>					
13	8" PVC C900 Water Main	21,750	LF	\$ 54.34	\$ 1,181,954.50
13A	8" C900 Water Main	21,750	LF	\$ 22.00	\$ 478,500.00
13B	Bands (1 per 300 LF)	68	EA	\$ 330.00	\$ 21,750.00
13C	Valves (1 per 294 LF)	74	EA	\$ 1,060.00	\$ 73,979.55
13D	Tees	16	EA	\$ 350.00	\$ 5,600.00
13E	Connectors (1 per 1400 LF)	16	EA	\$ 3,500.00	\$ 54,375.00
13F	3/4" Residential Service	187	EA	\$ 2,000.00	\$ 374,000.00
13G	Fire Hydrants (1 per 400 LF)	40	EA	\$ 3,800.00	\$ 152,000.00
13H	Testing	21,750	LF	\$ 1.00	\$ 21,750.00
14	Nonpotable Main	21,750	LF	\$ 17.76	\$ 386,250.00
14A	Nonpotable Main	21,750	Lump Sum	\$ 15.00	\$ 326,250.00
14B	3/4" Irrigation Services	200	EA	\$ 300.00	\$ 60,000.00
14C	Prepackaged Irrigation pump station	2	Lump Sum	\$ 100,000.00	\$ 200,000.00
15	15" SDR 35	2600	LF	\$ 20.00	\$ 52,000.00
<b>STORM SEWER</b>					
16	24" Class III RCP w/ profile	1500	LF	\$ 55.00	\$ 82,500.00
17	Storm Structures	14	Lump Sum	\$ 5,000.00	\$ 70,000.00
18	Steel Arch culvert	1	Lump Sum	\$ 60,000.00	\$ 60,000.00
<b>TRAFFIC &amp; SAFETY</b>					
19	Stop Sign	16	EA	\$ 330.00	\$ 5,280.00
20	Speed Limit Sign	32	EA	\$ 265.00	\$ 9,120.00
21	Remove/Disperse Existing Gas line	1600	LF	\$ 10.00	\$ 16,000.00
22	Site Cleanup and Punch List	1	Per Lot	\$ 32,725.00	\$ 32,725.00
23	Monuments and signage	1	Lump Sum	\$ 250,000.00	\$ 250,000.00
24	Streetlights	21	EA	\$ 2,000.00	\$ 42,000.00
25	Erosion Control	1	Lump Sum	\$ 180,000.00	\$ 180,000.00
<b>LANDSCAPING/PARKS &amp; RECREATION</b>					
26	Landscaping	1	Lump Sum	\$ 500,000.00	\$ 500,000.00
27	Stream and Pond Liner	1150	SY	\$ 15.00	\$ 17,250.00
<b>OFFSITE IMPROVEMENTS</b>					
28	Offsite Water	1	Lump Sum	\$ 952,000.00	\$ 952,000.00
29	Offsite Sewer	1	Lump Sum	\$ 2,000,000.00	\$ 2,000,000.00
				Total	\$ 9,991,654.55
				Total	\$ 11,618,565.51
				w/ 20% Contingency	

Total for all sewer  
Breakdown of Sewer Items  
Breakdown of Sewer Items  
Breakdown of Sewer Items  
Breakdown of Sewer Items

Total for all Water  
Breakdown of Water Items  
Breakdown of Water Items  
Breakdown of Water Items  
Breakdown of Water Items  
Breakdown of Water Items  
Breakdown of Water Items

The following items are excluded: Dry Utilities



**Exhibit D**  
**Maps Depicting Facilities**

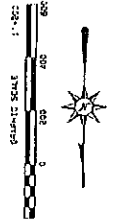
**PKETT ENGINEERING INCORPORATED**  
 CONSULTING ENGINEERS  
 1-800-922-1987  
 CALIFORNIA LICENSE NO. 15124  
 1000 WEST STREET, SUITE 200, ANAHEIM, CA 92805

**ASSOC. AGRICULTURAL CONSULTANTS**  
 ROADWAY NETWORK  
 STORM SEWER  
 ASHTON METROPOLITAN DISTRICT  
 5628 N. 19TH ST., SUITE 4, GREELEY, CO 80634

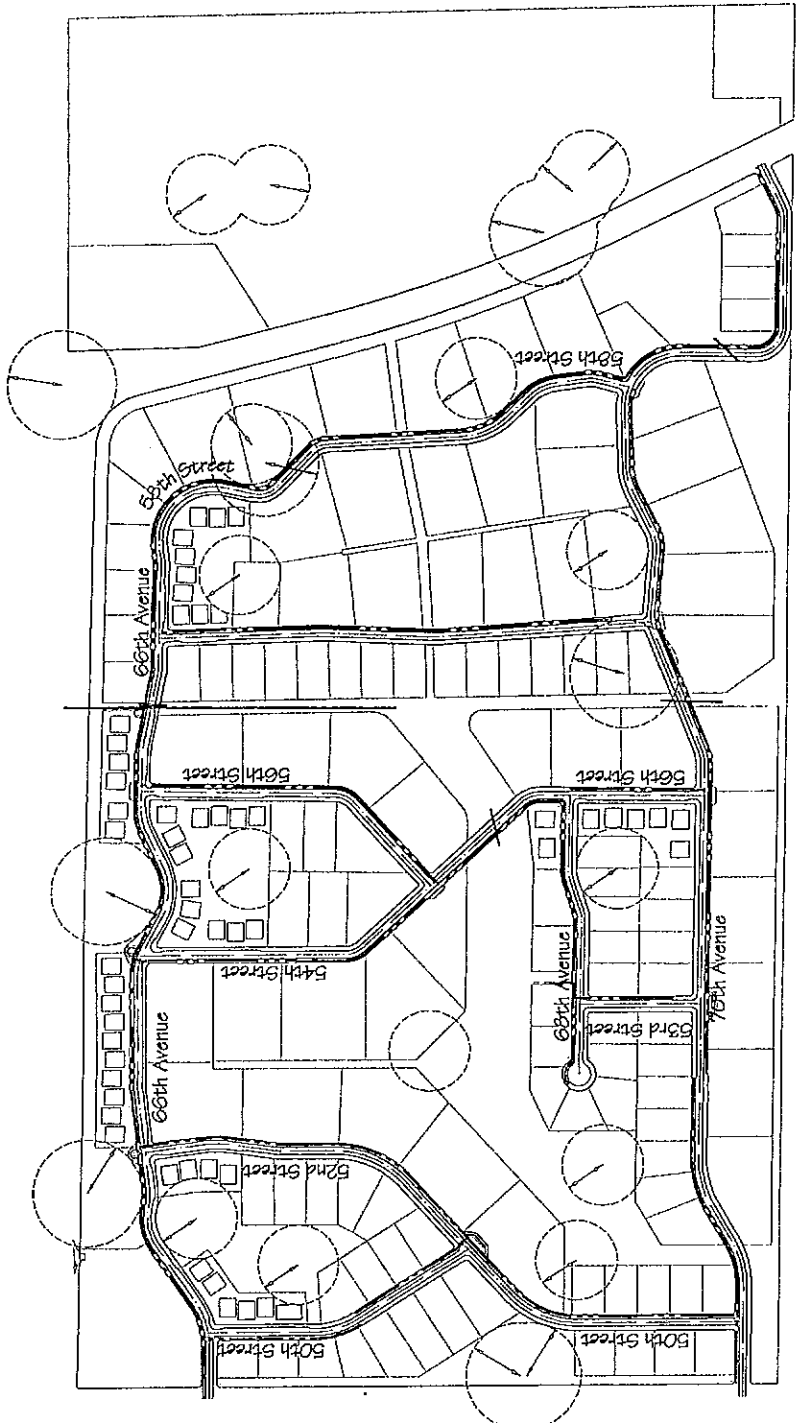
DATE: 11-1-88  
 DRAWN BY: J.E.  
 CHECKED BY: J.E.  
 PROJECT NO. 88-001

NO.	REVISION	DATE

CMDA  
 11-1-88  
 88-001



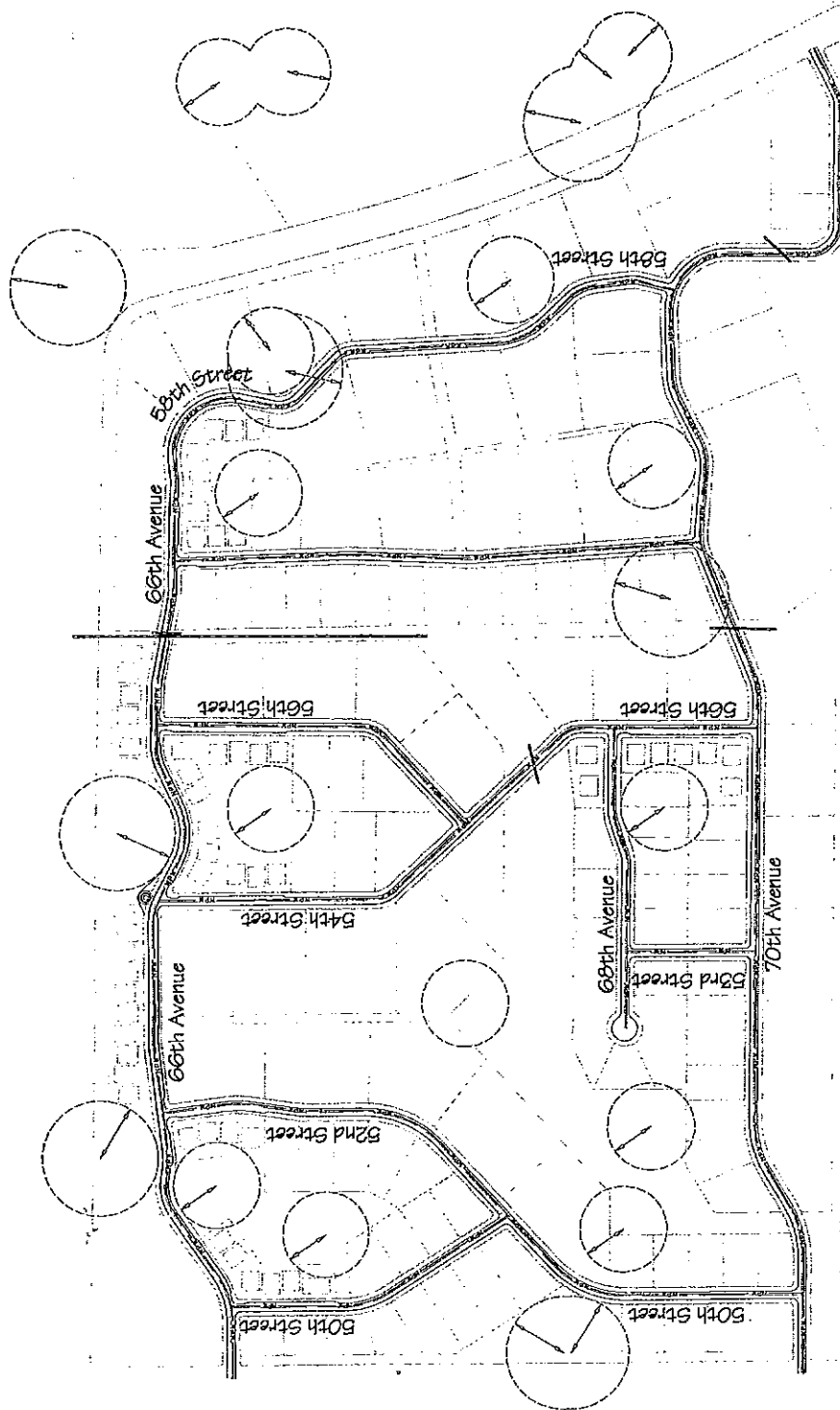
**ROADWAY NETWORK  
 STORM SEWER**







# NONPOTABLE WATER DISTRIBUTION SYSTEM





**Exhibit E**  
**Town Intergovernmental Agreement**

**INTERGOVERNMENTAL AGREEMENT  
BY AND BETWEEN  
THE TOWN OF MILLIKEN, COLORADO  
AND  
HOMESTEAD METROPOLITAN DISTRICT**

THIS AGREEMENT is made and entered into as of this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the TOWN OF MILLIKEN, a municipal corporation of the State of Colorado ("Town"), and HOMESTEAD METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado ("District") The Town and the District are collectively referred to as the Parties.

**RECITALS**

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the Districts' Service Plan approved by the Town on \_\_\_\_\_, 2006 ("Service Plans"); and

WHEREAS, the Service Plans make reference to the execution of an intergovernmental agreement between the Town and the District; and

WHEREAS, the Town and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement ("Agreement").

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**COVENANTS AND AGREEMENTS**

1. Service Plan. The District will not take any action, including without limitation the issuance of any obligations or the imposition of any tax, which would constitute a material departure from the terms of the Service Plan and a material modification thereof as set forth in §32-1-207(2), C.R.S. Actions of the District which constitute a material departure from the terms of the Service Plan and a material modification thereof as set forth in §32-1-207(2), C.R.S. shall be a default hereunder, and shall entitle the Town to protect and enforce its rights hereunder by such suit, action, or special proceedings as the Town shall deem appropriate, including without limitation an action for specific performance or damages. It is intended that the remedies hereof shall be in addition to any remedies the Town may have or actions the Town may bring under §32-1-207, C.R.S., or any other applicable statute. Nothing herein is intended to modify or prevent the use of the provisions of §32-1-207(3)(b), C.R.S.

2. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the



address or by courier delivery, via United Parcel Service or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the Districts: Homestead Metropolitan District  
c/o Grimshaw & Haring, P.C.  
1700 Lincoln Street, Suite 3800  
Denver, CO 80202  
Attention: Russell W. Dykstra, Esq.  
Phone: (303) 839-3800  
Fax: (303) 839-3838

To the Town: Town of Milliken  
P.O. Box 290  
Milliken, CO 80543  
Attention: Town Administrator  
Phone: (970) 587-4331  
Fax: (970) 587-2678

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All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

3. Entire Agreement of the Parties. This written Agreement constitutes the entire agreement between the Parties and supersedes all prior written or oral agreements, negotiations, or representations and understandings of the Parties with respect to the subject matter contained herein.

4. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the Parties hereto and without amendment to the Service Plan.

5. Assignment. No Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of all other Parties, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

6. Default/Remedies. In the event of a breach or default of this Agreement by any Party, the non-defaulting Parties shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party/Parties in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

7. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado.

8. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

9. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

10. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the Districts and the Town any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the Districts and the Town shall be for the sole and exclusive benefit of the Districts and the Town.

11. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

12. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

13. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

14. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Service Plan.

IN WITNESS WHEREOF, the Districts and the Town have caused this Agreement to be duly executed to be effective as of the day first above written.

**HOMESTEAD METROPOLITAN DISTRICT**

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

Attest:

\_\_\_\_\_  
Secretary

**TOWN OF MILLIKEN**

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

Attest:

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

APPROVED AS TO FORM:

\_\_\_\_\_